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Senate

The Senate met at 10:30 a.m. and was called to order by the Honorable ROBERT MENENDEZ, a Senator from the State of New Jersey.

PRAYER

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

Let us pray.

Eternal God, You have brought us to this season of great expectations. Prepare our hearts to welcome Your coming. Use our Senators to bring good tidings of peace and unity. May no low mood, no frustration, and no sense of futility cripple their effectiveness. Instead, let our lawmakers embrace optimism as they serve You and humanity. Deliver them from the temptation of

trying to make it in their own strength and, instead, help them to yield to the inflow of Your wisdom, insight, vision, and guidance.

Lord, we also pray for the millions who live in constant deprivation: the homeless and the hungry, the oppressed and the persecuted. We pray for those in prison and their families. We pray for the poor of our cities, the street people, the lonely, and the forgotten elderly. Help us to share our more than enough with those who rarely have enough.

We pray in the Name of the judge of all the Earth. Amen.

PLEDGE OF ALLEGIANCE

The Honorable ROBERT MENENDEZ, a Senator from the State of New Jersey, 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 assistant legislative clerk read the following letter:

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".

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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.



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U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, December 6, 2007.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ROBERT MENENDEZ, a Senator from the State of New Jersey, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

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

RECOGNITION OF THE MAJORITY LEADER

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

SCHEDULE

Mr. REID. Mr. President, this morning, following any time used by the leaders, the Senate will conduct an hour of debate prior to a vote on the motion to invoke cloture on the motion to proceed to the AMT legislation, H.R. 3996. The debate time is equally divided and controlled between the leaders or their designees. Under an order entered last night, each leader will control 10 minutes immediately prior to the rollcall vote, with the majority leader controlling the final 10 minutes. The rollcall vote will occur probably around 11:40 this morning or thereabouts.

As a reminder to Members, I filed cloture on the Harkin substitute to the farm bill. If Members who are listed on the finite list of amendments to the bill have not filed their germane first-degree amendments, they will need to do so by 1 p.m. today. Of course, amendments already filed don't need to be refiled.

NORTH KOREA AND THE SUBPRIME MORTGAGE CRISIS

Mr. REID. Mr. President, I always try and be aware of what happens in the morning news. The first thing I do when I get up in the morning is listen to what is on the radio as to what has developed over the night. Everyone knows I have criticized the President on occasion, but I think it is also appropriate, when we hear some good news, to throw an accolade toward the President on occasions when there are good things to talk about.

I am confident of the reports we get this morning that the President sent a personal letter to North Korea's leader, Kim Jong-Il. He sent a letter. That is important. I have not read the letter, but all the news accounts indicate it is meant as a message to the leader of North Korea, to send a message that we want to work with North Korea. That is a positive step to breathe new energy into our diplomatic efforts with North Korea.

I have long advocated that we must reach out to people, even though we

don't like how they are conducting their government. Diplomacy must be grounded in communication and the personal touch. In taking this step with North Korea, I believe President Bush is taking a page out of Ronald Reagan's book of diplomacy.

There was no elected official, at the time President Reagan was elected President, who more disliked the Soviet Union and the Communist way of government and life. But the President, President Reagan, reached out to them. In his first day in office, he sent diplomats to the Soviet Union to try to work things out. As a result of that, he held meetings with people he didn't admire and maybe even respect, but he did that because he believed, as did Jim Baker, as Secretary of State, that it was the right thing to do. And it proved to be the right thing to do.

Too many throughout the world have come to view America's approach this past 7 years as "shoot first, talk later." I take this letter as a sign that President Bush has learned that communication is not a sign of weakness but a sign of strength.

As I have been saying since the national intelligence report on Iran was published earlier this week, we should be taking a diplomatic surge approach to Iran. The President should make Secretary Rice and Secretary Gates available to meet with their Iranian counterparts to begin those long overdue diplomatic efforts.

On another subject, Secretary Paulson this morning, with the President, will unveil the administration's strategy to address the crisis in subprime lending. We know the effort will not cover everything, but it is a step in the right direction. We don't know the details of this plan yet, but I am glad to see the White House beginning to address this awful situation that now threatens the homes, security, and the way of life of millions of Americans, including about 150,000 Nevadans.

In Nevada, we continue to work hard locally with constituent services and in education to make at-risk homeowners aware of the options available to them. This crisis calls for national leadership and we look forward to Secretary Paulson's proposal. We believe our proposal, FHA Modernization Act, goes even further than the administration's.

Earlier this week, Secretary Paulson called upon Congress to pass the FHA bill. Mr. President, we have been trying to do that. We have been prevented from passing it because of the Republicans. Secretary Paulson is part of a Republican administration. He should lean on the minority here in the Senate to allow us to get this passed. I call once again upon Senate Republicans to heed the call of millions of at-risk homeowners and to heed the call of Secretary Paulson, to pass the FHA Modernization Act. The only thing standing in the way of passing this bill, so we do not pass it, is the Republicans.

On November 15, we tried at the same time to pass the FHA Act to assist at-risk homeowners and the Transportation-HUD appropriations conference report. That bill was so important because, in that, Senator MURRAY provided \$200 million for foreclosure counseling and mitigation. We have learned over the months this foreclosure crisis has been before us that people simply need to know how to get out of the problem they have. People in the home will lose, the lender will lose, the community where the home is located will lose. We need to try to keep people in these homes. That is why the FHA Modernization Act is so important.

The Banking Committee sent the FHA Modernization Act to the floor with a 20-to-1 vote. As I said, Secretary Paulson, whom I respect, called for Congress to pass it. We can't do it unless he gets his Republican Senators to support this.

Much of the burden for this crisis that exists in America today has to be met by the Finance Committee. The chairman of the Finance Committee is on the floor today. With him being present, I am going to ask unanimous consent the Senate proceed to the immediate consideration of Calendar No. 481, S. 2338, the FHA Modernization Act; and that the Dodd-Shelby amendment at the desk be considered and agreed to; the bill, as amended, be read a third time, passed, and the motion to reconsider be laid on the table, and any statement relating to this matter be printed at an appropriate place as if given.

Mr. President, before I hear from my Republican colleagues as to whether there is going to be objection, let me repeat: The Secretary of the Treasury, appointed by President Bush, has called for passage of this legislation. We want it passed. We hope it could be passed. It would do a great deal to alleviate some of the problems facing our country.

I met yesterday with realtors from Nevada. They said if this passed, it would be a tremendous boost to their ability to work out some of the problems we are having in Nevada, as we are having around the country.

I came to the floor to say positive things about the President's actions to help as many as 200,000 people. That is, their efforts today, his and Secretary Paulson's efforts today, will help about 200,000 people. That is about 10 percent of the people in real trouble.

Is that enough? Of course it is not enough. But it is a step in the right direction. This FHA unanimous consent request I have made is also a tremendously big step in the right direction. I hope my Republican colleagues will not object and we can go forward with this legislation.

The ACTING PRESIDENT pro tempore. Is there objection?

The Senator from Wyoming.

Mr. BARRASSO. Mr. President, I object on behalf of Senator COBURN.

The ACTING PRESIDENT pro tempore. Objection is heard.

RESERVATION OF LEADER TIME

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

TEMPORARY TAX RELIEF ACT OF 2007—MOTION TO PROCEED

The ACTING PRESIDENT pro tempore. Under the previous order, there will be 1 hour of debate, prior to a vote on the motion to invoke cloture on the motion to proceed to H.R. 3996, with the time equally divided between the two leaders or their designees, with the 20 minutes immediately prior to the vote to be divided 10 minutes each for the leaders, with the majority leader controlling the final 10 minutes.

The Senator from New Hampshire is recognized.

Mr. GREGG. What is the order of recognition? Is it the Democratic side or Republican side?

The ACTING PRESIDENT pro tempore. There is no order of recognition.

Mr. GREGG. Does the Senator wish to proceed?

Mr. BAUCUS. You go ahead.

Mr. GREGG. I will be happy to allow you.

Mr. BAUCUS. Mr. President, I yield myself such time as I consume.

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

Mr. BAUCUS. Mr. President, in the 1931 film classic, "Frankenstein," the character Dr. Waldman tells Dr. Frankenstein:

You have created a monster, and it will destroy you.

That is how the AMT looks to the Tax Code. That is what it looks like. It is a monster. It is a thing of dread for many Americans. Unless we act, it will destroy the entire tax system. If we don't act pretty soon, the AMT tax will be greater than the individual Federal income tax. This tax is a problem for taxpayers in all 50 States. I must give a few numbers as to what will happen if we don't extend the AMT patch.

Let's take Texas. The number of Texans subject to the alternative minimum tax, if we do not act this year, would increase from roughly 150,000 taxpayers in Texas to 870,000 taxpayers. That is about a sixfold increase in 1 year.

The number of Nevadans subject to AMT would increase from about 15,000 to about 100,000—again, a little over a sixfold increase.

The number of South Carolinians would increase from 30,000 to 190,000, again a large increase, about 6 times.

That is about average across the country, six times more Americans will pay more taxes under the AMT if we don't act, compared to what they were otherwise paying.

Even taxpayers who do not pay the AMT tax are hurt. Why? Because taxpayers have to calculate not only the regular tax, but taxpayers then have to calculate the alternative minimum

tax. That is the law. You have to do both.

First, you have to calculate all your regular taxes. Then you have to calculate what taxes you may pay under a whole separate system of AMT. So even though you may not pay more under the alternative minimum tax, you have still got to go through a second calculation. That is not a lot of fun. Then, if the second calculation shows you pay more under the alternative minimum tax, guess what. You have to pay more. You cannot choose to pay the lesser of the two; you have to pay the greater of the two. That is the law.

Again, the monster created by the Congress years ago, unintended consequences, but a monster we can eliminate, if not destroy, if we take action today.

Calculating taxes once is scary enough. Calculating taxes twice is almost enough to destroy a person. It may also cause significant financial hardship. Why? Because in today's economy, families depend on that refund check. It is getting close to Christmas. People are buying presents. Sometimes they run up their credit cards a little bit. They are depending upon that refund check to pay off their credit card balances. A lot of Americans do that. A lot of Americans do that.

Think of the taxpayers who think they are going to get a refund from the Federal Government. But then, if we do not fix this AMT problem, what happens? They get the letter in the mail telling them they have to pay more taxes because of the AMT. Talk about your horror story.

Here is an example of how AMT hits working families. Let us take a married couple, four young children. What is their household income? A whopping \$75,000 a year. Their regular income taxes should be about \$1,800. That is probably what they pay. This is after the standard deduction and after the child tax credit.

Again, a family with a \$75,000 income, family of four, pays about almost \$2,000. Not quite, because they are able to take a standard deduction for the child tax credit.

Well, let's see what happens when we calculate the alternative minimum tax. Same family. Same income. The amount more than doubles this family's tax liability. It raises their tax from \$1,800 to \$3,800. More than twice. More than twice.

That is a family earning \$75,000. Not a huge, big-income family. That is a \$75,000 family. The AMT hits this family not because they are rich, because they are not. Why? Because they have four kids. That is kind of how it works. It is perverse. If you have more children, you pay more taxes. That is kind of nutty, but that is what it is today.

The AMT will cost taxpayers because it costs the Federal Government. A delay will create delayed tax return filings, and last minute legislation will delay the issuance of Federal refunds.

With each extra day we delay, the greater the cost. The greater the cost to taxpayers, the greater the cost to the IRS. The cost mounts up.

Let's look at some of the costs of delay. If the IRS has to postpone accepting returns to the early part of the filing season, say January 28, this would delay the receipt of more than 6.5 million returns, delay the issuing of more than 5.5 million refunds, totaling more than \$17 billion, delay about \$17 billion worth.

A delay in fixing the alternative minimum tax affects States. We are not just talking about the Federal income tax, we are talking also about State taxes. Why? Because most State taxes are tied to the Federal tax system.

A delay in the Senate will mean not only a delay in the Federal tax receipts but also a delay in the State tax refunds, Federal and State.

A delay will also mean States that are already financially strapped could have a cash crunch. Think of the States' coffers. Their normal flow of tax revenues will not be coming in. Many States are very tightly budgeted. I know that is true in the State represented by the officer in the chair. I hear many times about the tight fiscal situation in that State.

That is true for most States. If tax agencies cannot reprogram their computer systems in time, States and the IRS are concerned taxpayers will turn back to paper returns. What is the consequence of paper returns? It leads to an increase in processing times and costs as well as more errors.

Let's take the State of Montana. In Montana, it costs \$2 to process an electronic return, \$2. But it costs \$9 to process a paper return. I daresay that disparity is probably true in most States.

At a time when families are experiencing hardship, I must say the other side of the aisle is playing politics. They are not letting us fix this problem. They, in effect, consequently want to increase taxes. They are increasing taxes. How? By causing the alternative minimum tax to be imposed upon Americans, by not letting us fix the alternative minimum tax.

You watch that vote that is coming up. We are not going to get 60 votes. You watch how, when the leader is going to request we take up the House-passed bill, and the substitute measure where we fix the AMT patch, unpaid for, they will object to that. They do not want to fix this problem. They say they do, but their actions are louder than the rhetoric. They are raising taxes. They are raising taxes by not allowing us to fix the alternative minimum tax patch for 2007.

In the 1945 B movie "House of Dracula," the character, Dr. Edelman, says of Frankenstein's monster:

He's indestructible. Frankenstein's creation is man's challenge to the laws of life and death.

Let's prevent that from being said about the AMT. Let's prove the AMT is

not indestructible. Let's move to proceed to the House bill and stop this tax monster.

We are going to do this. Let's do it now. We know we are going to fix this one way or another. So I say: Stop playing politics. I say that to the other side of the aisle because they are going to block this next cloture vote. They are going to object to the motion asking consent to pass the alternative minimum tax, unpaid for.

I say: Stop the games. Let's get on with it. Let's help do something for the American people. Let's move to proceed to the House bill, stop this tax monster.

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

Mr. GREGG. Mr. President, I appreciate the chairman of the Finance Committee outlining the problems with the AMT. I agree 100 percent with his statement relative to the problems with the AMT. He is absolutely accurate. It was a concept passed with the consequences being—with the known consequences being—to make sure people who had high incomes would pay a fair share of taxes.

It turns out it was drafted poorly, it was not indexed for inflation. As a result, we have literally millions of people who are paying this tax who should not have to pay this tax, and therefore it should be repealed. Actually, it should be repealed permanently. There is no reason for us to even go 1 year. We should do the whole thing, get it done.

But this bill which is being brought forward on which cloture is being filed in order to proceed to it is a very bad approach. Because basically what this bill is saying is a tax which was never intended to be in place, people who were never supposed to pay this tax and, therefore, to correct it is not giving them a tax cut, it is simply saying: You are going to be taxed the way we expected you to be taxed. Or to put it another way: If the alternative minimum tax goes forward, people are going to pay a tax they should not have to pay because it was never perceived they would have to pay it.

A bill which should accomplish that, which should give those people relief, is being coupled with tax increases on people who should not have to pay new taxes to correct the alternative minimum tax problem.

It is also being coupled with a bill which has some bad policy in it. For example, this bill will stop, stop the IRS from proceeding with investigations and action, potential action, against people who are using the Virgin Islands as a tax shelter. There are 279 investigations going forward right now relative to Americans who have basically created a shell lifestyle in the Virgin Islands so they can avoid taxes in the United States, which they probably owe.

It is estimated there may be as much as \$370 million of taxes owed to the

United States by those high-income individuals. What does this bill do that came to us from the House? It says: We are going to stop that. We can no longer investigate those people. The IRS can no longer continue to proceed with an action against those people who are basically trying to escape American tax law.

It also, this bill, includes in it a tax deduction for State legislators during periods when they are not in session. How about a little gift to our friends in the State legislature maybe in New York. So that if the New York legislator does not even go to Albany, they are still able to deduct their per-diem expense.

That is called porkbarrel tax policy, I suspect. Those are terrible policies. But the larger policy which is bad, which is in the bill before us, is we are essentially going to hit partnerships and individuals with something called a carried interest tax, the practical effect of which will be that people who are involved in the financial business of this world—in the United States, not the world, people who are involved in the financial business in this country—and I know there is not a lot of sympathy for those folks because they make a lot of money. We would all like to make a lot of money like that. But these folks are essentially the engine of a large part of our economy. They are the ones who are creating the capital which is then invested in the businesses. They are the entrepreneurs who then create jobs. Jobs do not appear from thin air. They do not. They appear because someone out there is a creative individual who says: I have an idea. I am going to start this little company. I am going to start this little restaurant. I am going to start this little business.

They build it, and then they get to a certain point where they need more money in order to expand it to create more jobs. Where do they get the more money? It does not appear from thin air. It appears from the fact that we have financial markets, the most viable capital markets in the world where people can raise money. They go into the market, and they say to the people who are the professionals: We need X amount of dollars in order to expand our business so we can create more jobs in New Jersey or in New Hampshire or in Montana or in Texas. We are coming to you to help us raise capital.

Those folks go out and they raise the capital. They invest it in those businesses and those businesses create jobs, those entrepreneurs create jobs. What this bill says is: Those people who are in those financial markets will receive a brandnew tax on what they consider to be the way they raise money and create wealth for Americans by creating jobs, in what they consider to be a fair way to do it, which under the tax law today they are not taxed for it. It is a brandnew tax. What is the practical implication of putting this new tax in place in order to pay for the

elimination of a 1-year kicking down the road of the alternative minimum tax expansion? Which should be done.

The practical implication of doing it by raising taxes in this way is that, first, people who should have not paid taxes under the AMT will not have to pay their taxes. That is good. We should not have counted that revenue anyway.

But, second, you are going to put in place a new tax system which would drive those people who create that financial incentive, which creates jobs, which gives business people and small entrepreneurs in this country the revenue and capital they need to create jobs, you will drive them overseas. We will be exporting jobs again because we are in global competition in the area of capital.

One of our biggest problems in this country today is a lot of the capital that is being formed in this world today, which used to be done in New York, where if you wanted to raise capital in this world, you used to come to New York. Unfortunately, it is a world competition, and now places such as London are competing with us, and they are being very effective in their competition.

One of the reasons they are able to compete with us effectively is we have put a lot of restrictions on our people which have been maybe a little bit over the top and, more importantly, we have a tax policy which has not been constructive, which has not encouraged people to stay here. It encourages them to go overseas.

The effect of this proposal will be to even aggravate that further. We will be exporting more jobs. More importantly, not only will we be exporting the job of the person in the financial market, we will be exporting the creation of the capital. That is serious. Because that capital is the feed corn for the expansion of our economy.

You should not be raising taxes at this time. That is another point that should be made—this alternative minimum tax proposal which comes to us from the House raises taxes. That is pure and simple. We are headed into potentially an economic slowdown. That is the way it looks. Because of the subprime crisis, because of the capital market crisis, we are heading into some sort of a slowdown. Hopefully, it will not be severe, but it could be difficult. There is no question about that.

To raise taxes in the face of that type of a slowdown is the absolute opposite of what any reasonable person who has experienced any economic slowdown would do. In fact, recently I was interested to read what Robert Reich, who was Secretary of Labor under the Clinton administration and who is readily acknowledged as being a liberal economist, and a very talented one by the way, he went to Dartmouth, so I know he is talented.

Robert Reich said: A tax increase at this time would be foolish. What we should be talking about is a tax cut.

Actually, what we should be talking about, and what we on our side would like to do, quite honestly, is put in place an alternative minimum tax fix which is permanent. That has been proposed by a number of us on our side.

Let's correct this problem so we do not have to deal with it this year, next year, or the year after. That is the first thing we should do. Short of that, we should put one in that is a little bit longer, at least, so there is some predictability in the tax law.

But under no circumstances should we put in place an AMT fix which is coupled with a tax increase or which is coupled with terrible policies such as this Virgin Island loophole and this State legislator loophole that was put in this bill. That is why we resist this approach.

The Republican leader came to the floor a couple days ago and suggested three or four different avenues where we could correct this problem. They were all fairly reasonable. I don't know why they were rejected by the other side of the aisle. My sense is that we should be able to work this out because I honestly believe, when I listen to the chairman of the committee, that there is not that much difference between where he wants to go and where our side would like to end up, which is let's straighten out the AMT. Let's put all this additional tax policy and these tax increases which have come from the House aside. Let's say: The House got off on the wrong track. Let's just take this approach of doing AMT and do AMT and fix that, and then, if the House wants to come back with a tax increase bill, we will fight that out on a separate agenda.

We can't on our side support a bill and vote for cloture on a bill which would mean we would be shut off from a lot of our amendments, vote in a way which would basically put us in a position which would potentially lead to a tax increase in order to correct what is an underlying important problem. Obviously, this is a motion to proceed, so we might not be shut off from amendments, but I suspect the motion to proceed will be followed very closely by the filing of cloture on the underlying bill.

I am not too concerned about the fact that we would not be allowed our approach. If the position of the other side of the aisle is, we are willing to give you your votes, let's set that up right now. Let's take the Republican leader's position, set up three or four votes in tandem, make them all 60-vote hurdles, if that is what it requires—and that is what it will require because pay-go is going to get waived on every one of them—and vote on them—bang, bang, bang, bang, bang. Let's not go through this exercise on cloture. We want to correct the AMT problem. We think it should be corrected. We don't think the way to correct it is to raise taxes on the productive side of the American agenda and potentially throw us into a further slowdown of the

economy or force people to go overseas in order to raise capital or, alternatively, put in place policies which basically make the Virgin Islands a safe haven for people who want to avoid American taxes or give State legislators the opportunity to claim a per diem deduction when they are not even going to work.

I yield the floor.

The PRESIDING OFFICER (Mr. BROWN). The Senator from Montana.

Mr. BAUCUS. Mr. President, I listened carefully to the Senator from New Hampshire. I say to my friend, frankly, I would not have written the House bill in the way it was written. I don't agree with everything in the House bill. In fact, I think there are some measures there that probably should be addressed and amended. I also think, though, that we need to get to the House-passed bill so we can fix the AMT. We can't fix the AMT until we get to that bill. Once we get to that bill, any Senator, irrespective of whether cloture has been filed, can always file a motion to strike. So if there are measures in the House bill that the Senator does not like or the Senator from Texas doesn't like or anybody doesn't like, that motion to strike is available.

If we get to the House bill, I am going to offer a compromise which I think the vast majority of the Members of this body will accept. We need to get to the bill. We need to vote cloture and get to the bill so we can cure this AMT problem, offer amendments that Senators might find objectionable to the House bill. At the same time, I am going to offer a compromise proposal which I believe will dispose of it. I urge my friends on the other side to let us get on the bill. Then we can vote to strike. We can vote on this compromise proposal I will offer.

I mentioned that there are various versions we could vote on. One is just straight AMT unpaid for, period. That is an option. To get there, we need to get to the bill.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. GREGG. Mr. President, because I don't think this is inconsistent with what the Senator from Montana, chairman of the Finance Committee, has asked for, I renew the Republican leader's request from yesterday.

I ask unanimous consent that at a time determined by the majority leader, after consultation with the Republican leader, the Senate proceed to consideration of H.R. 3996, the House-passed AMT bill, and it be considered under the following limitations: there be 1 hour of debate on the bill equally divided between the two leaders or their designees, followed by a vote on the motion to invoke cloture on the bill; provided further that if cloture is not invoked, then the only amendments in order to the bill be the following offered in the following order: a substitute amendment to be offered by

Senator MCCONNELL or his designee which is to be an offset AMT extension and an unoffset extenders package, a Baucus or designee first-degree amendment to the McConnell substitute which is to be a set of offsets for the extender package, a Sessions amendment related to AMT and exemptions, an Ensign amendment which is an AMT repeal and extends other expiring provisions, and a DeMint amendment which relates to the AMT and flat tax; provided further that there be an additional 2 hours of debate on the bill equally divided between the two leaders or their designees; that there be a time limitation of 2 hours for debate on each amendment equally divided in the usual form; provided that each amendment require 60 votes in the affirmative for adoption and that each amendment that does not receive 60 votes then be withdrawn.

I further ask that notwithstanding the adoption of any substitute amendment, the other amendments be in order; and finally, that following consideration of the above amendments, 60 votes be required for passage of the bill, as amended, if amended.

This outlines a procedure to accomplish what I believe the Senator from Montana requested because it does have his first degree. There are three other amendments in there, but they are all subject to 60 votes—the Sessions, Ensign, and DeMint. If they fail, they fail. One presumes that, depending on the position of the Senator from Montana, since he controls more than 40 votes on his side, that would happen and that we would then proceed in this way.

The PRESIDING OFFICER. Is there objection?

Mr. BAUCUS. Reserving the right to object, I remind all of us, we are here to solve a very imminent problem; that is, the alternative minimum tax. The IRS is having fits, frankly, because they are unable to send out the right returns, programs, and so forth, to help the American public avoid this AMT for 2007. The other provisions listed in that consent have nothing to do with the alternative minimum tax. One is the Bush tax cuts. They don't expire until 2010. We are talking about 2007, right now, this month. Then there is the flat tax. That has nothing to do with the alternative minimum tax. That is a whole other issue that has nothing to do with what we are trying to accomplish today. I urge Senators to keep their eye on the ball. Let's get the AMT patch passed. That is what we are talking about.

I must, on behalf of the majority leader, object. I can't agree to a procedure on the floor without the presence of the majority leader. I just point out the pitfalls of that request which prevent us from getting to a real problem, and that is solving the AMT for the tax year 2007.

The PRESIDING OFFICER. Objection is heard.

Mr. GREGG. Mr. President, I appreciate the objection of the Senator from

Montana. I understand he believes the suggestion he is proposing is the right way to proceed. I would note that this subjects everything to a time limit. Yes, the flat tax is going to be debated for 2 hours, and, no, it is not going to get 60 votes, so it will not be in the final package. Yes, the Ensign proposal, which is essentially a repeal of the AMT and also extends the cap gains dividend rates—I believe that is the proposal—would be brought forward. It would be debated for 2 hours, and then we would move on. I actually hope that one might pass.

In any event, this sets out a pretty tight timeframe. If you take all the factors here, we could finish this by sometime around 7 o'clock tonight, assuming everybody wants to talk for 2 hours, which they probably wouldn't, and be done. We would get it done, get the AMT straightened out, and have done some good work around here. I suspect—though I won't guarantee this—the final resolution of this proposal, which Senator MCCONNELL made yesterday, would be closer to what the Senator from Montana wants than the bill he is suggesting we vote cloture on relative to proceeding.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. CORNYN. Mr. President, may I inquire of the Chair how much time remains on this side of the aisle?

The PRESIDING OFFICER. Four minutes 25 seconds, and for Senator BAUCUS, 8 minutes 12 seconds.

Mr. CORNYN. Mr. President, I ask unanimous consent for 2 minutes for myself and then the remainder of our time to the Senator from Utah, Mr. HATCH.

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

The Senator from Texas is recognized.

Mr. CORNYN. Mr. President, I am not without sympathy for the position argued by the distinguished chairman of the Finance Committee. I think the list of horrors he has recounted by the fact that the AMT is not indexed and will cover up to roughly, I believe the figure is now, 23 million taxpayers unless we act—I am not without sympathy for what he is trying to do here. But the problem is, we are not going to agree on this side to raise taxes against the American people in order to pay for a tax cut for others. It is simply that clear. We are not going to agree to raising taxes, particularly at a fragile time for the economy, by what some have estimated would be \$80 billion a year.

I believe three simple principles will help us find a solution. One is that we ought to protect the middle class from the rise of the AMT which President Clinton vetoed a full repeal of in 1999. I wish he had not done that then. That would have protected us from where we are today. We ought to pass the expiring tax provisions, the so-called tax extenders for capital gains and dividend rates and other tax relief which have

contributed to 50 months of continuous and uninterrupted job growth since tax extenders relief was passed in 2003. We ought to do both without raising taxes on the American people.

Unfortunately, we know a tax increase is like throwing a wet blanket on the American economy. The AMT, if we don't act, will hit about 870,000 of my constituents, up from 150,000 now. It sounds to me as if the distinguished chairman of the Finance Committee is sympathetic to the direction we would like to move that this bill, unfortunately, does not represent. But as long as we are presented with a choice of cutting the AMT by raising taxes, I don't believe we are going to see any progress.

I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, the AMT was initially designed to catch about 155 people who were not paying taxes but were immensely wealthy and getting all kinds of income every year. Today, there are 4 million people who are paying the AMT. If we don't do something about it, there will be 25 million tomorrow. To be honest with you, because we have delayed so long, we are going to be in a bind as far as even getting the software done, the paperwork done, the IRS work done to be able to give people their refunds this next year because of the delay we have had. I respect the distinguished chairman of the committee. It has been a very difficult committee to manage, and he has done as well as anybody I can imagine.

We need to fix the alternative minimum tax, the AMT. There is no argument in this chamber about that. If we fail to act, 25 million Americans might have to write checks to Uncle Sam for thousands of dollars.

So we agree on fixing the AMT.

But the devil is in the details, and I cannot support a plan that prevents a tax increase on millions of Americans by raising taxes on others.

Congress never anticipated having anywhere near this level of AMT revenues to begin with, so we should not be raising taxes permanently to make up for that phantom lost revenue.

We are well past time for serious action on the AMT.

Almost 3 weeks ago, I came to the floor to discuss the financial and political ramifications of Congress' failure to fix the AMT.

We had a crisis then.

It is worsening by the day.

Even if we were to patch the AMT today, the American people will suffer from our inaction.

We have known that the AMT train was coming down the tracks all year.

This failure to act is setting new standards for ineptitude.

Three weeks ago, the failure to patch the AMT was merely creating uncertainty for millions of Americans who would be subject to it if we dropped the ball.

Three weeks later, these poor folks are barely the half of it.

Now billions of dollars in tax refunds risk being delayed because of inaction.

On November 26—11 days ago the chairman of the IRS Oversight Board sent a letter to the chairman and ranking member of the Senate Finance Committee.

His grim assessment of the situation is worth our review.

The filing season is expected to start on January 14, but that date is now in jeopardy.

IRS computer programs are set to process tax returns under current law.

The IRS cannot flip a switch and process millions of tax returns in January, when Congress changes the law on Christmas Eve.

According to the IRS Oversight Board, the IRS would be able to start processing tax returns within 7 weeks of the enactment of an AMT patch.

So if we were to enact an AMT patch today, tax filing season would start almost 2 weeks late.

That delay would lead to 6.7 million delayed tax returns and \$17 billion in delayed refunds.

What if we delayed the start of tax season 1 more week?

Then we are looking at 15.5 million delayed tax returns and \$39 billion in delayed refunds.

Push it back another 2 weeks—37.7 million delayed tax returns and \$87 billion in refunds delayed.

Many Americans actually look forward to getting their W-2 in the mail. Their employer withholds too much money from their paycheck every year, and the W-2 allows them to file a return and get that money back.

And now with electronic filing, Americans are able to get those refunds even more quickly.

Utahns depend on their refunds.

They count on their refunds.

Undermining that confidence is much worse than a lump of coal in a stocking.

We are now in the Christmas season.

I am sure that the movie "Christmas Vacation" will be on television soon.

That movie contains a lesson that we should all heed.

In that movie, Clark Griswold, assumes he is going to get his annual Christmas bonus.

That Christmas bonus is as reliable as a weekly paycheck.

And when that bonus did not come, he—flat—out—went—nuts.

The political philosophy of Clark Griswold is one that I would commend to my colleagues.

It is one shared by the American people. If you mess with my family's financial security, you better watch out.

The Senate's failure to patch the AMT in a timely fashion is going to delay millions of tax refunds, and we should not be surprised when the American people—like Clark Griswold—go nuts.

Right now, Americans are likely making decisions about the Christmas

gifts they are going to buy, at least partially, based on their tax refund.

They assume they are getting that tax refund.

And they assume they are getting it on time.

Further delay is no longer acceptable.

Yesterday on the floor, Republicans were blamed for holding up passage of an AMT patch.

That is funny.

When Republicans were in the majority, we managed to pass an AMT patch early in the year, no later than May 11.

We did it without permanent tax hikes to pay for 1-year AMT fixes.

We did it without including special interest giveaways, and we did it without delaying tax refunds.

Democrats did tell us yesterday on the floor that they are the party of change.

On the AMT at least, they seem to be succeeding.

To fix the AMT they propose raising taxes.

To pass important tax extenders they are raising taxes.

And their efforts have now jeopardized the tax filing season and refunds for the hard working Americans who depend on them.

When times change, they sure do change.

We are about to have a vote on the AMT.

I support AMT relief. I support AMT repeal.

But I will not support this fake tax relief.

I am not the only one. The Democrats' plan to fix the AMT with permanent tax increases ought to fail.

And for good reason.

We should not be paying for temporary tax cuts with permanent tax increases, nor should we be putting the economy at risk by passing unnecessary tax hikes.

When this episode is over, we need to get down to the real business of fixing this AMT so we can get Americans the tax refunds they expect and the tax relief they deserve.

The PRESIDING OFFICER. The senior Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I just want to make the fundamental point that if we don't act, we will be raising taxes on 19 million Americans. We have to act to prevent a tax increase from going into place. We on our side ask to vote for cloture so as to get to the bill which accomplishes that result of preventing 19 million Americans from paying greater income taxes. We have to get to the bill so we can pass that legislation. It can always be amended by any Senator who has a problem with other provisions that might be in this bill. I respect that. In fact, I would agree with some of those amendments, I am quite certain, and motions to strike are always available.

We need to get to the bill so we can prevent a tax increase on 19 million

Americans, called the alternative minimum tax, from going into effect. To the degree to which the other side prevents us from getting to the bill, that indicates to me they want to increase taxes on those 19 million Americans. I hope that is not true, but their actions indicate that it is true. Unless they totally change and say, yes, we should get to the bill to fix this AMT problem, I have to conclude they want to increase taxes on those 19 million Americans.

I see no other Senators who wish to speak, so I note the absence of a quorum, and I ask unanimous consent that the time be equally divided on both sides.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MCCONNELL. 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. MCCONNELL. Mr. President, before we cast our votes this morning, Americans should know exactly what we are voting on. This is not a vote on fixing the AMT; this is a vote to raise taxes. Every year for the last 4 years, Republicans in Congress have found a way, usually by May of the year in question, to correct a glitch in the Tax Code that threatens to affect more and more families each year.

This is a middle-class tax that was never meant to be. It was created to make sure 155 super-rich individuals couldn't avoid paying taxes. But because the people who wrote it didn't account for inflation, it now threatens 25 million middle-class families.

Republicans have always found a way to deal with this problem with the tax laws, and we did it without raising taxes. But the majority that now controls Congress has a different view. They don't want to protect the 25 million Americans who get hit by this glitch over the next few months, unless Republicans agree to raise taxes on other Americans in the process.

Let me say that again. What we are talking about here is extending current tax law, which normally we have done, and adding a new condition to that, saying we are only going to extend this tax break if we raise taxes on a whole lot of other Americans. Now, Republicans will respond to this proposal in the same way we have responded to it publicly and privately all year: No deal. No tax hike.

Democrats thought they could force us into accepting this proposal by waiting until the last days of the session to call a vote, but they were wrong. What they have forced instead is a crisis. Unless they fix this glitch, millions of Americans—including more than 3 million in New York, 98,000 in Nevada, and 819,000 in Illinois—will get a big surprise when they sit down to do their taxes over the next few months. Millions more will face delays in getting

the tax refund checks they count on every year.

The majority needs to find a way to fix this problem before it gets even worse. We have been warning them about it all year long. The senior Republican on the Finance Committee reminded us yesterday that he has spoken on the Senate floor on this issue no fewer than 12 times since last January. Senator GRASSLEY has spoken on this issue no fewer than 12 times since last January. The Treasury Secretary sent us urgent letters. The IRS sent us urgent letters. There is really no excuse for the delay.

This is a problem we can solve. We have shown the Democrats how. We don't need the majority leader to do a backflip off the Secretary's chair, as he suggested yesterday. We want him to give us a fix that does not raise taxes, that is fair, that is simple. This will work, and this will not put the majority leader or anyone else at risk of any physical harm.

So far, the majority has refused our offer. So here we are, about to vote on a massive tax hike that we know would not pass the Senate—and which we know the President wouldn't even sign if it did pass the Senate—instead of doing our job and fixing this middle-class tax hike.

With all due respect, this is no way to legislate. Let me be very clear to my colleagues across the aisle: Republicans will not raise taxes—will not raise taxes—in exchange for blocking a tax that was never meant to be. Our position has never been a secret. The Democrats have known it all year.

I will vote against this massive tax hike, and I urge all of our colleagues to do the same.

I yield the floor.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. REID. Mr. President, during the Clinton years we did some good things for this country, and when the history books are written, one of the things that will be paramount in those accounts will be what President Clinton did, with his allies in Congress, to turn the country around economically. During the Clinton years, we were paying down the debt by half a trillion dollars. We were spending less money than we were taking in. We can all look back to those days when Alan Greenspan told us in committees assembled that we should cut back. We were paying down the debt too quickly.

When President Bush took office, there was a \$7 trillion surplus over 10 years. With all of the things that he has done to bankrupt this country, we are now in debt of some \$10 trillion.

The bill we have before us is a bill that says this tax needs to be patched, but it should be paid for.

That is what we did in the Clinton years. That is what we did in our budget that we passed here. Mr. President, we passed the first budget in this Senate in 3 years—our modest majority—by one vote, because Tim Johnson was

sick. We passed again, following the Clinton example, a balanced budget where we said we believed if we are going to have new programs, they should be paid for. It is called pay-go. We said if there are going to be cuts in taxes, they should be paid for.

The Speaker followed this, and we now have a bill from the House that takes care of the patch, but it pays for it. Isn't that what the American people want? Isn't that the example we should set for them—that if we spend some money, we have to make provisions to pay for it? If you have a home and you suddenly decide you need something, such as a new refrigerator, and your credit card is at its maximum, then you cannot buy that refrigerator. There has to be some ability in this Congress to treat this body just as a family treats its own budget.

The wailing and crying we are hearing here is that they “find it offensive”—those were the words of my distinguished Republican colleague, Senator McCONNELL, yesterday—to have to pay for these tax cuts. Well, I hope everyone understands that we are trying to do what is right, that we are trying to have the Government of the United States not be one that is buried in red ink all of the time.

This is a \$50 billion patch. Should it not be paid for? The answer is, obviously, yes. I hope everybody votes for cloture on this most important piece of legislation.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, pursuant to rule XXII, the clerk will report the motion to invoke cloture.

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 Calendar No. 487, H.R. 3996, the AMT tax bill.

Harry Reid, Dick Durbin, Patty Murray, Max Baucus, Jay Rockefeller, Patrick Leahy, Daniel K. Inouye, Herb Kohl, Benjamin L. Cardin, Jeff Bingaman, Ted Kennedy, Carl Levin, B.A. Mikulski, Barbara Boxer, Debbie Stabenow, Maria Cantwell, Bill Nelson.

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call is waived.

The question is, Is it the sense of the Senate that debate on the motion to proceed to H.R. 3996, a bill to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes, shall be brought to a close?

The yeas and nays are mandatory under the rule.

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 New York (Mrs. CLINTON), the Senator from Connecticut (Mr. DODD), 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 Senators are necessarily absent: the Senator from Arizona (Mr. MCCAIN) and the Senator from Ohio (Mr. VOINOVICH).

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

The result was announced—yeas 46, nays 48, as follows:

[Rollcall Vote No. 414 Leg.]

YEAS—46

Akaka	Harkin	Murray
Baucus	Inouye	Nelson (FL)
Bayh	Johnson	Nelson (NE)
Bingaman	Kennedy	Pryor
Boxer	Kerry	Reed
Brown	Klobuchar	Rockefeller
Byrd	Kohl	Salazar
Cantwell	Landrieu	Sanders
Cardin	Lautenberg	Schumer
Carper	Leahy	Stabenow
Casey	Levin	Tester
Conrad	Lieberman	Webb
Dorgan	Lincoln	Whitehouse
Durbin	McCaskill	Wyden
Feingold	Menendez	
Feinstein	Mikulski	

NAYS—48

Alexander	Crapo	Lugar
Allard	DeMint	Martinez
Barrasso	Dole	McConnell
Bennett	Domenici	Murkowski
Bond	Ensign	Reid
Brownback	Enzi	Roberts
Bunning	Graham	Sessions
Burr	Grassley	Shelby
Chambliss	Gregg	Smith
Coburn	Hagel	Snowe
Cochran	Hatch	Specter
Coleman	Hutchison	Stevens
Collins	Inhofe	Sununu
Corker	Isakson	Thune
Cornyn	Kyl	Vitter
Craig	Lott	Warner

NOT VOTING—6

Biden	Dodd	Obama
Clinton	McCain	Voinovich

The PRESIDING OFFICER (Mr. CARDIN). On this vote, the yeas are 46, the nays are 48. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Mr. REID. Mr. President, I enter a motion to reconsider the cloture vote.

The PRESIDING OFFICER. The motion to reconsider is entered.

CONGRATULATIONS TO NEW REPUBLICAN LEADERS

Mr. REID. Mr. President, I have a unanimous consent request I am going to enter in just a minute, but I would like to say that I extend my congratulations to LAMAR ALEXANDER in his recent victory to be part of the Republican leadership. I respect and admire him. He will do a wonderful job.

I also extend my appreciation to Mr. JON KYL, a Senator from Arizona, a neighboring State of Nevada's, who is going to replace TRENT LOTT. I have expressed to Senator KYL personally—I haven't had that opportunity with Senator ALEXANDER because we didn't know how that vote would turn out, but I expressed to Senator KYL my admiration and respect for him. I know he will do a good job for the State of

Arizona, the country, and the Senate, and I look forward to working with both of them.

As we often do on the Senate floor, as Senator KYL knows—before coming here he was a distinguished lawyer, and I spent a lot of time in the courtroom myself—it is totally appropriate that we on the Senate floor advocate for our constituency, for our party, and for individual Senators in the best way we know how. But it is also very important that we maintain cordial relationships.

As we learned in our court experiences, no matter how difficult the case might be, no matter how tense it might be arguing to a jury or to a judge, when that courtroom is adjourned, the attorneys walk out, shake hands, go have a sandwich, have a drink, and go on and prepare for the next case. And that is what I say to my friends, LAMAR ALEXANDER and JON KYL. We are going to have some debates on the Senate floor. That is what the Senate is all about. Some say it is the greatest debating organization in the history of the world. I don't know whether that is the case, but I have been involved in a few debates and a few tense times on the floor, but I always try—and I haven't always been totally successful at this—to put my emotions aside and walk off the Senate floor and try to be friends with those I was advocating against.

So I say to these two fine Senators from the States of Tennessee and Arizona, I wish them the very best in their new duties.

UNANIMOUS-CONSENT REQUEST—H.R. 3996

Mr. REID. Mr. President, I ask unanimous consent that the Senate now proceed to consideration of the House AMT bill, H.R. 3996; that all after the enacting clause be stricken, and the text of Senator BAUCUS's amendment, No. 3804, providing for a 1-year unpaid patch for AMT extension be substituted in lieu thereof; the bill be read a third time and passed and the motion to reconsider be laid upon the table.

So for everyone here, Mr. President, in nonlegal words, what I have asked for is that we proceed in spite of how I would rather we do this, that we proceed to vote for AMT, a 1-year patch that is not paid for. I have already given a speech prior to the vote on the motion to invoke cloture how wrong I think this is, but I also understand how important it is we have the patch. This patch would affect people who make from \$75,000 to \$500,000 a year, the average tax of some \$2,000. This tax was not meant to cover those people and, therefore, we should do the patch. I would rather it were paid for.

So I am asking unanimous consent that we be allowed to vote on this by simply accepting this. There wouldn't need to be a vote; no debate. If we get no objections to this, then the AMT would be patched for 1 year, and we would send it on to the House for their concurrence.

The PRESIDING OFFICER. Is there objection?

Mr. GREGG. Reserving the right to object, I suspect at a later time this will, hopefully, be worked out—hopefully sooner rather than later—but at this time I am going to have to object.

The PRESIDING OFFICER. Objection is heard.

Mr. REID. Mr. President, I would simply say to my friend, I hope that is the case. I hope we can move to this. I am a little suspect because we have been trying to work something out for quite a long time now. I will renew this request sometime later today, and I hope we can accomplish what we need to get accomplished.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I think most of us are a little distressed that the other side is objecting to a request which is a huge concession on the part of this Senator, as well as most of the Senators on this side of the aisle, and that would be helping the other side, and that is that we are agreeing to pass AMT not paid for. Why? Because we need to get the AMT patch fixed. We don't want the American taxpayers to have to pay additional taxes under the alternative minimum. We want to get this fixed right away.

It is also important to remind us that time is of the essence because the IRS has to get out the correct forms. The computer programs have to be written properly. So I very much hope that very quickly the other side will no longer object and we can get this passed.

Mr. President, this reminds me of an old joke, and the joke goes like this: There was a big flood, and a man of faith heard about it on the radio. But he did not flee to higher ground. He said: No, I'll put my trust in God. I am not going to flee to higher ground, even though there is this big flood, which I heard about on the radio. I'll put my trust in God.

Well, the waters surrounded the man's home. And as he was standing on his front porch, a boat came up and the skipper said: Jump in, I'll take you to safety. And the man said: No, I'm going to put my trust in God.

Well, the boat went away, and the water rose up to the roof. So the man stood on the roof, and a helicopter came and dropped a ladder, and the pilot yelled down: Climb up the ladder, I'll save you. But the man, said: No, I'm going to stay. I'll put my trust in God.

So the helicopter flew away, and the water continued to rise, and the man drowned. The man went to Heaven, and God asked him: What are you doing here? The man said: I put my trust in you, and you let me down.

Well, God said: What do you mean I let you down? I sent you a message, I sent you a boat, I sent you a helicopter. I tried to save you three times.

I think that is what the Republican caucus has done to the AMT. The

House passed a bill to prevent the AMT from hitting 19 million more taxpayers, but the Republican caucus said, no, we will wait for our own legislation. The majority leader asked unanimous consent to consider a compromise amendment that did not pay for the AMT but just paid for the extenders. The Republican caucus said, no, we will wait for our own legislation. And now the majority leader has once again asked consent to allow us to consider an amendment that does nothing but prevent new taxpayers from being hit by the AMT, and once again the Republican caucus said, no, we will wait for our own legislation.

Mr. President, at this point I want everyone to know if the AMT hits more taxpayers next year, it is not because of the House of Representatives. If the AMT hits more taxpayers next year, it is not because of the majority leader. If the AMT hits more taxpayers next year, it is not because of the Democratic caucus. If the AMT hits more taxpayers next year, it is because of the Republican caucus. That is clear. They cannot take yes for an answer.

We are trying to set it up so we can vote on a unanimous consent request to fix the AMT, unpaid for, and get it done now, but the Republican caucus says, no. They cannot take yes for an answer.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The majority leader is recognized.

MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that we now proceed to a period of morning business for debate only; that Senators be allowed to speak for up to 10 minutes each.

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

ORDER OF BUSINESS

Mr. REID. Mr. President, I would hope that everyone understands we have a lot of balls in the air, and we are trying to grab a few of them to see if in the next few days we can work through some of them.

We have AMT, which hasn't been completed. The farm bill and spending bills have to be completed. We have many different bills we are trying to complete. If everyone will be patient and speak to their heart's content, we will try to have something legislatively that we can work on.

The PRESIDING OFFICER. The Senator from Arizona.

NEW LEADERSHIP POSITION

Mr. KYL. Mr. President, I was called off the floor just as the majority leader was saying some very nice things about me. I heard most of them, but I regret I didn't hear them all. I will ask him to repeat them privately. But in any event, it is true we are neighbors and

as a result have had an opportunity to work together on a lot of items. It doesn't matter which side of the aisle we are on, we can certainly do that.

I also appreciated the old story about the lawyers who fight for their clients' interest during the day, going at it tooth and nail, but when the day is over they get together. But as I heard the story it wasn't that they got together for a sandwich, I always thought they got together for a drink at the end of the day. But recognizing the majority leader's bent, I appreciate the story, and he certainly has my assurance that I will approach the position, which eventually I will take in a matter of a few days, in that same spirit.

Again, I appreciate the comments he made.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Mr. President, I have come to the floor today with my colleague, Senator SMITH.

The PRESIDING OFFICER. Does the Republican leader wish to be recognized?

Mr. McCONNELL. Let me say to my friend from Oregon that I will not be long, and I appreciate the opportunity to pay tribute to a fallen soldier from my State.

HONORING OUR ARMED FORCES

STAFF SERGEANT JOE L. DUNIGAN, JR.

Mr. McCONNELL. The Commonwealth of Kentucky is mourning today because of the loss of one of our finest soldiers, and I am speaking of SSG Joe L. Dunigan, Jr., of Benton. He was 37 years old.

Staff Sergeant Dunigan's assignment was guarding a convoy of U.S. marines near Fallujah in Iraq when on March 11, 2004, an explosive device, set by terrorists, detonated near his humvee, tragically taking his life.

For the valor and bravery he displayed over two decades of service, the U.S. Army honored Staff Sergeant Dunigan with numerous medals and awards, including the Bronze Star, the Purple Heart, and the Meritorious Service Medal.

Staff Sergeant Dunigan, who will always be remembered by his family as Joey, wore his country's uniform for 20 years because he was proud to serve. Joey "lived his life the way he served his country—he was gung-ho about everything," says his stepfather, Sammie Bryant. And Joey was gung-ho from a very early age.

His family remembers that growing up Joey loved playing army. His favorite toy was GI Joe. In fact, family members often called him GI Joey. As a young boy, he participated in Cub Scouting and was an avid player of baseball and football.

Joey was also musically inclined, playing the trombone in the Marshall County High School Marching Marshals band. He enjoyed watching NASCAR races and was a big fan of

driver Jeff Gordon. In fact, his family remembers fondly the time Joey was able to attend a NASCAR race at the Talladega Superspeedway in Talladega, AL, and he saw Jeff Gordon bring home the checkered flag.

Joey graduated from Marshall County High School in May of 1984, and that August he enlisted in the U.S. Army, a month before his 18th birthday. He told his mother, Dena Bryant, that she should either give her permission for him to enlist at age 17 or he would enlist as soon as he turned 18, but either way, he was enlisting. "He was very serious about enlisting because he wanted to serve his country," says a letter written by Joey's family and sent to me by his mother, Dena. So Dena gave her permission, and Joey became a soldier.

After completing basic training in Fort Benning, GA, Joey deployed to Germany for his first tour of duty. Over the course of his Army career, he would also serve two tours of duty in South Korea and inspire many younger soldiers through his work as an Army recruiter stationed in Nashville.

In September 2003, Joey was deployed to Iraq as a member of the 1st Battalion, 16th Infantry Regiment, 1st Brigade, 1st Infantry Division, based at Fort Riley, KS.

Wherever he served, Joey excelled at earning the respect and admiration of his fellow soldiers. "He would have made an excellent drill instructor," says his stepfather, Sammie. "When he walked into a room, you could hear him above all the others."

Family was important to Joey Dunigan. With Joey's guidance, his younger brother, Michael Bryant, followed Joey's example and joined the U.S. Air Force. And at the center of Joey's life were his wife, Misty, and his two sons, Dustin and Jessie.

As an older, more experienced soldier, Joey looked after the younger men serving alongside him. He knew the difficulties of serving far away from family and loved ones. In an email he wrote to his mother, Dena, Joey wrote, "Please continue to remember me and the guys."

He shared with his fellow soldiers his sturdy sense of humor, even in the face of hard combat duty. Despite their sadness, family and friends break into smiles when remembering Joey Dunigan. "He didn't want to have sad moments," Dena recalls. "He didn't like to be serious. He was a gung-ho, vivacious young man. He was happy, bubbly, infectious."

The day after Staff Sergeant Dunigan's family received the tragic news of his death, an American flag flew at half-staff outside of Dena and Sammie Bryant's home. Joey was buried at the cemetery of his home church in Benton, KY," on March 21, 2004.

He will be forever remembered by his wife, Misty; his sons, Dustin and Jessie; his mother and stepfather, Dena and Sammie Bryant; his father, Joe; his sister, Robin Colley; his brother,

Michael Bryant; his grandfather, Paul Henson; and many other beloved family members and friends.

I want to leave my colleagues with the words of Joey's family, written in that letter sent to me by his mother that I mentioned earlier. "Joey is a hero," they write. "He loved God, his family, Marshall County and his country. He was born to and dedicated to protect his country and fellow man."

I'm glad Mrs. Bryant sent me this letter. It expresses the depths of her son's courage and convictions far better than I can. In return, I want his family to know that the U.S. Senate salutes SSG Joe L. Dunigan Jr.'s service. And his country will always honor his selfless sacrifice.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

DISASTER IN OREGON

Mr. WYDEN. Mr. President, I come to the floor today with my colleague Senator SMITH because many Oregonians are hurting at home today. For 3 days this week our State has been slammed by a storm, the strength of which boggles the mind—hurricane force winds with gusts exceeding 120 miles an hour and almost a foot of rain, raising water levels in some areas by 25 feet in less than 48 hours. Hundreds of our people are now in shelters, tens of thousands are without power and don't have phones.

Thousands of Oregonians have been willing to step forward with incredible acts of courage and generosity. Using helicopters and boats, the Oregon National Guard and the Coast Guard have come through for our folks, rescuing hundreds of people trapped by rising water. Along with activating the National Guard, the Governor has brought every State agency in to help take care of the needs of the displaced, get communications restored, fix the roads, clear the bridges, and begin to assess the extraordinary damage.

We especially today, both of Oregon's Senators, thank the Oregon chapter of the Red Cross, because they immediately moved into the affected areas and opened shelters. They provided meals and they have now been assisting with the cleanup.

The Governor has asked the President to declare a major disaster in our State and all of the Oregon congressional delegation joins the Governor in urging the President to grant this request immediately.

Folks from FEMA, the emergency management agency, have arrived in our State. They are going to begin making formal damage assessments today.

Senator SMITH and I talked to Secretary Chertoff on the phone and we asked for the Department of Homeland Security to pull out all the stops to aid our State immediately. The immediate priority is to get our citizens the help they need to survive during these crit-

ical days. Once the full extent of the damage is known, Oregon and Washington, the hard-hit Pacific Northwest, are going to need Federal assistance in recovering from the disaster. This is surely going to entail rebuilding roads and other essential parts of our infrastructure.

Senator SMITH and I are committed this morning to getting the help that is so urgently needed by the people of Oregon. We believe it is critical in terms of timing that this help be made available now so folks can get back on their feet. We intend to pursue a variety of options, including adding emergency funding to future spending bills if that is necessary.

I yield the rest of my time to my colleague Senator SMITH. We believe on Oregon issues there are no partisan questions. Today the people of our State are hurting and both of Oregon's Senators are committed to getting the help that is needed to sustain lives at home, to the Pacific Northwest, and the people of Oregon immediately.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. SMITH. Mr. President, I thank my colleague for being here with me today. Moments ago, we phoned Secretary Chertoff to discuss how we, as Oregon Senators, can best help those of our State who have been devastated by this storm. Both Senator WYDEN and I wish we could be with them now. On Monday, Senator WYDEN and I hosted our sixth annual economic forum in Portland. We rushed to the airport after the event in the midst of this incredible storm to find that our outgoing flight was unable land in such horrendous conditions. We fortunate enough to find another flight to Washington so we could be present for Tuesday's vote.

Again, we would both like to be with the citizens of our State. We are instead using what leverage we have in Washington to ensure the Federal Government responds to the best of its ability. We have called upon the President to declare this event a major disaster and free up Federal resources to begin rebuilding this devastated area.

We would like in particular to commend FEMA and the U.S. Coast Guard. FEMA took a lot of criticism as a result of Hurricane Katrina, but their response in Oregon has been spectacular. We thank them on behalf of all Oregonians.

We also thank the Coast Guard. Within the first 24 hours, the Coast Guard responded to well over 600 emergency calls and was able to save a tremendous number of lives. For this, we thank them.

As I consider our country, our values and the kinds of catastrophes that have beset our country, we understand that we cannot stop Mother Nature. But these catastrophes cannot and will not break the spirit of the American people. I look at the great motto above your desk, sir, *E pluribus unum*—out of

many, one. I am reminded that when events like this occur, the many show up and become one. They risk their own lives to save others. This is a tremendous act of selflessness and I applaud the heroes fighting to save our fellow Oregonians.

I thank our Federal responders, and I urge a disaster declaration as soon as possible. In the Northwest, we have natural disasters ranging from earthquakes to volcanoes. And there are storms that barrel in off the Pacific which can do an unbelievable amount of damage. They cause landslides, tear the roofs off our homes, and swell our rivers to record-breaking levels. Near the town of Tillamook, a river rose literally 20.5 feet within just a few hours, sweeping away livestock, homes, and tragically, unsuspecting residents. But the response from all types of government and nongovernment organizations, including the Red Cross, has been magnificent.

Many church communities are coming to the rescue. Communications have been lost. Amateur radio operators have filled the airwaves, connecting rescuers to those in need of rescue. We thank them and pledge that—as united Oregon Senators—we will do whatever we can for the sake of our State. We thank the Federal Government for their swift response and again urge an immediate disaster declaration to strengthen our ability to heal the psychological and physical wound left by this storm. We will begin to repair the damage that has afflicted so many counties in Oregon.

I assure the people of our State that we in the Federal Government will do our part. We will stay on this job until it is done and until Oregon has fully recovered.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

MEASURE PLACED ON THE CALENDAR—S. 2416

Mr. MENENDEZ. Mr. President, I understand that S. 2416 is at the desk and due for a second reading.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 2416) to amend the Internal Revenue Code of 1986 to repeal the alternative minimum tax on individuals and replace it with an alternative tax individuals may choose.

Mr. MENENDEZ. Mr. President, I object to any further proceedings with respect to the bill.

The PRESIDING OFFICER. Objection is heard. The legislation will be placed on the calendar.

The Senator from New Jersey is recognized.

MORTGAGE CRISIS

Mr. MENENDEZ. Mr. President, today I rise on behalf of more than

130,000 New Jersey homeowners who have a subprime mortgage. I rise on behalf of the 7 million American homeowners with a subprime mortgage, and I rise on behalf of the more than 2 million Americans who are or may be facing foreclosure in the coming year. This is a national crisis and certainly the time to respond is now.

Families across this country are having their homes ripped from their grasp, and there is no end in sight. Some have been saying that the storm is over and others have been sitting silently as the black clouds roll by, but the reality is this storm is going to get worse. More families are going to be facing foreclosure, more homes are going to be lost, and more damage is going to be done to our economy unless we act. There is no point in letting an invisible hand guide this destruction. If we have any sense of human compassion, we will help these families.

Many families are in trouble because they got a deal they didn't understand, a loan they couldn't afford, and now their adjustable rate mortgages are resetting. But these families are only the beginning. The storm is only going to get worse. Many of the adjustable rate mortgages that were made in 2006 will explode with higher interest rates sometime in 2008. Another type of adjustable rate mortgages, known as payment option, is set to explode after that.

Already, foreclosure rates have doubled and tripled in many areas. Hundreds of thousands of families are already losing their homes. Over the next year, absent strong action, the wave will build into a mortgage tsunami.

Not only will families lose their homes, often the largest asset they have, but the ripple effects will devastate neighborhoods and the broader economy.

If we do not act now to help those families, the effects will be catastrophic. We can see the storm coming. We know the damage it will cause. So we had better reinforce our levies. In Congress, we should be working to help hundreds of thousands of homeowners modify their mortgages to avoid foreclosure. We should be working to pass a bill that will help homeowners modify their loan, for example, in a bankruptcy proceeding. We must pass, over Republican objections that we have had, legislation to modernize the Federal Housing Administration.

But this is the beginning. Banks and lenders, without the prodding of Congress, should be reaching out to help those troubled homeowners renegotiate their loan terms. This is not a suggestion, this is an expectation. President Bush is announcing today his plan to address this crisis. He has reached an agreement with major mortgage firms to freeze interest rates for 5 years for financially troubled homeowners.

While I applaud the President for taking a step in the right direction, the plan simply does not seem to go far enough. It seems to operate under the

assumption we only have to do what is minimally necessary. Depending on the details of this plan, on how they determine who is eligible, many homeowners may be left out in the cold. A strictly narrow approach will keep relief out of reach for many who need it.

I am concerned about the family next in line when they close the door on eligibility. I am concerned about the millions of Americans who cannot pay their bills, and I am concerned President Bush's plan will only help a fraction of the families at risk.

Hard-working families are at a crisis in America, and in a time of crisis they expect strong and bold leadership to help them through. We need to provide that leadership. Congress, the administration, and the industry all have key roles to play to help those families.

But what about the families who have yet to sign that stack of papers to get their future mortgage loan? What about when my son or daughter or yours buys their first home? What about the homeowner who needs to refinance out of an unsustainable mortgage? In order to protect those families, we need to make sure we stop predatory lending before it starts.

As a member of the Senate Banking Committee, I have repeatedly said that in order to prevent the mortgage crisis from happening again, we need to find the root of the problem and fix it. That requires all parties—all parties—to step to the plate and admit where they went wrong.

A "not me" attitude will simply not work. Everybody who was responsible must be held accountable. I am proud to be working with Chairman DODD on a bill that will hold all parties accountable.

Now, when I considered what I hoped to see in a final bill, I looked at all of those responsible parties, from the regulators, to the lenders, to the brokers and beyond. But one particular piece concerned me; that is, the secondary market. In order to understand what I am talking about, I think it might help to step back for a moment and walk through the life of a subprime loan.

A consumer decides to seek a loan to purchase a home or refinance an existing mortgage or, more likely, a broker or lender approaches a consumer about a new loan. As soon as the loan settles, the broker gets a commission from both the consumer and the lender.

Now, here is where the secondary market comes in. Within 90 days after that consumer signs those settlement papers, the lender sells the loan to that secondary market, essentially selling the loan to Wall Street. That lender then washes its hands of the loan, but keeps the fees, regardless of what happens later on.

Once in the secondary market, the loan is bundled with thousands of other loans into what we call a mortgage-backed security. This bundle of loans then passes through one or more corporate entities on its way to the trust where it will reside.

The trust is usually a private company with an investing firm. The trust then slices those bundles of loans into different categories called tranches, and investors purchase security interests in the tranches.

The trust is considered the owner of the loan, and the investors are represented by a trustee who acts on behalf of the trust. A servicer, possibly the original lender, possibly another company, services the loan on behalf of the trust, meaning they collect and remit payments, monitor the accounts, and provide monthly reports to the trustees.

Because the servicer is the only one in direct contact with the homeowner, most homeowners think the servicer is actually the owner of their loan. If the home goes into foreclosure, it is the trust that forecloses. But for the homeowner, they may not know who is foreclosing on them.

Even if a homeowner had a predatory loan and has a good argument against foreclosure, if that homeowner cannot identify the owner of the loan and hold them liable, they cannot save their home. That is the life of a loan. It is no wonder it is a process few understand. Essentially, the loan is a hot potato. It gets tossed from the broker to the lender to the trustee. Along the way each one wipes their hands of responsibility after they send the loan on down the chain. When a bad deal is made, each one points the finger at the previous owner.

Well, it is time to stop passing the buck. For me, that buck must stop with Wall Street. We cannot allow Wall Street to purchase loans without scrutinizing the details of that loan. If the trustee had to make sure each loan was a good loan, that it meets specific standards and practices, and the lender had to make sure it was a good loan, the brokers would have to stop making bad loans because they would not be able to sell them if they did.

That is why I support a strong liability standard. If a loan is made illegally or contains illegal terms, the homeowner should be able to sue the owner of their loan. Otherwise, whom do they hold accountable? Their broker and lender could both be long gone. Nearly 100 subprime lenders have gone out of business in the last year alone, and then where does the borrower go for protection? They have to be able to reach the holder of the loan.

Without assignee liability, a subprime bill has no teeth. Yes, of course, we need stronger broker and lender standards, but we also need a standard for Wall Street.

Let me be clear. I am not talking about holding specific investors accountable who act much like shareholders in a public company. They would see a reduction in the value of their stock if the company experienced financial losses but would not be personally responsible for those losses. I am talking about the trusts, the company who owns the loan. That is who must be liable.

This is not a popular provision I am calling for, but I think it is the right thing to do. We are in a crisis in America. It is going to take bold decisions to get the system back on track.

These are not kinks that are going to work themselves out. We have seen that the industry is not going to police itself. Voluntarily changes are needed, but the bottom line is, without accountability, we are not going to see responsible behavior.

As I said at the opening of these remarks, I am standing today for the American homeowner. If we want to prevent a similar problem from happening again in 5 or 10 years' time, our final subprime bill must hold Wall Street accountable.

There are steps we must take today in order to help tomorrow's homeowners. We cannot kick the can down the road. Let's make sure our homeowners get fair, sustainable mortgages and that future homeowners are not caught in a future subprime storm. Enough is enough. It is time for real changes.

I have enjoyed working with Chairman DODD on this issue over the past few months. I look forward, under his leadership, to passing a strong subprime lending bill to help millions of American families.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

ABANDONED MINE LANDS PROGRAM

Mr. BARRASSO. Mr. President, I rise today in anger, in disbelief, and in disgust over the bureaucratic inner workings of Washington. There is a program called the Abandoned Mine Lands Program. It was created as a Federal-State partnership. The Federal Government collects the money and then it is designed to return half to the States.

Over many years, administrations of both parties have failed to honor the Federal Government's responsibility and commitment to the States and to the tribes. I recently learned the Office of Surface Mining has decided to delay and withhold \$600 million in funding owed to the people of Wyoming and to deny hundreds of millions of dollars more owed to States nationwide.

They have used an internal policy memo to manipulate the law. Doing so is nothing short of outrageous. This most recent decision reeks of bureaucratic doublespeak, and it does it to achieve an outcome I believe was predetermined. I cannot attempt to explain their decision or their reasoning because the decision, to me, was already predetermined.

This action represents a sad example of why so many Americans, and why my constituents back home in Wyoming, have lost faith in Washington. The words of the Washington bureaucrats ring hollow. I am, frankly, amazed, amazed the bureaucrats can take the clear language, the language

from this body that says: Payments shall be made in seven equal installments. And then they twist those words into a grant program requiring review and making an application. Their interpretation is inconsistent with the law that was debated by this body last year and signed by the President.

Their interpretation is nothing less than nonsense and obstructive. This summer, 17 days after I was sworn into the Senate, I opposed the nomination of the Director of the Office of Surface Mining in the Energy Committee over this very issue.

I asked specific questions and did not get specific answers. Now this. I take our legislative oversight responsibilities very seriously. I pledge to you, I pledge to the people of Wyoming, and I pledge to the people of the other States and the other tribes to whom Washington owes money that I will explore every avenue, every avenue available, to right this wrong.

Let's be clear: This money is not Washington's money. This money belongs to the States and to the people. It does not belong to Washington. It does certainly not belong to Washington's evasive bureaucracy.

I yield the floor and 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. SCHUMER. I ask unanimous consent that the order for the quorum call be rescinded.

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

SUBPRIME MORTGAGE CRISIS

Mr. SCHUMER. Mr. President, for months since the writing has been on the wall about the depth and magnitude of the subprime loan crisis, I have said time and time again that the Bush administration needs to take off its ideological handcuffs and act quickly to prevent millions of families from losing their homes. To the credit of Treasury Secretary Paulson, he seems to have loosened the administration's ideological handcuffs when it comes to the subprime mortgage crisis. But the burning question is whether this administration's plan, announced today, will go far enough in helping families in need, particularly when it is being announced at the exact same time Republicans in Congress are blocking critical commonsense help targeted toward these same borrowers. The President and Secretary Paulson say they are for FHA reform. Yet, a half hour ago, when Senator REID asked for it to come to the floor, Republican colleagues blocked the bill. Has the White House stopped sending memos to the Republicans in the House and the Senate? What is going on here?

While I agree with Secretary Paulson that wide-scale loan modifications are key in helping prevent the foreclosure

crisis, I am hearing that the plan being announced will be limited and targeted to only a limited set of borrowers who are at risk of losing their homes. I am hearing that one of my constituents, Mrs. Diaz from Staten Island, a hospital clerk I met as I talked about this issue back in New York, would not be helped by this plan. She and hundreds of thousands of other hard-working families seeking help are unlikely to qualify for the administration's plan. Over 230,000 Americans will have lost their homes due to foreclosure in the second half of this year alone. Just today, foreclosures reached an alltime high, as did the number of Americans who have fallen behind on their mortgage payments. Many of these are people who could afford their homes if not for the dubious subprime loans they received. We know none of those families will be helped in this plan.

The bottom line with the administration's plan is there are too many families that may be left out and too little disclosure and transparency to ensure families that do qualify are being helped. If, as it has been reported, the plan will exclude subprimes with resets before January 1, 2008, then, according to Joint Economic Committee estimates, the plan will not cover 115,000 homeowners who will be foreclosed this quarter, let alone the additional 300,000 to 400,000 whose subprime resets have taken place in the second half of this year. That is already close to half a million not being helped.

It has also been reported that the payment freeze will cover only borrowers who are current in their payments. By definition, this will exclude many of the borrowers who most need help. They could be a couple of months in arrears. With help, they could solve their problems, work out some kind of refinancing. They are out.

Frankly, I am also concerned about how this plan will be implemented. We have heard for the last 6 months from servicers that they have been modifying many troubled loans, but it turns out this is not exactly the case. What is going to change in their calculus now? Do we have confidence that investors won't line up to bring lawsuits and bring this process to a grinding halt before it even begins?

Even if this plan is sound, the devil will be in the details of its implementation. For that reason, it is imperative that the administration gather and make public data from the mortgage servicers and lenders about what they are doing. We can't simply trust; we must trust but verify.

For a solution to the subprime crisis to be successful, it must be transparent enough that all interested parties, including homeowners, investors, and policymakers, can verify that families are being helped. This is even more true when it comes to this administration which has continually told us that the subprime crisis is being contained. Some key information needs to be provided to the public, including the num-

ber of mortgages covered by the freeze, the number and types of modifications offered, the number of loans which are refinanced by FHASecure, and the number of loans foreclosed.

We need to get this right now and make sure we do everything we can to make this rescue effort successful because if we wait 3 months, 6 months, a year, the subprime crisis might overwhelm the economy and plunge us into recession. The Joint Economic Committee which I chair estimated that 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 foreclosure losses, the continuing housing slump could be a massive blow to the economy. Economists such as Robert Shiller, who recently spoke before our committee, estimate that a 10-percent decline in housing prices could lead to an overall \$2.3 trillion economic loss at a time when this country can least afford it. What does that mean for Mrs. Diaz and the millions of other families who have lost their homes on the brink of foreclosure or for their neighbors, because their neighbors are worrying too. When our homes are worth less than they were only a year ago, it is difficult to make mortgage payments each month. But when there isn't much in the bank account to pay high energy and health care bills, people get anxious. Instead of easing American anxiety, Republicans in this body and, for too many months, in this administration have ignored that anxiety. While we have been pushing to help American families, they have been nowhere to be found.

There are things we can do beyond what Secretary Paulson has proposed. Senators BROWN, CASEY, and I, with critical help from Senator MURRAY, got \$200 million in the appropriations bill for housing counseling organizations that can provide help. But instead of enthusiastically lining up behind this funding to help homeowners, the administration is threatening to veto this critical funding which could help loan modification efforts like those being pushed by Secretary Paulson. Instead of letting us pass an FHA reform bill that will allow this critical agency to help refinance troubled homeowners, as we speak, Senate Republicans are blocking progress on this proposal for ideological reasons.

Yes, there are some, both in the White House and on the other side of the aisle, who believe in no Government involvement, let the chips fall where they may. That will hurt millions and millions of innocent people. That could lead to a recession. That is not what the American people want.

I say to the President and to my colleagues on the other side of the aisle, take off your ideological handcuffs. Solve this problem that is afflicting America. The American people are not ideologues left or right. They want commonsense, practical solutions to solve this problem. The most frus-

trating aspect is that we know how to solve this problem in good part, but we are being blocked every step of the way.

Again, Secretary Paulson and the President's announcement is a good first step. For the first time, they are taking off the ideological straitjacket and putting their toe in the water. But now they have to get into the pool. This is not a small problem. This is not something that takes minor and half-baked measures to solve. The American people are waiting. The homeowners on the brink of foreclosure are waiting. But so are their neighbors and so is every business owner in this economy.

I urge my Republican colleagues to take off the blinders, stop blocking assistance to families who will lose their homes unless we act, allow us to pass commonsense measures, and convince this administration not to veto help for American homeowners during this holiday season.

I yield the floor.

The PRESIDING OFFICER. The assistant majority leader.

Mr. DURBIN. Mr. President, I thank my colleague from New York, Senator SCHUMER, who has been a leader on this issue involving our Nation's crisis involving subprime mortgages. He has made constructive suggestions and was the author, with several colleagues, of an amendment to the Transportation bill that provided some \$200 million for housing counselors—important advice and help for families facing foreclosure. I thank him for that leadership and for his remarks.

There has been a lot of talk on both ends of Pennsylvania Avenue about the so-called national mortgage crisis. It is more than a mortgage crisis; it is an economic crisis. This is a crisis for everyone facing foreclosure, for their neighbors who watch the values of their homes decline, for local governments that will see revenues from property taxes diminish, and for every company struggling to finance a business with the banking industry that has contributed to these foreclosures. It is a crisis for all Americans. It is time this administration woke up to that reality.

Over 2 million Americans are about to lose their homes to foreclosure, and 44.5 million Americans who live in their neighborhoods will watch the values of their homes diminish. A home for many families is their most important and valuable asset. Through no fault of their own, many people will see that asset losing value. It will lose value at their expense. They know it.

We also know as well that homeowners living near foreclosed properties may see as much as \$5,000 in the values of their home going down. I represent the State of Illinois. In the county of Cook, which is where you find the city of Chicago, we find some 29,000 foreclosures that are looming, and we estimate that some 2 million residences in Cook County will see their value go down as a result. That is

two-thirds of the residences in the county of Cook, one of the largest counties in America.

I went to the West Side of Chicago recently with Alderman Bob Fioretti. We walked through a neighborhood where houses are boarded up because of foreclosure, where auction signs are out in the front yard. Bob told me that many of these same townhouses were selling for \$300,000 or more just recently, and now they are on the auction block for around \$100,000. What does that mean for the neighbor who spent \$300,000 on his home, and now watches an auction of the next-door neighbor's old house, at \$100,000? It is bad news. It is bad news for America.

The U.S. Conference of Mayors projects that this crisis will result in 524,000 fewer jobs in America—that is pretty obvious from the housing industry alone—a drop in consumer spending, the loss of billions of dollars in tax revenue, and a slowdown of economic growth in America. This is not a small issue. It is a major issue when it comes to the American economy.

As the chief economist of Moody's Economy.com said yesterday in a hearing I chaired:

There is a substantial risk that the housing downturn and surging foreclosures will result in a national economic recession.

If what we face is truly an economic crisis, the response from this administration has been totally inadequate. We have convened summits to get the industry to agree that we have a problem. We have suggested refinancing guidelines to ease industry bickering about how to help people refinance. We have pressured the industry to reach out to borrowers early and help them before the families get too deep in debt. They are all positive steps. But Moody's reports that for most loan servicers, only 1 percent of the loans whose interest rates jumped in the first half of this year have been modified to help the homeowners continue to pay for their homes. Nothing beyond that meager industry response has been done by this Government to deal with this reality. That is completely inadequate. Much more needs to be done, and it must be done now.

Compare our situation to what happened in the late 1920s in America, when housing prices in another crisis dropped 30 percent. In 1932, Congress collaborated with the real estate industry to establish the Federal Home Loan Bank system, modeled after the Federal Reserve, to create a special lender of last resort for real estate. A year later, Congress modified bankruptcy law to allow insolvent wage earners to protect themselves from eviction. A year after that, Congress created the Federal Housing Administration which insured mortgages that were reasonable for the borrower by insisting on solid mortgage terms. In 1938, Congress created Fannie Mae, eventually leading to huge securitization of mortgages. Compare that to what we are talking about now: jawboning, some conversa-

tions, saying let's hope major parts of the industry decide they want to cooperate. That is not leadership. That is begging.

This list of Government actions taken 75 years ago highlights how little we have done to deal with this current economic crisis. Let me tell my colleagues what we proposed in this Democratic Congress: a bill by Senator DODD, chairman of the Senate Banking Committee, to reform the Federal Housing Administration and make loans available to families who desperately need them; a bill by Senator SCHUMER, chairman of the Joint Economic Committee, allowing Fannie Mae and Freddie Mac to purchase more loans and provide more liquidity in the market; a bill I have introduced, allowing mortgages on primary residences to be modified in bankruptcy court as a last resort so that families don't lose their homes.

FHA. Fannie Mae. Bankruptcy. The Congresses in the late 1920s and the early 1930s understood the magnitude of the challenge and they acted. As for the Congress of this year, some of us get it, but unfortunately, our efforts to pass this legislation have in many instances been stopped by the Republican minority. That is unfortunate. It is a pattern that has emerged in this Congress. The floor of the Senate has been virtually empty this week. We haven't seen Senators come to the floor proposing important legislation to deal with America's economic crisis and to take seriously the economic challenges facing families. No. Once in a while, a Republican Senator comes to the floor to try to stop the business of the Senate. Under the arcane Senate rules, they can do it, and they have done it.

We tried to bring up the alternative minimum tax. It is a tax which is creeping forward and enveloping more and more taxpayers every year. Some 19 million Americans will be hit by this tax, which was never the intention when it was created. We wanted to bring a bill to the floor this morning, a bill to change this and protect those taxpayers. The vote on the bill was 47 to 47. Not one single Republican Senator voted to stop the alternative minimum tax from hitting 19 million Americans. Not one would cross the aisle. Why? There is no reason. No reason was given, other than the fact that time and time again, the Republican minority wants to stop the business of the Senate, whether it is a tax that needs to be reformed or a mortgage crisis that needs to be addressed. Time and time again, the Republicans are using yesterday's tactics of obstruction, yesterday's tactics of creating obstacles, when America wants bipartisan cooperation and compromise. That is why we are here.

The Democrats have a scant majority—51 to 49. Under the Senate rules, there is not a lot we can do. It takes 60 votes for important decisions. The Republicans know it, and they are determined to stop any progress when it

comes to solving America's problems. We want change. We want to move forward. They are stuck in the past—yesterday's party using yesterday's tactics. The American people are watching.

Well, let me say that this administration has come forward with a plan dealing with the mortgage issue. It is short-term relief to deal with exploding interest rates for some families. It is good, but not good enough. From the details we received thus far, it has been reported that only 12 percent of subprime borrowers—about 240,000 homeowners—will be eligible for this help. That is unfortunate. Twelve percent. When we have over 2 million—maybe 3 million—Americans facing foreclosure, we are going to only help one out of eight. That is it? That is as good as it can get? I don't accept it. Even fewer may be helped, we may find out eventually. After jumping through all the hoops, we may find that it may be a 10-percent solution for some. Not good enough.

One of the millions of people who will still lose their home even if the Bush plan is adopted is Nettie McGee, who I met a couple of days ago. What a great lady. Nettie McGee is 73 years old. She lives on the south side of Chicago. She worked real hard during her life in a picture frame factory. She retired, and at the age of 65 her dream came true. For the first time in her life, Nettie McGee was able to buy a home. She is so proud of it. She talks about that home. She came to us yesterday in a hearing and told us what it meant to finally have her dream come true. Well, she ran into a problem. It turned out her backyard wasn't on the same tax bill as her home. She got notice in 2005 that the taxes hadn't been paid on the backyard because they were being sent somewhere else. She didn't know it. She was \$5,000 in debt to pay her property taxes. This poor lady didn't have it. She was living on Social Security. She saw an ad on TV—we see them all the time—you can get a mortgage; you can refinance. She called the number.

The next thing you know, the next day up pops a fellow who says: Oh, we can answer all your prayers. We are going to provide you \$5,000, and we are going to refinance your house. Well, Ms. McGee said she was invited to a closing. Think of how fast this was moving. The following week she went to a closing. She said that in less than 15 minutes they shoved 40 pages in front of her and kept turning the pages and said, keep signing, keep signing, keep signing, and she did. She walked out the door with the money she needed to pay off her taxes. She felt pretty good about it. She went home and started making her payments. Everything was fine until 2 months ago when they called her and said: Incidentally, Ms. McGee, those papers you signed mean you have an adjustable rate mortgage now. It is not a fixed rate mortgage. Instead of paying some 7

percent, you are going to pay 10 percent in interest. That meant that her monthly payments went up \$200 a month. A Member of Congress may not miss \$200 a month, but Ms. McGee will. The monthly payment which she is now required to make will take all of the money that is sent to her in her Social Security check. She is about to lose that home. After 10 years of living her dream, she is about to lose it. She is one of the victims we are talking about, because of the resetting of an adjustable rate mortgage.

One would hope Ms. McGee is the kind of person to be helped by the administration's suggestion on mortgages, but sadly, she is not. She wouldn't qualify, and that is sad. It tells you that this is a safety net that has too big a hole in it and that a lot of poor people are going to fall through.

I have a plan that will go further than the Bush administration plan. I want to change the bankruptcy laws for about a fourth of the people facing foreclosure who end up in bankruptcy court. I want to give them a chance. If they have enough income, the court can order changing the terms of the mortgage, the interest rate and the principal, no lower than the fair market value of the property as of the time of the bankruptcy, and by renegotiating the terms, the people may be able to stay in their homes.

What happens if the proposal I have made doesn't become law? Well, there will be a real foreclosure. They will have to leave their homes. Their homes will be sold on the market. For the lender, what does it mean when you go through foreclosure? It means \$50,000 in debts from the foreclosure process. It also means facing the possibility—the very real possibility—that you are going to lose 20 to 30 percent of the value of the loan in a foreclosure sale.

That is the reality, and I hope we can change it. I hope that what we call a mortgage crisis today will become a crisis we respond to as a nation on a bipartisan basis: Congress and the President helping the American people realize their American dreams, live in their homes, and not see the value of their neighborhoods diminish.

Mr. President, I see Senator BROWNBACK is here. I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. BROWNBACK. Mr. President, I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. We are in morning business. Without objection, it is so ordered.

STEM CELL RESEARCH

Mr. BROWNBACK. Mr. President, I rise to discuss a recent enormous scientific breakthrough on a topic that has engaged this body for much of the past 8 years. I think this is a day that many of us—I think perhaps all of us—have hoped would take place. I ask

unanimous consent to include in the RECORD at the end of my remarks an article that broke loose right around Thanksgiving.

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

(See exhibit 1.)

Mr. BROWNBACK. Mr. President, this article is by Dr. James Thomson, University of Wisconsin. Some may recognize that name. His name has been used on this floor many times during the past 8 years on the issue of embryonic stem cell research. He is the man who discovered human embryonic stem cells about 10 years ago and described them as being what is called pluripotent, which means that an embryonic stem cell could form any other type of cell tissue in the body, whether it is for the eye, brain, bone, or skin. Any type of cell tissue could regenerate on a fast basis, and it was thought that these sorts of pluripotent embryonic stem cells were going to solve a number of our human health problems. Many of my colleagues on both sides of the aisle embraced the news and said this is a fabulous thing and we are going to be able to now cure a number of people from diseases who have had great problems and difficulties, and we want cures for them.

There was an ethical glitch with it in that it took the destruction of a human embryo to get these human embryonic stem cells, and therein ensued a fight that engaged the country and engaged the world about the tension between cures and an ethical recognition of human life and the sacredness of human life. It has been a long debate. I am hopeful that the article I submitted into the RECORD is the bookend on the other end of this debate that was started by Professor Thomson and that, in many respects, I hope is ended by Professor Thompson and his colleagues.

In this article they describe a new type of pluripotent stem cell that is manipulated by man. They call it an induced pluripotent stem cell. This is an elegant and simple process where they take a skin cell from an individual and they reprogram it to be able to act like an embryonic stem cell, or what they call an induced pluripotent stem cell. They then are able to get it to generate more embryonic-like stem cells that are pluripotent and which then can be used to treat diseases or to study diseases, thus removing the need to develop and have a human embryo destroyed, or the origination of the embryonic stem cells, thus removing the problem of not being able to get a genetic match so that we have to go to a cloned embryonic stem cell, or a cloned human to create an embryonic stem cell that matches genetically. You don't have to do that. Get a person's skin cells, reprogram them, back in, pluripotent, to form any type of cell—elegant, simple.

There are still many barriers to go on embryonic-like stem cells anyway because they have had a problem with

tumor formation. But on the ethical issue, I am hopeful we are on the other bookend, and it is now over; that we don't need to destroy young human life for cures; that we don't need to destroy them for pluripotent cells; that we can do it much simpler and ethically and that good ethics is good science.

I put a description up here of what Dr. Thomson said on this subject. There was a University of Tokyo professor who came out with an article the same day, using a slightly different or modified technique, to be able to do this in humans. The University of Tokyo professor had done this earlier in mice and now has perfected it in human cells. He came out saying the same thing:

These induced pluripotent cells described here meet the defining criteria we originally proposed for human ES cells, with the significant exception that the induced pluripotent cells are not derived from embryos.

That was Dr. James Thomson.

I want to speak about this to my colleagues because we have had so many debates on the Senate floor about this topic. I hope my colleagues will research this. A number of people in the scientific field are saying: Great, but let's not stop embryonic stem cell work and destroying embryos for research purposes. Or let's not stop human cloning because it appears now that the only reason to clone a human would be to bring a human to live birth at this point in time, which still has everybody in this body opposed to that type of human cloning.

It is noteworthy that the "father" of Dolly the sheep has said he has given up on human cloning to go to this type of technique rather than human cloning to provide these sorts of cures and research.

Mr. President, I also ask unanimous consent to be printed in the RECORD at the end of my comments a Telegraph article from the United Kingdom in which Ian Wilmut announced he is shunning human cloning.

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

(See exhibit 2.)

Mr. BROWNBACK. Mr. President, it is my hope that we can move together in finding cures and developing research that cures humans that is ethical and sound and doesn't destroy young human life.

We have been able to do quite a bit of this already. We recently found there was scientific work done by a Northwestern University professor in developing cures and treatments for type I diabetes using stem cells. Again, this is adult stem cells, which is ethical and moral, no problem with it. The only problem I found with it is that the Northwestern professor was having to do this in Brazil rather than in the United States to get support and funding. He is saying this:

Though too early to call it a cure, the procedure has enabled the young people, who have type I diabetes, to live insulin-free so

far, some as long as 3 years. The treatment involves stem cell transplants from the patient's own blood.

For parents who are dealing with juvenile diabetes and those difficulties, this is fabulous news in humans. We need more of it, and we need it to take place in the United States and not Brazil. Nothing against Brazil. I am glad for it to take place there, but I want it here for our children. We now have—as I have said previously on the floor—73 different human applications for adult stem cells. We have not been able to come up with any in the embryonic field yet. I think a bigger number—and we will verify this for my colleagues, as it is not verified yet—is somewhere north of 400,000 people who are now being treated with adult or cord blood stem cells in the United States and different places around the world, the majority being U.S. citizens. Of course, we don't have any in the embryonic field because it continues to struggle with tumor formation as an issue. These are wonderful numbers of treatments that we are getting in different human maladies and, hopefully, we can verify that number of 400,000 people being treated with stem cells, getting heart tissue and spinal cord tissue to regenerate, and Parkinson's treatment is coming forward. This is a beautiful set of treatments—all ethical.

I want to look at the budgetary numbers briefly to remind my colleagues where we have invested taxpayer funding in this field. It is my hope that as we look at the numbers—we have an ethical issue on human embryonic stem cell research, and I believe we have crossed over the line. I hope we can continue to look at our funding issues, where we are putting a lot of money, and have put a lot of money, into embryonic stem cell research. We are looking at \$140 million in fiscal year 2006 and over half a billion since 2002 in embryonic stem cell research of both human and nonhuman types. We have not cured a single patient yet with that money.

May I submit to my colleagues that with over half a billion dollars, we could be treating and developing these cures in the United States and not in Brazil.

In trying to set aside all of the sharp edges that have now been associated with this debate, and focusing just on patients and treating people, I hope we will say we are all in this for cures, for treating people. So if I could take portions of these funds and put it into treating people and getting more people treated for Parkinson's, congestive heart failure, or diabetes—all the things that we are actually doing in humans today but that need more research in funding—that we would say: OK, you are right. We don't have to go the embryonic stem cell route now. Let's go to where people are getting treated and treat people.

This is about curing people. That is what we have debated and talked about

for some period of time, curing people. We have one that is working and one that doesn't. Yet we have invested pretty heavily in this.

I ask my colleagues if there is some way that we could put the swords down and talk about this rationally, stop the fighting and say how do we treat people. I believe that is our objective.

With that, I thank my colleagues for their indulgence in this debate. It will continue to come up. The next issue will be human animal crosses. I advise my colleagues on this, you will see people pushing to cross genetic materials from animals into humans. They are going to say it is going to cure a lot of people. I think it is an enormous ethical boundary that we should not cross at this point in time, with our understanding of life and what it is to be human. I hope before we go that route, we will all get together and say we are going to pause for a while on this one. This is too big for all of us, and we want to think about this for a while—left, right, middle. We have a ways to go to get some cures. We are getting them. We don't need to cross over to that. We can think about that.

I yield the floor.

EXHIBIT 1

INDUCED PLURIPOTENT STEM CELL LINES DERIVED FROM HUMAN SOMATIC CELLS

Somatic cell nuclear transfer allows trans-acting factors present in the mammalian oocyte to reprogram somatic cell nuclei to an undifferentiated state. Here we show that four factors (OCT4, SOX2, NANOG, and LIN28) are sufficient to reprogram human somatic cells to pluripotent stem cells that exhibit the essential characteristics of embryonic stem cells. These human induced pluripotent stem cells have normal karyotypes, express telomerase activity, express cell surface markers and genes that characterize human ES cells, and maintain the developmental potential to differentiate into advanced derivatives of all three primary germ layers. Such human induced pluripotent cell lines should be useful in the production of new disease models and in drug development as well as application in transplantation medicine once technical limitations (for example, mutation through viral integration) are eliminated.

Mammalian embryogenesis elaborates distinct developmental stages in a strict temporal order. Nonetheless, because development is dictated by epigenetic rather than genetic events, differentiation is, in principle, reversible. The cloning of Dolly demonstrated that nuclei from mammalian differentiated cells can be reprogrammed to an undifferentiated state by trans-acting factors present in the oocyte (1), and this discovery led to a search for factors that could mediate similar reprogramming without somatic cell nuclear transfer. Recently, four transcription factors (Oct4, Sox2, c-myc, and Klf4) were shown to be sufficient to reprogram mouse fibroblasts to undifferentiated, pluripotent stem cells (termed induced pluripotent stem (iPS) cells) (2–5). Reprogramming human cells by defined factors would allow the generation of patient-specific pluripotent cell lines without somatic cell nuclear transfer, but the observation that the expression of c-Myc causes death and differentiation of human ES cells suggests that combinations of factors lacking this gene are required to reprogram human cells (6). Here we demonstrate that OCT4,

SOX2, NANOG, and LIN28 are sufficient to reprogram human somatic cells.

Human ES cells can reprogram myeloid precursors through cell fusion (7). To identify candidate reprogramming factors, we compiled a list of genes with enriched expression in human ES cells relative to myeloid precursors, and prioritized the list based on known involvement in the establishment or maintenance of pluripotency (table S1). We then cloned these genes into a lentiviral vector (fig. S1) to screen for combinations of genes that could reprogram the differentiated derivatives of an OCT4 knock-in human ES cell line generated through homologous recombination (8). In this cell line, the expression of neomycin phosphotransferase, which make cells resistant to geneticin, is driven by an endogenous OCT4 promoter, a gene that is highly expressed in pluripotent cells but not in differentiated cells. Thus reprogramming events reactivating the OCT4 promoter can be recovered by geneticin selection. The first combination of 14 genes we selected (table S2) directed reprogramming of adherent cells derived from human ES cell-derived CD45+ hematopoietic cells (7, 9), to geneticin-resistant (OCT4 positive) colonies with an ES cell morphology (fig. S2A) (10). These geneticin-resistant colonies expressed typical human ES cell-specific cell surface markers (fig. S2B) and formed teratomas when injected into immunocompromised SCID-beige mice (fig. S2C).

By testing subsets of the 14 initial genes, we identified a core set of 4 genes, OCT4, SOX2, NANOG, and LIN28, that were capable of reprogramming human ES cell-derived somatic cells with a mesenchymal phenotype (Fig. 1A and fig. S3). Removal of either OCT4 or SOX2 from the reprogramming mixture eliminated the appearance of geneticin resistant (OCT4 positive) reprogrammed mesenchymal clones (Fig. 1A). NANOG showed a beneficial effect in clone recovery from human ES cell-derived mesenchymal cells but was not required for the initial appearance of such clones (Fig. 1A). These results are consistent with cell fusion-mediated reprogramming experiments, where overexpression of Nanog in mouse ES cells resulted in over a 200-fold increase in reprogramming efficiency (11). The expression of NANOG also improves the cloning efficiency of human ES cells (12), and thus could increase the survival rate of early reprogrammed cells. LIN28 had a consistent but more modest effect on reprogrammed mesenchymal cell clone recovery (Fig. 1A).

We next tested whether OCT4, SOX2, NANOG, and LIN28 are sufficient to reprogram primary, genetically unmodified, diploid human fibroblasts. We initially chose IMR90 fetal fibroblasts because these diploid human cells are being extensively characterized by the ENCODE Consortium (13), are readily available through the American Type Culture Collection (ATCC, Catalog No. CCL-186) and have published DNA fingerprints that allow confirmation of the origin of reprogrammed clones. IMR90 cells also proliferate robustly for more than 20 passages before undergoing senescence but grow slowly in human ES cell culture conditions, a difference that provides a proliferative advantage to reprogrammed clones and aids in their selection by morphological criteria (compact colonies, high nucleus to cytoplasm ratios, and prominent nucleoli) alone (14, 15). IMR90 cells were transduced with a combination of OCT4, SOX2, NANOG, and LIN28. Colonies with a human ES cell morphology (iPS colonies) first became visible after 12 days posttransduction. On day 20, a total of 198 iPS colonies were visible from 0.9 million starting IMR90 cells whereas no iPS colonies were observed in non-

transduced controls. Forty-one iPS colonies were picked, 35 of which were successfully expanded for an additional three weeks. Four clones (iPS(IMR90)1-4) with minimal differentiation were selected for continued expansion and detailed analysis.

Each of the four iPS(IMR90) clones had a typical human ES cell morphology (Fig. 1B) and a normal karyotype at both 6 and 17 weeks of culture (Fig. 2A). Each iPS(IMR90) clone expressed telomerase activity (Fig. 2B) and the human ES cell-specific cell surface antigens SSEA-3, SSEA-4, Tra-1-60 and Tra-1-81 (Fig. 2C) whereas the parental IMR90 cells did not. Microarray analyses of gene expression of the four iPS(IMR90) clones confirmed a similarity to five human ES cell lines (H1, H7, H9, H13 and H14) and a dissimilarity to IMR90 cells (Fig. 3, table S3, and fig. S4). Although there was some variation in gene expression between different iPS(IMR90) clones (fig. S5), the variation was actually less than that between different human ES cell lines (Fig. 3A and table S3). For each of the iPS(IMR90) clones, the expression of the endogenous OCT4 and NANOG was at levels similar to that of human ES cells, but the exogenous expression of these genes varied between clones and between genes (Fig. 3B). For OCT4, some expression from the transgene was detectable in all of the clones, but for NANOG, most of the clones demonstrated minimal exogenous expression, suggesting silencing of the transgene during reprogramming. Analyses of the methylation status of the OCT4 promoter showed differential methylation between human ES cells and IMR90 cells (fig. S6). All four iPS(IMR90) clones exhibited a demethylation pattern similar to that of human ES cells and distinct from the parental IMR90 cells. Both embryoid body (fig. S7) and teratoma formation (Fig. 4) demonstrated that all four of the reprogrammed iPS(IMR90) clones had the developmental potential to give rise to differentiated derivatives of all three primary germ layers. DNA fingerprinting analyses (short tandem repeat-STR) confirmed that these iPS clones were derived from IMR90 cells and confirmed that they were not from the human ES cell lines we have in the laboratory (table S4). The STR analysis published on the ATCC website for IMR90 cells employed the same primer sets and confirms the identity of the IMR90 cells used for these experiments. The iPS(IMR90) clones were passaged at the same ratio (1:6) and frequency (every 5 days) as human ES cells, had doubling times similar to that of the human H1 ES cell line assessed under the same conditions (table S5), and as of this writing, have been in continuous culture for 22 weeks with no observed period of replicative crisis. Starting with an initial 4 wells of a 6-well plate of iPS cells (one clone/well, approximately 1 million cells), after 4 weeks of additional culture, 40 total 10-cm dishes (representing approximately 350 million cells) of the 4 iPS(IMR90) clones were cryopreserved and confirmed to have normal karyotypes.

Since IMR90 cells are of fetal origin, we next examined reprogramming of postnatal fibroblasts. Human newborn foreskin fibroblasts (ATCC, Catalog No. CRL-2097) were transduced with OCT4, SOX2, NANOG, and LIN28. From 0.6 million foreskin fibroblasts, we obtained 57 iPS colonies. No iPS colonies were observed in non-transduced controls. Twenty-seven out of 29 picked colonies were successfully expanded for three passages, four of which (iPS(foreskin)-1 to 4) were selected for continued expansion and analyses. DNA fingerprinting of the iPS(foreskin) clones matched the fingerprints for the parental fibroblast cell line published on the ATCC website (table S4).

Each of the four iPS(foreskin) clones had a human ES cell morphology (fig. S8A), had a

normal karyotype (fig. S8B), and expressed telomerase, cell surface markers, and genes characteristic of human ES cells (Figs. 2 and 3 and fig. S5). Each of the four iPS(foreskin) clones proliferated robustly, and as of this writing, have been in continuous culture for 14 weeks. Each clone demonstrated multilineage differentiation both in embryoid bodies and teratomas (figs. S9 and S10); however, unlike the iPS(IMR90) clones, there was variation between the clones in the lineages apparent in teratomas examined at 5 weeks. In particular, neural differentiation was common in teratomas from iPS(foreskin) clones 1 and 2 (fig. S9A), but was largely absent in teratomas from iPS(foreskin) clones 3 and 4. Instead, there were multiple foci of columnar epithelial cells reminiscent of primitive ectoderm (fig. S9D). This is consistent with the embryoid body data (fig. S10), where the increase in PAX6 (a neural marker) in iPS(foreskin) clones 3 and 4 was minimal compared to the other clones, a difference that correlated with a failure to downregulate NANOG and OCT4. A possible explanation for these differences is that specific integration sites in these clones allowed continued high expression of the lentiviral transgenes, partially blocking differentiation.

PCR for the four transgenes revealed that OCT4, SOX2, and NANOG were integrated into all four of the iPS(IMR90) clones and all four of the iPS(foreskin) clones, but that LIN28 was absent from one iPS(IMR90) clone (#4) and from one iPS(foreskin) clone (#1) (Fig. 2D). Thus, although LIN28 can influence the frequency of reprogramming (Fig. 1A), these results confirm that it is not absolutely required for the initial reprogramming, nor is it subsequently required for the stable expansion of reprogrammed cells.

The human iPS cells described here meet the defining criteria we originally proposed for human ES cells (14), with the significant exception that the iPS cells are not derived from embryos. Similar to human ES cells, human iPS cells should prove useful for studying the development and function of human tissues, for discovering and testing new drugs, and for transplantation medicine. For transplantation therapies based on these cells, with the exception of autoimmune diseases, patient-specific iPS cell lines should largely eliminate the concern of immune rejection. It is important to understand, however, that before the cells can be used in the clinic, additional work is required to avoid vectors that integrate into the genome, potentially introducing mutations at the insertion site. For drug development, human iPS cells should make it easier to generate panels of cell lines that more closely reflect the genetic diversity of a population, and should make it possible to generate cell lines from individuals predisposed to specific diseases. Human ES cells remain controversial because their derivation involves the destruction of human preimplantation embryos and iPS cells remove this concern. However, further work is needed to determine if human iPS cells differ in clinically significant ways from ES cells.

EXHIBIT 2

DOLLY CREATOR PROF IAN WILMUT SHUNS CLONING

(By Roger Highfield)

The scientist who created Dolly the sheep, a breakthrough that provoked headlines around the world a decade ago, is to abandon the cloning technique he pioneered to create her.

Prof Ian Wilmut's decision to turn his back on "therapeutic cloning", just days after US researchers announced a breakthrough in the cloning of primates, will send shockwaves through the scientific establishment.

He and his team made headlines around the world in 1997 when they unveiled Dolly, born July of the year before.

But now he has decided not to pursue a licence to clone human embryos, which he was awarded just two years ago, as part of a drive to find new treatments for the devastating degenerative condition, Motor Neuron disease.

Prof Wilmut, who works at Edinburgh University, believes a rival method pioneered in Japan has better potential for making human embryonic cells which can be used to grow a patient's own cells and tissues for a vast range of treatments, from treating strokes to heart attacks and Parkinson's, and will be less controversial than the Dolly method, known as "nuclear transfer."

His announcement could mark the beginning of the end for therapeutic cloning, on which tens of millions of pounds have been spent worldwide over the past decade. "I decided a few weeks ago not to pursue nuclear transfer," Prof Wilmut said.

Most of his motivation is practical but he admits the Japanese approach is also "easier to accept socially."

His inspiration comes from the research by Prof Shinya Yamanaka at Kyoto University, which suggests a way to create human embryo stem cells without the need for human eggs, which are in extremely short supply, and without the need to create and destroy human cloned embryos, which is bitterly opposed by the pro life movement.

Prof Yamanaka has shown in mice how to turn skin cells into what look like versatile stem cells potentially capable of overcoming the effects of disease.

This pioneering work to revert adult cells to an embryonic state has been reproduced by a team in America and Prof Yamanaka is, according to one British stem cell scientist, thought to have achieved the same feat in human cells.

This work has profound significance because it suggests that after a heart attack, for example, skin cells from a patient might one day be manipulated by adding a cocktail of small molecules to form muscle cells to repair damage to the heart, or brain cells to repair the effects of Parkinson's. Because they are the patient's own cells, they would not be rejected.

In theory, these reprogrammed cells could be converted into any of the 200 other type in the body, even the collections of different cell types that make up tissues and, in the very long term, organs too. Prof Wilmut said it was "extremely exciting and astonishing" and that he now plans to do research in this area.

This approach, he says, represents, the future for stem cell research, rather than the nuclear transfer method that his large team used more than a decade ago at the Roslin Institute, near Edinburgh, to create Dolly.

In this method, the DNA contents of an adult cell are put into an emptied egg and stimulated with a shock of electricity to develop into a cloned embryo, which must be then dismantled to yield the flexible stem cells.

More than a decade ago, biologists though the mechanisms that picked the relevant DNA code that made a cell adopt the identity of skin, rather than muscle, brain or whatever, were so complex and so rigidly fixed that it would not be possible to undo them.

They were amazed when this deeply-held conviction was overturned by Dolly, the first mammal to be cloned from an adult cell, a feat with numerous practical applications, most remarkably in stem cell science.

But although "therapeutic cloning" offers a way to get a patient's own embryonic stem cells to generate unlimited supplies of cells

and tissue there is an intense search for alternatives because of pressure from the pro-life lobby, the opposition of President George W. Bush and ever present concerns about cloning babies.

Prof. Wilmut's decision signals the lack of progress in extending his team's pioneering work on Dolly to humans.

The hurdles seem to have been overcome a few years ago by a team led by Prof. Hwang Woo-Suk in South Korea, with whom he set up a collaboration.

Then it was discovered Prof. Hwang's work was fraudulent. "We spent a long time talking to him before discovering it was all a fraud," he said. "I never really got started again after that."

And Prof. Wilmut believes there is still a long way to go for therapeutic cloning to work, despite the headlines greeting this week's announcement in *Nature* by Dr. Shoukhrat Mitalipov and colleagues at Oregon Health & Science University, Beaverton, that they cloned primate embryos.

In all Dr. Mitalipov used 304 eggs from 14 rhesus monkeys to make two lines of embryonic stem cells, one of which was chromosomally abnormal. Dr. Mitalipov himself admits the efficiency is low and, though his work is a "proof of principle" and the efficiency of his methods has improved, he admits it is not yet a cost effective medical option.

Cloning is still too wasteful of precious human eggs, which are in great demand for fertility treatments, to consider for creating embryonic stem cells. "It is a nice success but a bit limited," commented Prof. Wilmut. "Given the low efficiency, you wonder just how long nuclear transfer will have a useful life."

Nor is it clear, he said, why the Oregon team was successful, which will hamper attempts to improve their methods. Instead, Prof. Wilmut is backing direct reprogramming or "de-differentiation", the embryo free route pursued by Prof. Yamanaka, which he finds "100 times more interesting."

"The odds are that by the time we make nuclear transfer work in humans, direct reprogramming will work too."

I am anticipating that before too long we will be able to use the Yamanaka approach to achieve the same, without making human embryos. I have no doubt that in the long term, direct reprogramming will be more productive, though we can't be sure exactly when, next year or five years into the future."

Prof. Yamanaka's work suggests the dream of converting adult cells into those that can grow into many different types can be realized remarkably easily.

When his team used a virus to add four genes (called Oct4, Sox2, c-Myc and Klf4) into adult mouse fibroblast cells they found they could find resulting embryo-like cells by sifting the result for the one in 10,000 cells that make proteins Nanog or Oct4, both typical markers of embryonic cells.

When they studied how genes are used in these reprogrammed cells, "called induced pluripotent stem (iPS) cells", they were typical of the activity seen in an embryo. In the test tube, the new cells look and grow like embryonic stem cells.

And they were also able to generate viable chimera from the cells, where the embryo cells created by the new method could be mixed with those of a mouse embryo to grow into a viable adult which could pass on the DNA of the reprogrammed cells to the next generation.

Nonetheless, there will have to be much work to establish that they behave like embryo cells, let alone see if they are safe enough to use in the body. Even so, in the short term they will offer an invaluable way

to create lines of cells from people with serious diseases, such as motor neuron disease, to shed light on the mechanisms.

Given the history of fraud in this field, the Oregon research was reproduced by Dr. David Cram and colleagues at Monash University, Melbourne. "At this stage, nuclear transfer to create pluripotent stem cell lines remains an inefficient process," said Dr. Cram.

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

The PRESIDING OFFICER (Mr. SALAZAR). Without objection, it is so ordered.

Mr. CRAIG. Mr. President, let me inquire, we are in morning business?

The PRESIDING OFFICER. The Senator is correct.

ALTERNATIVE MINIMUM TAX AND 3-PERCENT WITHHOLDING

Mr. CRAIG. Mr. President, I come to the floor of the Senate today to speak about two very important issues to America's taxpayers.

The first, of course, is the alternative minimum tax on which we had a cloture vote this morning. That is a very serious matter. I voted against a motion to proceed because I do not believe the best way to prevent a tax increase on 25 million taxpayers is to raise taxes elsewhere by about \$80 billion. There is an old phrase out there saying that you are going to rob Peter to pay Paul. Obviously, Peter feels his pocket has been picked, but Paul might feel pretty good about it. And that is the scheme that was played out here. It is a switch game that goes on. The alternative minimum tax is important, but you don't do what they are doing. How can you give a tax break that is already going out somewhere else and raising taxes to give it? That is the issue at hand. I hope the majority is serious about protecting millions of middle-class taxpayers by bringing realistic, bipartisan legislation to fix the AMT, something both sides of the aisle can and, in all fairness, should support.

Even though I did not support how this legislation was crafted, there is a provision in the tax extender package that I wish to highlight because it is very important to taxpayers.

The bill we just voted on contained a provision to delay for 1 year a Federal mandate that requires every level of government—Federal, State, and local—to deduct and withhold a 3-percent tax on all payments of goods and services if that government spends \$100 million or more for those goods and services. Oh, yes, that is a shuffle game that has been going on in the Finance Committees in the House and the Senate for some time, and it was slipped in as a way to grab some money. I saw that coming early on and began to object to it and began to look at the fig-

ures on it when others of us were saying: Well, gee, I thought that was an ability to raise some more money. I was pleased this issue was finally addressed, but what we need is full repeal of this terrible tax policy, not just a 1-year delay, although I must say a 1-year delay is going to awaken a lot of my colleagues because their State, county, and city governments are going to be calling, if they haven't already, saying: Wake up, you are putting a substantial tax on top of us.

I have come to the floor of the Senate today to renew a promise I made over a year ago. The same day this Senate provided tax relief for millions of Americans by passing the Tax Increase Prevention and Reconciliation Act of 2005, for which I voted, I pledged to do all I could to remove this terrible provision I just talked about that was quietly slipped into the conference report as a last-minute revenue raiser. So I stand here today to renew that pledge.

Last year, I told Members of the Senate this provision would not go unnoticed, and I was right. Once taxpayers learned what this Congress had done in the middle of the night when somebody wasn't watching, they began to react. Angry taxpayers from across the Nation are joining forces, organizing coalitions, and rallying grassroots support to fix this unjust tax policy. I applaud them for their efforts, and I am here to help them.

Let me take a couple of minutes to share what hundreds of angry taxpayers shared with me. I want every Member of the Senate to listen carefully. I want them to understand how this 3-percent tax withholding will affect each and every one of their constituents. I want them to understand why this mandatory 3-percent withholding tax is so bad.

First, 3-percent withholding was justified in the name of closing a tax gap. Proponents argued it would improve compliance. I will show a chart. They say it will improve tax compliance by approximately \$7 billion over 5 years. I do not agree, and neither do the numbers.

These numbers are based on the Joint Tax Committee's original estimates. These numbers are simply slightly different when we take the 1-year delay that was in the provision that was on the floor this morning into account. But these numbers tell the story of why this is such a terrible provision.

In 2011, the first year this provision goes into effect, this 3-percent withholding tax accounts for about \$6.79 billion in new revenue—boom, a big chunk of new revenue. Can't you see the spenders on the floor of the Senate salivating as they factor that into their budgets and bring down their deficit margins? However, each year after this provision only brings in about \$200 million. Why is that? I will tell you. Because about \$5.8 billion will be rightly returned to the taxpayers each year

thereafter. So it is a big bubble once, but then it is a constant tax.

Proponents argue that 3-percent withholding will improve tax compliance by \$7 billion over 5 years. It is simply not true. The real value of increased tax compliance is only about \$200 million. The bulk of these revenues, \$5.8 billion, are not found. It is not real money. They are accelerated tax receipts. Contemplate that into any private or public budget or revenue and my guess is an accountant would say you are cooking the books; you can't get away with that; that is not real money.

Many of our taxpayers are already skeptical of what we do around here and would suggest we are not dealing in the real world in our desire to spend money and pay for it in some way. That is exactly what is happening. The finance committees in the conference that put this in cooked the books. As the pressure builds, that is why, well, we better push this back for 1 year.

Now, even though these estimates say you are bringing in \$200 million in new revenue, which is a good thing, I guess, I am here to argue that the harmful consequence of withholding 3 percent on all payments of goods and services—and when I said that, the presiding officer brought his head up. The reason he did, and the reason any of us do when we hear about these things is, wait a minute, you are taxing goods and services of counties and cities and State government. Why are you doing that? This is going to far and away exceed the benefit we gain from additional tax revenue because somehow it makes its way through, obviously, to the constituent at the local level.

Not only are their numbers misleading you, but the unintended consequence of this tax withholding are very serious. Who is going to bear the burden of enforcement and implementation—the IRS? The Federal Government? Oh, no. The burden is going to be borne by State and local governments—your cities, my cities, our counties, our States, and companies large and small that do business with our Government are going to have to reach into their pockets in advance. The magical threshold is \$100 million. Well, we say that is only for big business. Well, a lot of our cities out there today and a lot of our counties out there today and certainly all of our States fit into that category.

Let me give an idea of what I am talking about. The State comptroller's office in my State of Idaho, an office that would oversee compliance of all State agencies with this new tax-withholding requirement, conservatively estimates it would cost that office, that office alone, about \$358,000 to implement and about \$78,000 a year to carry it on. Now, remember this is a State of 1.5 million people. This is not 10 million or 12 million or 14 million people. Those are real dollars. That is one office in a small State. When you add all the other Idaho State agencies

and offices that must also comply, those numbers will go up. So it is not overstating the case to say.

That tax withholding will collectively cost my State of Idaho millions of dollars to implement.

Now, think of what it would cost the State of Colorado, substantially larger than the State of Idaho, or the State of California, Florida or Texas. The numbers get big, and the numbers get staggering. What about our city and county governments? They will have to comply as well if they spend \$100 million a year. That is the threshold.

Most counties and cities don't even know what is about to hit them, but there is one that does, and they figured out how much it is going to cost them. Let me talk about Miami, Dade County, FL. They expect withholding provisions to cost them \$27 million. Let me say it again. The new tax withholding will cost Dade County, FL, \$27 million. Now, if it costs them that, what do they do? They pay it. Do they cut services to their constituents or do they go out and raise taxes to offset it so they don't have to cut services? Because they are going to be forced to pay it by the Federal Government.

It is not a stretch to say this is going to cost our States, our counties, and our city governments millions and millions of dollars a year. That cost, as I said a few moments ago, has to be moved somewhere else. You either cut the services that the counties or the cities provide or you raise taxes to offset. The unsuspecting victim ultimately then has to be the taxpayer. Either the services they expect from their government are gone or they take a little more out of their back pocket.

Proponents of the 3 percent withholding tax are saying this is the best way to make sure everybody pays their fair share of taxes. Well, it is a new tax. I disagree. I don't think this is the best way to do it. I believe all citizens ought to pay their taxes. I think you and I would agree with that. I also believe our taxes should be straightforward, transparent, and fair. This new withholding tax is not straightforward, it is not transparent, and I suggest it isn't very fair. It is simply another way for the Feds to get their hands in the hip pocket of every level of government below them and into the poor taxpayer's pocket, ultimately.

The new withholding tax, ultimately, will devastate businesses and their customers across the Nation. Let me explain about businesses now. It isn't just governments that are going to have to be paying this. If you own a business and you have a contract to provide goods and services to the cities or the State, or the Federal Government for that matter, then the Government will not pay you in full. Oh, my goodness. You cut a contract with the Federal Government for "X" hundreds of millions of dollars to provide goods and services and they withhold 3 percent before they send you the money. So how are you going to deal with that

one? Because that is exactly what will happen.

Competitive contracting? Very tight. We hope the margins are tight. We want the margins to be tight. So they will keep your money for 12 to 15 months because it is withheld. So where do you go then to get the money to provide the goods and services? You go borrow it. That endless circle goes on. Doing business with the Federal Government will be more costly, and, ironically, it will cost the Federal Government more if we expect private contractors to deal with our Government.

Here is the problem with that. It will impact nearly every industry in our Nation and it will negatively affect nearly every business or organization in America that contracts with a government entity to provide goods and services. Many industries, especially health care and construction, and most small businesses will be particularly hard hit, because a 3-percent withholding is actually larger than, in many instances, the entire profit on a contract. Think that one through. If the tax withheld is larger than the profit, why would you want to engage in business with the Government? This will seriously impede cash flow, which for small businesses can mean deciding between meeting a payroll, expanding a company or buying needed equipment. We leave small businesses with only two options: They either pass the cost along to their consumer and the price of business goes up, or they borrow money from the bank and make up the shortfall. Of course, when you borrow money from a bank, it is going to cost you a little money to do it, and so down goes the margin of profit, down goes the viability, and down goes the strength and the ability of a small business to compete.

It is ironic we are forcing these small businesses to take out a loan to pay for our mistakes while the Federal Government is essentially getting an interest-free loan from the taxpayer. That is not right.

I am on the floor of the Senate today honoring a commitment I made 1 year ago to speak out and to help shape coalitions to make America aware of what had been slipped into a conference in the dark of night that was going to impact them directly. Well, it is working. Slowly but surely America is awakening to this phantom gain our tax writers thought they could get for our tax spenders.

I sponsored legislation to repeal the 3-percent withholding. I have not yet won that fight, but to all who are listening, the tax writers are starting to blink. That is why the 1-year extension was stuck into this AMT provision, because all of a sudden the pressure is beginning to build and those politicians who raise your taxes are slightly feeling the pressure. We have to keep it on because a 1-year extension simply is not good enough. A full repeal is what we must ask for, unless we want to pass all of this through to our cities, to

our counties, to our States, to the business and industry that does business with our governments, and ultimately to you, the taxpayer, who always pays the bill in the end no matter who writes the check.

So it is important. I hope we can work out the differences we have across the aisle on the AMT. I hope when we do that, the 1-year extension will be in there because we will have had one step down a road toward victory in getting the 3-percent withholding tax repealed.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. NELSON of Nebraska). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mrs. MURRAY. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Ms. KLOBUCHAR). Without objection, it is so ordered.

THE FARM BILL

Mrs. MURRAY. Madam President, I come to the floor this afternoon to talk about why it is so important that we pass the 2007 farm bill. When a lot of people think of my home State of Washington, they think about Seattle and Boeing and Microsoft, and all those important things, but farming is an incredibly important part of Washington State's economy. We happen to be the eleventh largest farm State in the Nation and we are the third largest producer of fruits and vegetables, which are also known around here as specialty crops. This farm bill is very important to my home State because it will keep our State healthy and strong.

In fact, farming has been an important part of my own personal life. My grandfather moved to the Tri-Cities in central Washington to take a job with Welch's Grape Juice factory a long time ago, in the early 1900s, and my own dad grew up picking asparagus in central Washington. My hometown of Bothell, WA, where I grew up—a small town of about 1,000 people, now backyard to Microsoft—when I was growing up there, we were surrounded by berry farms. We grew up with a very clear understanding of how important family farms are to Washington State's economy. So I know personally that passing the farm legislation before us is absolutely critical for our farmers, who grow apples or cherries, peaches or grapes, asparagus, potatoes, and many of the other important products to Washington State.

I know this is not a perfect bill, this farm bill, but it is the best farm bill in years for my home State farmers, largely because of what it does for those specialty crops I talked about. My home State and our Nation cannot be strong unless our farmers are doing well, and this farm bill helps them stay strong by investing in programs that

help them find markets for their crops both here in the United States and abroad. Importantly, this bill will help fund research to ensure that our farmers have a healthy and safe crop in the future.

The Senate now has an opportunity to move forward a very good farm bill. Unfortunately, as we all are aware now, we have become bogged down because the Republicans are now insisting on unrelated amendments that threaten to kill the help our farmers need and deserve today. So I want to be clear about what is happening here. Republicans have been complaining for the last several days about the need to move forward legislation of any kind, but here they are blocking this bill.

I hope we can eventually make progress, but I want to talk this afternoon about what this farm bill can do and what we are losing if we don't move it forward. The biggest victory in this farm bill for Washington State is the \$2.2 billion that will help our specialty crop farmers. This is the very first time in this Nation we have addressed these specialty crops in a comprehensive and meaningful way. The money in this bill will help carry out programs I have been pushing very hard for in the last several years.

In this bill, we have \$270 million in block grants. Those block grants will help our local growers increase the competitiveness of their crops. We have \$15 million in badly needed aid for our asparagus farmers, who have been struggling to compete in this global marketplace they are required to be in, because we have been seeing a flood of cheap asparagus coming in from Peru.

This bill also helps our farmers compete in what we all know is an increasingly global marketplace and to find new markets abroad for their crops. We know South America and China and other countries are aggressively pursuing selling their crops in many of these very important nations overseas. We have to remain competitive and we have to give our farmers the ability to get out there and let other people know what we have so we can be competitive in that market.

This farm bill, importantly, increases funding for technical assistance for the specialty crop programs that will help our farmers overcome some of the barriers that threaten their ability to export their crops today. This is so important to my home State. I actually was out in our State last week, as many of us were after the Thanksgiving holiday. I was in Yakima, WA, where I had a listening session with some of our farmers, and there were some cherry farmers there who are working very hard to develop a new program in Japan. They were talking about how this technical assistance will help them help the Japanese understand how important this is so we can open an entire new market that will help my farmers locally but certainly help our Nation be competitive in this global marketplace.

Another thing this bill will do will be to help ensure that nurseries can continue to have access to safe and virus-free plant materials. This is extremely important. Apples, peaches, and grapes are very vulnerable to viruses. A single plant or a single grapevine can infect and wipe out an entire established orchard or vineyard. Washington State University at Prosser is doing some national research on this topic and they are going to be an incredibly important part of this national clean plant network.

I also wish to talk about a part of this bill that gets neglected way too often as we talk about it, and that is the nutritional programs. I think very few people realize that over half of the farm bill goes to these important nutritional programs. Those are the programs that will help our kids in our schools get access to fresh fruits and vegetables in their school lunches. We hear all these reports about obesity. I read this morning that the life expectancy of the younger generation is going to be, for the first time, less than our generation because of obesity. We have to make sure our kids, at the very youngest ages, are getting access to the best nutrition possible. This farm bill helps to do that, to make sure fruits and vegetables are part of a nutritious lunch and are accessible at an early age when they are beginning to understand, to learn, and to eat the right things so we don't have obesity which, as we all know, leads to a lot of the health care problems in this Nation today.

The farm bill also is helpful in terms of the nutritional programs for people who get food stamps and other assistance, so they also get access to fresh, nutritious food. The bill will help end the benefit erosion we have seen in the food stamp program over the years, and that is especially important today for our low-income families. Our low-income families are struggling today with gas prices rising, health care access, and all the other things that impact them, just as much if not more than most of the rest of our families. Making sure they have access to a food stamp program that makes sure they have adequate nutrition is especially keen and especially important right now. To use an old cliché, I see this as a win-win. These nutritional programs help our children and adults fight obesity and, at the same time, it helps our specialty crop growers.

Finally, I wish we had been able to include important improvements to the safety net that is so critical to the wheat farmers in my State. I have been working for a number of years now with the wheat farmers in Washington State to help improve the countercyclical payment program so it will actually work for them. Unfortunately, we could not make significant changes in this bill, but I am happy the bill holds them harmless, and that was important.

None of us get everything we want in this bill. I am not out here on the floor

to hold up this bill because I didn't get one thing I wanted. I am working to move this bill forward because, in the large part, it is best for our Nation's farmers, and I hope we all step back and recognize that. In a democratic body, we have to fight for what we believe in, but at the end of the day it is our responsibility to make sure the larger bill moves forward. I find it very troubling that because some people didn't get something they wanted, they are now stopping this farm bill in the aggregate from moving forward.

We have a lot of opportunity now to do good for our farmers, so it is very troubling that we see the Republicans coming to the floor now and objecting to this bill. We have to ask: Why are they objecting? So we go and look at the record, and they are saying they are not allowed to get, I think it is over 200 amendments now that are listed here up for consideration on this bill. I was reading through them a few minutes ago, on what they want us to vote on in order to move this farm bill forward. There are over 200 amendments. That is not going to happen in the last 2 weeks we have in this session.

At the expense of asking for extraneous amendments that have nothing to do with the farm bill, they are holding up these critically important nutritional programs, programs that our farmers need in order to keep their livelihoods going, and sending out all across the Nation a huge question mark about whether they are going to have what they need as they move into the next growing cycles. I looked at this list of amendments. There are amendments they want us to consider on a farm bill for fire sprinklers and tort reform and estate tax repeal. They may all be critical issues, but a farm bill is not where we consider these issues.

This bill is far too important for our Nation's health and our economy to use it now as a vehicle for some kind of political game. Only once in our modern history has a nonrelevant amendment been added to the farm bill. Each and every time we have considered the farm bill, the majority and the minority have worked out a reasonable agreement that helps clear the path forward for this important bill. What we see today, unfortunately, is a Republican minority that has decided to throw out the history books and continue to set a record-setting pace of obstruction and kill the help our farmers need and deserve.

Today our families are all struggling—gas prices, energy prices, mortgage crisis, health care costs. We have to get beyond the politics and make sure our farmers and our kids benefit from the very critical investments in this farm bill. These aren't just numbers in a bill. As you well know, Madam President, coming from a State that depends on agriculture, these programs can make or break people's livelihoods.

We have got to come together, and I urge our Republicans to get their ship in order, come to the table with a reasonable plan to move forward, and let us get this bill passed.

Madam President, I yield the floor.

MAKING TECHNICAL CORRECTIONS TO THE HIGHER EDUCATION ACT OF 1965

Mrs. MURRAY. Madam President, I ask the Chair to lay before the Senate a message from the House of Representatives with respect to S. 2371, Higher Education Technicals.

The Presiding Officer (Ms. KLOBUCHAR) laid before the Senate the following message from the House of Representatives:

S. 2371

Resolved, That the bill from the Senate (S. 2371) entitled "An Act to amend the Higher Education Act of 1965 to make technical corrections", do pass with the following amendment:

Page 3, after line 11 of the Senate engrossed bill, insert the following new section:

SEC. 3. TEACH GRANTS TECHNICAL AMENDMENTS.

Subpart 9 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070g et seq.) is amended—

(1) in section 420L(1)(B), by striking "sound" and inserting "responsible"; and

(2) in section 420M—

(A) by striking "academic year" each place it appears in subsections (a)(1) and (c)(1) and inserting "year"; and

(B) in subsection (c)(2)—

(i) by striking "other student assistance" and inserting "other assistance the student may receive"; and

(ii) by striking the second sentence.

Mrs. MURRAY. Madam President, I ask unanimous consent that the Senate concur in the House amendment and the motion to reconsider be laid upon the table.

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

CHARLIE W. NORWOOD LIVING ORGAN DONATION ACT

Mrs. MURRAY. Madam President, I ask the Chair to lay before the Senate a message from the House of Representatives with respect to H.R. 710, Charlie W. Norwood Living Organ Donation Act.

The PRESIDING OFFICER (Ms. KLOBUCHAR) laid before the Senate the following message from the House of Representatives:

H.R. 710

Resolved, That the House agree to the amendment of the Senate to the bill (H.R. 710) entitled "An Act to amend the National Organ Transplant Act to provide that criminal penalties do not apply to paired donations of human kidneys, and for other purposes", with the following House amendments to Senate amendment:

In lieu of the matter proposed to be inserted by the amendment of the Senate to the text of the bill, insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Charlie W. Norwood Living Organ Donation Act".

SEC. 2. AMENDMENTS TO THE NATIONAL ORGAN TRANSPLANT ACT.

Section 301 of the National Organ Transplant Act (42 U.S.C. 274e) is amended—

(1) in subsection (a), by adding at the end the following: "The preceding sentence does not apply with respect to human organ paired donation."; and

(2) in subsection (c), by adding at the end the following:

"(4) The term 'human organ paired donation' means the donation and receipt of human organs under the following circumstances:

"(A) An individual (referred to in this paragraph as the 'first donor') desires to make a living donation of a human organ specifically to a particular patient (referred to in this paragraph as the 'first patient'), but such donor is biologically incompatible as a donor for such patient.

"(B) A second individual (referred to in this paragraph as the 'second donor') desires to make a living donation of a human organ specifically to a second particular patient (referred to in this paragraph as the 'second patient'), but such donor is biologically incompatible as a donor for such patient.

"(C) Subject to subparagraph (D), the first donor is biologically compatible as a donor of a human organ for the second patient, and the second donor is biologically compatible as a donor of a human organ for the first patient.

"(D) If there is any additional donor-patient pair as described in subparagraph (A) or (B), each donor in the group of donor-patient pairs is biologically compatible as a donor of a human organ for a patient in such group.

"(E) All donors and patients in the group of donor-patient pairs (whether 2 pairs or more than 2 pairs) enter into a single agreement to donate and receive such human organs, respectively, according to such biological compatibility in the group.

"(F) Other than as described in subparagraph (E), no valuable consideration is knowingly acquired, received, or otherwise transferred with respect to the human organs referred to in such subparagraph."

SEC. 3. REPORT.

Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Secretary of Health and Human Services shall submit to the appropriate committees of Congress a report that details the progress made towards understanding the long-term health effects of living organ donation.

SEC. 4. NO IMPACT ON SOCIAL SECURITY TRUST FUND.

Nothing in this Act (or an amendment made by this Act) shall be construed to alter or amend the Social Security Act (42 U.S.C. 301 et seq.) (or any regulation promulgated under that Act).

Amend the title so as to read: "An Act to amend the National Organ Transplant Act to provide that criminal penalties do not apply to human organ paired donation, and for other purposes."

Mrs. MURRAY. Madam President, I ask unanimous consent that the Senate concur in the House amendments and the motion to reconsider be laid upon the table.

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

Mr. LEVIN. Madam President, this bipartisan legislation makes technical changes to legislation I previously introduced, S. 487, along with Senators BOND, DORGAN, GRAHAM, DURBIN, MIKULSKI, PRYOR, CARDIN, ISAKSON, COLEMAN, BROWN, and CHAMBLISS and which passed the Senate on July 9, 2007. Companion legislation, H.R. 710, was introduced in the House by Representatives CHARLES NORWOOD and JAY INSLEE,

where the bill was renamed in honor of Representative Norwood, a longtime advocate of organ donation, following his passing on February 13, 2007. This legislation, which applied only to kidneys when first introduced, was subsequently broadened in a Senate substitute amendment I offered and the Senate adopted unanimously on July 9, 2007. The legislation was broadened to include paired donation of other organs as the field of transplantation advances, and in order that those advances not be hindered.

Today, the House has returned the bill passed by the Senate on July 9, 2007, with several technical changes and we are all pleased that with its adoption today and fast-track to the President for his signature, the saving of thousands of lives is on the horizon.

Our legislation will save lives by increasing the number of kidneys and other organs available for transplantation through the process called paired organ donation. It addresses this relatively new procedure, which is supported by numerous medical organizations, including the United Network for Organ Sharing, UNOS, the American Society of Transplant Surgeons, the National Kidney Foundation, the Association of Organ Procurement Organizations, and the American Society of Pediatric Nephrology, as well as many other organ donation and transplant organizations. Paired organ donation, which did not exist when the National Organ Transplant Act, NOTA, was enacted more than two decades ago, will make it possible for thousands of people who wish to donate a kidney or other organ to a spouse, family member or friend, but find that they are medically incompatible, to still become living kidney donors.

In the process of organ paired donation, a donor who is willing to give an organ to a family member or a friend, but is biologically incompatible, donates to another patient, who also has an incompatible donor. By cross-matching two or more incompatible living donor recipient pairs, more patients can receive organs and more donors can give an organ. Paired organ donation results in donor-recipient matching, that would not otherwise occur.

This legislation is necessary because the National Organ Transplant Act, NOTA, which contains a prohibition intended by Congress to preclude purchasing organs, is unintentionally impeding the facilitation of matching incompatible pairs, as just described. Our legislation would simply add paired donation to the list of other living-related donation exemptions that Congress originally placed in NOTA. It removes an unintended impediment to paired donations by clarifying ambiguous language in section 301 of the National Organ Transplant Act, NOTA. That section has been interpreted by a number of transplant centers to prohibit such donations. In section 301 of NOTA, Congress prohibited the buying

and selling of organs. Subsection (a), titled "Prohibition of organ purchases," says, "It shall be unlawful for any person to knowingly acquire, receive, or otherwise transfer any human organ for valuable consideration . . ." This legislation does not remove or alter any current provision of NOTA, but simply adds a line to section 301 which states that paired kidney donations do not violate it.

Congress surely never intended that the living donation arrangements that permit paired donation be impeded by NOTA. Our bill simply makes that clear. Some transplant professionals involved in these and other innovative living kidney donation arrangements have proceeded in the reasonable belief that these arrangements do not violate section of 301 of NOTA, but they contend that they are doing so under a cloud.

No Federal dollars are needed to implement this change. And, for each patient who receives a kidney, Medicare will save roughly \$220,000 in the end-stage-renal disease program because of the significantly lower cost of transplantation compared to dialysis cost. It is essential that we make the intent of Congress explicit so that transplant centers which have hesitated to implement incompatible living kidney donation programs can feel free to do so.

Currently, over 97,000 people are waiting for an organ, including 72,000 who are waiting for a kidney transplant, over 2,600 of whom are in the State of Michigan, as they endure countless hours attached to a life-sustaining dialysis machine hoping that a organ donor will become available before they die. Because of the shortage of available organs, approximately 3,800 people die every year while on the waiting list for a kidney transplant. For them, time is of the essence.

Last but certainly not least, the great success we have achieved here today would not have been possible without the support of my good friend and colleague in the House, Representative JOHN DINGELL chair of the House Energy and Commerce Committee and my distinguished and caring colleague in the Senate, Senator TED KENNEDY, chair of the Committee on Health, Education, Labor, and Pensions. In addition, there are those who energetically led the effort in educating Congress on the need for paired donation and they have long been a progressive force in organ donation and transplantation. I thank Dr. Robert M. Merion, professor of surgery at the University of Michigan Transplant Center and secretary of the American Society of Transplant Surgeons, ASTS, as well as Dr. Goran B. Klintmalm from Baylor University Medical Center and president of the ASTS, for their tireless advocacy for this lifesaving legislation. I would also like to thank Dr. Jeff Crippin, director of liver transplants at Washington University in St. Louis, MO, and president of the American Society of Transplantation, AST; Dr. David Briscoe, direc-

tor of transplant research at Children's Hospital in Boston, Harvard University; Dr. David Cohen, director of kidney transplant, Columbia University; and Bill Lawrence of United Network of Organ Donor Sharing for his steadfast leadership in the cause of organ donor awareness and organ transplantation.

Senate passage and enactment of this legislation is a fitting tribute that honors the memory of six members of the University of Michigan Transplant Team, who died in a tragic plane crash while on an emergency mission to deliver life-saving organs to the University of Michigan Hospital to save the lives of transplant patients.

I would like to share with my colleagues the sentiments expressed by Mary Sue Coleman, President of the University of Michigan, upon learning of the tragic loss of the six members of the University of Michigan Transplant Team. Her remarks, given on June 5, 2007, are as follows:

Our hearts are broken by the devastating and irreplaceable loss of six members of the Survival Flight transplant team.

Every day, the doctors, nurses and flight personnel of Survival Flight do heroic work in saving the lives of others, and that is how we will remember those who perished in Monday's tragedy—as selfless heroes.

There is no greater act than that of saving a life, and through our grief, we take comfort in knowing these six men died in the service of a fellow human being.

Please hold in your hearts David Ashburn, M.D., a fellow (physician-in-training) in cardiothoracic surgery; Richard Chenault II, a transplant donation specialist with the U-M Transplant Program; Dennis Hoyes, a Marlin air pilot; Rick Lapensee, a transplant donation specialist with the U-M Transplant Program; Bill Serra, a Marlin air pilot; and Martinus (Martin) Spoor, M.D., a cardiac surgeon who had been on the U-M faculty since 2003.

Our thoughts and prayers are with their families, friends and colleagues.

Finally, I would also like to share an excerpt from a letter I received from Dr. Robert Merion regarding his cherished colleagues and friends who were members of the University of Michigan Transplant Team, as follows:

All of my colleagues who perished in that horrible crash were committed to organ donation. In fact, the U.S. Department of Health and Human Services awarded one of them, Richard Chenault II, its Medal of Honor in 2006 for his successful efforts to increase organ donation at the University of Michigan. All six of these fine men would have been extraordinarily proud to know that their names were being invoked to stimulate final passage of a bill that will provide the gift of life to so many others.

I commend the Senate on the passage of this much-needed legislation and look forward to the President signing it in the days ahead.

Mrs. MURRAY. 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. CASEY. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

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

LENDING CRISIS

Mr. CASEY. Madam President, I rise today to speak about something that is on the minds of a lot of Americans, but also something that initially was addressed by the President and by Secretary Paulson today when they announced their loan modification program as it relates to the subprime lending crisis that is engulfing many American communities and so many families. Despite all the evidence of the size and scope of the subprime crisis, this administration today unveiled what I would argue is a tepid plan that would reach only a small number of subprime borrowers.

I don't think it is too late for the President or Treasury Secretary Paulson to come up with a real solution, but this plan is far too little. It is my opinion that this plan will only affect a few borrowers, not enough to meet the need.

That is not just my opinion, though, it is the opinion of some experts in the industry. One in particular, Barclays Capital, is estimating that this plan announced today will reach only 12 percent of all subprime borrowers.

Mr. Eric Halperin, the Director of the Center for Responsible Lending, which institution is a leading expert in this area, was quoted in the New York Times as saying:

I don't see anything that leads me to believe we will see an increase in loan modifications.

That is just two experts weighing in on something that is critical to so many families in America. The fact that the President and Secretary Paulson have put a kind of window dressing on these loan modifications and the problems that are caused by the subprime crisis doesn't mean that we can feel secure that they are meeting the need that we see across the country. I think the administration has to do more than just talk about this issue and take credit for having some kind of a plan because we know that more than 2 million subprime loans are about to reset at higher rates in the months ahead.

This crisis has already slowed economic growth in America and has an impact the world over. It is threatening to push our economy into recession, and still the President and the administration are not willing to truly help homeowners on the brink of foreclosure.

The Treasury Secretary has known about these problems for some time, as has the administration. I am afraid when Members of Congress weigh in on this problem, as so many have—with legislation, with suggestions, with ideas—the administration tends to ignore that advice or ignore that plea for help. Just this week I sent a letter to Secretary Paulson which was signed by a number of other Senators—Senator

SCHUMER, Senator BROWN, and also Senator DODD. We asked the Secretary to consider basically five considerations.

Let me read what we asked him to examine as he and the President were preparing the plan they released today.

No. 1, we asked he ensure the eligibility for modification not be too narrow and that people who are affected have every opportunity to ensure that they remain in their home. No. 2, we asked they make sure loan modifications are long enough to ensure the long-term affordability of the mortgages and not merely delay a foreclosure. No. 3, we asked to waive all prepayment penalties. I think that is a reasonable request in this kind of crisis. No. 4, we asked the Secretary to guarantee the fair treatment of families that are not able to avoid foreclosure, even with modifications. No. 5, make sure the modification program must be transparent to allow for independent monitoring. Of these five key points, these five requests, really, it is only clear that one has been addressed. One has been addressed by freezing rates for 5 years.

A plan that affects only 10 to 12 percent of borrowers, can that kind of plan qualify and can most borrowers have confidence in such a plan? I don't think so. Unfortunately, Secretary Paulson and the President have come up far too short on their recommendations.

So many people here, not just in Washington but across the country, know the effects of this crisis on our country—obviously on families and their ability to make ends meet month to month, paying the bills, but also the effect on the economy, really on the world economy. We know, for example, the Joint Economic Committee, of which I am a member—the Presiding Officer is also a member, a proud member from the State of Minnesota. She knows when our committee had a chance to review this issue we issued a study, not too long ago, about how much this problem will cost. Just let me give you a couple of numbers which are relevant: 2 million foreclosures. We have heard a lot about that, but we know 2 million will occur by the time the riskiest subprime adjustable rate mortgages, the ARMS, will reset over the course of this year and next year. Many thought the crisis was behind us, that we were kind of over the hump. A lot of experts believe the worst is yet to come. That is why we needed a real plan by the President, not a half-baked plan.

No. 2, the Joint Economic Committee found that approximately \$71 billion in housing wealth will be directly destroyed—\$71 billion in housing wealth will be directly destroyed. There is another \$32 billion on top of that, \$32 billion in housing wealth that will be indirectly destroyed by the spillover effect of foreclosures which reduce the values throughout a neighborhood.

States across the country will lose some \$917 million in property tax rev-

enue because of this crisis. The 10 States with the greatest number of estimated foreclosures, of course, are some of the larger States: California, Florida, Ohio, New York, Michigan, Texas, Illinois, Arizona, and my home State of Pennsylvania. I am sure the State of the Presiding Officer, Minnesota, is probably close to the top as well. But there are several others close to that ranking.

Finally, in terms of the findings of this particular report, on top of the losses due to foreclosure, this report also says there will be a 10-percent decline in housing prices, which would lead to a \$2.3 trillion economic loss.

We could go on and on about what the problem is, but we know there are some solutions on the table. I am one of the cosponsors, along with Senators SCHUMER and BROWN, of the Borrowers Protection Act, which imposes obligations on some of the players in this market who have not been regulated, frankly, have not been cracked down on, the so-called unregulated brokers and originators. This legislation, the Borrowers Protection Act, would do that looking forward, but also in the present context we have pushed very hard, and the Senate has already passed legislation—of course, the President, like he is about a lot of things, is talking about vetoing this legislation—in which we do have \$200 million set aside for foreclosure counseling, which a lot of families need and a lot of homeowners have a right to expect. There are some short-term and long-term things that we can do but, unfortunately, what the President and the Secretary did today does not meet that.

I want to conclude by quickly moving to another topic for just a few moments before my time is up.

NUCLEAR PROLIFERATION

Mr. CASEY. Madam President, to highlight something that was in the New York Times last Friday—it was Friday, November 30—at the bottom of page A12, in the midst of all of this discussion we have had in this country over the National Intelligence Estimate on Iran—and properly so that we debate that and discuss that—all of the discussion on crises and challenges in our foreign policies that threaten our national security, the ongoing debate about Iraq, in the midst of all of that, we see in the New York Times and other publications a headline that reads as follows:

In Slovakia, three are held in a uranium smuggling case.

What is this all about? Well, it is about what a lot of people believe is maybe the greatest nightmare we face in the country: that a small group of terrorists can get a hold of fissile material and create a nuclear weapon, any kind of even unsophisticated nuclear weapon or dirty bomb—however you want to describe the various types of weapons that can be developed—and explode it in an American city or explode

it in a Western city, maybe, across the world.

But here is what happened in this case. This is cause for alarm because of the lack of attention that is being paid to this issue in the press, frankly, and also when the press asks Presidential candidates questions in debates because it has not been a subject of much debate at all. I am talking about three individuals, two Hungarians and a Ukrainian, who were arrested last Wednesday after trying to sell highly enriched uranium, according to diplomats in that part of the world. Now, it was only half a kilogram, and the poundage was very limited. We know you need a lot more kilograms, a lot more pounds to have a real threat.

But here is the problem. We have an administration that has had a series of recommendations made to it over many years now about ways we can prevent this nightmare from taking place. I gave a speech a couple of weeks ago, and a lot of Members of this body have been concerned about this issue for years. But the administration has not shown the kind of leadership we need to prevent the nightmare of nuclear terrorism.

What can we do? Well, there are a couple of things we can do.

Very simply, this country could lead an effort, an international effort to create a global library of fissile material so we can track this material if an explosion occurred or if a terrorist attack occurred. Countries would be accountable if we did that. But this administration has not shown a willingness to show real leadership on this issue.

Secondly, we should treat an issue such as this as a crime against humanity. That is another step which should be taken, and this administration should lead that effort. Unfortunately, they have not. They have allowed a real gap in the work to persist so that other groups, international groups, groups here in America, nonproliferation groups across the country have had to take up the ball, so to speak, and run with it because this administration does not show the leadership.

I would ask this administration, I would implore them that even in the last year of an 8-year administration, they take this issue very seriously, even if this particular case that was pointed out in the New York Times and other places was by a small group of very unsophisticated people across the world. At some point in time, we are going to be faced with the challenge of a very sophisticated group of terrorists. It might be al-Qaida, which is seeking to do this every day of the week. That is the nightmare, and we are not prepared for it, we are not spending enough time on it. The administration should lead this effort. The next administration as well as this Congress has to show leadership.

That is a gentle but firm reminder from a story just last week. It is a real threat to our existence, and it is a

threat to our national security in and of itself.

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.

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

The PRESIDING OFFICER (Mr. WHITEHOUSE). Without objection, it is so ordered.

LENDING DISASTER AND POOL SAFETY

Ms. KLOBUCHAR. Mr. President, I rise to talk about a very important constituent of mine, a 6-year-old girl named Abbey Taylor, who was severely hurt this past summer in a pool accident—something that could have been prevented if this body and the House of Representatives had acted a few years ago on a pool safety bill. We have an opportunity, before we go into recess, before the year's end, to do the right thing. But before I talk about that, I would like to make note of the President's remarks today on the subprime housing crisis that threatens our Nation's economy.

While I am pleased that after months of trying to wish the problem away, the President has finally decided to come forward with a proposal for this problem. Today's announcement is only a small step toward helping homeowners faced with foreclosure. We must do more if we are truly going to address this problem.

In the world of subprime lending, the chickens have finally come home to roost. Nearly 8.6 percent—or 1 in 12—of subprime mortgages in my State, the State of Minnesota, are in foreclosure. Minnesota had the fourth highest foreclosure rate in the second quarter of this year. The results of this spike in foreclosures will be devastating for our State, as it will be for other States across the country.

As the number of foreclosures increase, property values are likely to drop, resulting in decreased tax revenues and increased municipal maintenance costs. Slumping housing values are also likely to result in decreased consumer spending and could jeopardize the overall economy.

If we are to contain the economic spillover effect of the subprime lending disaster, we must act now.

We need additional reforms to protect borrowers, such as ensuring that borrowers actually understand all the terms of their mortgage in a simple, one-page description of their terms, including their ability to repay a loan at both the teaser rate and the adjusted rate. We also need to ensure that homeowners aren't hit with a huge and unexpected tax or insurance bill at the end of the year by escrowing that amount.

I am a cosponsor of the Borrower's Protection Act that would require

mortgage lenders and brokers to protect consumers from predatory lending practices. Banks should simply not be allowed to offer loans—and actually, banks today are regulated in a way that makes sure they are not allowed to offer these loans. I want to make sure other lenders, nonbank lenders, these predatory lenders are asked to follow the same rules.

We need to protect the economy and take comprehensive action now before it is too late. Millions of families have been waiting for the President to take a seat at the table, and let's hope as we move forward we can enact legislation that truly addresses the needs of these families.

But I come here today to discuss, as I said, a constituent of mine, a little 6-year-old girl named Abbey Taylor, a very brave little girl. I hope this story will give people a sense of urgency about moving the legislation that is currently before the Senate. I know we have big bills before us—and I come to the floor urging my colleagues on the other side of the aisle to allow these bills to proceed—bills such as the farm bill, which is so important to so many farmers in my State and to get these appropriations bills moving. The President has threatened to veto, and we have stopped the Transportation bill, despite the move of the Democrats to push and push and push the Transportation bill. There are two that have been stopped, and that includes, I will tell my colleagues, \$195 million in funding that will help us to complete the work on the I-35W bridge that so tragically fell in the middle of a beautiful day in Minnesota, right in the middle of the river. It should never have happened.

Sometimes the bills that we work on here can make a difference in a very small way, in a way that maybe isn't as big and you don't talk about as much on TV, but in a way that can help save lives of girls such as Abbey Taylor. This legislation has already passed the Commerce Committee unanimously, and it is awaiting our action. This legislation would help prevent serious injury or death to other children. I want to convey the sense of urgency on behalf of Abbey Taylor and her parents to each and every one of my colleagues. I want my colleagues to know that families across our country are waiting for us to finally pass this legislation. One of those families waiting is the Taylor family of Edina, MN.

This summer, their daughter Abbey went swimming at a local pool. She was in a shallow wading pool when she sat over an open drain hole and had most of her intestines torn out by the drain's powerful suction. It was a miraculous gift that she lived. She actually sat up and moved away from the suction when so many other children have perished when the same thing has happened. So she somehow managed to stand up and take a few steps before collapsing along the side of the wading pool.

She remained hospitalized for weeks after undergoing several surgeries. She will survive, thanks to a miracle, but doctors expect she will need a feeding tube the rest of her life. She is now on a list for transplant.

What happened to this little 6-year-old girl on a summer day in Minnesota is horrific. My own daughter's name is Abigail, and hearing about this incident brings chills to any parent. When I first saw the story in our local newspaper, I had to stop reading it because the details of it were so disturbing. This is something that we can prevent, and this is something that is every parent's nightmare. You look at this first as a mother: Your daughter is enjoying a beautiful summer day having fun playing at the local pool. This is not just the deep end of the pool. This was the kiddie wading pool. But suddenly something terrible happens and your life is changed forever. That is what happened to the Taylors.

When it was first reported, like everyone else, I thought it was some kind of a freak, one-of-a-kind incident. I never thought I would spend time talking about it on the Senate floor. I didn't think I would have to come to the Senate floor twice to talk about it, when, in fact, the bill that addresses this passed our committee unanimously and has already passed through the Senate years back. But then I learned this was not the first time this has happened. As it turns out, although most pools are safe and well maintained, this type of incident has happened too many times before, resulting in the death of several dozen children over the past 15 years.

It even has a name. It is called pool entrapment. It occurs when a child becomes stuck on a drain and is unable to escape due to the high velocity and pressure of the water that is being sucked into the drain. Another scenario occurs when hair or jewelry gets sucked into the drain, making it difficult for a child to pull free. According to the Consumer Product Safety Commission, the pressure on some pool drains can be as strong as 300 pounds per inch. In fact, several years ago, the Commission produced an educational video on this danger. It showed a muscle-bound man trying to pull a ball off a swimming pool drain using both arms and all of his might and he couldn't do it. The suction force was too powerful.

Two years ago, the Consumer Product Safety Commission issued a report saying it was aware of at least 27 deaths and many more emergency room visits and hospitalizations due to this entrapment. Most of these victims were children. It is unclear how many actual entrapment incidents there have been that have not resulted in death but instead severe injury because entrapment is a little known risk, and it is possible that many swimming pool drowning deaths or other injuries have not been classified as entrapment.

This legislation must pass. The legislation has several important provi-

sions. It would take the Consumer Product Safety Commission's standards for pool drains, which are now voluntary, and make them mandatory. It would prohibit the manufacture, sale or distribution of drain covers that do not meet the standards established by the Commission.

Most importantly—and this was an enormous improvement over the past bill that this body passed years ago—it requires that all public pools in this country, including hotels, apartments, local municipal pools, and other pools intended for multiple users be equipped with antientrapment drain covers. These covers are something like 30 bucks apiece. This was the amendment I introduced on behalf of children such as Abbey, and I am proud it has now been included in the bill.

In addition, we have an agreement on another provision that would require that all of these public pools with single-made drains incorporate an additional layer of protection to guard against suction-related drowning. Again, this is about \$130 we are talking here—not about private pools but about huge public pools that are used by thousands and thousands and thousands of children.

This legislation is called the Virginia Graeme Baker Pool and Spa Safety Act, named in the memory of 7-year-old Virginia Graeme, who was a granddaughter of former Secretary of State James Baker. I talked to Secretary of State Baker just about a week ago, and we both concur in our frustration that while this legislation has huge bipartisan support, it is being held up by one of our colleagues, someone on the other side of the aisle, someone who I think has said he wants to work with us and wants to get this through, but we have been so far unsuccessful, despite several efforts. I talked to James Baker. But just as importantly, every other week I talk to the Taylors, and they always ask me if we have gotten this legislation passed yet.

Now, what do you say when you talk, as I do, to the father of this little girl, Abbey Taylor, who continues to struggle in the months that have passed since losing her intestines? Do you tell them that, well, we passed it unanimously through the committee, but now it is stuck, that one person is able to hold up a bill that 99 other people support? These parents are so courageous that they have moved on from that, and they even want her severe injury discussed today. They wanted me to discuss this. They want the world to know what happened to her because they don't want it to happen to another little girl again. They are not afraid to have us talk about what happened to their little daughter because they want it to never happen to another child again.

There is a saying that when an accident happens that could reasonably have been prevented, then it is not really accurate to call it an accident. It is actually a failure. In the case of

injuries and deaths caused by pool entrapment, it is not a failure by children or their parents. They have a reasonable expectation to think their child can go into a public wading pool and not lose their intestines. It is really a failure of our country, of our product safety laws, and we all have to take responsibility for it, just as we have to take responsibility for these toxic toys that shouldn't be on our shores and in our stores, which is something else that we need to get done before we go home for the holidays. It is a failure, whether it is about the toys or whether it is about these pool drains. It is a failure that is within our power to correct, a problem that can be faced through reasonable measures and fixed by legislation.

I think the fact that Senator STEVENS supports this bill and has worked with us on it and the fact that we have Republican support for this bill shows this isn't some whacky legislation. We worked with people on both sides. We worked with the manufacturers. We worked with the consumer groups. We came up with a reasonable bill.

So I ask my colleagues: What am I supposed to tell this dad when I talk to him tonight? Am I supposed to tell him that some rules in the Senate say that one person can hold up a bill against the will of the entire body? I don't want to tell him that. I want to tell him we were able to work this out and get this bill through and to make sure no other parents are sitting in a waiting room in a hospital for weeks while they are trying to find out if their daughter is going to live or if there is going to be a transplant for their daughter. I want to tell them this isn't going to happen again.

On behalf of Abbey Taylor and the Taylor family and for the health and safety of all of our children, I urge the Senate to take quick action to pass these simple consumer measures that are before us; to pass the measure about the toys, to pass the measure about the pool drains. We are dealing with huge issues in this body: the war in Iraq, foreign intelligence, we are talking about the farm bill, and we want them to pass. But these consumer bills can actually have an impact immediately in a little child's life. So let's go back and get this done.

Thank you, Mr. President. I yield the floor, and 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.

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

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

FILIBUSTERS

Ms. STABENOW. Mr. President, I come to the floor today with great concern and frustration, as I know my colleagues in the majority feel, about the

fact that as we continue to work hard to make the changes our American families wanted to happen to improve their lives, we are stopped over and over and over again.

I have a running chart, as my colleagues know. As of this afternoon, we are now up to 57 Republican filibusters. Tomorrow, we will be voting on cloture again, and it will then be 58 and then 59.

So we find ourselves in a situation that is, first of all, historic in that the top number of filibusters ever recorded in the Senate for a 2-year session is 61; 61 times there were filibusters within a 2-year period. Now, in less than a year—and we are not even done—we will probably hit 61 before we leave. But we are at 57 times that the Republicans have filibustered to stop us from making progress, from solving problems, from getting things done that the American people, American families are desperate to have done.

We look at the fact that we have tried to change the children's health care policy to cover 10 million children in this country—in that case, we have bipartisan support, and that is the way we ought to operate. The children's health care plan is an example of the way we ought to work together. I commend my colleagues on both sides of the aisle. In that case, we have the President doing the blocking. So when we talk about children's health insurance, our colleagues on the other side of the aisle got a lot of pressure for working with us and doing the right thing, to add 10 million more children to be able to receive health insurance. Working families who are working one, two, and three jobs don't have health insurance. But we have worked together. Even though we could override the Presidential veto here, they could not get enough Republican votes in the House. We want to get children's health insurance done.

We have been working very hard and have a majority of Members to change the policy in Iraq, to get our brave men and women out of the middle of a civil war, and to be able to change the policy to one that will directly affect the threats facing Americans, to address what we ought to be doing in the world to keep us safe, change that policy, re-deploy, bring our people home and out of harm's way, out of a civil war. We have a majority of Members who voted with us to do that. But we could not get that policy done—we have not yet, but we are going to keep trying; we are not stopping.

But filibusters over and over again have blocked us from making the change we need in Iraq—troop rota-

tions, protecting our troops, and being able to make sure that if they are deployed for 12 months, they can have 12 months at home and be able to rest and see their families and have retraining. Senator WEBB brought forward an amendment that says to our troops: We understand what is happening, and if we are sending you on one deployment and two and three redeployments, we ought to be following the current military policy of having the same number of days at home as we have you in harm's way in the theater.

We have a majority of the votes. We have a substantial majority of votes—56 votes or 57 votes—to change the policy to support our troops. Yet we have filibuster after filibuster after filibuster, taking 60 votes to stop. We have not had enough Republican colleagues join with us to stop those filibusters. Tomorrow, we are going to vote on whether to end a filibuster.

I am amazed, as a member of the Agriculture Committee—and proudly a member. When everybody thinks of Michigan, they think of automobiles, and we are proud of that, too, but our No. 2 industry is agriculture. I am very proud to have worked with colleagues in a bipartisan way to have a bill developed that is terrific for Michigan. It provides not only support for traditional commodities and agriculture, but it moves us to alternative energy. We want to be saying in Michigan: Buy your fuel from Middle America, not the Middle East.

The Agriculture Committee put forward a farm bill that moves us in that direction. It addresses nutrition and more opportunities for children in schools to have fresh fruits and vegetables, conservation—there are provisions in there that affect the Great Lakes which I am proud to have included. We have fruits and vegetables, for the first time, recognized as half of the crops we grow as a permanent part of the farm bill. You would think people would be raring to go to pass this new policy that improves or provides reforms and moves us in a direction to reflect a better future for rural America and fuel security.

This is our third week at least that we have seen filibustering of the farm bill. Tomorrow, we will have a vote on whether that filibuster will end. We will see what happens and whether we will go from 57 filibusters to 58 and then 59 on the Energy bill. The reality is that we have important work to do to support rural communities in Michigan and across the country, to address energy needs, alternative fuels, biofuels, to address nutrition for our children and families, to support traditional agriculture that is working very

hard and providing us with the food we need, the food security we need for this country. This farm bill does that.

I applaud our chairman, Senator HARKIN, for his efforts, and all those involved, including Senators CONRAD and CHAMBLISS and all who have worked together on a bipartisan basis. Even though we have a bipartisan basis, unanimous support in the committee, we come to the floor one more time.

The big strategy on the Republican side is to just stop change, stop, stop, block anything from happening. What we are seeing—I am assuming it is pretty clear what the strategy is—is the White House working with the leadership on the other side of the aisle to make sure we cannot get things done for the American people, stopping us from moving forward. It is also clear that, hopefully, after next year's election, we will have a few more folks on this side of the aisle so we can move forward on those things we have had trouble moving forward on right now. They are certainly making the case for more change and more additions to the majority in this process.

We have also seen another critical area that we are all reading about and hearing about from constituents—certainly, I talk to people every single weekend when I go home, as well as during the week here—and that is the question of the mortgage crisis, what is happening in the housing industry, not just the subprime but in the prime housing market, and what is happening across the country. We see the White House is finally engaged, and we are glad to see that. We hear that we need to take action, and we have a tax issue I sponsored to make sure folks not only don't lose their home but don't get a tax bill on top of it. But we hear from Secretary Paulson and others that the FHA is important—FHA modernization, passed by the House—an important part of getting more capital in the marketplace.

We have too many families now who have lost or will lose their homes. For most families, middle-income families who buy a house try to get it in a spot where they can have good schools. For most families, the equity in their homes is their primary savings.

We hear that FHA modernization is important to do. Our leader, Majority Leader REID, came to the floor a couple of weeks ago and asked unanimous consent to go to that FHA modernization bill which the administration says they support and they are urging us to pass. It has passed in the House. Yet when our leader comes to the floor, recognizing as he does that he represents a

State heavily hit as well on the question of foreclosures, and asks unanimous consent and one more time, the leader on the Republican side objects.

All we see are efforts to stop changes that are critically important for the families of America, the economy of America, the businesses of America to make sure we can keep the middle class of this country and keep the middle-class American dream alive. That is what we are all about.

I thought it was stunning yesterday when, again, the Republican leader came to the floor saying nothing is getting done, nothing is getting done. Then Senator MURRAY, who chairs so ably our Transportation and Housing Appropriations Subcommittee, asked unanimous consent to take up this critical bill that relates to infrastructure. We have bridges in Minnesota and other places around the country—we certainly have all seen the pictures from Minnesota, what happened in Minneapolis with the bridge collapse. Certainly that would be a priority. I know it certainly has been a priority for Senator KLOBUCHAR, who has spoken eloquently and has made sure there are resources and help for her State. One would think that after a long speech about how nothing was happening in the Senate that our Republican colleagues would welcome Senator MURRAY coming to the floor to move forward on this important bill, written in a bipartisan way, passed by the Senate to bring forward the conference committee report on housing and transportation, a bill that includes dollars, again, that the administration says they want and support—\$200 million for education and for consumer outreach to help those who are in bad loan situations, who face resets or foreclosures next year, to have the opportunity to sit down and work out a different mortgage situation to refinance.

I applaud Secretary Paulson for setting up a 1-800 number and wanting to reach out to help those families. We have \$200 million in our budget which the administration says they support. Yet when Senator MURRAY comes to the floor as chair of that effort, again what do we hear? "I object, Mr. President." "I object, Mr. President."

One more time, we are in the middle of a mortgage crisis, affecting not only our families, not only middle-class Americans all over the country, but it is now rippling out to the entire economy. Yet when our leader comes to the floor, when our leader asks to move forward on those issues that we can do together now, we get: "I object, Mr. President." We get another filibuster.

I don't know who is advising the White House and the Republican leadership on this strategy, but sooner or later this is going to catch up with them when they are objecting to the changes that are needed to improve the lives of middle-class Americans, whether it be help in a mortgage crisis, whether it be children's health insurance, whether it be helping rural Amer-

ica in addressing our alternative energy needs, a farm bill, whether it be supporting our troops, changing the policy in Iraq—I could go on and on.

I should mention we are finding the same thing as it relates to trying to get a budget for this coming year to stop a cut in physician payments through Medicare which we have to get done.

Our chairman of the Finance Committee is leading this effort and is strongly committed to fixing this policy that would provide cuts and wanting to advocate we not do it just for next year but 2 years, as well as a number of other things we need to do with Medicare. We are struggling right now to make that happen.

On the appropriations front—and this is stunning to me—we see a situation where on the one hand, the administration is willing to spend \$12 billion a month and counting in Iraq, not paid for, going right on to the deficit. I have a beautiful new granddaughter, my first grandchild, and she is going to help pay for that deficit. All the kids being born today will help pay for that huge deficit that has been created. And that is OK, according to the administration, that is OK. They want more money and they do not pay for it, do not budget for it—more money. But when we put forward a modest 2-percent increase in investments for America, to restore some of the cuts that the President has made in community policing or in health research, education funding, in those items that invest in American families, American communities, just a 2-percent increase, the President says: No, too much. He is willing to take us to the brink of a Government shutdown, but a 2-percent increase for America? Too much. Mr. President, \$12 billion a month in Iraq, not paid for—paid for by our kids and grandkids that is OK.

We find ourselves once again with filibuster, filibuster, filibuster on the Republican side, stopping us. Now we are back saying: OK, in order to get appropriations done for this year, we will split the difference. Instead of a 2-percent investment increase for American communities and families, we will say 1 percent, which is less than we spend in Iraq, \$11 billion less than we spend in 1 month in Iraq, and we hear that is also not supported.

It is time we focus on what needs to be done to make sure those working hard every day, who care about their families, who want to make sure they have a job, have health care, and have the great American dream, send the kids to college, have the support they need. That is what we are about. That is what we are about—fighting for those folks who work hard every day who care about their kids. They want to see a change from what has been happening, and that is what we are fighting for.

I close indicating there is good news. I see my wonderful colleague from Rhode Island, who has been a champion

for us as it relates to changing the policy in Iraq and supporting our troops. This must be a "Rhode Island moment" because we have the distinguished junior Senator from Rhode Island presiding, of whom we are so proud. I see his senior colleague here as well.

In conclusion, I paint a very bleak picture, a very frustrating picture, and we feel it every day. Nobody feels it more than our leader, who is laser focused on getting through all of this obstruction to get things done for the American people.

But the good news is, in spite of 57 filibusters, we have gotten things done, and we will continue to get things done. It may take twice as long. It may take 100 filibusters, it may take 150 filibusters, but we are not going to stop because what is at stake is our American way of life. What is at stake is the ability for families to enjoy the American dream.

We have raised the minimum wage for the first time in a decade for our families. We have made college more affordable by passing the largest student financial aid package since the GI bill. My dad went to school after World War II on the GI bill, and I know he would not have been able to go to school without it.

I am proud that on our watch in this new majority we have put in place changes that will allow more young people to have that American dream, to be able to go to college, and to be able to come out of college without the kind of debt that weighs one down for years and years. We want to help them with that.

We passed finally on our watch—and this happened quickly; it has not happened since 2001, but on our watch, we passed the 9/11 recommendations, to focus on the real threats, to keep us safe. I am proud of the fact that a provision I have been very involved in, making sure radios work, radio interoperability, has been included so we can support our police and firefighters, so they can talk to each other, so we do not have again a situation where brave first responders are running into buildings, running into towers they should have been running out of. We got that done.

We passed a very important water resources bill that has been languishing here for years. Coming from a Great Lakes State, this is important to us. I commend Senator BOXER and all of those who worked, again, on a wonderful bipartisan basis—she and Senator INHOFE—in putting that bill together.

In the Judiciary Committee, sometimes we do business that is not legislative, it is oversight. We have done a lot of oversight on Iraq policy, on no-bid contracts, on Blackwater, and private contracting, in many areas where there had been no oversight for years. Our people have aggressively, as chairs of the committees, been doing oversight.

One area that has resulted in change that was needed were the hearings with

the former Attorney General that focused on the fact that our U.S. attorneys did not have the independence they needed. They were being used politically. The change occurred when the Attorney General was forced to step down. We have made a major step forward in preserving the independence of the U.S. attorneys.

There are numerous other issues I could mention, and I will not. Suffice to say, we are getting business done. We are getting results for middle-class Americans every day. Evidently, all of our hard-working results have raised a red flag down at the other end of Pennsylvania Avenue. They said: Whoa, whoa, whoa, you are making too many good things happen, too many changes happen that families are going to like, that American people are going to like. We better slow this thing down.

So now we are in a situation where even those efforts we have worked on in good faith on a bipartisan basis—that is what we do here. We cannot get anything done if we don't work together, people of good faith working together. Even those issues have been slowed down and stopped because it is felt now that the best thing to do is to make sure the Democrats cannot make any more positive changes happen so it is clear the differences in values and priorities among this administration and their supporters and the new majority.

Fifty-seven filibusters and counting. The American people expect us to stop this situation. This needs to stop. Enough is enough. There is a lot of work to be done, serious work. The American people expect us to do it, and we are committed to getting it done.

I yield the floor.

The PRESIDING OFFICER. The distinguished senior Senator from Rhode Island is recognized.

MORTGAGE LENDING CRISIS

Mr. REED. First, I thank the Senator from Michigan for her kind words and also for her tremendous leadership as the leader of our Democratic caucus on so many issues, and a great representative of her State of Michigan. I thank the Senator.

Today, Mr. President, the Bush administration announced a proposal to help stem the burgeoning crisis in foreclosures across this country. It is a welcome step, but it is a very timid step. It is one that is long overdue, in my estimation. This crisis has been evolving over many months, and the White House and the Treasury have taken a very long time to get to this moment and to propose this plan. And it is cautious plan, and only a partial approach to a very complicated and very dangerous problem.

The problem is dangerous in the sense that millions of American homeowners are facing the peril of losing their homes to foreclosure because of the exotic mortgages that were sold to them with low introductory rates and

now are being triggered to reset to relatively high rates, forcing many people to make the choice between giving up their home or giving up everything else to pay for their mortgage. That is the human aspect. And we are seeing it in our home State of Rhode Island, Mr. President, a record number of foreclosures, page after page in the newspaper of homes that are going to be foreclosed upon.

This has an effect not only on the individual family but on the community as a whole because as homes are foreclosed in a neighborhood, they lower the value of the other homes. It has a ripple effect.

I was meeting just a few weeks ago with the mayor of Central Falls, RI, who pointed out the increased number of foreclosed homes in his community, and also the mayor of Pawtucket, who has seen a significant increase in foreclosures. This goes right to the fabric of a community. So on the individual family level, on a community level, and now on a nationwide, indeed, global level, this liquidity crisis, this crisis in credit, is threatening the ability of our economy to function efficiently, to provide resources, credit, and loans not just to homeowners, but to industry and business as well.

So the White House acted today, and I applaud their action, but it is timid. The proposed plan will only address a very small fraction of the foreclosure problem, and the Administration has yet to talk about and deal with the larger issues of economic growth and continuing an adequate supply of credit in our economy.

According to Treasury officials, and an analysis that has been done by financial institutions, this initiative will help about 200,000 people. But the reality is there are millions of Americans who are facing the danger of foreclosure. This 200,000 is just a small fraction. It is better than zero, which was the President and the administration's position just a couple of months ago as they worked on this, but it is not adequate to the daunting challenge of the foreclosure crisis which is facing America today.

Indeed, the plan itself relies on a very complicated and, indeed, convoluted process. There are two classes of inquiry. First, they have to determine if the borrower is eligible for this relief, and then they have to go through another analysis to determine what type of relief the borrower would be eligible for. In addition, it appears the borrower is in the position of having to contact their lender or servicer if they would like to figure out if they are eligible for a loan modification. This is not the responsibility of the lender or servicer. In other words, this is not a systematic approach to relief. This is rather a case by case approach, involving very elaborate procedures which I don't think will in effect reach all the eligible homeowners who are in danger of losing their homes. I think this approach is backwards. It should

be the obligation of the lenders and servicers to reach out to the borrowers who are in danger of default, to help walk them through the process. And it should be a much more efficient process.

Today the President offered an 800 number to borrowers, but there are a profusion of 800 numbers, all the way from buying a salad maker to buying an exercise machine. I don't think an 800 number is going to be able to engage people who are fearful about losing their homes and actually get them involved in this process and keep them involved. So I think this is a shortcoming in the approach, which is already a limited approach.

Finally, this plan has not been ratified and accepted enthusiastically by all of the important investors and the other industry players. The final plan was characterized as an agreement with the HOPE NOW industry coalition. This coalition consists mainly of trade groups and has no real ability to implement the plan. They are not the spokesperson for all of the people who will actually have to do the work, and the list of members seems to be a partial list at best.

So for many reasons this plan is really just a set of guidelines regarding how the Administration would like to see part of this problem worked out but does not have the action-forcing devices and the incentives for the servicers, the lenders, and all of the people who really can make this work to go out and put it into effect.

We need to do much more, and there are several things we should do. We need to do much more because this is a burgeoning crisis. I can recall last April convening a committee meeting, as I chair the Subcommittee on Securities, Insurance and Investment, and we had witnesses from some of the major investment banks in New York City and the rating agencies. We had individuals who were facing the problem of foreclosure, and at that point industry was describing this as a rather narrow, self-contained crisis pertaining only to subprime mortgages. They talked in terms of this being about a \$19 billion problem, which in a worldwide economy is not a staggering amount of money. It is to you and I, but not in a worldwide economy. And they also essentially said, well, this is over. The market has already corrected itself.

It is not over. It is now spilling over into other forms of securities. It is now eroding, as I suggested initially, because of psychological factors as well as financial factors, confidence in the overall banking system and the economy's ability to function.

In the newly released Mortgage Bankers Association National Delinquency Survey, the rate of loans entering the foreclosure process was approximately .78 percent. That is up 32 basis points from 1 year ago. This is a problem that is growing. This is not at all a self-contained problem. This is a growing problem. This is the highest

rate of loans entering foreclosure ever recorded in this survey—ever recorded, going back many years. So this is not only an increasing problem, it is a significant problem in our economy and in the lives of Americans everywhere. The percentage of loans actually in the foreclosure process also increased to 1.69 percent, which is also the highest level ever recorded.

In Rhode Island, we have the dubious distinction, Mr. President, of the highest foreclosure rates in New England. The percent of loans that were seriously delinquent or in the process of foreclosure in the third quarter of this year was 3.23 percent, and the percent of subprime loans in this category was 14.97 percent. So for our own home State, we are seeing an explosion of these foreclosures.

We are also seeing, simultaneously, the largest price declines in the housing sector since the Great Depression. Not only are people losing their homes, but those who are still paying their monthly mortgages are seeing the value of their homes diminish significantly. For so many people, that was their whole source of wealth. In fact, I would suggest that it was one of the major reasons that consumption and consumer activity were so robust over the last several years. As energy prices went up, as other factors intervened, what kept consumers in the game was this notion they were wealthy because their house was appreciating every year. That has changed, and that will have an effect.

At least one housing expert I talked to thinks this housing downturn is going to be one of the longest we have experienced in the last 50 years. Instead of lasting an average of 24 months, he expects it to last up to 48 months, which would take us to at least 2 years from now.

What we know now is that the banks and the rating agencies underestimated the underlying risk in many of the financial products offered to home buyers, and their actions have resulted in serious consequences to the availability of credit and to the capital markets in both our economy and the worldwide economy. What started out as a problem centered on subprime loans has spread to other parts of the market and the economy. And there need to be serious policy recommendations to address these problems as well.

Now, what we have to do is a series of steps, none of which is the magic solution, but they are all collectively important. We cannot stop today with the announcement by the administration. Secretary Paulson himself has urged Congress to pass the FHA Modernization Act. The administration should take the next logical step and not simply be cheering from the sidelines, but get in the fight and encourage those in this body who are holding up that FHA bill to let it go. Words are important, but deeds are more telling. So if the Secretary is truly interested in getting that bill moving, he needs to come up

here and be talking to the members of the Republican caucus who are holding up this bill.

We also need the administration's leadership in passing bankruptcy reform. Senator DURBIN has an excellent bill that will allow borrowers and lenders to renegotiate the terms of their mortgages so that people can stay in their homes as part of a bankruptcy proceeding.

We need Tax Code changes so that borrowers would not pay Federal taxes on the debt discharged by lenders on their home mortgages the so-called short sale. There are some people who recognize they can't keep their home. They can sell the home at a loss, and with an agreement from the lender at a price less than the value of their mortgage. The lender takes this discharge as a loss, and the IRS, under current tax law, determines that this is income for the borrower and taxes it. We need to change that.

In fact, Senator STABENOW has a bill to do just that, and it was part of the proposal that Senator BAUCUS offered earlier today in conjunction with AMT.

Finally, I think we have to have a substantial increase in the availability of housing counseling, and this is included in the bill I introduced, called the HOPE Act. An increase in housing counseling funds is also in the appropriations for Transportation, Housing, and other agencies bill which has received a veto threat from the President.

In the HOPE Act, I also have suggested that we include mandatory loss mitigation requirements; that a lender has the obligation to work with a borrower to see if there is a way to avoid foreclosure if it is economically feasible to do so.

We need to work together—the Congress, the administration, the regulators, and the industry—toward the goal of keeping American families in their homes, and we also have to recognize that if we don't act coherently, comprehensively, and in a timely fashion, what presented as a small subprime loan crisis and has burgeoned into a national foreclosure crisis could undermine economic progress in this country and maybe across the globe.

Time is wasting. We have to move forward. I urge my colleagues to do so.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

TEMPORARY TAX RELIEF ACT OF 2007

Mr. BAUCUS. Mr. President, on behalf of the leader, I ask unanimous consent that the Senate now proceed to consideration of the House AMT bill, H.R. 3996; that all after the enacting clause be stricken, and the text of Senator BAUCUS's amendment, No. 3804, providing for a 1-year, unpaid-for AMT extension be substituted in lieu thereof; that the time between now and 6:15 p.m. be equally divided for debate be-

tween the two leaders or their designees; that at 6:15 p.m. the bill, as amended, be read a third time, and the Senate, without any intervening action or debate, vote on passage of the bill.

The PRESIDING OFFICER. Is there objection?

Mr. McCONNELL. Mr. President, reserving the right to object, I would ask that the agreement be modified to add tax extenders unpaid for.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, at this point, if the Republican leader would modify that to provide for the extenders package with the offsets in Senator BAUCUS's earlier amendment, we could agree to that. I wonder if he could agree to that.

Mr. McCONNELL. Mr. President, I would have to object to that modification.

Mr. BAUCUS. Mr. President, on behalf of a number of Senators on this side, I would have to object to the Republican modification, and I renew the original consent request.

The PRESIDING OFFICER. Is there objection to the original unanimous consent request?

The Chair hears none, and it is so ordered.

Under the previous order, the Senate will proceed to the consideration of H.R. 3996, which the clerk will state by title.

The legislative clerk read as follows:

A bill (H.R. 3996) to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes.

AMENDMENT NO. 3804

The PRESIDING OFFICER. All after the enacting clause is stricken and the text of the Baucus amendment, No. 3804, is substituted in lieu thereof.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Tax Increase Prevention Act of 2007".

SEC. 2. EXTENSION OF INCREASED ALTERNATIVE MINIMUM TAX EXEMPTION AMOUNT.

(a) IN GENERAL.—Paragraph (1) of section 55(d) of the Internal Revenue Code of 1986 (relating to exemption amount) is amended—

(1) by striking "\$62,550 in the case of taxable years beginning in 2006" in subparagraph (A) and inserting "\$66,250 in the case of taxable years beginning in 2007"; and

(2) by striking "\$42,500 in the case of taxable years beginning in 2006" in subparagraph (B) and inserting "\$44,350 in the case of taxable years beginning in 2007".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 3. EXTENSION OF ALTERNATIVE MINIMUM TAX RELIEF FOR NONREFUNDABLE PERSONAL CREDITS.

(a) IN GENERAL.—Paragraph (2) of section 26(a) of the Internal Revenue Code of 1986 (relating to special rule for taxable years 2000 through 2006) is amended—

(1) by striking "or 2006" and inserting "2006, or 2007", and

(2) by striking "2006" in the heading thereof and inserting "2007".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

Mr. BAUCUS. Mr. President, I am gratified that at long last the Senate is acting to keep the alternative minimum tax from hitting 19 million more American taxpayers.

We tried to save those 19 million families from AMT on November 15, when the majority leader asked the Senate to do so. We tried to save those 19 million families from the AMT on repeated occasions this week. Most recently, today we tried to save those 19 million families from the AMT by moving to the House-passed bill. When the other side blocked us, we tried to save those 19 million families from the AMT by asking consent to pass the legislation that we have before us now. But at every step, the Republican caucus objected.

I am gratified that at long last the Republican caucus has agreed to let us act. Perhaps the third time is the charm—or the fourth or the fifth. In any event, here we are.

I will support this effort to save those 19 million families from the AMT. The bill before us is plainly not my first choice of how to do so, but this is our best choice to do so. Let me once again remind people why we need to act. That is, we need to act because if we do not, nearly 12 million families with incomes between \$100,000 and \$200,000 will pay the AMT next year. We need to act because if we don't, 5 million families with incomes between \$75,000 and \$100,000 will pay the AMT next year. We need to act because if we don't, remarkably, nearly 2½ million families with incomes of less than \$75,000 will have to pay the AMT next year. We need to stop that from happening. We need to keep the AMT from hitting any more families than it already does.

I urge my colleagues to join me in voting for this bill.

The PRESIDING OFFICER. Who yields time? The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I will yield myself such time as I might consume.

I am obviously very pleased that the Senate has finally come to the point of voting on something in 2007 to take care of the alternative minimum tax problem. I would rather have gone through this process several months ago but better late than never.

Over the course of this year, I have given 12 Senate floor speeches analyzing the alternative minimum tax and describing the problem it poses for middle-class taxpayers, and I have done that in great detail. As I said so many times—before, hoping, and now I am glad to say the Senate Democratic leadership seems to realize—the AMT should not be offset.

I also wish to thank my good friend, Chairman BAUCUS, for all of his hard work this year and for several years to protect middle-income taxpayers from the AMT. Chairman BAUCUS did our country a great service by pushing for this compromise that can garner, we hope, the support of Democrats and Re-

publicans. Although we did not mark up in committee, Chairman BAUCUS rolled up his sleeves and got to work to find a middle ground. That middle ground is before us. He has consistently avoided bitter partisanship and always worked to do the right thing.

Tonight, I ask my friends in the House Democratic leadership, assuming we get the votes to pass this product before us, to follow the example of Chairman BAUCUS and the Senate Democratic leadership and finish this job to give the assurance that is necessary to these 23 million taxpayers that they are not going to be hit by a tax they were never expected to pay in the first place.

Everyone has thus far made partisan points. That episode must cease. Those obsessed with their tax-increase-biased version of pay-go must turn now to the people's business. Those who want to raise more taxes to pay for a tax that was never meant to raise revenue from the middle class have made their points. The record is clear. My friends in the House Democratic leadership need to cease punishing the 23 million middle-income taxpayers with a pay-go obsession.

I say to my friends in the House Democratic leadership, we can talk until we are blue in the face. The bottom line is we need to change the tax laws with respect to AMT. That law change needs congressional action and Presidential signature. Anything else is just plain talk.

Last night, I suggested a path to get all parties to an agreement on changing the law on the AMT patch. By "all parties," I am referring to House Democrats, House Republicans, Senate Democrats, Senate Republicans, and I have to include the President because without an agreement we will not get a law, and a law has to be signed. Without a law change, 23 million families face an unexpected tax increase that we think will be about \$2,000 per family. Without a rapid law change, we make things even worse during filing season. We are going to have a fiasco of another 27 million families and individual taxpayers hurt, waiting for a refund.

I reiterate my suggestion tonight. It is in a letter from Chairman RANGEL, Chairman BAUCUS, Ranking Member MCCRERY, and myself. That letter, dated October 31 this year, contains the tests that ought to be applied to any proposal in substance or process on the AMT patch legislation. Here is one sentence, "We"—the four of us:

We plan to do everything possible to enact AMT relief legislation in a form mutually agreeable to the Congress and the President before the end of the year.

Chairman BAUCUS and the Senate Democratic leadership are trying to meet this test with this agreement which is before us now. Now the Democratic leadership in the House needs to follow through. We Senators hopefully will pass this package that is agreeable to the President and the House. What

do we all agree on? We agree the patch needs to get done, so that is the base of what will pass the Senate, we hope. If House Democrats continue to insist on offsets for a patch—we hope that doesn't happen.

The President and congressional Republicans disagree with the Democrats on the need for offsets. Offsets for the patch are not mutually agreeable, as the letter we sent implies. They fail the tax writer's test. On extenders, the House wants 1 year, the Senate wants 2 years. President Bush had 1 year in his budget. Maybe 2 years might be mutually agreeable. On this point, offsets are not mutually agreeable. But it looks as if we will defer on next year's extenders.

On this year's AMT patch, we need to make law. To make law, the proposals must be mutually agreeable. The only proposal that is mutually agreeable is an unoffset AMT patch. Let's get to the law change and end the AMT patch dilemma.

I urge the House Democratic leadership to pass the AMT patch bill and send it to the President. It is in a form the President will sign. We must change the law now. We owe it to the 23 million families who could be hit by the AMT. We owe it to the additional 27 million families and individuals who face delayed refunds.

I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BAUCUS. Mr. President, first of all, I thank my good friend for his warm compliments. I deeply appreciate it. He is a gentleman. He is a good man. I thank him very much for that.

I see Senator SHERROD BROWN would like to speak. We are getting close to 6:15. I wonder if Senators might agree to extend the time allowable for debate until we finally vote, say, 10 more minutes equally divided on both sides, if that is agreeable to the Senator from Iowa?

I ask unanimous consent and make that request.

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

Mr. BAUCUS. Mr. President, I yield 5 minutes to the Senator from Ohio.

The PRESIDING OFFICER (Mr. NELSON of Florida). The Senator from Ohio is recognized.

Mr. BROWN. I thank the Chair.

(The remarks of Mr. BROWN pertaining to the introduction of S. 2431 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. WHITEHOUSE. Mr. President, it is with great reluctance that I plan to oppose the AMT bill before us. While I strongly support providing AMT relief to middle-class taxpayers, I simply cannot support an AMT patch that is not paid for. Let's be clear on what we are doing here today: we are voting on a bill that will require us to increase our deficit by \$50 billion. Our children and grandchildren will have to pay

back the funds we are borrowing today, with interest.

There are many ways we could have been responsible and paid for this measure, but the President of the United States and the Republican Congress have refused to consider them. One option in a bill that I introduced would have paid for this AMT relief by increasing the taxes on investment profits for millionaires, many of whom enjoy an unjust tax benefit that allows them to pay a lower tax rate than struggling middle-class families. Under my proposal, a small number of taxpayers with incomes over \$1 million per year could have funded a patch to benefit approximately 20 million Americans.

The President of the United States and the Republicans in Congress believe that borrowing money from foreign nations, for our children to repay, is the best way to finance our government. I do not, and therefore I must oppose this measure.

The PRESIDING OFFICER. Who yields time? The Senator from Montana.

Mr. BAUCUS. Mr. President, I don't see anybody who wishes to speak now, but we do have to wait a few minutes before we call the vote.

I suggest the absence of a quorum, with the time being equally divided between the two sides.

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

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. 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. DOMENICI. What is the regular order?

The PRESIDING OFFICER. There is 10 minutes of debate left.

Mr. DOMENICI. Ten minutes of debate left, 5 on each side?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. If Senators are not here to use it, they can yield it back so we can vote, can't they?

Mr. BAUCUS. We have to wait a few minutes.

Mr. DOMENICI. Oh, sorry. I was in the same position. I wanted to go, they have to come. We have to yield to them.

The PRESIDING OFFICER. The Senator from Montana is recognized.

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

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

Mr. GRASSLEY. I yield 3 minutes to the Senator from New Hampshire.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. GREGG. Mr. President, I wish to congratulate the Senator from Iowa and the Senator from Montana for bringing the bill to the floor. Earlier in the day, we had a discussion about the underlying bill, which is the bill that came over from the House, and the reservations I had about this, specifically the fact that it raises taxes.

It raises them in an inappropriate way, in a way, in my opinion, which would chill economic expansion in this country, would undermine our ability to create capital in this country and, as a result, would undermine the ability of entrepreneurs to go out and create jobs.

It would have the effect of exporting jobs offshore, as a practical matter in the financial markets and, unfortunately, would probably have an equally detrimental effect of encouraging places such as London to become even more aggressive as they compete for our capital formation activity, which has always historically occurred in New York City, which plays a large role in the energy of our Nation's economy.

So the underlying bill has serious problems as it came over from the House. It also had a specific earmark to basically benefit essentially 290 people who are using the Virgin Islands as a tax shelter. It had another specific earmark to benefit State legislators who would get a per diem for not even showing up at their State legislature. It was a very poor bill.

The proposal as brought forward from the Senator from Montana is an excellent approach: Let's take care of the AMT for next year. Let's move on. Let's do this quickly so the people who are being subject to this or may be brought into this improperly, who were never supposed to be brought into this, can be relieved of that burden.

Of course, there is the issue of whether there should be an offset. Well, of course, there should not be an offset. Looking at it from a budgeteer's standpoint, in my opinion, these are all phantom funds. We basically know the alternative minimum tax is not going to generate these revenues that we score as coming in because we know the AMT was never intended to tax 26 million Americans or 20 million Americans. We know that.

But because of the rules, the arcane rules we have around here for budgeting, we basically have to include those revenues in this baseline, even though we know we are never going to tax people at those levels because it would be totally unfair and inappropriate. So I congratulate the Senator from Montana and the Senator from Iowa for coming forward with this approach to resolve this matter. I look forward to voting for the proposal.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I yield 4 minutes to the Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank the Chairman of the Finance Committee. I thank him for his leadership and the leadership of the Senator from Iowa in attempting to address the problem we confront.

I rise today as chairman of the Budget Committee in direct contradiction of my colleague on the other side to say: When nobody anticipated using these revenues: Really?

How it is then that all this money was in the President's budget? All this money was in every budget printed by Republicans and Democrats. The only way any of these budgets balance is with this revenue.

Now, I would acknowledge it makes absolutely no sense to tax these people with the alternative minimum tax. It was never adjusted for inflation. That would not be a fair outcome. But it ought to be paid for. The revenue ought to be replaced, either by spending cuts or by other revenue.

Because if we do not pay for it, we are going to borrow it. Where are we going to borrow it? Well, we are going to borrow about half of it from abroad, most of it from the Chinese and the Japanese.

So while I very much recognize the difficult situation we are in, and I applaud the chairman of the Finance Committee and the ranking member for grappling this, with trying to find a way to handle this problem, I cannot support providing this measure without it being paid for. That is what pay-go is about, to require that any new spending or new tax cuts or other revenue changes be offset. If we do not do it, we have to borrow it. We increasingly have to borrow it from abroad. That is not a wise course to pursue. Again, I recognize the extremely difficult situation we are in because some will resist doing anything other than allowing AMT to be eliminated for this 1 year without an offset.

I, personally, think that is a mistake. I think it is a mistake for the country. I think that money ought to be replaced, it ought to be offset. Again, when people say: Well, nobody ever anticipated this revenue, that is not the case. Everybody who wrote a budget around here anticipated it. Every single budget, including the President's, including every budget written by Republicans or Democrats, included this revenue.

While it would be a serious mistake to allow the AMT to go forward and hit 23 million American families, I believe the answer is to pay for it.

Mr. REID. Mr. President, I ask unanimous consent that my time not be counted against the time that is remaining under the previous unanimous consent request.

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

Mr. REID. Mr. President, we have a number of Senators because of the bad

weather who are caught in traffic. I have two alternatives. One is when time is up, go into a quorum call. What I would like to do, because I know other people want to get the vote over and leave, what I would like to do, is let everyone know I would drag the vote. We do not have anything to do after the vote anyway. Unless there is some objection, I would let people know we are going to not be able to complete the vote probably until around 7 o'clock. I have two people, I understand one is a Democrat, one is a Republican. So if no one complains, I am going to go ahead and let the vote occur as required at approximately 6:25, and then I will drag the vote. Does anybody care about that?

Mr. President, it is my understanding the Democrats, under the control of Senator BAUCUS, are ready to yield back time. I want everyone to understand the vote is going to take more than the ordinary 15 minutes.

Mr. GRASSLEY. I yield back our time.

The PRESIDING OFFICER. The Senator yields back.

Mr. BAUCUS. Mr. President, I assume all time is yielded back?

The PRESIDING OFFICER. All time has expired.

Mr. BAUCUS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

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.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill, as amended, pass?

The clerk will call the roll.

Mr. DURBIN. I announce that the Senator from Delaware (Mr. BIDEN), 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 Senators are necessarily absent: the Senator from Nevada (Mr. ENSIGN), the Senator from Arizona (Mr. MCCAIN), and the Senator from Ohio (Mr. VOINOVICH).

The result was announced—yeas 88, nays 5, as follows:

[Rollcall Vote No. 415 Leg.]

YEAS—88

Akaka	Byrd	Dole
Alexander	Cantwell	Domenici
Allard	Cardin	Durbin
Barrasso	Casey	Enzi
Baucus	Chambliss	Feinstein
Bayh	Coburn	Graham
Bennett	Cochran	Grassley
Bingaman	Coleman	Gregg
Bond	Collins	Hagel
Boxer	Corker	Harkin
Brown	Cornyn	Hatch
Brownback	Craig	Hutchison
Bunning	Crapo	Inhofe
Burr	DeMint	Inouye

Isakson	McCaskill	Sessions
Johnson	McConnell	Shelby
Kennedy	Menendez	Smith
Kerry	Mikulski	Snowe
Klobuchar	Murkowski	Specter
Kohl	Murray	Stabenow
Kyl	Nelson (FL)	Stevens
Landrieu	Nelson (NE)	Sununu
Lautenberg	Pryor	Tester
Leahy	Reed	Thune
Levin	Reid	Vitter
Lieberman	Roberts	Warner
Lincoln	Rockefeller	Webb
Lott	Salazar	Wyden
Lugar	Sanders	
Martinez	Schumer	

NAYS—5

Carper	Dorgan	Whitehouse
Conrad	Feingold	

NOT VOTING—7

Biden	Ensign	Voinovich
Clinton	McCain	
Dodd	Obama	

The bill (H.R. 3996), as amended, was passed.

Mr. REID. 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.

UNANIMOUS CONSENT AGREEMENT—H.R. 2419

Mr. REID. Mr. President, I ask unanimous consent that there be a limitation of 20 first-degree amendments per side on the farm bill, H.R. 2419, that they be from the original list of amendments already agreed to; that all other provisions of the previous agreement continue in effect; and that the managers' amendments cleared by both managers not be counted toward the 20.

The PRESIDING OFFICER (Mr. BROWN). Is there objection?

Without objection, it is so ordered.

UNANIMOUS CONSENT AGREEMENT H.R. 6

Mr. REID. Mr. President, I further ask unanimous consent that following the prayer and the pledge tomorrow, the Senate proceed to the message from the House on H.R. 6, the comprehensive Energy bill; that notwithstanding the receipt of the papers, the majority leader be immediately recognized to move to concur in the House amendment and to file cloture on that motion; that there be 20 minutes equally divided in the usual form for debate on the majority leader's motion, followed by a cloture motion on that motion; that there be no other motions or amendments in order prior to the vote; further, that the cloture vote on the substitute amendment to the farm bill be delayed to occur at a later time, to be determined by the majority leader after consultation with the Republican leader.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. REID. Mr. President, certainly the Senate is a place for squabbles. We have had lots of them. But also with the work that has to be done in this body, sometimes it takes a little debate here and there.

Today has been an important day for the Senate. We have been in a quorum call a lot. But during the time there were speeches being made on rare occasion here, there was a lot of work being done. The AMT is now done. I don't know that that is the case yet, but I heard that the House indicated they will accept our bill. That is quite important.

We have been working for weeks on the farm bill. A cloture vote is set at 9 o'clock in the morning, or whatever time we agree to. Maybe we would have gotten cloture on that, I don't know. I am happy with this agreement. It will be a lot of work, but we will finish the farm bill before we leave, unless something untoward happens.

This has been a day of progress. Tomorrow we will finish work on the farm bill, and there will be one vote. After we do that, the two managers, Senators HARKIN and CHAMBLISS, said they will work through amendments tomorrow. There are a lot of amendments that can be agreed to. We want Senators, tomorrow and Monday—there will be no votes on Monday, but if Senators feel strongly about an amendment, work with the managers and have that offered and have that be one of the 40. Hopefully, we can set up votes for Tuesday and finish the bill sometime before we leave here.

On the Energy bill, we are going to have a cloture vote in the morning. From all indications I have gotten from the minority, cloture will not be invoked. I will give a speech and others will. We would have Saturday, Sunday, and Monday to try to come up with how we are going to proceed on this matter afterward. I hope we can work something out by consent; otherwise, because of the way we have the bill, I have the authority to do certain things. I would rather do it by consent. I will do the best I can to be as cooperative as possible with the minority. It is an extremely important piece of legislation. I think there is a mindset of everyone here to do an energy bill. The question is, what is in it? If we have a bill, will it be signed by the President?

I understand all of the moving parts of the bill. But we have made progress today with AMT, the farm bill, and now the Energy bill, on which we have had an agreement to move this up 1 day and not be here Saturday.

For everyone who thinks we don't get a lot done, we and our staffs will be heavily involved in the matters I have outlined over the weekend. So I appreciate the cooperation of the Senators to get to the point where we are, and I feel pretty good about the day's work.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. MCCONNELL. Mr. President, let me just say I do agree with the majority leader that we made some substantial progress today. First of all, on the principle that in order to extend tax relief to one set of Americans we don't have to raise taxes on another set of Americans, all but five Members of the

Senate concurred in that approach to extension of the AMT relief. I think that is an extremely important principle to be established in the Senate.

With regard to the farm bill, there is widespread agreement on both sides of the aisle that we ought to pass a farm bill and we ought to pass it as soon as possible. I think getting the consent agreement to get the amendments down to 20 on each side is a significant step in that direction. I am pleased to hear the majority leader would like for us to stay on that bill, make progress on it, and finish it before Christmas. That is certainly my view as well.

With regard to the Energy bill, we understand there are two highly contentious, well-publicized provisions of tax increases that have been inserted by the House: At a time when oil is close to \$100 a barrel, many of us think a tax increase is not a good idea, and the wind mandate, which is particularly onerous on those of us in the Southeast where there is not much wind, which basically means, in effect, a mandatory rate increase for utilities and for utility ratepayers all across the Southeast. I am hopeful we can get those two items out of that bill.

The President has indicated he will veto the bill, and I think there is a view on the other side of the aisle, as well as on our side, that we would like to have an energy bill actually enacted into law; that is, signed by the President. As the majority leader has indicated, hopefully we can get those problems removed from the Energy bill next week and move toward a Presidential signature.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The senior Senator from New Mexico is recognized.

Mr. REID. If my friend will allow me.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. REID. Mr. President, this has been cleared by floor staff. The unanimous consent request I just entered needs a clarification. So I ask unanimous consent that it be clarified that nothing else be in order prior to the vote tomorrow morning—no points of order. I think there is a general understanding.

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

The senior Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I just want to say that I have no objection. I wish to comment on the Energy bill. It has been a long time getting here, and it still is not finished. There are provisions of that Energy bill that, if passed, will be superb for the people of this country. It is too bad the bill is laden now with two provisions that we did not have in our bill, that we did not contemplate. We will have to work our way and see what happens. They are serious. They are serious enough to cause the President to veto the bill. I am hopeful we will be able to find our way to get those two provisions out—the

tax provision and the provision with reference to mandatory 15-percent alternative energy fuels in our States. Those two are very difficult. If we keep any of them in, our work is going to be for naught.

So I hope everybody understands the situation. It will be an excellent bill without those provisions, and there may be a few other cleanup provisions we need in the House bill. We will work on them in the next few days.

I thank the leaders.

I yield the floor.

The PRESIDING OFFICER. The President pro tempore is recognized.

Mr. BYRD. What is the floor situation, Mr. President?

The PRESIDING OFFICER. The President pro tempore is notified there are no orders in effect.

Mr. BYRD. Mr. President, I speak out of order for no more than 10 minutes.

100TH ANNIVERSARY OF THE MONONGAH, WEST VIRGINIA, MINE DISASTER

Mr. BYRD. Mr. President, as a son of West Virginia's southern coalfields who grew up in a coal miner's home and married a coal miner's daughter, I note that today is the 100th anniversary of the Monongah, WV, mine disaster, a particularly momentous and solemn observance for the coal miners of West Virginia.

The Monongah, WV, mine disaster remains today the worst industrial accident in American history. At least 362 coal miners lost their lives in that explosion on that cold December day, December 6, 1907. The truth is, some of the miners inside Fairmont Coal Company's No. 6 and No. 8 mines were boys—mere children, in fact—whose names did not appear on the company's official ledgers. So we may never know exactly how many lives were lost inside that mine on that dark day.

Sadly, many more miners across West Virginia and the Nation would perish, including another 78 miners in an explosion in that same West Virginia community a little over 60 years later, before Congress would respond with the Federal Coal Mine Health and Safety Act of 1969.

Coal miners are a different breed. Coal miners are bound together in ways perhaps not unlike the bonds that develop between soldiers or others whose occupations are inherently dangerous. Coal miners share a vocabulary foreign to most outsiders. Coal miners must place great trust in the persons next to them for their safety. Although mortal danger stalks them daily, in every minute of every day, this mutual trust and mutual dependence creates unusually strong bonds. Coal miners enjoy an unusually deep camaraderie.

Today in Indiana, Kentucky, Ohio, Pennsylvania, Montana, Virginia, Utah, Alabama, Wyoming, and West Virginia, coal miners are marking the 100th anniversary—that is today—of the Monongah, WV, mine disaster.

They do it with reverence, and they honor their survivors. In West Virginia, we also mark December 6 as Miner Day and celebrate all coal miners—past, present, and future.

Coal remains today, this very moment, the backbone of America's energy supply. Over half of all the electricity we consume every day—and some of it is burning here tonight in the ceiling of this Hall—over half of all the electricity we consume every day is provided by coal miners. We must protect those coal miners. The names Alma, Darby, Crandall Canyon, and Sago remind us that mine disasters are not simply a part of the coal industry's past; they are part of our present.

As we remember the miners who lost their lives at Monongah on that cold December day in 1907, let us also recommit ourselves to protecting the health and the safety of all those men and women who so bravely toil in our coal mines today. May we also take a moment to consider that the current political debate regarding the future of coal—black diamonds—in our national energy policy is taking place under lights—right here, for example—under lights illuminated by the work of coal miners, in the warmth of furnaces fueled by coal miners and completely independent of any foreign sheik or imam, thanks to coal miners—coal miners such as my dad, coal miners such as my wife's father, coal miners such as my brother-in-law. Coal miners, coal miners, coal miners—may God bless them.

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.

Mr. REID. I ask unanimous consent the quorum call be rescinded.

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

MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent we proceed to a period of morning business, with Senators permitted to speak therein for up to 10 minutes each.

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

SNOWSPORTS OUTREACH SOCIETY

Mr. SALAZAR. Mr. President, I rise today to acknowledge the work of the Snowsports Outreach Society, SOS Outreach, based in Vail, CO, which is dedicated to providing outdoor recreation and confidence-building opportunities to underprivileged youth.

The snow sports industry is an essential part of Colorado's lifestyle, economy, and image. Colorado's mountainous terrain and world-class resorts have set the standard for the ultimate experience in sliding on snow. As a skier, I understand the importance of this outdoor activity—in all its forms—

for its health benefits as well as the recreation economy of Colorado and the country's ski resorts.

SOS Outreach complements the benefits of snow sports by providing dynamic programs to 2,500 youth in need nationwide. During the current season, 2,000 Colorado participants will be enrolled in a 7-year curriculum. I am proud to recognize the work that they do to grow the sport and promote positive self-esteem in their participants.

Now celebrating its 14th anniversary, SOS Outreach was founded in Vail, CO, in 1993. SOS Outreach is a grassroots, 501(c)(3) organization. Through the work of its founder and executive director, Arn Menconi, and former director of snowboarding for Vail Resorts, Ray Sforzo, a charity was developed that appealed to the mountain resort's desire to build the community by serving underprivileged youth.

SOS Outreach first introduced youth to the benefits of outdoor recreation during the 1995/1996 season when they taught 40 youth snowboarding. They were provided with one day of free lessons, equipment, and lift tickets. Since their first season, SOS Outreach has partnered with mountain resorts, youth agencies, foundations, corporations, and individual donors to expand its nationally recognized curriculum and serve over 7,500 youth. SOS Outreach is further leveraging their partnerships to expand their programs and include skiing. Over 7,000 program days will be provided at 29 resorts across the country, 13 in the State of Colorado.

SOS Outreach provides participants with a high-quality, resilience-based program that positively impacts a participant's self-esteem and ability to participate positively within their communities; supports underserved youth through adult mentorship; and encourages personal character education through SOS Outreach's five core values: courage, discipline, integrity, wisdom, and compassion.

SOS Outreach would not be successful without the substantial support of the following individuals and organizations. I would like to recognize and thank each of them for sustaining such a program in Colorado:

Bill Jensen and Kara Heide of Vail Resorts; Ken Gart and everyone at Specialty Sports Venture; Chris Ryman of Booth Creek Ski Holdings; Colorado Mountain Resorts for their donation of lift tickets, lessons, and rental equipment; Harry Frampton and Ceil Folz of the Vail Valley Foundation; Robert Veitch of the Harold W. Shaw and Mary Louise Shaw Foundation; Linda Childers of the Daniels Fund; William Hybl of the El Pomar Foundation; Bill Cotton of Optic Nerve Sunglasses; Robert Marcovitch of K2 Inc.; Mike West of 686; Wendy and Mike Carey of Seirus; Chaos Hats; Ride Snowboards; Salomon Sports; Sutherland Foundation; Bob Herrnreich; Kay and Craig Tuber; to the staff of SOS Outreach: Arn and Anne Menconi, Michelle Hartel, Jon Garrou, Seth Ehrlich, Jody Link, Thersa Bisio;

and the hundreds of adults that give of themselves to be positive mentors to these young people.

Mr. President, I wish to recognize SOS Outreach for its work and extend my wishes for its continued success.

Mr. COBURN. Mr. President, I object to the unanimous consent agreement to pass S. 2338, the FHA modernization bill.

The Senate has twice attempted to pass a complex and critical mortgage reform bill without the opportunity for debate or amendment. I certainly understand the importance of this issue, which is why I believe the bill must be afforded time for proper scrutiny and debate by the Senate. It is naive, irresponsible and reckless for the Senate to claim it can fix this national challenge by rubberstamping our approval for this legislation without the opportunity to improve the bill through amendments.

More importantly, however, this bill is not the proper response to the housing crisis. This bill increases the availability of government-backed mortgages, adding a liability to the taxpayer of \$1.6 billion in government-backed loans. This bill greatly increases the loan limit which the government may insure, while simultaneously decreasing the down payment requirement for borrowers. This only makes taxpayers liable for billions of dollars in loans that may default. The solution to the mortgage crisis is fewer risky loans, not more.

Proponents of the legislation have argued that this bill is a low-risk way for the government to prevent future subprime foreclosures. However, this bill only creates more opportunities for borrowers to receive government-backed loans, increasing the liability on American citizens, but not preventing the possibility of delinquency or default.

According to a recent analysis by the Wall Street Journal, many subprime borrowers are not delinquent because they cannot afford increasing adjustable rates, but because they cannot afford their initial rates in the first place. The Wall Street Journal states:

It is true that many subprime borrowers were sold a toxic mortgage by unscrupulous mortgage brokers. However, the primary reason for the spike in subprime delinquencies so far is that many subprime borrowers have taken on more debt than they can pay back using any reasonable interest rate.

It would be unconscionable to shift this burden on to the Federal Government, especially at a time when our national debt stands well over \$9.1 trillion, or \$30,132 per citizen.

Sixty-one economists from universities and think-tanks from across America released an open letter to the U.S. Congress advising against "excessive new regulations or federal interventions" to deal with credit repricing in the subprime mortgage market. The letter warns: "Legislation to create new underwriting standards will reduce competition and restrict consumer ac-

cess to credit. Additionally, efforts to bail out or shore up lending institutions create a moral hazard that would slow the adjustments required in the marketplace. . . . These [bail out] proposals would fundamentally alter the workings of the mortgage market, leaving consumers with fewer choices when seeking to buy a home and potentially increasing taxpayer exposure for bad loans."

The American people agree that making government-backed loans more available is not the right response. According to a survey conducted by Harris Interactive on behalf of the National Taxpayers Union, NTU, when asked which statement most closely reflects their views of allowing Federal agencies to increase the size of the loans they can insure and reduce down-payment requirements, 66 percent of respondents answered that "these proposals are nothing more than a taxpayer-funded bailout of banks and lenders that provided and profited from these risky loans." Furthermore, 60 percent of respondents said taxpayers would be most negatively affected if the government were to bail out the subprime mortgage market.

I do believe the Senate should debate this issue, and examine what can be done to keep borrowers from defaulting and ensure that Americans are able to stay in their homes. I believe lenders must take responsibility for their loans, including full disclosure about the terms of the agreement and the possibility of default, and borrowers must be responsible for the agreement into which they enter. Mortgage brokers, real estate agents and other lenders should be transparent with their lending conditions and must be accountable for full disclosure to borrowers. However, I do not believe it is the job of the government to bail out default mortgages and loans and it is not the proper role of the government to insure loans with taxpayer dollars.

TRIBUTE TO MAJOR THOMAS A. ROGERS.

Mr. DOMENICI. Mr. President, I rise to recognize MAJ Thomas A. Rogers, Jr. of the U.S. Air Force for the exceptional work he rendered this past year while serving as a legislative fellow on my staff. Major Rogers is completing his Capitol Hill fellowship this month, and it is my hope that he has benefited as much from this experience as have I from having him on my staff.

In 1995, after his graduation from the Washington University Law School in St. Louis, Major Rogers received his commission in the U.S. Air Force. Since that time Major Rogers has served at base legal offices from Korea to Germany, as an area defense counsel, as the deputy chief, plans and requirements, Air Force Legal Information Services, and as an instructor at the Air Force Judge Advocate General School. Major Rogers has also deployed to Saudi Arabia and Afghanistan in

support of the global war on terror. Major Rogers has received numerous awards and commendations during his service including the Bronze Star and the Air Force Meritorious Service Medal. He was also honored in 2005 as the 20th Air Force Outstanding Young Judge Advocate.

Mr. President, I want to give my heartfelt thank you to Thom for his service. His eagerness to tackle issues which were new to him and to advance the goals I have set for my staff on behalf of both the men and women of the Armed Forces and the citizens of New Mexico were truly commendable. I have no doubt that as Thom continues his military career, he will achieve great things for both the U.S. Air Force and his country, and I wish him the very best of luck in all his future endeavors.

REMEMBERING GEORGE OSMOND

Mr. HATCH. Mr. President, I rise today to speak in honor of a friend of mine, Mr. George Osmond, who, on Thursday, November 6, passed away. While most people will likely remember George as the patriarch of one of our Nation's most famous entertainment families, he should also be remembered as a great humanitarian and entrepreneur.

George was born in 1917 in Star Valley, WY. As a young man, in 1941, he enlisted in the Army and served honorably during World War II. In 1944, he was stationed at the U.S. Army's General Depot in Ogden, UT, where he met his wife, Olive May Davis. George and Olive were married in December 1944 and had nine children, eight boys and one girl.

To most, George's early professional life was quite normal. He began his career selling real estate and life insurance. He later took a position as the Ogden Postmaster. During that time, his sons began to study music; George taught them to sing barbershop and helped them get invitations to perform at community events. His family first entered the national spotlight when four of his sons, Alan, Wayne, Merrill and Jay, formed a quartet known as "the Osmond Brothers" and began performing at Disneyland and on The Andy Williams Show.

Over the years, seven of his nine children would perform a variety of music styles all over the world. All counted, the Osmond family has recorded 142 albums, selling 100 million copies with 51 gold and platinum recordings. George, himself, worked as the manager of his children's music careers, working to make sure they remained grounded and focused on the importance of family.

One of the lesser known facts about the Osmond family is that two of the Osmond children, the oldest sons Virl and Tom, were born deaf. While these two sons were never music performers, they were closely involved with their father's charitable efforts, working with him to establish The Osmond

Foundation, which later became the Children's Miracle Network.

The Children's Miracle Network is now headquartered in Salt Lake City and has, to date, raised more \$3 billion, which is distributed directly to a network of 170 hospitals. These funds are raised specifically for children's hospitals, medical research and community awareness of children's health issues. It is the largest organization of its kind in the world and is, in addition to their many children and grandchildren, George and Olive Osmond's greatest legacy.

Mr. President, I knew George Osmond for many years. He was, above all else, devoted to his family and a man of integrity. I thoroughly enjoyed the opportunities I have had over the years to work with him and his family on several charitable endeavors. George was truly a remarkable man who leaves a long legacy here with us in his passing. I want to express my deepest condolences to George's family and thank them for their wonderful example of service.

ADDITIONAL STATEMENTS

REMEMBERING SALLY SMITH

• Mr. BAUCUS. Mr. President, I wish to recognize a great friend of mine and a wonderful woman and leader. Sally Smith passed away December 1, 2007, from complications related to myeloma. Sally founded the Lab School in Washington, DC, one of the premier educational institutions in the Nation for students with learning disabilities. The Lab School is a place where children with learning disabilities are nurtured, taught, given the tools to succeed and the opportunity to flourish. And nearly all of them do.

I had heard what an extraordinary place the Lab School is and decided I wanted to find out for myself. On a crisp autumn morning about 4 years ago, I decided to drop by the Lab School on my way into work. I was amazed as I walked into the Castle, which is the main building of the school. As Sally hadn't arrived yet, I was invited to wait in her office. The door was always open as Sally welcomed anyone and everyone. Soon a woman came in looking like a bright rainbow with brilliant colors flowing and dazzling from head to toe. As I spoke with Sally about the school and its mission I quickly came to understand what a unique and wonderful place this was. The Lab School is a safe haven for so many kids who are bright and smart and eager to learn but can't learn in traditional ways. Sally through her hard work and years of dedication has truly created a grand new doorway to education for kids who found the doors to other schools closed to them. From that day on I became great friends with Sally and supported the school in any way that I could. I have attended the annual Gala Awards

Dinner which has raised much needed funds for the schools and honored people like Charles Schwab and Magic Johnson who had grown up with learning disabilities and struggled until they found a pathway to education. I always looked forward to visiting with Sally and offered to help in any way that I could.

Sally first saw the need for a school to help children with learning disabilities to learn and grow when her son Gary was in the first grade. While Gary was bright and creative, he was unable to read and do simple math. When Gary began to have trouble at school, his parents found that he had severe learning disabilities. The school he was attending gave them few options to help their son learn, and Sally began to realize that for Gary to excel and reach his potential he would need to be given the opportunity to learn in a way tailored to his unique needs. Using what she had learned in graduate school course work in education and observing that her son learned best through storytelling and acting things out, she set out in 1967 to create a school that would use these tools to teach children with learning disabilities.

Rather than learning through lectures and traditional textbook exercises, Sally set out to create a curriculum that would allow for artistic, visual, hands-on learning. She invited artist friends to serve as teachers and sought the help of many acquaintances to raise funds that would make the dream of the Lab School a reality. The Lab School has now for 40 years given students like Gary a chance to succeed. From this life learning opportunity, nearly all Lab School alumni graduate and over 90 percent find their way to college.

We can only imagine where these students would be without the love and dedication of Sally Smith. Where others saw kids who couldn't learn and were disruptive, Sally saw kids eager to learn and let their creativity bloom in their own special way. And why should these children, the future of our Nation, be pushed aside and forgotten about when they have so much potential and so many gifts to give?

The Lab School over the years has expanded and now has nearly 325 students enrolled. It reaches another 250 through tutoring programs for children and adults and many more through summer camps and outreach services. The school also opened a campus in Baltimore. Sally was also a professor at American University's School of Education and was in charge of the master's degree program specializing in learning disabilities. She has authored 10 books on effectively teaching students with learning disabilities and conducted workshops for educators of learning disabled children.

Sally's legacy and nurturing teaching style that sought to include and find the potential of each student will never be forgotten by those whose lives she touched. Not only did her students

learn a great deal from Sally, but we all can.

Mr. President, I ask that a copy of an article from the December 4, 2007, edition of the Washington Post entitled "The Teacher at the Head of the Class" be printed in the RECORD.

The material follows.

[From the Washington Post, Dec. 4, 2007]
THE TEACHER AT THE HEAD OF THE CLASS

(By Ellen Edwards)

At first glance you might have thought you had come upon some improbable tropical bird, full of color and feathers, dressed in layers of patterns on patterns, a pile of rolling blond curls on her head.

This, of course, is what captivated children when they first looked at Sally Smith, the founder and director of the Lab School of Washington, one of the nation's premier places for students with learning disabilities. She didn't look like any other adult in their experience, and they discovered she didn't think like any other head of school, either.

Sally Smith, who died Saturday from complications of myeloma at 78, looked right back at those young faces and saw potential, intelligence, the charm and grace of childhood.

Where other schools saw kids who didn't pay attention, she saw kids who viewed the world in creative ways. Where other schools saw frustration and anger, she saw kids desperate to learn, and she created a school for them. She gave them respect, she gave them hope and she gave them the tools to succeed.

Her own son's difficulties with learning caused her to look for ways to teach him, and from the beginning, even before she became a nationally known educator, she placed the responsibility directly on adults in charge. In the school handbook, Smith wrote, "our philosophy is based on the belief that a child's failure to learn means that the teaching staff has not yet found a way to help him. It is up to the adults to seek out the routes by which each child learns, to discover his strengths and interests and to experiment until effective techniques are found."

Anyone who ever met Sally has a story to tell. She was larger than life: in her size and presence, in her ambitions, in her throaty voice advocating her ideas. She cultivated artists, and often had them to her Cleveland Park home. She cultivated support for the Lab School, from wealthy and powerful potential donors to parents who could give only their time. Her fundraising gala highlighted learning-disabled achievers, who over the years have included Charles Schwab, Magic Johnson, Robert Rauschenberg, Cher and James Carville. In a closed-door session, the students would face those big names and ask blunt and painful questions: "Did you feel stupid compared with your siblings?" "Were your parents embarrassed by you?" "How did you feel when you were asked to read out loud in class?"

The core of all of Smith's techniques, in her 10 books and the PBS series about her work, is empathy. I first heard her name a decade ago from a reading specialist in the Midwest when I was beginning to think I might have a dyslexic child.

You're near Sally Smith's school, aren't you?" she asked me. "That's the place." She said it with such confidence and certainty that I knew I had better figure out who Sally Smith was.

I met Sally first as a reporter, sitting in her office and listening to her talk about students the Lab School has taught. I remember in particular the story of the young boy who was good at numbers but not good at reading. The Lab faculty, which individ-

ualizes homework, a study plan, classwork, everything, for every student, put him in charge of the school store. He loved selling things. They found a way to catch his interest and motivate him to learn to read. He grew up and out of Lab, and, Smith boasted, had become a successful businessman.

She talked about another student who learned kinesthetically, through movement. The teachers spread patterns out on the floor for him to learn math, a map for him to learn geography, and he danced his way through learning.

She told me how often tears had been shed in that office, which was crowded with art from students and professionals, and which had an open door policy so vigorously enforced that most people didn't think she even had a door. Parents came to her desperate to find a school where their child would be accepted and challenged, where they could learn and not be warehoused until they dropped out. They brought with them horror stories from other schools that had treated their kids as if they were stupid, made them feel terrible about themselves and chucked them in the corner as a lost cause.

After a few months at Lab, they often wept again, with gratitude, because the school meant no more endless rounds of tutors and therapists. It meant free time after school for exhausted children who worked hard every minute of the school day. It meant an end to the isolation of parenting a child who learned differently, because the school community embraced the potential of these children.

Five years ago I met Sally again, but this time as the parent of a prospective student. It was clear my son had the family dyslexia gene, and reading was going to be a struggle. He enrolled for third grade, where 12 students in his class had four educators.

His lead teacher that year spent a long time figuring out how to get him interested in reading. Of course he was interested, but it was so hard and frustrating for him that he pushed it away. Finally, she realized his interest in baseball might do it. Every day, his homework consisted of reading lessons she had taken from news stories about baseball and had rewritten at his reading level. Every day she created a page of four or five questions for him to answer from his reading. Little by little, his reading got better. He was studying without realizing it. He thought he was just having fun.

This learning environment was Sally Smith's creation, her gift to the world of education. She saw how arts could teach all kinds of things, and she shaped the Lab School around the arts. She hired artists as teachers because she knew they would think creatively. They taught sophisticated content without reading.

In his first year there, the mythologies of ancient times were taught through what was called Gods Club. The students were taught by Cleopatra, complete with headdress. The students dressed in togas. Each took the identity of a Greek god. To enter the classroom, they used passwords that changed every day, such as "Corinthian," which taught them the name of a column's capital. A painted Nile River ran through the middle of the classroom just as the real Nile runs through Egypt.

When the winter break came, and we took our son to the Egyptian galleries at the Metropolitan Museum in New York, he read the hieroglyphics to us while we listened slack-jawed.

This was her famous Academic Club method, one of the many she shared as professor in charge of American University's masters program for special education. Our son went on to Knights and Ladies Club, taught by El-

eanor of Aquitaine, and Renaissance Club taught by Lorenzo de Medici. He jousting and learned about Holy Wars, made cheese and tasted ravioli, painted a fresco and took on the persona of Dante.

He learned, and after four years he moved on to a mainstream school, which was Smith's ultimate goal for all her students.

A couple of months ago, my son was visiting the school and saw Smith. She was in a wheelchair, dressed in her usual eye-popping splendor. She took his hand and asked him how he liked his new school.

She really wanted to know the answer, and she really listened when he gave it. That was Sally Smith's genius. ●

REMEMBERING CHARLES E. "BUTCH" JOECKEL

● Mr. HAGEL. Mr. President, I wish to recognize the loss of Vietnam veteran Charles E. "Butch" Joeckel, who was buried yesterday with military honors at the Columbarium in Arlington National Cemetery.

Butch was raised in Colmar Manor, MD, graduating from Bladensburg High School in 1965. In 1966 he enlisted in the U.S. Marine Corps and fought for his country in Vietnam. He was seriously wounded during the Tet Offensive in 1968, losing both of his legs above the knees. For his heroic service, Butch received the Silver Star, Bronze Star, Purple Heart, Navy Commendation Medal with Combat Valor, and numerous meritorious citations, medals, and honors.

Butch's service to his country did not end in Vietnam. He became a national service officer for the Disabled American Veterans (DAV), and in 1988 he rose to the position of DAV national adjutant, serving in this capacity until 1993. He served on the board of directors of Help Disabled War Veterans, and contributed his time, wise counsel, and strong efforts to the President's Task Force to Improve Access to Health Care for our Nation's Veterans at the National Veterans Legal Services Program. In 2004 he was appointed to the Veterans' Disability Benefits Commission.

Butch was an inspiration to all who knew him, and especially for those who were disabled. He accepted the heavy responsibility of "role model" for disabled war veterans with grace, dignity, and a special twinkle of humor.

For all of his selfless service to his country, Butch's family always came first. He is survived by his wife Dianne; his three children, Chuck, Tammy and Scott; his father, Charles, Sr.; his sister and brother-in-law; three sisters-in-law; 11 nieces and nephews; and seven grandchildren.

Butch was an American patriot who believed in his country and fought for his country and the veterans who built it. America owes him our thanks for his contributions and sacrifices. Our country lost an American original, who will be missed by many. ●

TRIBUTE TO JOSEPH ATKINS NICKERSON, JR.

• Mr. KENNEDY. Mr. President, I welcome this opportunity to pay tribute to the extraordinary life and work of Joseph Atkins Nickerson, Jr., of Chatham, MA, a retired builder and prominent local historian who passed away on November 23 at the age of 89. Joe lived his entire life in the town of Chatham. The only exception was during his service to the Navy during World War II.

Joe was a direct descendent of the founders of Chatham, and he will always be remembered for his leadership in preserving the town's history. He had an extraordinary ability to recall people, places, and dates, and his storytelling skill was legendary.

Joe was a member of numerous local sports teams in his youth, and at the age of 22 he pitched a no hit, no run, no walk, 22 strike-out perfect baseball game for the local Chatham team. He was also an original member of the Chatham Town Band, and played the clarinet beautifully in concerts and parades for over 50 years. His skills as a town musician were a great source of pride for all his family.

Joe served the town in many other ways as well. He was a volunteer fireman, a member of the School Building Committee, president and historian of the Chatham Historical Society, a founding member of the Conservation Association, president of the Boston Glass Club, and a member of the Retired Men's Club.

In recent years, Joe and his beloved wife Gerry worked together to write a book, "Chatham Sea Captains in The Age of Sail." Before he passed away he was delighted to learn that his long-awaited book would be published by History Press, Inc. of Charleston, SC, in February 2008. I am sure it will be a wonderful memorial to Joe and a delight to the people of Chatham and all of us who love Cape Cod. His remarkable life and his commitment to the community will continue to inspire us all for years to come, and we mourn the passing of this amazing son of Chatham. •

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mrs. Neiman, 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 which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 2:37 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bill and joint resolution, without amendment:

S. 888. An act to amend section 1091 of title 18, United States Code, to allow the prosecution of genocide in appropriate circumstances.

S.J. Res. 8. Joint resolution providing for the reappointment of Patricia Q. Stonesifer as a citizen regent of the Board of Regents of the Smithsonian Institution.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 236. An act to authorize the Secretary of the Interior to create a Bureau of Reclamation partnership with the North Bay Water Reuse Authority and other regional partners to achieve objectives relating to water supply, water quality, and environmental restoration.

H.R. 1759. An act to establish guidelines and incentives for States to establish arsonist registries and to require the Attorney General to establish a national arsonist registry and notification program, and for other purposes.

H.R. 2930. An act to amend section 202 of the Housing Act of 1959 to improve the program under such section for supportive housing for the elderly, and for other purposes.

H.R. 3526. An act to include all banking agencies within the existing regulatory authority under the Federal Trade Commission Act with respect to depository institutions, and for other purposes.

H.R. 3690. An act to provide for the transfer of the Library of Congress police to the United States Capitol Police, and for other purposes.

H.R. 3791. An act to modernize and expand the reporting requirements relating to child pornography, to expand cooperation in combating child pornography, and for other purposes.

H.R. 4043. An act to amend the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 to preserve and expand minority depository institutions, and for other purposes.

H.R. 4252. An act to provide for an additional temporary extension of programs under the Small Business Act and the Small Business Investment Act of 1958 through May 23, 2008, and for other purposes.

The message further announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 147. Concurrent resolution recognizing 200 years of research, service to the people of the United States, and stewardship of the marine environment by the National Oceanic and Atmospheric Administration and its predecessor agencies, and for other purposes.

H. Con. Res. 251. Concurrent resolution commending the National Renewable Energy Laboratory for its work of promoting energy efficiency for 30 years.

MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 236. An act to authorize the Secretary of the Interior to create a Bureau of Rec-

lamation partnership with the North Bay Water Reuse Authority and other regional partners to achieve objectives relating to water supply, water quality, and environmental restoration; to the Committee on Energy and Natural Resources.

H.R. 1759. An act to establish guidelines and incentives for States to establish arsonist registries and to require the Attorney General to establish a national arsonist registry and notification program, and for other purposes; to the Committee on the Judiciary.

H.R. 2930. An act to amend section 202 of the Housing Act of 1959 to improve the program under such section for supportive housing for the elderly, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

H.R. 3526. An act to include all banking agencies within the existing regulatory authority under the Federal Trade Commission Act with respect to depository institutions, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

H.R. 3791. An act to modernize and expand the reporting requirements relating to child pornography, to expand cooperation in combating child pornography, and for other purposes; to the Committee on the Judiciary.

H.R. 4043. An act to amend the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 to preserve and expand minority depository institutions, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

The following concurrent resolutions were read, and referred as indicated:

H. Con. Res. 147. Concurrent resolution recognizing 200 years of research, service to the people of the United States, and stewardship of the marine environment by the National Oceanic and Atmospheric Administration and its predecessor agencies, and for other purposes; to the Committee on Commerce, Science, and Transportation.

H. Con. Res. 251. Concurrent resolution commending the National Renewable Energy Laboratory for its work of promoting energy efficiency for 30 years; to the Committee on Energy and Natural Resources.

MEASURES PLACED ON THE CALENDAR

The following bill was read the second time, and placed on the calendar:

S. 2416. A bill to amend the Internal Revenue Code of 1986 to repeal the alternative minimum tax on individuals and replace it with an alternative tax individuals may choose.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC-4127. A communication from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Watermelon Research and Promotion Plan; Assessment Increase" (Docket No. AMS-FV-07-0038) received on November 27, 2007; to the Committee on Agriculture, Nutrition, and Forestry.

EC-4128. A communication from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Mango Promotion, Research, and Information Order; Amendment to Term of Office Provision" (Docket No. AMS-FV-07-

0042) received on November 27, 2007; to the Committee on Agriculture, Nutrition, and Forestry.

EC-4129. A communication from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Dried Prunes Produced in California; Increased Assessment Rate" (Docket No. AMS-FV-07-0103) received on November 27, 2007; to the Committee on Agriculture, Nutrition, and Forestry.

EC-4130. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Citrus Canker; Movement of Fruit from Quarantined Areas" (Docket No. APHIS-2007-0022) received on November 26, 2007; to the Committee on Agriculture, Nutrition, and Forestry.

EC-4131. A communication from the Principal Deputy, Office of the Under Secretary of Defense (Personnel and Readiness), transmitting, pursuant to law, a report relative to the Department's intent to disestablish the BX Mart at the Naval Air Station Joint Reserve Base in Fort Worth, Texas; to the Committee on Armed Services.

EC-4132. A communication from the Legal Information Assistant, Office of Thrift Supervision, transmitting, pursuant to law, the report of a rule entitled "Fair Credit Reporting Affiliate Marketing Regulations" (RIN1550-AB90) received on November 26, 2007; to the Committee on Banking, Housing, and Urban Affairs.

EC-4133. A communication from the Secretary of the Treasury, transmitting, pursuant to law, a six-month periodic report on the national emergency that was declared in Executive Order 13303 with respect to the Development Fund for Iraq; to the Committee on Banking, Housing, and Urban Affairs.

EC-4134. A communication from the Chief Counsel, Federal Emergency Management Agency, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled "Final Flood Elevation Determinations" (72 FR 61806) received on November 26, 2007; to the Committee on Banking, Housing, and Urban Affairs.

EC-4135. A communication from the Chief Counsel, Federal Emergency Management Agency, Department of Homeland Security, transmitting, pursuant to law, the report of a rule entitled "Changes in Flood Elevation Determinations" (72 FR 62121) received on November 26, 2007; to the Committee on Banking, Housing, and Urban Affairs.

EC-4136. A communication from the Secretary of the Treasury, transmitting, pursuant to law, a six-month periodic report on the national emergency declared in Executive Order 13047 with respect to Burma; to the Committee on Banking, Housing, and Urban Affairs.

EC-4137. A communication from the Chief Counsel, Bureau of Public Debt, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Offering and Governing Regulations for Series EE and Series I Savings Bonds, Treasury Direct" (31 CFR Parts 351, 353, 359, 360, and 363) received on November 26, 2007; to the Committee on Banking, Housing, and Urban Affairs.

EC-4138. A communication from the Assistant Secretary for Legislative Affairs, Department of the Treasury, transmitting, pursuant to law, an annual report relative to the Foreign Bank and Financial Accounts for calendar year 2006; to the Committee on Banking, Housing, and Urban Affairs.

EC-4139. A communication from the Deputy Assistant General Counsel, Pipeline and Hazardous Safety Administration, Department of Transportation, transmitting, pur-

suant to law, the report of a nomination for the position of Administrator, received on November 30, 2007; to the Committee on Commerce, Science, and Transportation.

EC-4140. A communication from the Deputy Assistant Administrator for Regulatory Programs, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Final Rule to Implement Amendment 84 to the Fishery Management Plan for Groundfish of the Bering Sea and Aleutian Islands Management Area" (RIN0648-AU03) received on November 26, 2007; to the Committee on Commerce, Science, and Transportation.

EC-4141. A communication from the Acting Director, Office of Sustainable Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Atlantic Surfflam Minimum Size Suspension for 2008—Temporary Rule" (RIN0648-XD25) received on November 26, 2007; to the Committee on Commerce, Science, and Transportation.

EC-4142. A communication from the Acting Director, Office of Sustainable Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Cod by Catcher Vessels Using Pot Gear in the Bering Sea and Aleutian Islands Management Area" (RIN0648-XD53) received on November 26, 2007; to the Committee on Commerce, Science, and Transportation.

EC-4143. A communication from the Acting Director, Office of Sustainable Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Cod by Non-American Fisheries Act Crab Vessels Catching Pacific Cod for Processing by the Inshore Component in the Western Regulatory Area of the Gulf of Alaska" (RIN0648-XD32) received on November 26, 2007; to the Committee on Commerce, Science, and Transportation.

EC-4144. A communication from the Acting Director, Office of Sustainable Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Ocean Perch for Vessels Participating in the Rockfish Entry Level Fishery in the Central Regulatory Area of the Gulf of Alaska" (RIN0648-XC73) received on November 26, 2007; to the Committee on Commerce, Science, and Transportation.

EC-4145. A communication from the Director, Office of Sustainable Fisheries, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Inseason Closure of the Commercial Fishery for Gulf Group King Mackerel in the Gulf of Mexico Western Zone for the 2007-2008 Fishing Year" (RIN0648-XC59) received on November 26, 2007; to the Committee on Commerce, Science, and Transportation.

EC-4146. A communication from the Administrator and Chief Executive Officer, Bonneville Power Administration, Department of Energy, transmitting, pursuant to law, the Administration's Annual Report for fiscal year 2007; to the Committee on Energy and Natural Resources.

EC-4147. A communication from the Secretary of Energy and the Secretary of the Interior, transmitting, pursuant to law, a report relative to the cost for implementation of the Rocky Flats National Wildlife Refuge Act of 2001 during fiscal year 2006; to the Committee on Environment and Public Works.

EC-4148. A communication from the Director, Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled "Clarification of NRC Civil Penalty Author-

ity over Contractors and Subcontractors Who Discriminate Against Employees for Engaging in Protected Activities" (RIN3150-AH59) received on November 27, 2007; to the Committee on Environment and Public Works.

EC-4149. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report entitled "Plan to Implement Medicare Hospital Value-Based Purchasing"; to the Committee on Finance.

EC-4150. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to the Case-Zablocki Act, 1 U.S.C. 112b, as amended, the report of the texts and background statements of international agreements, other than treaties (List 2007-265—2007-272); to the Committee on Foreign Relations.

EC-4151. A communication from the Acting Assistant Administrator, Bureau for Legislative and Public Affairs, United States Agency for International Development, transmitting, pursuant to law, a report entitled "Multilateral Development Banks' Assistance Proposals Likely to Have Adverse fml:Impacts on the Environment, Natural Resources, Public Health and Indigenous Peoples"; to the Committee on Foreign Relations.

EC-4152. A communication from the White House Liaison, Office of Planning, Evaluation, and Policy Development, Department of Education, transmitting, pursuant to law, the report of action on a nomination and discontinuation of service in an acting role for the position of Assistant Secretary (Planning, Evaluation, and Policy), received on November 30, 2007; to the Committee on Health, Education, Labor, and Pensions.

EC-4153. A communication from the Assistant General Counsel, Office of Postsecondary Education, Department of Education, transmitting, pursuant to law, the report of a rule entitled "Federal Perkins Loan Program, Federal Family Education Loan Program, and William D. Ford Federal Direct Loan Program" (RIN1840-AC89) received on November 26, 2007; to the Committee on Health, Education, Labor, and Pensions.

EC-4154. A communication from the Assistant General Counsel, Office of Postsecondary Education, Department of Education, transmitting, pursuant to law, the report of a rule entitled "Academic Competitiveness Grant Program and National Science and Mathematics Access to Retain Talent Grant Program" (RIN1840-AC92) received on November 26, 2007; to the Committee on Health, Education, Labor, and Pensions.

EC-4155. A communication from the Assistant General Counsel, Office of Postsecondary Education, Department of Education, transmitting, pursuant to law, the report of a rule entitled "Federal Student Aid Programs" (RIN1840-AC91) received on November 26, 2007; to the Committee on Health, Education, Labor, and Pensions.

EC-4156. A communication from the Assistant General Counsel, Office of Postsecondary Education, Department of Education, transmitting, pursuant to law, the report of a rule entitled "Federal Perkins Loan Program, Federal Family Education Loan Program, and William D. Ford Federal Direct Loan Program" (RIN1840-AC88) received on November 26, 2007; to the Committee on Health, Education, Labor, and Pensions.

EC-4157. A communication from the Acting Secretary of Veterans Affairs, transmitting, pursuant to law, the Department's Performance and Accountability Report for fiscal year 2007; to the Committee on Homeland Security and Governmental Affairs.

EC-4158. A communication from the Executive Director, Office of Navajo and Hopi Indian Relocation, transmitting, pursuant to

law, the audit performed on the agency for fiscal year 2007; to the Committee on Homeland Security and Governmental Affairs.

EC-4159. A communication from the Chairman, National Mediation Board, transmitting, pursuant to law, the Board's Annual Report for fiscal year 2007; to the Committee on Homeland Security and Governmental Affairs.

EC-4160. A communication from the Secretary, Postal Regulatory Commission, transmitting, pursuant to law, the report of a vacancy in the position of Commissioner, received on November 30, 2007; to the Committee on Homeland Security and Governmental Affairs.

EC-4161. A communication from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, the Agency's Financial Report for fiscal year 2007; to the Committee on Homeland Security and Governmental Affairs.

EC-4162. A communication from the Chairman, Federal Housing Finance Board, transmitting, pursuant to law, the Semiannual Report of the Board's Inspector General for the period ending September 30, 2007; to the Committee on Homeland Security and Governmental Affairs.

EC-4163. A communication from the Chief Human Capital Officer, Department of Energy, transmitting, pursuant to law, an annual report on the category rating system; to the Committee on Homeland Security and Governmental Affairs.

EC-4164. A communication from the Chairman, Occupational Safety and Health Review Commission, transmitting, pursuant to law, the Commission's Performance and Accountability Report for fiscal year 2007; to the Committee on Homeland Security and Governmental Affairs.

EC-4165. A communication from the Acting Chairman, Consumer Product Safety Commission, transmitting, pursuant to law, the Commission's Performance and Accountability Report for fiscal year 2007; to the Committee on Homeland Security and Governmental Affairs.

EC-4166. A communication from the National Treasurer, Navy Wives Club of America, transmitting, pursuant to law, a report relative to the latest audit of the organization; to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-258. A resolution adopted by the Council of the City of Espanola of the State of New Mexico in support of maintaining current federal funding levels for the operation of the Los Alamos National Laboratory; to the Committee on Energy and Natural Resources.

POM-259. A resolution adopted by the Town Council of the Town of Hypoluxo in the State of Florida urging Congress to appropriate funds necessary to bring the Herbert Hoover Dike into compliance with current levee protection safety standards; to the Committee on Environment and Public Works.

POM-260. A resolution adopted by the Cook County Board of the State of Illinois urging Congress to support the H-1 B and L-1 B Visa Fraud and Abuse Prevention Act of 2007; to the Committee on the Judiciary.

POM-261. A resolution adopted by the Senate of the State of New York urging the New York State Congressional Delegation to make the Do Not Call Registry permanent; to the Committee on Commerce, Science, and Transportation.

RESOLUTION

Whereas, the Do Not Call Registry was established in the State of New York in 2000 to protect citizens from unwanted sales calls; it was made more effective in 2003, when it merged with the National Do Not Call Registry; and

Whereas, the National Do Not Call Registry provides citizens across the state and country with the privacy they deserve and adequate penalties for businesses which violate that privacy by persisting with unwanted phone calls; and

Whereas, the merging of the two Do Not Call Registries has effectively protected New York State residents from bothersome and unwanted phone solicitations for the last five years; and

Whereas, Due to the five year expiration of the National Do Not Call Registry, many of the first enrollees will soon again be vulnerable to telephone solicitations unless they re-enroll; Now, therefore, be it

Resolved, That this Legislative Body pause in its deliberations to urge the New York State Congressional Delegation to eliminate the 5-year expiration date and make the National Do Not Call Registry permanent; and be it further

Resolved, That copies of this Resolution, suitably engrossed, be transmitted to the President of the Senate of the United States, the Speaker of the House of Representatives, and to each member of the Congress of the United States from the State of New York.

POM-262. A resolution adopted by the California State Lands Commission expressing its support for S. 1870 and H.R. 2421; to the Committee on Environment and Public Works.

RESOLUTION

Whereas, the California State Lands Commission has jurisdiction over the state-owned tide and submerged lands below the mean high tide line out to three miles from the coast as well as the lands underlying California's bays, lakes, and rivers; and

Whereas, the Commission is charged with managing these lands pursuant to the Public Trust Doctrine, common law that requires these lands to be used for commerce, fishing, navigation, recreation, and environmental protection; and

Whereas, the Commission has acquired thousands of acres of valuable wetlands and lands to be restored to wetlands such as Bolsa Chica and the Cosumnes River wetlands; and

Whereas, the Commission is gravely concerned about the adverse effects greenhouse gases and climate change will have on the environmental, economic, and public value of the state lands it holds in trust; and

Whereas, wetlands have been identified as significant storehouses of carbon, possibly storing as much as 40% of global terrestrial carbon; and

Whereas, the drainage and degradation of wetlands releases large quantities of carbon dioxide (the gas that accounts for at least 60% of global warming) as well as other greenhouse gases contributing to climate change; and

Whereas, there are approximately 100 million wetland acres remaining in the continental United States, which are decreasing about 60,000 acres annually; and

Whereas, if wetlands are functioning properly, they provide not only protection against global warming, but also water quality protection, fish and wildlife habitat, natural floodwater storage, reduction in the erosive potential of surface water, and popular recreational uses; and

Whereas, wetlands have been used to manage wastewater: as the water passes through

the wetlands, suspended particles settle; pollutants are broken down by plants, microorganisms, and sediment; nutrients are absorbed; and pathogens die off; and

Whereas, wetlands are among the most biologically productive ecosystems, essential to the survival of more than one-third of the threatened and endangered species in the United States; and

Whereas, wetlands provide public use benefits, supplying opportunities for enjoying nature, hiking, biking, bird watching, hunting, fishing, and scientific study, which in the aggregate, generate several billions of dollars annually in the United States; and

Whereas, in 1972, Congress passed the Clean Water Act ("the Act") to restore and maintain the chemical, physical, and biological integrity of the Nation's waters. The Act contains Section 404, which established a permit program involving the Environmental Protection Agency and the U.S. Army Corps of Engineers ("the Corps") to regulate discharges of pollutants (e.g. waste discharge and dredged and fill materials) into waters of the United States; and

Whereas, in 1977, the Corps issued final regulations on the permit program and explicitly included in its definition of "waters of the United States" any "isolated wetlands and lakes, intermittent streams, prairie potholes, and other waters that are not part of the tributary system to interstate waters or to navigable waters of the United States, the degradation or destruction of which could affect interstate commerce."; and

Whereas, in 2001 and compounded by a joint decision in 2006, the United States Supreme Court, first in *Solid Waste Agency of Northern Cook County v. U.S. Army Corps of Engineers* (SWANCC) and then in *Rapanos v. United States*, issued decisions that reduced the jurisdictional scope of the Clean Water Act, undermining decades of clean water protection, and jeopardizing the future of wetlands and other waters of the United States; and

Whereas, the opinions of the split court in *Rapanos* have created great confusion as to the actual scope of the Clean Water Act, making implementation of the Act resource intensive and subject to litigation; and

Whereas, the Clean Water Restoration Act of 2007, introduced by Senator Feingold through S. 1870, and Congressman Oberstar through H.R. 2421, seeks to end jurisdictional confusion left in the wake of the *Rapanos* case by codifying the Corps' definition of "waters of the United States," which federal agencies have used to enforce the Clean Water Act for over 30 years; Therefore be it

Resolved by the California State Lands Commission, That it supports the Clean Water Restoration Act of 2007 (S. 1870 and H.R. 2421), which would affirm federal protections for waters of the United States, including wetlands, tributaries, headwaters and streams, through the Clean Water Act; and be it further

Resolved, That the Commission's Executive Officer transmit copies of this resolution to the President and Vice President of the United States, to the Governor of California, to the Majority and Minority Leaders of the United States Senate, to the Speaker and Minority Leader of the United States House of Representatives, to the Chairs and Ranking Minority Members of the Senate Committee on Environment and Public Works, the House Committee on Energy and Commerce, to each Senator and Representative from California in the Congress of the United States, to the U.S. Army Corps of Engineers, and to the Environmental Protection Agency.

POM-263. A resolution adopted by the Senate of the State of Michigan in support of

the plan of the Detroit International Bridge Company to establish an enhancement span to the Ambassador Bridge; to the Committee on Environment and Public Works.

SENATE RESOLUTION NO. 123

Whereas, the Ambassador Bridge between Detroit and Windsor exemplifies efficiency and solid security practices that a private and public partnership can provide to the citizens of Michigan, the United States, and Canada and has been recognized by the United States Federal Highway Administration as the most efficient international crossing; and

Whereas, the Detroit International Bridge Company (DIBC) crossing plan to develop an enhancement span of the Ambassador Bridge would provide for an additional crossing between the cities of Detroit and Windsor to meet the traffic needs of the region for years to come; and

Whereas, the DIBC has stated it will work with the state of Michigan to leverage the private investment used in the creation of an enhancement span to help garner \$2 billion in match funding to be used to improve Michigan's roads and bridges by qualifying DIBC expenditures as toll credits under federal law; and

Whereas, the Detroit River International Crossing (DRIC) study, being carried out by the Michigan Department of Transportation, the U.S. Federal Highway Administration, Transport Canada, and the Ontario Ministry of Transportation, calls upon the need for an additional span and continues to study alternate sites for a new bridge, while private investors are willing to construct and operate a second crossing to be financed without expense to the taxpayer; and

Whereas, the state of Michigan has made a significant investment to improve the traffic flow to the current Ambassador Bridge through initiatives such as the Gateway Project to address traffic flow from the freeway and interstates to the Ambassador Bridge, as well as improving the plaza to accommodate international commerce; Now, therefore, be it

Resolved by the Senate, That we support the plan of the Detroit International Bridge Company to establish an enhancement span to the Ambassador Bridge; and be it further

Resolved, That we urge the Michigan Strategic Fund to immediately approve an Inducement Resolution for Private Activity Bonds for the DIBC enhancement span and Gateway connections to the Ambassador Bridge; and be it further

Resolved, That we urge both the United States and Canadian governments to expedite the permits to complete the DIBC enhancement span to allow for the second crossing to become operational in a timely fashion; and be it further

Resolved, That we urge that the DRIC study recognize and support the DIBC's plan to develop an enhancement span; and be it further

Resolved, That we recommend that the Canadian government finish the improvements to alleviate traffic flow concerns in Windsor from Canadian Highway 401 to the Ambassador Bridge; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the members of the Michigan congressional delegation, the Prime Minister of Canada, the Ontario Parliamentary delegation, the mayor of Detroit, and the mayor of Windsor.

POM-264. A resolution adopted by the House of Representatives of the State of Michigan urging the Secretary of State to

increase efforts to urge the People's Republic of China to halt its violation of the human rights of its citizens; to the Committee on Finance.

HOUSE RESOLUTION NO. 109

Whereas, Falun Gong, which is also known as Falun Dafa, is a traditional Chinese discipline of personal beliefs that is based on the principles of truthfulness, compassion, and forbearance. Falun Gong attracts millions of people of all ages and backgrounds is practiced in over 80 countries over the world; and

Whereas, over the past several years, authorities in the People's Republic of China have taken strong and brutal actions against practitioners of Falun Gong. Reports indicate that tens of thousands of people have been tortured and sent to labor camps, and property owned by those who follow this discipline has been destroyed or confiscated. Independent investigations also report that large-scale organ harvesting for transplant involves organs taken from non-consenting prisoners, with the major target group being Falun Gong practitioners; and

Whereas, the persecution of practitioners of Falun Gong is in apparent violation of the People's Republic of China's own constitution and a flagrant violation of standards of human rights recognized by the United Nations and most governments of the world; and

Whereas, citizens of Michigan who practice Falun Gong and those who understand this discipline cannot fathom the reaction of the Chinese authorities. Indeed, those who value human rights seek an increase of efforts to urge the People's Republic of China to halt this persecution; Now, therefore, be it

Resolved by the House of Representatives, That we urge the United States Secretary of State to increase efforts to urge the People's Republic of China to recognize and protect the human rights of its citizens and halt the persecution of and forced harvesting of organs from practitioners of Falun Gong; and be it further

Resolved, that copies of this resolution be transmitted to the United States Secretary of State, the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

POM-265. A resolution adopted by the House of Representatives of the State of Michigan urging Congress to enact federal legislation designed to prevent elder abuse; to the Committee on Finance.

HOUSE RESOLUTION NO. 207

Whereas, the number of older Americans is increasing, and with it the problem of elder abuse and exploitation. Older Americans constitute a vulnerable population that often suffer physical and emotional abuse and can often be targets of identity theft and other fraudulent financial schemes; and

Whereas, in response to concerns about elder abuse, federal legislation has been introduced that would focus attention on this problem and promote an infrastructure at the federal, state, and local levels to protect these vulnerable Americans. The Elder Justice Act, S. 1070 and H.R. 1783, would assure that individuals and organizations on the front lines, who are fighting elder abuse, have the resources and information needed to carry out their fight; and

Whereas, This legislation would create a comprehensive and multidisciplinary approach to protecting older Americans. The Elder Justice Act would improve research and data collection, enhance training of individuals who fight elder abuse, and promote the development of an effective adult fiduciary system, including an adult guardian-

ship system. Among other things, this legislation would also create a short and long term strategic plan for the development and coordination of elder justice research, programs, and training; Now, therefore, be it

Resolved by the House of Representatives, That we memorialize the United States Congress to enact federal legislation designed to prevent elder abuse; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

POM-266. A resolution adopted by the House of Representatives of the State of Michigan urging Congress to repeal Title II of the REAL ID Act of 2005; to the Committee on the Judiciary.

HOUSE RESOLUTION NO. 176

Whereas, the state of Michigan denounces and condemns all acts of terrorism, wherever the acts occur; and

Whereas, the Intelligence Reform and Terrorism Prevention Act (IRTP) of 2004 called for reforms that would make identification documents more secure, harder to force, and more difficult to fraudulently obtain; and

Whereas, the IRTP Act of 2004 recognized that imposing federal mandates and standards onto state driver's licenses raised important questions on the federal government's ability and role in interfering with identification cards wholly owned by the states, especially when there are federal alternatives. As a result, the Act sought to establish identification security guidelines by a shared and negotiated rulemaking process in full partnership with the states; and

Whereas, the REAL ID Act of 2005, without benefit of Senate hearings or testimony, was abruptly attached as a rider to a must-pass military spending and tsunami relief bill (PL 109-13). Its passage effectively repealed the negotiated rulemaking process already under way as a result of the IRTP Act of 2004, replacing it with methodology designed to directly impose federal standards onto a state's wholly owned licenses under REAL ID. The draft rules for obtaining a REAL ID are more stringent than those the federal government requires for its own passports or social security cards; and

Whereas, under these new standards, the REAL ID Act sets mandated deadlines in the near future under which Michigan's current licenses cannot be used for any federal purpose, including, but not limited to, activities such as boarding domestic airline flights, opening most bank accounts, and gaining entrance to federal buildings such as courts. While citizens could alternatively use passports for such purposes, whether or not non-REAL ID licenses could still be used for the federal purpose of obtaining a passport has not been definitively clarified; and

Whereas, the REAL ID Act puts the Department of Homeland Security in charge of determining the as of yet published final rules that would mandate what information would be included on Michigan's driver's licenses, with whom the data must be shared, what biometrics may ultimately be used on the cards, and what encoding or other machine-readable technology may ultimately be required. Such action creates a precedent where different or additional rules could also be created again by the federal government in the future; and

Whereas, the REAL ID Act would mandate that Michigan must link parts of its Secretary of State database to the departments of motor vehicles of all other states, in effect creating a single shared national database, while at the same time REAL ID sets no

standards whatsoever on the security measures that states must use for gateway access to other states' databases, allows for non-governmental third parties to administer such databases, and sets absolutely no limits on how non-governmental entities will mandate use of the cards for goods, services, or other purposes; and

Whereas, Real ID is an unfunded mandate and the Department of Homeland Security estimates that the regulations will cost the states and consumers \$23 billion to implement; and

Whereas, regardless of who pays for the costs of REAL ID, it would federalize Michigan's driver's licenses by determining under what conditions the card can be used, what information has to be collected and put on the cards, what machine-readable technology the information is encoded under, and to whom the state must give such data. This federalization and creation of a de facto national identification card occurs without the benefit of a shared, negotiated rulemaking process with the states regarding the co-optation of their wholly owned licenses; and

Whereas, as a result of these concerns and a recognition that needed reforms can be accomplished without the negative aspects of REAL ID, seventeen states have already passed bills or resolutions rejecting, asking for repeal, or putting limitation on whether or not they will participate in REAL ID. These states include Arkansas, Colorado, Georgia, Hawaii, Idaho, Illinois, Maine, Missouri, Montana, Nebraska, Nevada, New Hampshire, North Dakota, Oklahoma, South Carolina, Tennessee, and Washington. Ten other states have anti-REAL ID initiatives that have passed one chamber; and

Whereas, Federal S. 117, the Identification Security Enhancement Act of 2006 sponsored by Senators Sununu (R-NH) and Akaka (D-HI), and similar current legislation, replaces REAL ID with language taken from the original Intelligence Reform and Terrorism Prevention Act of 2004. The proposed legislation takes a more measured approach to mandating tougher standards for driver's licenses by requiring that new guidelines be developed by a shared rulemaking process that would fully involve all states and other key stakeholders; Now, therefore, be it

Resolved by the House of Representatives, That we memorialize Congress to repeal Title II of the REAL ID Act of 2005, and to support a return to a negotiated rulemaking process with the states, such as called for in S. 117, the Identification Security Enhancement Act of 2006; and be it further

Resolved, That the Michigan Legislature will not appropriate funds nor enact legislation for the implementation of Title II of the REAL ID Act of 2005; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

POM-267. A resolution adopted by the Senate of the Commonwealth of Puerto Rico urging the release of three Puerto Rican political prisoners; to the Committee on the Judiciary.

RESOLUTION

Puerto Ricans Carlos Alberto Torres, Oscar López-Rivera and Haydée Beltrán have been imprisoned in the United States for twenty-seven years, serving time for causes related to the fight for the independence of Puerto Rico. Other political prisoners, who were serving equally disproportionate sentences,

have already been released, first, under the Administration of Jimmy Carter, and subsequently, in 1999, under the Administration of William J. Clinton.

The cause for the release of these fellow countrymen has united Puerto Ricans of all creeds. Political, religious and civic institutions have claimed for the return home of Carlos Alberto, Oscar and Haydée. Their long imprisonment, far from serving a purpose, has become a sign of inhumanity and injustice. International entities have joined the consensus reached in Puerto Rico for the release of our prisoners.

The Senate of Puerto Rico also joins in solidarity to petition the President of the United States, George W. Bush, that in the exercise of his prerogatives, he orders the immediate and unconditional release of prisoners Carlos Alberto Torres, Oscar López-Rivera and Haydée Beltrán.

Be it resolved by the Senate of Puerto Rico:

Section 1.—To petition the President of the United States, George W. Bush, to order the immediate and unconditional release of prisoners Carlos Alberto Torres, Oscar López-Rivera and Haydée Beltrán.

Section 2.—A copy of this Resolution translated into English shall be delivered to the President of the United States, to the Vice President of the United States, to the Speaker of the House of Representatives of the United States, to the President pro tempore of the Senate of the United States, to the Resident Commissioner of Puerto Rico in Washington, and to the Majority and Minority Leaders in the House and in the Senate of the United States. It shall also be remitted by electronic mail to the members of the Senate and of the House of Representatives of the United States.

Section 3.—This Resolution shall take effect immediately after its approval.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LIEBERMAN, from the Committee on Homeland Security and Governmental Affairs, without amendment:

S. 1245. A bill to reform mutual aid agreements for the National Capitol Region (Rept. No. 110-237).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of nominations were submitted:

By Mrs. BOXER for the Committee on Environment and Public Works.

*John S. Bresland, of New Jersey, to be a Member of the Chemical Safety and Hazard Investigation Board for a term of five years.

*John S. Bresland, of New Jersey, to be Chairperson of the Chemical Safety and Hazard Investigation Board for a term of five years.

*Charles Russell Horner Shearer, of Delaware, to be a Member of the Chemical Safety and Hazard Investigation Board for a term of five years.

*Thomas C. Gilliland, of Georgia, to be a Member of the Board of Directors of the Tennessee Valley Authority for the remainder of the term expiring May 18, 2011.

*William H. Graves, of Tennessee, to be a Member of the Board of Directors of the Tennessee Valley Authority for a term expiring May 18, 2012.

*Susan Richardson Williams, of Tennessee, to be a Member of the Board of Directors of the Tennessee Valley Authority for a term expiring May 18, 2012.

By Mr. LEAHY for the Committee on the Judiciary.

*Ronald Jay Tenpas, of Maryland, to be an Assistant Attorney General.

*Gregory A. Brower, of Nevada, to be United States Attorney for the District of Nevada for the term of four years.

*Diane J. Humetewa, of Arizona, to be United States Attorney for the District of Arizona for the term of four years.

*Edmund A. Booth, Jr., of Georgia, to be United States Attorney for the Southern District of Georgia for the term of four years.

*Nomination was reported with recommendation that it be confirmed subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

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. KENNEDY (for himself, Mr. DODD, Mrs. CLINTON, and Mr. OBAMA):

S. 2419. A bill to permit employees to request, and to ensure employers consider requests for, flexible work terms and conditions, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. SCHUMER:

S. 2420. A bill to encourage the donation of excess food to nonprofit organizations that provide assistance to food-insecure people in the United States in contracts entered into by executive agencies for the provision, service, or sale of food; to the Committee on Homeland Security and Governmental Affairs.

By Mr. SCHUMER (for himself and Mr. BROWNBACK):

S. 2421. A bill to amend the Internal Revenue Code of 1986 to provide tax benefits to individuals who have been wrongfully incarcerated; to the Committee on Finance.

By Mr. WHITEHOUSE (for himself, Mr. LEAHY, and Mr. FEINGOLD):

S. 2422. A bill to amend title 18, United States Code, to prohibit certain computer-assisted remote hunting, and for other purposes; to the Committee on the Judiciary.

By Mrs. FEINSTEIN:

S. 2423. A bill to facilitate price transparency in markets for the sale of emission allowances, and for other purposes; to the Committee on Environment and Public Works.

By Mr. COLEMAN (for himself, Mr. HARKIN, Mr. DOMENICI, Ms. KLOBUCHAR, Ms. COLLINS, and Ms. LANDRIEU):

S. 2424. A bill to ensure that all Americans have basic health literacy skills to function effectively as patients and health care consumers; to the Committee on Health, Education, Labor, and Pensions.

By Mrs. HUTCHISON (for herself, Mr. SCHUMER, Mr. DOMENICI, Mr. BINGAMAN, Mr. KYL, and Mrs. MURRAY):

S. 2425. A bill to require the Secretary of Transportation and the Secretary of Commerce to submit reports to Congress on the commercial and passenger vehicle traffic at certain points of entry, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. REID (for Mrs. CLINTON):

S. 2426. A bill to provide for congressional oversight of United States agreements with the Government of Iraq; to the Committee on Foreign Relations.

By Mr. LEAHY (for himself and Mr. CORNYN):

S. 2427. 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; to the Committee on the Judiciary.

By Mr. REID (for Mr. OBAMA (for himself, Ms. COLLINS, Mr. DURBIN, and Mr. COLEMAN)):

S. 2428. A bill to direct the Secretary of Education to establish and maintain a public website through which individuals may find a complete database of available scholarships, fellowships, and other programs of financial assistance in the study of science, technology, engineering, and mathematics; to the Committee on Health, Education, Labor, and Pensions.

By Mrs. BOXER (for herself and Mrs. FEINSTEIN):

S. 2429. A bill to amend the Oil Pollution Act of 1990 to equalize the limit on the liability for oil tankers and cargo vessels and to provide for the investment of amounts in the Damage Assessment Restoration Revolving Fund; to the Committee on Environment and Public Works.

By Mrs. BOXER (for herself and Mrs. FEINSTEIN):

S. 2430. A bill to prevent maritime emergencies, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. BROWN:

S. 2431. A bill to address emergency shortages in food banks; to the Committee on Appropriations.

By Mr. WHITEHOUSE:

S. 2432. A bill to amend the Internal Revenue Code of 1986 to provide alternative minimum tax relief for 2007 and to provide special tax rates for certain capital gains and qualified dividend income for 2007, and for other purposes; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. KOHL:

S. Res. 390. A resolution designating March 11, 2008, as National Funeral Director and Mortician Recognition Day; to the Committee on the Judiciary.

By Mr. LUGAR (for himself, Mr. BIDEN, and Mr. DODD):

S. Res. 391. A resolution calling on the President of the United States to engage in an open discussion with the leaders of the Republic of Georgia to express support for the planned presidential elections and the expectation that such elections will be held in a manner consistent with democratic principles; to the Committee on Foreign Relations.

By Mr. NELSON of Florida (for himself and Mr. MARTINEZ):

S. Res. 392. A resolution recognizing the 60th anniversary of Everglades National Park; considered and agreed to.

By Mr. NELSON of Nebraska (for himself and Mr. HAGEL):

S. Res. 393. A resolution expressing the condolences of the Senate to those affected by the tragic events of December 5, 2007, at Westroads Mall in Omaha, Nebraska; considered and agreed to.

By Mrs. FEINSTEIN (for herself, Mr. STEVENS, and Mr. SPECTER):

S. Res. 394. A resolution recognizing the 100th Anniversary of the founding of the American Association for Cancer Research and declaring the month of May 2007 as National Cancer Research Month; considered and agreed to.

ADDITIONAL COSPONSORS

S. 274

At the request of Mr. AKAKA, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 274, a bill to amend chapter 23 of title 5, United States Code, to clarify the disclosures of information protected from prohibited personnel practices, require a statement in nondisclosure policies, forms, and agreements that such policies, forms, and agreements conform with certain disclosure protections, provide certain authority for the Special Counsel, and for other purposes.

S. 469

At the request of Mr. BAUCUS, the name of the Senator from Texas (Mrs. HUTCHISON) was added as a cosponsor of S. 469, a bill to amend the Internal Revenue Code of 1986 to make permanent the special rule for contributions of qualified conservation contributions.

S. 583

At the request of Mr. SALAZAR, the names of the Senator from Illinois (Mr. DURBIN) and the Senator from Indiana (Mr. BAYH) were added as cosponsors of S. 583, a bill to create a competitive grant program for States to enable the States to award salary bonuses to highly qualified elementary school or secondary school teachers who teach, or commit to teach, for at least 3 academic years in a school served by a rural local educational agency.

S. 674

At the request of Mr. CONRAD, his name was added as a cosponsor of S. 674, a bill to require accountability and enhanced congressional oversight for personnel performing private security functions under Federal contracts, and for other purposes.

S. 819

At the request of Mr. DORGAN, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 819, a bill to amend the Internal Revenue Code of 1986 to expand tax-free distributions from individual retirement accounts for charitable purposes.

S. 1052

At the request of Mr. SALAZAR, the name of the Senator from Pennsylvania (Mr. CASEY) was added as a cosponsor of S. 1052, a bill to amend title XIX and XXI of the Social Security Act

to provide States with the option to provide nurse home visitation services under Medicaid and the State Children's Health Insurance Program.

S. 1272

At the request of Mr. CHAMBLISS, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 1272, a bill to establish the National Guard Yellow Ribbon Reintegration Program.

S. 1276

At the request of Mr. DURBIN, the names of the Senator from North Dakota (Mr. CONRAD) and the Senator from Alaska (Ms. MURKOWSKI) were added as cosponsors of S. 1276, a bill to establish a grant program to facilitate the creation of methamphetamine precursor electronic logbook systems, and for other purposes.

S. 1382

At the request of Mr. REID, the name of the Senator from Alaska (Mr. STEVENS) 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. 1462

At the request of Mr. ROCKEFELLER, the name of the Senator from Texas (Mrs. HUTCHISON) was added as a cosponsor of S. 1462, a bill to amend part E of title IV of the Social Security Act to promote the adoption of children with special needs.

S. 1512

At the request of Mrs. BOXER, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 1512, a bill to amend part E of title IV of the Social Security Act to expand Federal eligibility for children in foster care who have attained age 18.

S. 1556

At the request of Mr. SMITH, the name of the Senator from Maryland (Mr. CARDIN) was added as a cosponsor of S. 1556, a bill to amend the Internal Revenue Code of 1986 to extend the exclusion from gross income for employer-provided health coverage to designated plan beneficiaries of employees, and for other purposes.

S. 1595

At the request of Mr. SMITH, the name of the Senator from Georgia (Mr. ISAKSON) was added as a cosponsor of S. 1595, a bill to amend title XVIII of the Social Security Act to provide flexibility in the manner in which beds are counted for purposes of determining whether a hospital may be designated as a critical access hospital under the Medicare program.

S. 1792

At the request of Mr. BROWN, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 1792, a bill to amend the Worker Adjustment and Retraining Notification Act to improve such Act.

S. 1924

At the request of Mr. CARPER, the name of the Senator from Connecticut

(Mr. LIEBERMAN) was added as a cosponsor of S. 1924, a bill to amend chapter 81 of title 5, United States Code, to create a presumption that a disability or death of a Federal employee in fire protection activities caused by any of certain diseases is the result of the performance of such employee's duty.

S. 1951

At the request of Mr. BAUCUS, the names of the Senator from Massachusetts (Mr. KENNEDY) and the Senator from Georgia (Mr. CHAMBLISS) were added as cosponsors of S. 1951, a bill to amend title XIX of the Social Security Act to ensure that individuals eligible for medical assistance under the Medicaid program continue to have access to prescription drugs, and for other purposes.

S. 1954

At the request of Mr. BAUCUS, the name of the Senator from Georgia (Mr. CHAMBLISS) was added as a cosponsor of S. 1954, a bill to amend title XVIII of the Social Security Act to improve access to pharmacies under part D.

S. 1955

At the request of Mr. CONRAD, the names of the Senator from Massachusetts (Mr. KERRY), the Senator from Iowa (Mr. HARKIN) and the Senator from Arkansas (Mrs. LINCOLN) were added as cosponsors of S. 1955, a bill to authorize the Secretary of Homeland Security to make grants to first responder agencies that have employees in the National Guard or Reserves on active duty.

S. 1963

At the request of Mr. CRAPO, the name of the Senator from Georgia (Mr. ISAKSON) was added as a cosponsor of S. 1963, a bill to amend the Internal Revenue Code of 1986 to allow bonds guaranteed by the Federal home loan banks to be treated as tax exempt bonds.

S. 2045

At the request of Mr. PRYOR, the name of the Senator from Iowa (Mr. HARKIN) was added as a cosponsor of S. 2045, a bill to reform the Consumer Product Safety Commission to provide greater protection for children's products, to improve the screening of non-compliant consumer products, to improve the effectiveness of consumer product recall programs, and for other purposes.

S. 2069

At the request of Mr. DURBIN, the names of the Senator from Pennsylvania (Mr. CASEY), the Senator from New Jersey (Mr. MENENDEZ), the Senator from Maryland (Ms. MIKULSKI), the Senator from New York (Mrs. CLINTON) and the Senator from Rhode Island (Mr. WHITEHOUSE) were added as cosponsors of S. 2069, a bill to increase the United States financial and programmatic contributions to promote economic opportunities for women in developing countries.

S. 2071

At the request of Mrs. FEINSTEIN, the names of the Senator from Georgia

(Mr. ISAKSON) and the Senator from Georgia (Mr. CHAMBLISS) were added as cosponsors of S. 2071, a bill to enhance the ability to combat methamphetamine.

S. 2075

At the request of Mr. BROWNBAC, the name of the Senator from Oklahoma (Mr. COBURN) was added as a cosponsor of S. 2075, a bill to ensure that women seeking an abortion receive an ultrasound and the opportunity to review the ultrasound before giving informed consent to receive an abortion.

S. 2099

At the request of Mr. SALAZAR, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 2099, a bill to amend title XVIII of the Social Security Act to repeal the Medicare competitive bidding project for clinical laboratory services.

S. 2161

At the request of Mr. ISAKSON, the name of the Senator from Georgia (Mr. CHAMBLISS) was added as a cosponsor of S. 2161, a bill to ensure and foster continued patient safety and quality of care by making the antitrust laws apply to negotiations between groups of independent pharmacies and health plans and health insurance issuers (including health plans under parts C and D of the Medicare Program) in the same manner as such laws apply to protected activities under the National Labor Relations Act.

S. 2332

At the request of Mr. DORGAN, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of S. 2332, a bill to promote transparency in the adoption of new media ownership rules by the Federal Communications Commission, and to establish an independent panel to make recommendations on how to increase the representation of women and minorities in broadcast media ownership.

S. 2356

At the request of Mr. COLEMAN, the name of the Senator from Kansas (Mr. ROBERTS) was added as a cosponsor of S. 2356, a bill to enhance national security by restricting access of illegal aliens to driver's licenses and State-issued identification documents.

S. 2389

At the request of Mr. KERRY, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 2389, a bill to amend the Internal Revenue Code of 1986 to increase the alternative minimum tax credit amount for individuals with long-term unused credits for prior year minimum tax liability, and for other purposes.

S. 2400

At the request of Mr. SESSIONS, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor 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. 2405

At the request of Mr. SANDERS, the names of the Senator from Rhode Island (Mr. WHITEHOUSE), the Senator from Montana (Mr. TESTER) and the Senator from Maryland (Mr. CARDIN) were added as cosponsors of S. 2405, a bill to provide additional appropriations for payments under section 2604(e) of the Low-Income Home Energy Assistance Act of 1981.

S. 2408

At the request of Mr. SUNUNU, his name was added as a cosponsor of S. 2408, a bill to amend title XVIII of the Social Security Act to require physician utilization of the Medicare electronic prescription drug program.

S. 2417

At the request of Mr. BROWNBAC, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 2417, a bill to amend title 31, United States Code, to require the inscription "In God We Trust" to appear on a face of the \$1 coins honoring each of the Presidents of the United States.

S. RES. 389

At the request of Mr. ALLARD, the names of the Senator from Florida (Mr. NELSON), the Senator from Nebraska (Mr. NELSON), the Senator from Wyoming (Mr. ENZI) and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of S. Res. 389, a resolution commemorating the 25th Anniversary of the United States Air Force Space Command headquartered at Peterson Air Force Base, Colorado.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KENNEDY (for himself, Mr. DODD, Mrs. CLINTON and Mr. OBAMA):

S. 2419. A bill to permit employees to request, and to ensure employers consider requests for, flexible work terms and conditions, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. KENNEDY. Mr. President, the American workplace has changed significantly in recent years. In the new global economy, many businesses are open around the clock—and employees often work long shifts and unpredictable hours. With computers and cell phones, employers can reach employees almost any time, anywhere. Hard economic times require many men and women to work longer hours or hold multiple jobs. Almost 8 million Americans now juggle the demands of at least two jobs, and tens of millions more find it increasingly difficult to achieve a fair balance between their work and their family.

These and other shifts in our society mean that many Americans and their

families are stretched to the limit. Two-thirds of all families in our country are headed by either two employed parents or a single working parent, and parents are working outside the home longer hours than ever—an average of 91 hours a week for dual income couples.

As the population ages, more and more Americans must also care for elderly parents and relatives. An aging population also means more older workers, who want to stay on the job, but don't want or can't manage long hours any more. Expanding populations in metropolitan areas mean longer commutes. A recent Gallup poll found that about a third of American workers spend an hour or more a day getting to and from work.

Our working families deserve a 21st century answer for these 21st century job challenges. Greater flexibility is an essential part of the response. More than 80 percent of workers would like more flexibility in their jobs. Almost half of them, however, worry that asking for such flexibility will jeopardize their careers.

The Working Families Flexibility Act I am introducing today will give employees the ability to ask for flexible arrangements without fear. Flexible scheduling will enable working parents to coordinate child care more effectively and spend more time with their children. It can even help workers be better parents. Studies show that parents with greater control over their schedules spend more time with their children.

For employees with long commutes, telecommuting reduces stress and time wasted time wasted on the road. Many workers say they are just as productive at home, and sometimes even more so.

Flexibility also lets more people stay in the workforce who otherwise could not. Often coming into the office for a traditional 8 hour day, five days a week isn't possible for elderly workers or persons with disabilities. With flexible scheduling and telecommuting, these workers can continue on the job.

Flexibility is also good for business. Persons with flexible work arrangements are more reliable employees. In a recent survey, two-thirds of workers with flexible schedules missed less work because of such arrangements.

They are also happier employees. Another study showed that almost three times as many workers in companies that offer flexibility felt satisfied with their jobs, compared to workers without such options. Companies that offer flexibility also discover that it helps them attract and retain better employees.

The Working Families Flexibility Act brings workers and employers together to find creative ways to provide such flexibilities. Our legislation allows those who know their jobs best—the ones actually doing the work—to suggest changes as to when and where they do their work. It creates a process for workers and employers to come up

with solutions that best fit their particular circumstances.

We know that laws like this will benefit both employers and employees. Great Britain, Germany, and the Netherlands, have adopted similar laws with great success. 90 percent of British workers now have flexible work options, compare to only about a quarter of American workers. Last year 91 percent of British employers who had employee requests for flexibility were able to grant them. It is making the workers more satisfied with their jobs. Those who took advantage of flexibility were 50 percent more satisfied with their work arrangements than workers who did not.

We all fill many roles in our lives. We are workers, parents, sons and daughters, and members of our communities. We struggle to do well in each responsibility. But when the demands of work overshadow the rest of our lives, our lives feel out of balance. This legislation gives millions of American workers the opportunity to restore that balance—to be good employees and responsible citizens and family members, too. They deserve no less.

By Mr. SCHUMER (for himself and Mr. BROWNBACK):

S. 2421. A bill to amend the Internal Revenue Code of 1986 to provide tax benefits to individuals who have been wrongfully incarcerated; to the Committee on Finance.

Mr. SCHUMER. Mr. President, today, I want to say a few words about the bill I am introducing, the Wrongful Convictions Tax Relief Act of 2007. My bill would provide much-needed assistance to individuals who have been wrongfully convicted of a crime and subsequently exonerated by clarifying that State compensation awards are tax-free; and stating that exonerates shall have their first \$50,000 of earnings free of federal income and payroll taxes for each year that they were wrongfully imprisoned. The second benefit would only apply to those who have never been convicted of a felony for which they were not exonerated. If they had a conviction prior to their wrongful conviction, they would not be eligible. If they are subsequently convicted, they would lose their eligibility as well.

I want to thank Senator BROWNBACK for offering to be the lead Republican cosponsor of my bill. He and I have worked together on a number of issues now, and I appreciate his willingness to support this legislation.

As my colleagues are surely aware, whatever their political leanings may be, this bill addresses an incredibly timely and important issue. Just 2 days ago, a Federal prosecutor in Jacksonville, Florida dismissed a murder case against a Florida man, based on DNA evidence, exonerating him in a 1994 murder. According to the Innocence Project, this man represents the 209th person nationwide exonerated by DNA testing.

More and more innocent people are regaining their freedom through post-

conviction DNA testing. No matter what your view may be of the death penalty; no matter what your view may be of mandatory sentencing laws; no matter how "tough on crime" you want to be—surely everyone would agree that when innocent people spend time in prison for crimes that they did not commit, something of value has been taken from them.

In this country, everyone is entitled to a fair trial. Yet for those wrongfully convicted of a crime, our legal system has failed them. Some of the common causes of wrongful convictions include eyewitness misidentification, unreliable or limited evidence tests, and false information presented by informants. Even more sobering, more than a quarter of all prisoners exonerated by DNA evidence had falsely confessed or made incriminating statements, simply to end hours of aggressive interrogation.

Thankfully, advocacy groups such as the Innocence Project and the Justice Project have taken on the challenge of addressing what can only be described as a systemic problem. The Innocence Project at the Cardozo School of Law in New York City has been a tireless leader in overturning wrongful convictions, and has led the charge in using DNA evidence to prove, once and for all, a person's innocence. With new improvements in DNA testing and technology, we can now positively identify or rule out suspects based on DNA evidence left at the scene of a crime. In most wrongful conviction cases, new testing of DNA evidence taken from the crime scene years before points to another perpetrator.

Once released, exonerates face huge and sometimes insurmountable challenges. Multiple studies have shown that upon release, these individuals often have difficulty reentering society. They have lost the prime years of their life, serving time in prison for crimes they did not commit. The vast majority of exonerated individuals entered prison in their teens or 20s, and they stayed there while some of their peers on the outside settled on careers, married, started families, bought homes, and began saving for retirement. They have emerged from prison many years behind, and it is difficult to catch up. Think about how much the economy has changed in just the last 10 years, and think about how difficult it would be to adjust if you had spent that time behind bars.

Shockingly, despite being imprisoned for an average of 12 years, exonerates typically leave prison with less help pre-release counseling, job training, substance-abuse treatment, housing assistance and other services than some states offer to paroled prisoners. Even the basic tasks that seem so unremarkable to you and I, like going to the grocery store, paying bills, and getting to and from work, are huge tasks for someone who has spent so much time in prison. In fact, in some cases, people have lost jobs once their employers find out about their past

conviction, despite the fact that they have been exonerated of the crime. I know that sounds unbelievable, but it's true. You didn't commit the crime, it is proven that you didn't commit the crime, but you still lose your job. Imagine for just a moment if this happened to one of your friends or family members. You would be outraged. The unfairness is heartbreaking.

Certainly we can all agree that these individuals deserve and need support after their release, and lawmakers on both the state and federal level have begun to address the question of compensation for wrongfully convicted individuals. In 2004, Congress passed the Justice for All Act, which I am proud to have cosponsored. This bill, among other things, raised the cap for potential federal compensation awards for wrongful convictions to \$100,000. Although the federal compensation has not been claimed, this landmark piece of legislation set a precedent for state compensation laws. As of now, 22 States have followed suit and passed compensation laws as well. But the system is a patchwork. Some States, such as Maine and New York, provide exonerees with a lump sum as the court sees fit, and cap these awards at specific levels. Other States, such as California and Texas, give compensation based on time spent in jail. Only a few States, such as Louisiana, offer compensation to cover costs such as vocational training, medical bills and counseling, to aid re-entry.

We can and should do more. Of all people known by the Innocence Project to have been exonerated through DNA evidence as of August 2007, at least 79—nearly 40 percent—didn't receive a dime to compensate them for their years in prison. Even when someone is awarded compensation, they can wait in limbo for years. More than half of those who did receive compensation waited two years or longer after exoneration for the first payment, forcing them to rely on family, friends, lawyers, and even strangers for shelter, clothing, food and emotional support immediately after their release.

The Federal Government cannot and should not offer cash compensation for those who have been wrongfully convicted by state courts, but we do have the power to address how compensation awards are taxed, and how these individuals are taxed once they try to rebuild their lives. We can help even the playing field across all States by changing the law to ensure that there are some benefits that will be consistent across all 50 States. My bill changes the law in a number of ways to ensure that there are some benefits available to everyone, regardless of which State they call home.

The first change in my bill is more of a clarification than a new tax benefit. If an exoneree does receive a state compensation award, the Federal tax laws are unclear as to whether these awards are taxable. According to the Innocence Project, the Internal Rev-

enue Service has not yet made any attempts to tax these awards, but the concern remains that the IRS could make such a claim in the future. My bill specifically clarifies that any civil damages, restitution, or other monetary awards related to the wrongful imprisonment are excluded from taxable income.

The second change in my bill will help provide much-needed economic assistance to exonerees that are trying to rebuild their lives, but finding it hard to make ends meet. My bill says that, for every year that someone was wrongfully imprisoned and then exonerated, up to 15 years, the first \$50,000 they earn each year after their release will be free of Federal income and payroll taxes. For married couples filing jointly, the tax-free amount would be \$75,000 per year. Again, the benefit would only apply to those who have never been convicted of a felony. If they had a conviction prior to their wrongful conviction, they would not be eligible. If they are subsequently convicted, they would lose their eligibility as well.

In terms of real dollars, let us take the example of someone earning \$20,000 post-imprisonment. In a typical tax filing scenario, my bill will save them nearly \$2,800 in income and payroll taxes. This is a real benefit that can make wages go just that much farther—it can pay for a few months' rent, or a community college course, or any number of things that can help this victim return to a productive life.

As my colleagues know, I feel very strongly about justice and fairness. I am not one to shy away from making tough decisions to strengthen our laws, but I also believe that when someone has been treated unfairly by the law, it is our responsibility to provide some help. I sincerely believe that people who have been wrongfully convicted of a crime have had parts of their lives taken from them, plain and simple.

Mr. President, I thank you for the opportunity to speak on the issue of fair compensation for wrongful convictions. I stand ready to work with Senator BROWNBACK and my colleagues on both sides of the aisle, including the chairman and ranking member of the Finance Committee, to get this bill enacted next year.

By Mrs. FEINSTEIN:

S. 2423. A bill to facilitate price transparency in markets for the sale of emission allowances, and for other purposes; to the Committee on Environment and Public Works.

Mrs. FEINSTEIN. Mr. President, I rise today to introduce "The Emission Allowance Market Transparency Act."

This legislation would establish necessary market oversight authorities to prevent Enron-type fraud and manipulation in the new greenhouse gas credit markets that are expected to emerge once Congress approves comprehensive climate change legislation.

The goal is simple: To prevent the same type of fraud and manipulation

that occurred during the Western Energy Crisis from happening if a new greenhouse market is established.

The bill would establish transparency and anti-manipulation provisions modeled after energy markets protections that were established by the Energy Policy Act of 2005.

Additionally, the legislation includes anti-fraud provisions and limits excessive speculation. The bill would establish strong financial penalties. Each offense would result in a fine of up to \$1 million and 10 years in jail.

Simply put, this legislation is a necessary and critical part of any new carbon trading markets approved by Congress.

Specifically, the legislation would require the Environmental Protection Agency to create a regulatory structure to oversee the new carbon credit markets.

This system would be parallel to the system used by the Federal Energy Regulatory Committee FERC for the electricity and natural gas markets.

The EPA would publish market price data in order to increase transparency; monitor trading for manipulation and fraud; and limit the size of speculative holdings to prevent any single trader from being able to set the price.

The bill would also prohibit traders from: reporting false information; manipulating the market; and cheating or defrauding another market participant.

Any trader who violated this Act would pay a maximum \$1 million fine and spend 10 years in jail for each offense.

We believe that this will strongly discourage traders from seeking to manipulate the market.

This legislation is the key part of an effort to prevent newly emerging greenhouse gas markets from evolving without rules or regulation. These markets are coming, and we need to have the law in place to receive them.

California has passed legislation and will soon establish a cap and trade system to control carbon dioxide emissions.

Many members of the U.S. Senate support legislation, such as the Electric Utility Cap and Trade Act that I have introduced, to establish a Federal cap and trade system.

Legislation sponsored by Senators WARNER and LIEBERMAN to establish a national, economy-wide greenhouse gas cap and trade system will be marked up in the Environment and Public Works Committee this week.

If we don't set up a framework for oversight, the greenhouse gas market could turn into a wild west. The market—estimated to be worth as much as \$300 billion annually—would invite the worst kind of manipulation, fraud, and abuse. The resulting volatility would affect consumer energy costs.

This is not a hypothetical. In 2000 and 2001, newly created California energy markets lacked the basic protections in this bill. The electricity and related natural gas markets emerged

before the law caught up, and much of the manipulation that resulted, shockingly, was legal.

Enron, for instance, ran a market where only they knew the prices. Without market transparency laws, this one-sided market was legal.

Enron manipulated natural gas and electricity prices—but nothing in the Natural Gas Act or the Federal Power Act made this manipulation unlawful.

Only years later, after millions of consumers had been harmed, after billions of dollars had been lost, and after the entire west had endured an energy crisis largely fabricated by traders, did Congress act.

We were able to increase market transparency and prohibiting manipulation in natural gas and electricity markets were adopted.

The provisions finally gave a sheriff the ability to impose oversight and record-keeping.

The Federal Energy Regulatory Commission, has put its new authority to good use. It has performed aggressive natural gas market oversight.

This summer it brought its first manipulation case, against Amaranth—a notorious hedge fund that allegedly manipulated natural gas prices month after month.

The Emission Allowance Market Transparency Act would establish transparency and anti-manipulation provisions mirroring the provisions from the Energy Policy Act of 2005.

Markets would be transparent, and manipulation would be illegal.

In addition, this legislation adds anti-fraud provisions and limits excessive speculation. These additional market protections are longstanding principles of the Commodity Exchange Act.

By mirroring proven market oversight mechanisms that protect market participants and consumers, this legislation would slip already broken-in regulatory concepts onto a new market.

This Nation needs to reduce greenhouse gas emissions, and many economists believe that a cap and trade system with a greenhouse gas market would be the most cost efficient way to guarantee emissions reductions.

The economists also tell us that markets are most efficient when buyers and sellers have complete information, no market participant can cheat another, and prices result from supply and demand, not manipulation.

That is why we need to prevent manipulation, fraud, and a lack of transparency.

So this legislation would provide buyers and sellers with complete information; and prevent manipulation, fraud, and excessive speculation.

Bottom line: this legislation is vital to protecting the market integrity of greenhouse gas emissions markets, and it should be included as part of any cap and trade legislation approved by Congress.

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. 2423

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 “Emission Allowance Market Transparency Act of 2007”.

SEC. 2. EMISSION ALLOWANCE MARKET TRANSPARENCY.

(a) PURPOSE.—The purpose of this section is to facilitate price transparency in markets for the sale of emission allowances (including markets for real-time, forward, futures, and options) to the maximum extent practicable, taking into consideration—

- (1) the public interest;
- (2) the integrity of those markets;
- (3) fair competition; and
- (4) protection of consumers.

(b) DEFINITIONS.—In this section:

(1) ADMINISTRATOR.—The term “Administrator” means the Administrator of the Environmental Protection Agency.

(2) EMISSION ALLOWANCE.—The term “emission allowance” means any allowance, credit, or other permit issued pursuant to any Federal law (including regulations) to any individual or entity for use in offsetting the emissions of any pollutant (including any greenhouse gas) by the individual or entity.

(c) DUTIES OF ADMINISTRATOR.—

(1) REGULATIONS.—The Administrator shall promulgate such regulations as the Administrator determines to be necessary to achieve the purpose of this section, including regulations that provide for the dissemination, on a timely basis, of information regarding the availability and prices of emission allowances with respect to—

- (A) the Administrator;
- (B) State regulatory authorities;
- (C) buyers and sellers of the emission allowances; and
- (D) the public.

(2) OBTAINING INFORMATION.

(A) IN GENERAL.—Subject to subparagraph (B), the Administrator may—

- (i) obtain the information described in paragraph (1) directly from any emission allowance market participant; or
- (ii) enter into an agreement under which another entity obtains and makes public that information.

(B) LIMITATION.—Any activity carried out by the Administrator or another entity to obtain information pursuant to subparagraph (A) shall be subject to applicable rules designed to prevent the disclosure of information the disclosure of which would be detrimental to the operation of an effective emission allowance market, as determined by the Administrator.

(3) USE OF EXISTING PRICE PUBLISHERS AND SERVICE PROVIDERS.—In carrying out this subsection, the Administrator shall—

(A) take into consideration the degree of relevant price transparency provided by price publishers and providers of trade processing services in operation on the date of enactment of this Act; and

(B) use information and services provided by those publishers and providers to the maximum extent practicable.

(d) ACTIONS BY INDIVIDUALS AND ENTITIES.—

(1) PROHIBITIONS.—It shall be unlawful for any individual or entity—

(A) to knowingly provide to the Administrator (or another entity acting pursuant to an agreement described in subsection (c)(2)(A)(ii)) any false information relating to the price or quantity of emission allowances sold, purchased, transferred, banked, or borrowed by the individual or entity, with

the intent to fraudulently affect the data being compiled by the Administrator or other entity;

(B) directly or indirectly, to use in connection with the purchase or sale of an emission allowance any manipulative or deceptive device or contrivance (within the meaning of section 10(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78j(b))), in contravention of such rules and regulations as the Administrator may prescribe to protect the public interest or consumers; or

(C) to cheat or defraud, or attempt to cheat or defraud, another market participant, client, or customer.

(2) MONITORING.—The Administrator shall monitor trading to prevent false reporting, manipulation, and fraud under this section.

(3) EFFECT OF SUBSECTION.—Nothing in this subsection creates any private right of action.

(e) EXCESSIVE SPECULATION.—

(1) FINDING.—Congress finds that excessive speculation relating to emission allowances—

(A) can cause sudden or unreasonable fluctuations or unwarranted changes in the price of emission allowances; and

(B) imposes an unnecessary burden on—

(i) the development of a well-functioning emission allowance market;

(ii) the planning decisions of businesses and industry; and

(iii) consumers.

(2) PREVENTION OF BURDENS.—

(A) IN GENERAL.—To prevent, decrease, or eliminate the burdens associated with excessive speculation relating to emission allowances, the Administrator, in accordance with subparagraph (B) and after providing notice and an opportunity for public comment, shall adopt position limitations or position accountability for speculators as the Administrator determines to be necessary on—

(i) the quantity of trading transactions allowed to be conducted, and the positions eligible to be held, by any individual or entity in any emission allowance market; and

(ii) any emission allowance auction conducted pursuant to Federal law (including regulations).

(B) CONSULTATION.—In carrying out subparagraph (A), the Administrator shall consult with—

(i) the Commodity Futures Trading Commission;

(ii) the Federal Trade Commission; and

(iii) the Federal Energy Regulatory Commission.

(C) NONAPPLICABILITY TO BONA FIDE HEDGING TRANSACTIONS OR POSITIONS.—

(i) IN GENERAL.—No regulation promulgated pursuant to this paragraph shall apply to a transaction or position described in subparagraph (A)(i) that is a bona fide hedging transaction or position, as determined by the Administrator.

(ii) REGULATIONS FOR DEFINITIONS.—The Administrator shall promulgate such regulations as the Administrator determines to be necessary to define the term “bona fide hedging transaction or position” for purposes of clause (i), including regulations that permit individuals or entities to hedge any legitimate anticipated business need for any subsequent period during which an appropriate futures contract is open and available on an exchange or other emission allowance market or auction.

(f) PENALTIES.—An individual or entity that, as determined by the Administrator, violates an applicable provision of this section or a regulation promulgated pursuant to this section shall be subject to a fine of \$1,000,000, or imprisonment for not more than 10 years, or both, for each violation.

(g) JURISDICTION OF COMMODITY FUTURES TRADING COMMISSION.—Nothing in this section abrogates the jurisdiction of the Commodity Futures Trading Commission with

respect to any contract, agreement, or transaction for future delivery of an emission allowance (including a carbon dioxide credit).

By Mr. LEAHY (for himself and Mr. CORNYN):

S. 2427. 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; to the Committee on the Judiciary.

Mr. LEAHY. Mr. President, today, I have joined with Senator CORNYN to reintroduce the “Openness Promotes Effectiveness in our National Government Act—or the OPEN Government Act—the first major reform to the Freedom of Information Act, FOIA, in more than a decade. The Senate passed this historic FOIA reform legislation, S. 849, before adjourning for the August recess. But, sadly, this measure has been stalled in the House Oversight and Government Reform Committee for several months, preventing these long-overdue FOIA reforms from being enacted into law.

Despite the unfortunate delay of this bill, I remain deeply committed to enacting FOIA reform legislation this year. Because time is of the essence, I am requesting that this legislation be immediately placed on the Senate Calendar and that the Senate promptly take up and pass this bill by unanimous consent, so that it can be sent to the House.

The version of the bill introduced today includes “pay/go” language that has been requested by the House and eliminates the provision on citations to FOIA exemptions. After needlessly delaying the enactment of this bill for several months, I hope that the House Oversight and Government Reform Committee will promptly take up this important measure, so that the House can enact this legislation and send it to the President 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 requesters 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. 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 if it fails to meet the 20-day deadline, except in the case of exceptional circumstances as defined by the FOIA statute. To address pay/go concerns, the bill requires that these refunds come from annual agency appropriations.

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 requester. 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 pay/go concerns, the bill also requires that any attorneys’ fees assessed under this provision be paid from 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. Tracking numbers are not required for FOIA requests that are anticipated to take 10 days or less to process. 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 critical to ensuring that all American citizens 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.

I commend the bill’s chief Republican cosponsor, Senator JOHN CORNYN, for his commitment and dedication to passing FOIA reform legislation this year. I also thank the many cosponsors of this legislation for their dedication to open government and I thank the Majority Leader for his strong support of this legislation. I am also appreciative of the efforts of Senator KYL in helping us to reach a compromise on this legislation, so that the Senate could consider and pass meaningful FOIA reform legislation.

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, OpenTheGovernment.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.

I hope that by once again passing this important FOIA reform legislation, the Senate will reaffirm 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 encourage all of my Senate colleagues, on

both sides of the aisle, to unanimously pass this historic bill.

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. 2427

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:

“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. 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. More-

over, 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:

“(i) For purposes of this section, 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, provided that 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 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:

“(i) 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)(i) of title 5, United States Code, is amended by striking “determination;” and inserting “determination. The 20-day period shall commence on the date on which the request is first received by the appropriate component of the agency, but in any event no later than ten days after the request is first received by any component of the agency that is designated in the agency’s FOIA regulations to receive FOIA requests. 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 FOIA requester; 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 refund search fees under this subparagraph if the agency fails to comply with any time limit under paragraph (6), provided that—

“(I) 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; and

“(II) such refunds shall be paid from annual appropriations provided to that agency.”.

(B) PUBLIC LIAISON.—Section 552(a)(6)(B)(ii) of title 5, United States Code, is amended by inserting between the first and second sentences 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”; and

(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 after the period “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) There is established the Office of Government Information Services within the National Archives and Records Administration. The Office of Government Information Services shall review policies and procedures of administrative agencies under section 552, shall review compliance with section 552 by administrative agencies, and shall recommend policy changes to Congress and the President to improve the administration of section 552. The Office of Government Information Services shall offer mediation services to resolve disputes between persons making requests under section 552 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 section 552 and issue reports detailing the results of such audits.

“(j) Each agency shall—

“(1) Designate a Chief FOIA Officer who shall be a senior official of such agency (at the Assistant Secretary or equivalent level).

“(a) **GENERAL DUTIES.**—The Chief FOIA Officer of each agency shall, subject to the authority of the head of the agency—

“(A) have agency-wide responsibility for efficient and appropriate compliance with the FOIA;

“(B) monitor FOIA implementation 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 the FOIA;

“(C) 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 the FOIA;

“(D) 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 the FOIA; and

“(E) facilitate public understanding of the purposes of the FOIA’s statutory exemptions by including concise descriptions of the exemptions in both the agency’s FOIA handbook issued under section 552(g) of title 5, United States Code, and the agency’s annual FOIA report, and by providing an overview, where appropriate, of certain general categories of agency records to which those exemptions apply.

“(2) Designate one or more FOIA Public Liaisons who shall be appointed by the Chief FOIA Officer.

“(b) **GENERAL DUTIES.**—FOIA Public Liaisons shall report to the agency Chief FOIA Officer and shall serve as supervisory officials to whom a FOIA requester can raise concerns about the service the FOIA 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.

“(c) **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.

By Mr. BROWN:

S. 2431. A bill to address emergency shortages in food banks; to the Committee on Appropriations.

Mr. BROWN. Mr. President, across Ohio and the Nation, many families rely on food banks to survive. I rise to introduce an emergency assistance measure—\$40 million in bridge funding for the Emergency Food Assistance Program.

When a child knows there will be no dinner waiting for her at home, that is an emergency. When a mother or father cannot put food on the table for a family, that is an emergency. When an elderly couple eats one small meal a day, that is an emergency. Across the country, lines at food banks are already longer than they were at this time last year. That is an emergency. It is a health emergency. It is a humanitarian emergency.

In Ohio, food reserves intended to last until July are projected to run out by February. Food banks are being forced to ration food and turn hungry people away already, in a particularly bad time of year. In Lorain County, in north central and northern Ohio, the food bank has run out of food three times this winter. Remember, it is only early December. Many of us, especially in this Chamber, who are so very blessed, celebrate the holidays by buying presents for our loved ones. For too many families in Ohio and in other States across this country, food on the

table will be the greatest gift they can give this holiday season.

In Cleveland, one of the food distribution centers is Cooley Avenue Church of God. There, Pastor Richard Bolls hands out food to an elderly man, Norm. Of the food bank, Norm says:

At the end of the month I have just \$19 left after paying for my rent, my utilities, and my medicine. Normally I wouldn't get fruit and vegetables to eat. I consider this my ice cream.

It was 28 degrees and windy in Cleveland on Tuesday, colder today. At 11 o'clock in the morning, Christian, a native of the Mount Pleasant area of Cleveland, and her newborn stood in line for food at the Cleveland Food Bank, recognized as the No. 1 food bank in the country recently. Christian is a trained nurse's assistant. She has been searching for a job for 6 months since she had her baby, without luck. She notices the price of food she buys at the supermarket seems to rise every day, with the cost of caring for a newborn and the rise in food and fuel prices—heating and gasoline—Christian stood in line at the food bank Tuesday because she cannot afford to feed her family without some additional help.

Christian and Norm have heart-breaking stories, but their stories are not unique. More Americans are lining up at food banks this year. Most are working Ohioans and working people. Many are middle-class Americans, teetering on the edge. Additional funding for the emergency food stamp program is the most immediate Federal solution to the national food crisis.

This food bank crisis underscores the need to pass the farm bill. The farm bill is an agriculture bill, it is a hunger bill, it is an energy bill, it is a conservation bill. I applaud Chairman TOM HARKIN, the Senator from Iowa, for his leadership on this bill. This farm bill helps family farmers in Ohio and across the country by strengthening the farm safety net. For the first time ever, farmers will be able to enroll in a program that ensures against revenue instability, which for many farmers means either a bad yield or low prices. But either can be devastating.

With the right resources and the right incentives, farmers can help decrease our dependence on foreign oil and produce clean, sustainable, renewable energy.

This bill, the farm bill which we hope to pass before we leave this month, increases food stamp benefits and indexes the benefits to inflation. When the purchasing power of food stamps erodes, so does our progress against hunger. Food stamps today amount to about \$1 per person per meal. A mother with two children gets about \$9 in food stamps. That is the extent of the benefit. This farm bill, bipartisanship agreed to, will increase that.

We are the wealthiest country in the world, a caring and compassionate people. Families in our country, especially families who work hard and play by the rules, should never, ever go hungry.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 390—DESIGNATING MARCH 11, 2008, AS NATIONAL FUNERAL DIRECTOR AND MORTICIAN RECOGNITION DAY

Mr. KOHL submitted the following resolution; which was referred to the Committee on the Judiciary.

S. RES. 390

Whereas the death of a family member, friend, or loved one is a devastating emotional event;

Whereas the memorialization and celebration of the decedent's life is the fabric of today's funeral service;

Whereas the family of the decedent has traditionally looked to funeral directors and morticians for consolation, strength, and guidance in the planning and implementation of a meaningful funeral ceremony;

Whereas funeral directors and morticians have dedicated their professional lives to serving the families of their communities in their times of need for generations with caring, compassion, and integrity;

Whereas these special men and women see their chosen profession as a higher calling, a sacred trust, in serving every family regardless of social standing, financial means, or time of day or day of the year, whenever a death occurs; and

Whereas on this special day, March 11, 2008, it would be appropriate to pay tribute to these funeral directors and morticians who, day in and day out, assist our Nation's families in their times of sadness and grief and help families mourn a death and celebrate a life: Now, therefore, be it

Resolved, That the Senate—

(1) takes this opportunity to pay the Nation's collective debt of gratitude for all the hours and all the times they have put someone ahead of themselves by serving the living while caring for the dead;

(2) urges every American of every walk of life to embrace each of these special individuals with heartfelt thanks for their dedication to their profession; and

(3) designates March 11, 2008, as "National Funeral Director and Mortician Recognition Day".

SENATE RESOLUTION 391—CALLING ON THE PRESIDENT OF THE UNITED STATES TO ENGAGE IN AN OPEN DISCUSSION WITH THE LEADERS OF THE REPUBLIC OF GEORGIA TO EXPRESS SUPPORT FOR THE PLANNED PRESIDENTIAL ELECTIONS AND THE EXPECTATION THAT SUCH ELECTIONS WILL BE HELD IN A MANNER CONSISTENT WITH DEMOCRATIC PRINCIPLES

Mr. LUGAR (for himself, Mr. BIDEN, and Mr. DODD) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 391

Whereas the Republic of Georgia, which is an emerging democracy strategically located between Turkey and Russia, is an important political and geopolitical ally of the United States;

Whereas Georgia has made significant economic progress since 2000, with an economic growth rate that now exceeds 9 percent on an annual basis, and was named the top economic reformer in the world by the World Bank in 2006;

Whereas the Government of Georgia has been a leader in addressing the proliferation of weapons of mass destruction under the Nunn-Lugar Cooperative Threat Reduction Program;

Whereas the Government of Georgia is working to become a candidate for membership in the North Atlantic Treaty Organization (NATO) and the European Union;

Whereas the United States Government strongly supports the territorial integrity of Georgia and works actively toward a peaceful settlement of the Abkhazia and South Ossetia conflicts that might lead those regions toward greater autonomy within a unified Georgia;

Whereas the popular uprising in Georgia in 2003, the Rose Revolution, led to the establishment of democracy in that country;

Whereas opposition parties in Georgia engaged in demonstrations lasting several days beginning on November 2, 2007;

Whereas the President of Georgia, Mikheil Saakashvili, declared a state of emergency on November 7, 2007, after which the country's main opposition television station, Imedi, was closed;

Whereas Deputy Assistant Secretary of State Matthew Bryza visited Georgia on November 10-11, 2007, and urged the Government of Georgia to reopen its private television stations, stating on Georgian state television: "A cornerstone of democracy is that all TV stations should remain open.";

Whereas President Saakashvili ended emergency rule on November 17, 2007, and announced presidential elections to be held on January 5, 2008;

Whereas the Government of Georgia has announced the reopening of the major opposition television station, Imedi;

Whereas the Government of Georgia has invited international election monitors to oversee the elections and thereby contribute to greater international recognition of the Georgian political process; and

Whereas freedom of the press, freedom of political expression, and a fair and impartial judiciary are among the most fundamental tenets of democracy: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the President should publicly state strong support for free and fair elections to be held in Georgia on January 5, 2008, in accordance with democratic principles; and

(2) the Government of Georgia, in order to restore faith in the democratic evolution of the country—

(A) must conduct free and fair elections, without government interference; and

(B) must permit all independent media to remain open and report on the elections.

Mr. LUGAR. Mr. President, I send a resolution to the desk concerning the upcoming elections in the Republic of Georgia.

I am pleased that Senators BIDEN and DODD have agreed to cosponsor this legislation. Our goal is to express our strong hopes that the Republic of Georgia will return to the democratic path and embrace a free and fair election process. The United States was founded on the principles of personal rights and liberties, and we must champion a respect for democracy and human rights. This must include U.S. efforts to expand initiatives that promote freedom of the press and freedom of the media worldwide, which I believe underpin a nation's ability to respect human rights and practice democratic governance.

The international community has monitored closely developments over the last several weeks and months in the Republic of Georgia. I have visited Georgia on several occasions and consider myself a strong friend of the Georgian people.

In 2003 the population of Georgia rose up to overthrow their government. The Rose Revolution, as it was called, was truly an inspirational moment for supporters of democracy and freedom around the world. President Bush has rightly called Georgia and the government of President Saakashvili “a beacon for democracy.”

The Georgian President and a strong cabinet of reform-minded leaders have implemented an aggressive reform agenda with the goal of joining the European Union and the NATO Alliance. This independent course was a brave effort to emerge from the authoritarian shadows of the Soviet Union and reduce its dependency on Russia.

In addition to political reforms, Georgia has enjoyed remarkable economic progress. This year the country's economy is estimated to grow at a rate of 9 percent and continues to be an international leader in its economic reform efforts.

Unfortunately, this impressive record has been threatened by recent events that could undermine the progress that has been achieved in Georgia. I was dismayed to learn of the imposition of emergency rule and the government's action to assert control over private media companies. While the threats to Georgia are clear and extremely dangerous, the suspension of basic freedoms was a significant step backward on Tbilisi's path toward a market oriented, democratic country. It is important that the United States express our concerns about activities that may undermine the strong record that has been built by Georgia.

I was relieved to learn that emergency rule was ended on November 17 and that restrictions on private media will be lifted this week. I applaud the efforts by the Department of State to send a strong, clear and unequivocal message to the government in Tbilisi.

The Republic of Georgia must return to the path of democracy. President Saakashvili has an opportunity to take important steps in this direction by ensuring that all political parties have equal opportunity and access to media coverage and that the election process is free and fair. I recommend that the Government of Georgia reject the strategies of some countries, including most recently Russia, to frustrate and interfere with international election monitors, particularly those from the OSCE. Instead, Georgia should take additional steps to ensure that the OSCE and other constructive organizations who want to observe the elections can participate fully and as quickly as possible.

It is my goal that this resolution will serve as encouragement to President Saakashvili and his government to em-

brace democracy and ensure that the upcoming elections are the freest and fairest in Georgian history.

SENATE RESOLUTION 392—RECOGNIZING THE 60TH ANNIVERSARY OF EVERGLADES NATIONAL PARK

Mr. NELSON of Florida (for himself and Mr. MARTINEZ) submitted the following resolution; which was considered and agreed to:

S. RES. 392

Whereas Everglades National Park will celebrate its 60th anniversary on December 6, 2007;

Whereas when President Harry S Truman dedicated Everglades National Park on December 6, 1947, he stated: “Here is land, tranquil in its quiet beauty, serving not as the source of water, but as the last receiver of it. To its natural abundance we owe the spectacular plant and animal life that distinguishes this place from all others in our country”;

Whereas Marjory Stoneman Douglas gave the Everglades the name “River of Grass” stating, “There are no other Everglades in the world”;

Whereas Everglades National Park has been designated an International Biosphere Reserve, a World Heritage Site, and a Wetland of International Importance, in recognition of its significance to all the people of the world;

Whereas the Everglades ecosystem encompasses 3,000,000 acres of wetlands and is the largest subtropical wilderness in the United States featuring slow-moving freshwater that flows south from Lake Okeechobee through sawgrass and tree islands to the mangroves and seagrasses of Florida Bay;

Whereas Everglades National Park is home to rare and endangered species, such as the American crocodile, the Florida panther, and the Western Indian manatee and more than 350 species of birds, including the Great Egret, Wood Stork, Swallow-tailed Kite, and Roseate Spoonbill;

Whereas the greater Everglades ecosystem is also an international center for business, agriculture, and tourism, with a rapidly growing population of varied ethnic, economic, and social values, all of which are dependent on a fully functioning ecosystem for an adequate freshwater supply, a healthy and sustainable economy, and overall quality of life;

Whereas Everglades National Park is the subject of the most extensive ecosystem restoration plan in the history of mankind, the Comprehensive Everglades Restoration Plan; and

Whereas this restoration plan must succeed in order for the treasures of Everglades National Park to be passed on to our children and grandchildren: Now, therefore, be it

Resolved, That the Senate—

(1) recognizes the 60th anniversary of Everglades National Park; and

(2) dedicates itself to the success of the Comprehensive Everglades Restoration Plan.

SENATE RESOLUTION 393—EXPRESSING THE CONDOLENCES OF THE SENATE TO THOSE AFFECTED BY THE TRAGIC EVENTS OF DECEMBER 5, 2007, AT WESTROADS MALL IN OMAHA, NEBRASKA

Mr. NELSON of Nebraska (for himself and Mr. HAGEL) submitted the fol-

lowing resolution; which was considered and agreed to:

S. RES. 393

Whereas, on Wednesday, December 5, 2007, the worst mass slaying in Nebraska history occurred at Westroads Mall in Omaha;

Whereas lives were tragically lost, and others were wounded;

Whereas the brave men and women of the Omaha Police Department, Fire Department, and other emergency responders acted valiantly to save lives;

Whereas the people of Omaha have embraced those affected and will continue to offer support to their neighbors who have suffered from this tragedy; and

Whereas the community of Omaha will endure the aftereffects of this tragedy to emerge stronger than it was before: Now, therefore, be it

Resolved, That the Senate—

(1) expresses its heartfelt condolences to the friends and families of those who lost their lives in the tragic shooting on December 5, 2007, at Westroads Mall in Omaha, Nebraska: Gary Sharf of Lincoln, Nebraska, John McDonald of Council Bluffs, Iowa, and Angie Schuster, Maggie Webb, Janet Jorgensen, Diane Trent, Gary Joy, and Beverly Flynn, all of Omaha;

(2) shares its prayers and best wishes for recovery to those who were wounded;

(3) extends its thanks to the first responders, police, and medical personnel who responded so quickly and decisively to provide aid and comfort to the victims; and

(4) stands with the people of Omaha as they begin the healing process in the aftermath of this terrible attack.

SENATE RESOLUTION 394—RECOGNIZING THE 100TH ANNIVERSARY OF THE FOUNDING OF THE AMERICAN ASSOCIATION FOR CANCER RESEARCH AND DECLARING THE MONTH OF MAY 2007 AS NATIONAL CANCER RESEARCH MONTH

Mrs. FEINSTEIN (for herself, Mr. STEVENS, and Mr. SPECTER) submitted the following resolution; which was considered and agreed to:

S. RES. 394

Whereas the American Association for Cancer Research, the oldest and largest scientific cancer research organization in the United States, was founded on May 7, 1907, at the Willard Hotel in Washington, DC, by a group of physicians and scientists interested in research to further the investigation into and spread new knowledge about cancer;

Whereas the American Association for Cancer Research is focused on every aspect of high-quality, innovative cancer research and is the authoritative source of information and publications about advances in the causes, diagnosis, treatment, and prevention of cancer;

Whereas, since its founding, the American Association for Cancer Research has accelerated the growth and dissemination of new knowledge about cancer and the complexity of this disease to speed translation of new discoveries for the benefit of cancer patients, and has provided the information needed by elected officials to make informed decisions on public policy and sustained funding for cancer research;

Whereas partnerships with research scientists and the general public, survivors and patient advocates, philanthropic organizations, industry, and government have led to advanced breakthroughs, early detection

tools which have increased survival rates, and a better quality of life for cancer survivors;

Whereas our national investment in cancer research has yielded substantial returns in terms of research advances and lives saved, with a scholarly estimate that every 1 percent decline in cancer mortality saves our national economy \$500,000,000,000;

Whereas cancer continues to be one of the most pressing public health concerns, killing 1 American every minute, and 12 individuals worldwide every minute;

Whereas the American Association for Cancer Research Annual Meeting on April 14 through 18, 2007, was a large and comprehensive gathering of leading cancer researchers, scientists, and clinicians engaged in all aspects of clinical investigations pertaining to human cancer as well as the scientific disciplines of cellular, molecular, and tumor biology, carcinogenesis, chemistry, developmental biology and stem cells, endocrinology, epidemiology and biostatistics, experimental and molecular therapeutics, immunology, radiobiology and radiation oncology, imaging, prevention, and survivorship research;

Whereas, as part of its centennial celebration, the American Association for Cancer Research has published "Landmarks in Cancer Research" citing the events or discoveries after 1907 that have had a profound effect on advancing our knowledge of the causes, mechanisms, diagnosis, treatment, and prevention of cancer;

Whereas these "Landmarks in Cancer Research" are intended as an educational, living document, an ever-changing testament to human ingenuity and creativity in the scientific struggle to understand and eliminate the diseases collectively known as cancer;

Whereas, because more than 60 percent of all cancer occurs in people over the age of 65, issues relating to the interface of aging and cancer, ranging from the most basic science questions to epidemiologic relationships and to clinical and health services research issues, are of concern to society; and

Whereas the American Association for Cancer Research is proactively addressing these issues paramount to our aging population through a Task Force on Cancer and Aging, special conferences, and other programs which engage the scientific community in response to this demographic imperative: Now, therefore, be it

Resolved, That the Senate—

(1) congratulates the American Association for Cancer Research on its 100 year anniversary celebration, "A Century of Leadership in Science—A Future of Cancer Prevention and Cure";

(2) recognizes the invaluable contributions made by the American Association for Cancer Research in its quest to prevent and cure cancer and save lives through cancer research;

(3) expresses the gratitude of the people of the United States for the American Association for Cancer Research's contributions toward progress in advancing cancer research; and

(4) declares the month of May 2007 as National Cancer Research Month to support the American Association for Cancer Research in its public education efforts to make cancer research a national and international priority, so that one day the disease of cancer will be relegated to history.

AMENDMENTS SUBMITTED AND PROPOSED

SA 3804. Mr. BAUCUS submitted an amendment intended to be proposed by him to the

bill H.R. 3996, to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, and for other purposes.

SA 3805. Mr. CORKER (for himself and Mr. ALEXANDER) submitted an amendment intended to be proposed 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; which was ordered to lie on the table.

SA 3806. Mr. COBURN submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3807. Mr. COBURN submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3808. Mr. STEVENS submitted an amendment intended to be proposed by him to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3809. Mr. HARKIN submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3810. Ms. KLOBUCHAR (for herself, Mr. DURBIN, and Mr. BROWN) submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3811. Ms. KLOBUCHAR submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3812. Mr. CARDIN (for himself and Mr. CASEY) submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3813. Mr. FEINGOLD (for himself and Mr. MENENDEZ) submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3814. Ms. STABENOW (for herself, Mr. CRAIG, and Mr. CRAPO) submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3815. Mr. LUGAR (for himself, Mr. LAUTENBERG, Mr. MENENDEZ, Mr. CARDIN, Mr. WHITEHOUSE, Mr. REED, Mr. HATCH, Ms. COLLINS, Mr. DOMENICI, Mr. NELSON of Florida, Mr. MCCAIN, and Mr. SUNUNU) submitted an amendment intended to be proposed by him to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3816. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3817. Mr. DURBIN submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3818. Mr. STEVENS submitted an amendment intended to be proposed to

amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 3804. Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill H.R. 3996, to amend the Internal Revenue Code of 1986 to extend certain expiring provisions, 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 "Tax Increase Prevention Act of 2007".

SEC. 2. EXTENSION OF INCREASED ALTERNATIVE MINIMUM TAX EXEMPTION AMOUNT.

(a) IN GENERAL.—Paragraph (1) of section 55(d) of the Internal Revenue Code of 1986 (relating to exemption amount) is amended—

(1) by striking "\$62,550 in the case of taxable years beginning in 2006" in subparagraph (A) and inserting "\$66,250 in the case of taxable years beginning in 2007"; and

(2) by striking "\$42,500 in the case of taxable years beginning in 2006" in subparagraph (B) and inserting "\$44,350 in the case of taxable years beginning in 2007".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 3. EXTENSION OF ALTERNATIVE MINIMUM TAX RELIEF FOR NONREFUNDABLE PERSONAL CREDITS.

(a) IN GENERAL.—Paragraph (2) of section 26(a) of the Internal Revenue Code of 1986 (relating to special rule for taxable years 2000 through 2006) is amended—

(1) by striking "or 2006" and inserting "2006, or 2007"; and

(2) by striking "2006" in the heading thereof and inserting "2007".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

SA 3805. Mr. CORKER (for himself and Mr. ALEXANDER) submitted an amendment intended to be proposed 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; which was ordered to lie on the table; as follows:

On page 1500, between lines 10 and 11, insert the following:

PART V—COMPETITIVE CERTIFICATION AWARDS

SEC. 12701. 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.

SA 3806. Mr. COBURN submitted an amendment intended to be proposed 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; which was ordered to lie on the table; as follows:

On page 266, between lines 10 and 11, insert the following:

SEC. 19. ELIGIBILITY FOR DEPARTMENT PROGRAMS.

(a) **IN GENERAL.**—Section 508(b)(7) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)(7)) is amended by striking subparagraph (A) and inserting the following:

“(A) **IN GENERAL.**—

“(i) **REQUIREMENT TO PURCHASE CROP INSURANCE.**—Effective for the spring-planted 2008 and subsequent crops (and fall-planted 2008 crops at the option of the Secretary) of each agricultural commodity or commercial crop (other than dairy or livestock), to be eligible for any benefit described in clause (ii), a person shall—

“(I) in the case of an agricultural commodity for which insurance is available under this title, obtain at least the catastrophic level of insurance for each crop of economic significance in which the person has an interest; or

“(II) in the case of an eligible crop for which payments are available under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333), provides a level of coverage that is comparable to the coverage described in subclause (I), as determined by the Secretary.

“(ii) **COVERED BENEFITS.**—Benefits referred to in clause (i) are—

“(I) any type of price support, payment, loan, or other benefit, as determined by the Secretary, under—

“(aa) title I of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7901 et seq.);

“(bb) title I of the Food and Energy Security Act of 2007;

“(cc) the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.);

“(dd) any law providing agricultural disaster assistance; or

“(ee) any other similar Act administered by the Secretary, as determined by the Secretary; or

“(II) any benefit described in section 371(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008f(b)).

“(iii) **WAIVER.**—To be eligible for any benefit described in clause (ii), a person that elects not to obtain coverage described in subclause (I) or (II) of clause (i) for an agricultural commodity or commercial crop shall submit to the Secretary a written

waiver to waive any eligibility for emergency crop loss assistance for that agricultural commodity or commercial crop.”

(b) **OFFSET.**—

(1) **IN GENERAL.**—The cost of the amendment made by subsection (a) shall be offset by the savings accrued as a result of the amendment made by paragraph (3).

(2) **REMAINING COSTS.**—Any costs remaining after the amendment made by paragraph (3) shall be offset from amounts made available for each of fiscal years 2008 through 2012 to carry out Forest Service land acquisition.

(3) **ADJUSTED GROSS INCOME LIMITATION.**—Notwithstanding the amendment made by section 1704(c), section 1001D of the Food Security Act of 1985 (7 U.S.C. 1308-3a) (as amended by section 1704(c)) is amended by striking paragraphs (1) and (2) of subsection (b) and inserting the following:

“(1) **COMMODITY AND CONSERVATION PROGRAMS.**—

“(A) 2009.—Notwithstanding any other provision of law, an individual or entity shall not be eligible to receive any benefit described in paragraph (2) during the 2009 crop or fiscal year (as appropriate) if the average adjusted gross income of the individual or entity exceeds \$1,000,000, unless not less than 66.66 percent of the average adjusted gross income of the individual or entity is derived from farming, ranching, or forestry operations, as determined by the Secretary.

“(B) 2010 AND SUBSEQUENT YEARS.—Notwithstanding any other provision of law, an individual or entity shall not be eligible to receive any benefit described in paragraph (2) during any of the 2010 and subsequent crop or fiscal years (as appropriate) if the average adjusted gross income of the individual or entity exceeds \$750,000, unless not less than 66.66 percent of the average adjusted gross income of the individual or entity is derived from farming, ranching, or forestry operations, as determined by the Secretary.

“(2) **COVERED BENEFITS.**—Paragraph (1) applies with respect to the following:

“(A) Title XII of this Act.

“(B) A direct payment or counter-cyclical payment under part I or III of subtitle A of title I of the Food and Energy Security Act of 2007.

“(C) A marketing loan gain or loan deficiency payment under part II or III of subtitle A of title I of the Food and Energy Security Act of 2007.

“(D) An average crop revenue payment under subtitle B of title I of Food and Energy Security Act of 2007.

“(E) Title II of the Food and Energy Security Act of 2007.

“(F) Title II of the Farm Security and Rural Investment Act of 2002 (Public Law 107-171; 116 Stat. 223).”

SA 3807. Mr. COBURN submitted an amendment intended to be proposed 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; which was ordered to lie on the table; as follows:

On page 1362, between lines 19 and 20, insert the following:

SEC. 1107. EXPENDITURE OF CERTAIN FUNDS.

None of the funds made available or authorized to be appropriated by this Act or an amendment made by this Act (including funds for any loan, grant, or payment under a contract) may be expended for any activity relating to the planning, construction, or maintenance of, travel to, or lodging at a golf course, resort, or casino.

Strike section 6023.

Strike section 6025 and insert the following:

SEC. 6025. HISTORIC BARN PRESERVATION.

Section 379A of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008o) is amended—

(1) in subsection (c)(4)—

(A) by striking “There are” and inserting the following:

“(A) **IN GENERAL.**—There are”; and

(B) by adding at the end the following:

“(B) **LIMITATION.**—If, at any time during the 2-year period preceding the date on which funds are made available to carry out this section, Congress has provided supplemental agricultural assistance to agricultural producers or the President has declared an agricultural-related emergency—

“(i) none of the funds made available to carry out this section shall be used for the program under this section; and

“(ii) the funds made available to carry out this section shall be—

“(I) used to carry out programs that address the agricultural emergencies identified by Congress or the President; or

“(II) returned to the Treasury of the United States for debt reduction to offset the costs of the emergency agricultural spending.”; and

(2) by adding at the end the following:

“(d) **REPEAL.**—If, during each of 5 consecutive fiscal years, Congress has provided supplemental agricultural assistance to agricultural producers or the President has declared an agricultural-related emergency, this section is repealed.”

SA 3808. Mr. STEVENS submitted an amendment intended to be proposed by him to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 416, between lines 16 and 17, insert the following:

SEC. 6003A. RURAL BROADBAND.

Section 306(a)(20)(E) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(20)(E)) is amended by striking “dial-up Internet access or”.

SA 3809. Mr. HARKIN submitted an amendment intended to be proposed 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; which was ordered to lie on the table; as follows:

On page 755 after line 22, insert 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-eighth 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-eighth of 1 per centum.”.

SA 3810. Ms. KLOBUCHAR (for herself, Mr. DURBIN, and Mr. BROWN) submitted an amendment intended to be proposed 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; which was ordered to lie on the table; as follows:

Beginning on page 210, strike line 15 and all that follows through page 214, line 9, and insert the following:

(c) MODIFICATION OF LIMITATION.—

(1) IN GENERAL.—Section 1001D of the Food Security Act of 1985 (7 U.S.C. 1308-3a) is amended by striking subsection (b) and inserting the following:

“(b) LIMITATION.—

“(1) COMMODITY AND CONSERVATION PROGRAMS.—

“(A) COMMODITY PROGRAMS.—Notwithstanding any other provision of law, an individual or entity shall not be eligible to receive any benefit described in paragraph (2)(A) during a crop year if the average adjusted gross income of the individual or entity, or the average adjusted gross income of the individual and spouse of the individual, exceeds—

“(i) \$250,000, if less than 66.66 percent of the average adjusted gross income of the individual or entity, or the average adjusted gross income of the individual and spouse of the individual, is derived from farming, ranching, or forestry operations, as determined by the Secretary; or

“(ii) \$750,000.

“(B) CONSERVATION PROGRAMS.—Notwithstanding any other provision of law, an individual or entity shall not be eligible to receive any benefit described in paragraph (2)(B) during a crop year if the average adjusted gross income of the individual or entity, or the average adjusted gross income of the individual and spouse of the individual, exceeds \$2,500,000, unless not less than 75 percent of the average adjusted gross income of the individual or entity, or the average adjusted gross income of the individual and spouse of the individual, is derived from farming, ranching, or forestry operations, as determined by the Secretary.

“(2) COVERED BENEFITS.—

“(A) IN GENERAL.—Paragraph (1)(A) applies with respect to the following:

“(i) A direct payment or counter-cyclical payment under part I or III of subtitle A of title I of the Food and Energy Security Act of 2007.

“(ii) A marketing loan gain or loan deficiency payment under part II or III of subtitle A of title I of the Food and Energy Security Act of 2007.

“(iii) An average crop revenue payment under subtitle B of title I of Food and Energy Security Act of 2007.

“(B) CONSERVATION PROGRAMS.—Paragraph (1)(B) applies with respect to a payment under any program under—

“(i) title XII of this Act;

“(ii) title II of the Farm Security and Rural Investment Act of 2002 (Public Law 107-171; 116 Stat. 223); or

“(iii) title II of the Food and Energy Security Act of 2007.

“(3) INCOME DERIVED FROM FARMING, RANCHING OR FORESTRY OPERATIONS.—In determining what portion of the average adjusted gross income of an individual or entity is derived from farming, ranching, or forestry operations, the Secretary shall include income derived from—

“(A) the production of crops, livestock, or unfinished raw forestry products;

“(B) the sale, including the sale of easements and development rights, of farm, ranch, or forestry land or water or hunting rights;

“(C) the sale of equipment to conduct farm, ranch, or forestry operations;

“(D) the rental or lease of land used for farming, ranching, or forestry operations, including water or hunting rights;

“(E) the provision of production inputs and services to farmers, ranchers, and foresters;

“(F) the processing (including packing), storing (including shedding), and transporting of farm, ranch, and forestry commodities;

“(G) the sale of land that has been used for agriculture; and

“(H) payments or other income attributable to benefits received under any program authorized under title I or II of the Food and Energy Security Act of 2007.”.

(2) INCREASED FUNDING FOR CERTAIN PROGRAMS.—In addition to the amounts made available under other provisions of this Act and amendments made by this Act, of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out—

(A) the grassland reserve program established under subchapter C of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838n et seq.), an additional \$20,000,000 for the period of fiscal years 2013 through 2017;

(B) the provision of assistance for community food projects under section 25 of the Food and Nutrition Act of 2007 (7 U.S.C. 2034) (as amended by section 4801(g)), an additional \$10,000,000 for each of fiscal years 2013 through 2016;

(C) the beginning farmer and rancher individual development accounts pilot program established under section 333B of the Consolidated Farm and Rural Development Act (as added by section 5201), an additional \$5,000,000 for each of fiscal years 2013 through 2017;

(D) the program of grants to encourage State initiatives to improve broadband service established under section 6202, an additional—

(i) \$40,000,000 for the period of fiscal years 2009 through 2012; and

(ii) \$30,000,000 for the period of fiscal years 2013 through 2017;

(E) the organic agriculture research and extension initiative established under section 1672B of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b) (as amended by section 7104), an additional \$10,000,000 for each of fiscal years 2013 through 2014;

(F) the beginning farmer and rancher development program established under section 7405 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f) (as amended by section 7309), an additional \$15,000,000 for each of fiscal years 2013 through 2017;

(G) the biomass crop transition assistance program established under subsections (b) and (c) of section 9004 of the Farm Security and Rural Investment Act of 2002 (as amended by section 9001), an additional \$40,000,000 for the period of fiscal years 2009 through 2012; and

(H) the Rural Energy for America Program established under section 9007 of the Farm

Security and Rural Investment Act of 2002 (as amended by section 9001), an additional \$40,000,000 for the period of fiscal years 2009 through 2012.

(3) EXTENSIONS.—Notwithstanding any other provision of this Act, or an amendment made by this Act—

(A) the authority to carry out the grassland reserve program established under subchapter C of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838n et seq.), is extended through September 30, 2017;

(B) the authority to carry out the provision of assistance for community food projects under section 25 of the Food and Nutrition Act of 2007 (7 U.S.C. 2034) (as amended by section 4801(g)), is extended through September 30, 2016;

(C) the authority to carry out the beginning farmer and rancher individual development accounts pilot program established under section 333B of the Consolidated Farm and Rural Development Act (as added by section 5201), is extended through September 30, 2017;

(D) the authority to carry out the program of grants to encourage State initiatives to improve broadband service established under section 6202, is extended through September 30, 2017;

(E) the authority to carry out the organic agriculture research and extension initiative established under section 1672B of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b) (as amended by section 7104), is extended through September 30, 2014;

(F) the authority to carry out the beginning farmer and rancher development program established under section 7405 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f) (as amended by section 7309), is extended through September 30, 2017;

(G) the authority to carry out the biomass crop transition assistance program established under subsections (b) and (c) of section 9004 of the Farm Security and Rural Investment Act of 2002 (as amended by section 9001), is extended through September 30, 2012; and

(H) the authority to carry out the Rural Energy for America Program established under section 9007 of the Farm Security and Rural Investment Act of 2002 (as amended by section 9001), is extended through September 30, 2012.

SA 3811. Ms. KLOBUCHAR submitted an amendment intended to be proposed 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; which was ordered to lie on the table; as follows:

Beginning on page 210, strike line 15 and all that follows through page 214, line 9, and insert the following:

(c) MODIFICATION OF LIMITATION.—

(1) IN GENERAL.—Section 1001D of the Food Security Act of 1985 (7 U.S.C. 1308-3a) is amended by striking subsection (b) and inserting the following:

“(b) LIMITATION.—

“(1) COMMODITY AND CONSERVATION PROGRAMS.—

“(A) COMMODITY PROGRAMS.—Except as provided in subparagraph (C) and notwithstanding any other provision of law, an individual or entity shall not be eligible to receive any benefit described in paragraph (2)(A) during a crop year if the average adjusted gross income of the individual or entity, or the average adjusted gross income of

the individual and spouse of the individual, exceeds—

“(i) \$250,000, if less than 66.66 percent of the average adjusted gross income of the individual or entity, or the average adjusted gross income of the individual and spouse of the individual, is derived from farming, ranching, or forestry operations, as determined by the Secretary; or

“(ii) \$750,000.

“(B) CONSERVATION PROGRAMS.—Except as provided in subparagraph (C) and notwithstanding any other provision of law, an individual or entity shall not be eligible to receive any benefit described in paragraph (2)(B) during a crop year if the average adjusted gross income of the individual or entity, or the average adjusted gross income of the individual and spouse of the individual, exceeds \$2,500,000, unless not less than 75 percent of the average adjusted gross income of the individual or entity, or the average adjusted gross income of the individual and spouse of the individual, is derived from farming, ranching, or forestry operations, as determined by the Secretary.

“(C) EXCEPTIONS.—This subsection shall not apply to—

“(i) a public school; or

“(ii) an organization that is—

“(I) described in section 501(c)(3) of the Internal Revenue Code of 1986;

“(II) organized and operated exclusively for charitable purposes; and

“(III) exempt from taxation under section 501(a) of that Code.

“(2) COVERED BENEFITS.—

“(A) IN GENERAL.—Paragraph (1)(A) applies with respect to the following:

“(i) A direct payment or counter-cyclical payment under part I or III of subtitle A of title I of the Food and Energy Security Act of 2007.

“(ii) A marketing loan gain or loan deficiency payment under part II or III of subtitle A of title I of the Food and Energy Security Act of 2007.

“(iii) An average crop revenue payment under subtitle B of title I of Food and Energy Security Act of 2007.

“(B) CONSERVATION PROGRAMS.—Paragraph (1)(B) applies with respect to a payment under any program under—

“(i) title XII of this Act;

“(ii) title II of the Farm Security and Rural Investment Act of 2002 (Public Law 107-171; 116 Stat. 223); or

“(iii) title II of the Food and Energy Security Act of 2007.

“(3) INCOME DERIVED FROM FARMING, RANCHING OR FORESTRY OPERATIONS.—In determining what portion of the average adjusted gross income of an individual or entity is derived from farming, ranching, or forestry operations, the Secretary shall include income derived from—

“(A) the production of crops, livestock, or unfinished raw forestry products;

“(B) the sale, including the sale of easements and development rights, of farm, ranch, or forestry land or water or hunting rights;

“(C) the sale of equipment to conduct farm, ranch, or forestry operations;

“(D) the rental or lease of land used for farming, ranching, or forestry operations, including water or hunting rights;

“(E) the provision of production inputs and services to farmers, ranchers, and foresters;

“(F) the processing (including packing), storing (including shedding), and transporting of farm, ranch, and forestry commodities;

“(G) the sale of land that has been used for agriculture; and

“(H) payments or other income attributable to benefits received under any pro-

gram authorized under title I or II of the Food and Energy Security Act of 2007.”.

(2) INCREASED FUNDING FOR CERTAIN PROGRAMS.—In addition to the amounts made available under other provisions of this Act and amendments made by this Act, of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out—

(A) the grassland reserve program established under subchapter C of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838n et seq.), an additional \$20,000,000 for the period of fiscal years 2013 through 2017;

(B) the provision of assistance for community food projects under section 25 of the Food and Nutrition Act of 2007 (7 U.S.C. 2034) (as amended by section 4801(g)), an additional \$10,000,000 for each of fiscal years 2013 through 2016;

(C) the beginning farmer and rancher individual development accounts pilot program established under section 333B of the Consolidated Farm and Rural Development Act (as added by section 5201), an additional \$5,000,000 for each of fiscal years 2013 through 2017;

(D) the program of grants to encourage State initiatives to improve broadband service established under section 6202, an additional—

(i) \$40,000,000 for the period of fiscal years 2009 through 2012; and

(ii) \$30,000,000 for the period of fiscal years 2013 through 2017;

(E) the organic agriculture research and extension initiative established under section 1672B of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b) (as amended by section 7104), an additional \$10,000,000 for each of fiscal years 2013 through 2014;

(F) the beginning farmer and rancher development program established under section 7405 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f) (as amended by section 7309), an additional \$15,000,000 for each of fiscal years 2013 through 2017;

(G) the biomass crop transition assistance program established under subsections (b) and (c) of section 9004 of the Farm Security and Rural Investment Act of 2002 (as amended by section 9001), an additional \$40,000,000 for the period of fiscal years 2009 through 2012; and

(H) the Rural Energy for America Program established under section 9007 of the Farm Security and Rural Investment Act of 2002 (as amended by section 9001), an additional \$40,000,000 for the period of fiscal years 2009 through 2012.

(3) EXTENSIONS.—Notwithstanding any other provision of this Act, or an amendment made by this Act—

(A) the authority to carry out the grassland reserve program established under subchapter C of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838n et seq.), is extended through September 30, 2017;

(B) the authority to carry out the provision of assistance for community food projects under section 25 of the Food and Nutrition Act of 2007 (7 U.S.C. 2034) (as amended by section 4801(g)), is extended through September 30, 2016;

(C) the authority to carry out the beginning farmer and rancher individual development accounts pilot program established under section 333B of the Consolidated Farm and Rural Development Act (as added by section 5201), is extended through September 30, 2017;

(D) the authority to carry out the program of grants to encourage State initiatives to improve broadband service established under

section 6202, is extended through September 30, 2017;

(E) the authority to carry out the organic agriculture research and extension initiative established under section 1672B of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b) (as amended by section 7104), is extended through September 30, 2014;

(F) the authority to carry out the beginning farmer and rancher development program established under section 7405 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f) (as amended by section 7309), is extended through September 30, 2017;

(G) the authority to carry out the biomass crop transition assistance program established under subsections (b) and (c) of section 9004 of the Farm Security and Rural Investment Act of 2002 (as amended by section 9001), is extended through September 30, 2012; and

(H) the authority to carry out the Rural Energy for America Program established under section 9007 of the Farm Security and Rural Investment Act of 2002 (as amended by section 9001), is extended through September 30, 2012.

SA 3812. Mr. CARDIN (for himself and Mr. CASEY) submitted an amendment intended to be proposed 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; which was ordered to lie on the table; as follows:

On page 272, between lines 2 and 3, insert the following:

SEC. 19. ENTERPRISE AND WHOLE FARM UNITS.

(a) SAVINGS.—Any savings realized by the amendment made by subsection (b) shall be used by the Secretary to provide matching funds under section 524(b)(4)(C) of the Federal Crop Insurance Act (7 U.S.C. 1524(b)(4)(C)) (as added by section 1921).

(b) ENTERPRISE AND WHOLE FARM UNITS.—Section 508(e) of the 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.”.

SA 3813. Mr. FEINGOLD (for himself and Mr. MENENDEZ) submitted an amendment intended to be proposed 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; which was ordered to lie on the table; as follows:

At the end of title I, insert the following:

Subtitle H—Flexible State Funds

SEC. 1941. OFFSET.

(a) OFFSET.—

(1) IN GENERAL.—Except as provided in paragraph (3) and notwithstanding any other provision of this Act, for the period beginning on October 1, 2007, and ending on September 30, 2012, the Secretary shall reduce the total amount of payments described in paragraph (2) received by the producers on a farm by 35 percent.

(2) PAYMENT.—A payment described in this paragraph is a payment in an amount of more than \$10,000 for the crop year that is—

(A) a direct payment for a covered commodity or peanuts received by the producers on a farm for a crop year under section 1103 or 1303; or

(B) the fixed payment component of an average crop revenue payment for a covered commodity or peanuts received by the producers on a farm for a crop year under section 1401(b)(2).

(3) APPLICATION.—This subsection does not apply to a payment provided under a contract entered into by the Secretary before the date of enactment of this Act.

(b) SAVINGS.—The Secretary shall ensure, to the maximum extent practicable, that any savings resulting from subsection (a) are used—

(1) to provide \$15,000,000 for each of fiscal years 2008 through 2012 to carry out section 379F of the Consolidated Farm and Rural Development Act (as added by section 1943);

(2) to provide an additional \$35,000,000 for fiscal year 2008 and \$40,000,000 for each of fiscal years 2009 through 2012 to carry out section 231 of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note; Public Law 106-224) (as amended by section 6401);

(3) to provide an additional \$5,000,000 for each of fiscal years 2008 through 2012 to carry out the grassland reserve program established under subchapter C of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838n et seq.);

(4) to provide an additional \$10,000,000 for each of fiscal years 2008 through 2012 to carry out section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279) (as amended by section 11052);

(5) to provide an additional \$30,000,000 for each of fiscal years 2008 through 2012 to carry out the farmland protection program established under subchapter B of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838h et seq.) (commonly known as the “Farm and Ranch Lands Protection Program”);

(6) to provide an additional \$5,000,000 for fiscal year 2008 to carry out the Farmers’ Market Promotion Program established under section 6 of the Farmer-to-Consumer Direct Marketing Act of 1976 (7 U.S.C. 3005);

(7) to carry out sections 4101 and 4013 (and the amendments made by those sections), without regards to paragraphs (1) and (3) of section 4908(b); and

(8) to make any funds that remain available after providing funds under paragraphs (1) through (7) to the Commodity Credit Corporation for use in carrying out section 1942.

SEC. 1942. FLEXIBLE STATE FUNDS.

(a) FUNDING.—

(1) BASE GRANTS.—The Secretary shall make a grant to each State to be used to benefit agricultural producers and rural communities in the State, in the amount of—

(A) for fiscal year 2008, \$220,000; and

(B) for the period of fiscal years 2009 through 2017, \$2,500,000.

(2) PROPORTIONAL FUNDING.—

(A) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary shall allocate among the States \$220,000,000 for fiscal years 2009 through 2017, with each State receiving a grant in an amount equal to the proportion that—

(i) the amount of the reduction in payments in the State under section 1941(a); bears to

(ii) the total amount of reduced payments in all States under that section.

(B) STATE FUNDS.—The Secretary shall maintain a separate account for each State consisting of amounts allocated for the State in accordance with subparagraph (A).

(C) USE OF FUNDS.—The Secretary shall use amounts maintained in a State account described in subparagraph (B) to carry out eligible programs in the appropriate State in accordance with a determination made by a State board under subsection (b)(3).

(b) STATE BOARDS.—

(1) IN GENERAL.—The Secretary shall establish a State board for each State that consists of the State directors of—

(A) the Farm Service Agency;

(B) the Natural Resources Conservation Service; and

(C) USDA-Rural Development.

(2) STAKEHOLDER INPUT.—A State board established under paragraph (1) shall consult with and conduct appropriate outreach activities with respect to relevant State agencies (including State agencies with jurisdiction over agriculture, rural development, public schools, and nutrition assistance), producers, and local rural and agriculture industry leaders to collect information and provide advice regarding the needs and preferred uses of the funds provided under this section.

(3) DETERMINATION.—

(A) IN GENERAL.—Each State board shall determine the use of funds allocated under subsection (a)(2) among the eligible programs described in subsection (c)(1) based on the State needs and priorities as determined by the board.

(B) REQUIREMENT.—Of the funds allocated under subsection (a)(2) during each 5-year period, at least 20 percent of the funds shall be used to carry out eligible programs described in subparagraphs (M) through (P) of subsection (c)(1).

(c) ELIGIBLE PROGRAMS.—

(1) IN GENERAL.—Funds allocated to a State under subsection (b) may be used in the State—

(A) to provide stewardship payments for conservation practices under the conservation security program established under sub-

chapter A of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.);

(B) to provide cost share for projects to reduce pollution under the environmental quality incentives program established under chapter 4 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839aa et seq.), including manure management;

(C) to assist States and local groups to purchase development rights from farms and slow suburban sprawl under the farmland protection program established under subchapter B of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838h et seq.) (commonly known as the “Farm and Ranch Lands Protection Program”);

(D) the grassland reserve program established under subchapter C of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838n et seq.);

(E) to provide loans and loan guarantees to improve broadband access in rural areas in accordance with the program under section 601 of the Rural Electrification Act of 1936 (7 U.S.C. 950bb);

(F) to provide to rural community facilities loans and grants under section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a));

(G) to provide water or waste disposal grants or direct or guaranteed loans under paragraph (1) or (2) of section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a));

(H) to make value-added agricultural product market development grants under section 231 of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note; Public Law 106-224);

(I) the rural microenterprise assistance program under section 366 of the Consolidated Farm and Rural Development Act (as added by section 6022);

(J) to provide organic certification cost share or transition funds under the national organic program established under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.);

(K) to provide grants under the Rural Energy for America Program established under section 9007 of the Farm Security and Rural Investment Act of 2002 (as amended by section 9001);

(L) to provide grants under the Farmers’ Market Promotion Program established under section 6 of the Farmer-to-Consumer Direct Marketing Act of 1976 (7 U.S.C. 3005);

(M) to provide vouchers for the seniors farmers’ market nutrition program under section 4402 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3007);

(N) to provide vouchers for the farmers’ market nutrition program established under section 17(m) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(m));

(O) to provide grants to improve access to local foods and school gardens under section 18(i) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769(i)); and

(P) subject to paragraph (2), to provide additional locally or regionally produced commodities for use by the State for any of—

(i) the fresh fruit and vegetable program under section 19 of the Richard B. Russell National School Lunch Act (as added by section 4903);

(ii) the commodity supplemental food program established under section 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93-86);

(iii) the emergency food assistance program established under the Emergency Food Assistance Act of 1983 (7 U.S.C. 7501 et seq.);

(iv) the child and adult care food program established under section 17 of the Richard

B. Russell National School Lunch Act (42 U.S.C. 1766); and

(v) the food distribution program on Indian reservations established under section 4(b) of the Food and Nutrition Act of 2007 (7 U.S.C. 2013(b)).

(2) **WAIVERS.**—

(A) **IN GENERAL.**—The Secretary may waive a local or regional purchase requirement under any program described in clauses (i) through (v) of paragraph (1)(P) if the applicable State board demonstrates to the satisfaction of the Secretary that a sufficient quality or quantity of a local or regional product is not available.

(B) **EFFECT.**—A product purchased by a State board that receives a waiver under subparagraph (A) in lieu of a local or regional product shall be produced in the United States.

(d) **MAINTENANCE OF EFFORT.**—Funds made available to a program of a State under this section shall be in addition to, and shall not supplant, any other funds provided to the program under any other Federal, State, or local law (including regulations).

SEC. 1943. GRANTS TO IMPROVE TECHNICAL INFRASTRUCTURE AND IMPROVE QUALITY OF RURAL HEALTH CARE FACILITIES.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) (as amended by section 6028) is amended by adding at the end the following:

“SEC. 379F. GRANTS TO IMPROVE TECHNICAL INFRASTRUCTURE AND QUALITY OF RURAL HEALTH CARE FACILITIES.

“(a) **DEFINITIONS.**—In this section:

“(1) **HEALTH INFORMATION TECHNOLOGY.**—The term ‘health information technology’ includes total expenditures incurred for—

“(A) purchasing, leasing, and installing computer software and hardware, including handheld computer technologies, and related services;

“(B) making improvements to computer software and hardware;

“(C) purchasing or leasing communications capabilities necessary for clinical data access, storage, and exchange;

“(D) services associated with acquiring, implementing, operating, or optimizing the use of computer software and hardware and clinical health care informatics systems;

“(E) providing education and training to rural health facility staff on information systems and technology designed to improve patient safety and quality of care; and

“(F) purchasing, leasing, subscribing, or servicing support to establish interoperability that—

“(i) integrates patient-specific clinical data with well-established national treatment guidelines;

“(ii) provides continuous quality improvement functions that allow providers to assess improvement rates over time and against averages for similar providers; and

“(iii) integrates with larger health networks.

“(2) **RURAL AREA.**—The term ‘rural area’ means any area of the United States that is not—

“(A) included in the boundaries of any city, town, borough, or village, whether incorporated or unincorporated, with a population of more than 20,000 residents; or

“(B) an urbanized area contiguous and adjacent to such a city, town, borough, or village.

“(3) **RURAL HEALTH FACILITY.**—The term ‘rural health facility’ means any of—

“(A) a hospital (as defined in section 1861(e) of the Social Security Act (42 U.S.C. 1395x(e)));

“(B) a critical access hospital (as defined in section 1861(mm) of that Act (42 U.S.C. 1395x(mm)));

“(C) a Federally qualified health center (as defined in section 1861(aa) of that Act (42 U.S.C. 1395x(aa))) that is located in a rural area;

“(D) a rural health clinic (as defined in that section (42 U.S.C. 1395x(aa)));

“(E) a medicare-dependent, small rural hospital (as defined in section 1886(d)(5)(G) of that Act (42 U.S.C. 1395ww(d)(5)(G))); and

“(F) a physician or physician group practice that is located in a rural area.

“(b) **ESTABLISHMENT OF PROGRAM.**—The Secretary shall establish a program under which the Secretary shall provide grants to rural health facilities for the purpose of assisting the rural health facilities in—

“(1) purchasing health information technology to improve the quality of health care or patient safety; or

“(2) otherwise improving the quality of health care or patient safety, including through the development of—

“(A) quality improvement support structures to assist rural health facilities and professionals—

“(i) to increase integration of personal and population health services; and

“(ii) to address safety, effectiveness, patient- or community-centeredness, timeliness, efficiency, and equity; and

“(B) innovative approaches to the financing and delivery of health services to achieve rural health quality goals.

“(c) **AMOUNT OF GRANT.**—The Secretary shall determine the amount of a grant provided under this section.

“(d) **PROVISION OF INFORMATION.**—A rural health facility that receives a grant under this section shall provide to the Secretary such information as the Secretary may require—

“(1) to evaluate the project for which the grant is used; and

“(2) to ensure that the grant is expended for the purposes for which the grant was provided.

“(e) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Secretary to carry out this section such sums as are necessary for each of fiscal years 2008 through 2012.”.

SA 3814. Ms. STABENOW (for herself, Mr. CRAIG, and Mr. CRAPO) submitted an amendment intended to be proposed 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; which was ordered to lie on the table; as follows:

On page 1362, between lines 19 and 20, insert the following:

SEC. 110. SEAFOOD AND AQUACULTURE BLOCK GRANT PILOT PROGRAM.

(a) **DEFINITIONS.**—In this section:

(1) **STATE.**—The term “State” means—

(A) each of the several States of the United States;

(B) the District of Columbia;

(C) the Commonwealth of Puerto Rico;

(D) Guam;

(E) American Samoa;

(F) the Commonwealth of the Northern Mariana Islands; and

(G) the United States Virgin Islands.

(2) **STATE DEPARTMENT OF AGRICULTURE.**—The term “State department of agriculture” means the agency, commission, or department of a State government responsible for agriculture within the State.

(b) **AVAILABILITY AND PURPOSE OF GRANTS.**—Subject to the appropriation of funds to carry out this section, the Sec-

retary shall carry out a pilot program to make grants to States for each of fiscal years 2008 through 2012 to be used by the State department of agriculture solely to enhance the competitiveness of seafood and aquaculture.

(c) **GRANTS BASED ON VALUE OF PRODUCTION.**—Subject to subsection (e), the amount of the grant for a fiscal year to a State under this section shall bear the same ratio to the total amount appropriated pursuant to the authorization of appropriations in subsection (j) for that fiscal year as—

(1) the value of seafood and aquaculture production in the State during the preceding calendar year; bears to

(2) the value of seafood and aquaculture production during the preceding calendar year in all States whose application for a grant for that fiscal year is accepted by the Secretary under subsection (g).

(d) **MINIMUM GRANT AMOUNT.**—Subject to the appropriation of sufficient funds to carry out this subsection, each State shall receive at least \$100,000 each fiscal year as a grant under this section notwithstanding the amount calculated under subsection (c) for the State.

(e) **ELIGIBILITY.**—To be eligible to receive a grant under this section, a State department of agriculture shall prepare and submit, for approval by the Secretary, an application at such time, in such a manner, and containing such information as the Secretary shall require by regulation, including—

(1) a State plan that meets the requirements of subsection (c);

(2) an assurance that the State will comply with the requirements of the plan; and

(3) an assurance that grant funds received under this section shall supplement the expenditure of State funds in support of seafood and aquaculture, rather than replace State funds.

(f) **PLAN REQUIREMENTS.**—The State plan shall—

(1) identify the lead agency charged with the responsibility of carrying out the plan; and

(2) indicate how the grant funds will be used to enhance the competitiveness of seafood and aquaculture.

(g) **REVIEW OF APPLICATION.**—

(1) **IN GENERAL.**—In reviewing the application of a State submitted under subsection (b), the Secretary shall ensure that the State plan would carry out the purpose of grant program.

(2) **DISCRETION.**—The Secretary may accept or reject applications for a grant under this section.

(h) **EFFECT OF NONCOMPLIANCE.**—If the Secretary, after reasonable notice to a State, finds that there has been a failure by the State to comply substantially with any provision or requirement of the State plan, the Secretary may disqualify, for 1 or more years, the State from receipt of future grants under this section.

(i) **AUDIT 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 TO SECRETARY.**—Not later than 30 days after the completion of the audit, the State shall submit a copy of the audit to the Secretary.

(j) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to the Secretary to make grants under this section \$44,500,000 for each of fiscal years 2008 through 2012.

SA 3815. Mr. LUGAR (for himself, Mr. LAUTENBERG, Mr. MENENDEZ, Mr. CARDIN, Mr. WHITEHOUSE, Mr. REED,

Mr. HATCH, Ms. COLLINS, Mr. DOMENICI, Mr. NELSON of Florida, Mr. MCCAIN, and Mr. SUNUNU) submitted an amendment intended to be proposed by him to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Food and Energy Security Act of 2007”.

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

Sec. 1. Short title; table of contents.

Sec. 2. Definition of Secretary.

TITLE I—PRODUCER INCOME PROTECTION PROGRAMS

Subtitle A—Traditional Payments and Loans

Sec. 1001. Commodity programs.

Subtitle B—Risk Management Accounts

Sec. 1101. Definitions.

Sec. 1102. Risk management account contracts.

Sec. 1103. Treatment of risk management account accounts on transfer.

Sec. 1104. Administration of risk management accounts.

Subtitle C—Sugar

Sec. 1201. Sugar program.

Sec. 1202. Storage facility loans.

Sec. 1203. Commodity Credit Corporation storage payments.

Sec. 1204. Flexible marketing allotments for sugar.

Sec. 1205. Sense of the Senate regarding NAFTA sugar coordination.

Subtitle D—Dairy

Sec. 1301. Dairy product price support program.

Sec. 1302. National dairy market loss payments.

Sec. 1303. Dairy export incentive and dairy indemnity programs.

Sec. 1304. Funding of dairy promotion and research program.

Sec. 1305. Revision of Federal marketing order amendment procedures.

Sec. 1306. Dairy forward pricing program.

Sec. 1307. Report on Department of Agriculture reporting procedures for nonfat dry milk.

Sec. 1308. Federal Milk Marketing Order Review Commission.

Sec. 1309. Mandatory reporting of dairy commodities.

Subtitle E—Administration

Sec. 1401. Administration generally.

Sec. 1402. Suspension of permanent price support authority.

Sec. 1403. Payment limitations.

Sec. 1404. Adjusted gross income limitation.

Sec. 1405. Availability of quality incentive payments for certain producers.

Sec. 1406. Hard white wheat development program.

Sec. 1407. Durum wheat quality program.

Sec. 1408. Storage facility loans.

Sec. 1409. Personal liability of producers for deficiencies.

Sec. 1410. Extension of existing administrative authority regarding loans.

Sec. 1411. Assignment of payments.

Sec. 1412. Cotton classification services.

Sec. 1413. Designation of States for cotton research and promotion.

Sec. 1414. Government publication of cotton price forecasts.

Sec. 1415. State, county, and area committees.

Sec. 1416. Prohibition on charging certain fees.

Sec. 1417. Signature authority.

Sec. 1418. Modernization of Farm Service Agency.

Sec. 1419. Geospatial systems.

Sec. 1420. Leasing office space.

Sec. 1421. Repeals.

Subtitle F—Specialty Crop Programs

Sec. 1501. Definitions.

PART I—MARKETING, INFORMATION, AND EDUCATION

Sec. 1511. Fruit and vegetable market news allocation.

Sec. 1512. Farmers' market promotion program.

Sec. 1513. Food safety initiatives.

Sec. 1514. Census of specialty crops.

PART II—ORGANIC PRODUCTION

Sec. 1521. Organic data collection and price reporting.

Sec. 1522. Exemption of certified organic products from assessments.

Sec. 1523. National Organic Certification Cost Share Program.

Sec. 1524. National organic program.

PART III—INTERNATIONAL TRADE

Sec. 1531. Foreign market access study and strategy plan.

Sec. 1532. Market access program.

Sec. 1533. Technical assistance for specialty crops.

Sec. 1534. Consultations on sanitary and phytosanitary restrictions for fruits and vegetables.

PART IV—SPECIALTY CROPS COMPETITIVENESS

Sec. 1541. Specialty crop block grants.

Sec. 1542. Grant program to improve movement of specialty crops.

Sec. 1543. Healthy Food Enterprise Development Center.

PART V—MISCELLANEOUS

Sec. 1551. Clean plant network.

Sec. 1552. Market loss assistance for asparagus producers.

Sec. 1553. Mushroom promotion, research, and consumer information.

Sec. 1554. National Honey Board.

Sec. 1555. Identification of honey.

Sec. 1556. Expedited marketing order for Hass avocados for grades and standards and other purposes.

Subtitle G—Risk Management

Sec. 1601. Definition of organic crop.

Sec. 1602. General powers.

Sec. 1603. Reduction in loss ratio.

Sec. 1604. Controlled business insurance.

Sec. 1605. Administrative fee.

Sec. 1606. Time for payment.

Sec. 1607. Surcharge prohibition.

Sec. 1608. Premium reduction plan.

Sec. 1609. Denial of claims.

Sec. 1610. Measurement of farm-stored commodities.

Sec. 1611. Renegotiation of standard reinsurance agreement.

Sec. 1612. Change in due date for Corporation payments for underwriting gains.

Sec. 1613. Controlling crop insurance program costs.

Sec. 1614. Supplemental deductible coverage.

Sec. 1615. Revenue-based safety net.

Sec. 1616. Whole farm insurance.

Sec. 1617. Access to data mining information.

Sec. 1618. Producer eligibility.

Sec. 1619. Contracts for additional crop policies.

Sec. 1620. Research and development.

Sec. 1621. Funding from insurance fund.

Sec. 1622. Camelina pilot program.

Sec. 1623. Risk management education for beginning farmers or ranchers.

Sec. 1624. Crop insurance education assistance.

Sec. 1625. Agricultural management assistance.

Sec. 1626. Crop insurance mediation.

Sec. 1627. Drought coverage for aquaculture under noninsured crop assistance program.

Sec. 1628. Increase in service fees for noninsured crop assistance program.

Sec. 1629. Determination of certain sweet potato production.

Sec. 1630. Perennial crop report.

TITLE II—CONSERVATION

Subtitle A—Definitions

Sec. 2001. Definitions.

Subtitle B—Highly Erodible Land Conservation

Sec. 2101. Review of good faith determinations; exemptions.

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- Sec. 12302. Landowner incentive to encourage electric transmission build-out.
- Sec. 12303. Exception to reduction of renewable electricity credit.

PART II—ALCOHOL FUEL

- Sec. 12311. Expansion of special allowance to cellulosic biomass alcohol fuel plant property.
- Sec. 12312. Credit for production of cellulosic biomass alcohol.
- Sec. 12313. Extension of small ethanol producer credit.
- Sec. 12314. Credit for producers of fossil free alcohol.
- Sec. 12315. Modification of alcohol credit.
- Sec. 12316. Calculation of volume of alcohol for fuel credits.
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- Sec. 12318. Limitations on, and reductions of, duty drawback on certain imported ethanol.

PART III—BIODIESEL AND RENEWABLE DIESEL
FUEL

- Sec. 12321. Extension and modification of credit for biodiesel and renewable diesel used as fuel.
- Sec. 12322. Treatment of qualified alcohol fuel mixtures and qualified biodiesel fuel mixtures as taxable fuels.

PART IV—ALTERNATIVE FUEL

- Sec. 12331. Extension and modification of alternative fuel credit.
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Subtitle D—Agricultural Provisions

- Sec. 12401. Increase in loan limits on agricultural bonds.
- Sec. 12402. Modification of installment sale rules for certain farm property.
- Sec. 12403. Allowance of section 1031 treatment for exchanges involving certain mutual ditch, reservoir, or irrigation company stock.

- Sec. 12404. Credit to holders of rural renaissance bonds.
- Sec. 12405. Agricultural chemicals security credit.
- Sec. 12406. Credit for drug safety and effectiveness testing for minor animal species.
- Sec. 12407. Certain farming business machinery and equipment treated as 5-year property.
- Sec. 12408. Expensing of broadband Internet access expenditures.
- Sec. 12409. Credit for energy efficient motors.

Subtitle E—Revenue Provisions

PART I—MISCELLANEOUS REVENUE
PROVISIONS

- Sec. 12501. Limitation on farming losses of certain taxpayers.
- Sec. 12502. Modification to optional method of computing net earnings from self-employment.
- Sec. 12503. Information reporting for Commodity Credit Corporation transactions.
- Sec. 12504. Modification of section 1031 treatment for certain real estate.
- Sec. 12505. Modification of effective date of leasing provisions of the American Jobs Creation Act of 2004.
- Sec. 12506. Time for payment of corporate estimated taxes.
- Sec. 12507. Ineligibility of collectibles for nontaxable like kind exchange treatment.
- Sec. 12508. Denial of deduction for certain fines, penalties, and other amounts.
- Sec. 12509. Increase in information return penalties.

PART II—ECONOMIC SUBSTANCE DOCTRINE

- Sec. 12511. Clarification of economic substance doctrine.
- Sec. 12512. Penalty for understatement attributable to transactions lacking economic substance, etc.
- Sec. 12513. Denial of deduction for interest on underpayments attributable to non-economic substance transactions.

Subtitle F—Protection of Social Security

- Sec. 12601. Protection of Social Security.

SEC. 2. DEFINITION OF SECRETARY.

In this Act, the term "Secretary" means the Secretary of Agriculture.

**TITLE I—PRODUCER INCOME
PROTECTION PROGRAMS**

Subtitle A—Traditional Payments and Loans
SEC. 1001. COMMODITY PROGRAMS.

(a) **REPEALS.**—Subtitles A through C of title I of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7901 et seq.) (other than sections 1001, 1101, 1102, 1103, 1104, and 1106) are repealed.

(b) **BASE ACRES AND PAYMENT ACRES.**—Section 1101 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7911) is amended—

(1) in subsections (a)(1) and (e)(2), by striking "and counter-cyclical payments" each place it appears; and

(2) by adding at the end the following:

"(i) **PRODUCTION OF FRUITS OR VEGETABLES FOR PROCESSING.**—

"(1) **IN GENERAL.**—Subject to paragraphs (2) and (3), the producers on a farm, with the consent of the owner of and any other producers on the farm, may reduce the base acres for a covered commodity for the farm if the reduced acres are used for the planting and production of fruits or vegetables for processing.

"(2) **REVERSION TO BASE ACRES FOR COVERED COMMODITY.**—Any reduced acres on a farm devoted to the planting and production of fruits or vegetables during a crop year under

paragraph (1) shall be included in base acres for the covered commodity for the subsequent crop year, unless the producers on the farm make the election described in paragraph (1) for the subsequent crop year.

“(3) RECALCULATION OF BASE ACRES.—

“(A) IN GENERAL.—Subject to subparagraph (B), if the Secretary recalculates base acres for a farm, the planting and production of fruits or vegetables for processing under paragraph (1) shall be considered to be the same as the planting, prevented planting, or production of the covered commodity.

“(B) AUTHORITY.—Nothing in this subsection provides authority for the Secretary to recalculate base acres for a farm.”

(c) PAYMENT YIELDS.—Section 1102 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7912) is amended—

(1) in subsection (a), by striking “and counter-cyclical payments”;

(2) in subsection (b), by striking “2007” and inserting “2012”;

(3) in subsection (c), by striking “, but before” and all that follows through “subsection (e)”;

(4) by striking subsection (e).

(d) RECOURSE LOAN PROGRAM.—Subtitle F of title I of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7991 et seq.) is amended by adding at the end the following:

“SEC. 1619. RECOURSE LOAN PROGRAM.

“For each of the 2008 through 2012 crop years, the Secretary shall establish a recourse loan program for each loan commodity at a rate of interest to be determined by the Secretary.”

(e) ADMINISTRATION.—

(1) SUSPENSION OF PERMANENT PRICE SUPPORT AUTHORITY.—Section 1602 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7992) is amended by striking “2007” each place it appears and inserting “2012”.

(2) ADJUSTED GROSS INCOME LIMITATION.—Section 1001D(e) of the Food Security Act of 1985 (7 U.S.C. 1308-3a(e)) is amended by striking “2007” and inserting “2012”.

(f) AVAILABILITY OF COUNTER-CYCLICAL PAYMENTS.—Section 1104 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7914) is amended—

(1) by striking “2007” each place it appears (other than paragraphs (3)(B) and (4)(B) of subsection (f)) and inserting “2008”; and

(2) in subsection (f)—

(A) in paragraph (3)(B)—

(i) in the subparagraph heading, by striking “2007 CROP YEAR” and inserting “2007 AND 2008 CROP YEARS”; and

(ii) by striking “the 2007 crop year” and inserting “each of the 2007 and 2008 crop years”; and

(B) in paragraph (4)(B)—

(i) in the subparagraph heading, by striking “2007 CROP YEAR” and inserting “2007 AND 2008 CROP YEARS”; and

(ii) by striking “the 2007 crop year” each place it appears and inserting “each of the 2007 and 2008 crop years”.

(g) AVAILABILITY OF DIRECT PAYMENTS.—Section 1103 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7913) is amended—

(1) in subsection (a), by striking “For each of the 2002 through 2007” and inserting “For each of the 2008 through 2012”; and

(2) in subsection (c), by adding at the end the following:

“(4)(A) In each of crop years 2008 and 2009, 25 percent.

“(B) In each of crop years 2010 and 2011, 20 percent.

“(C) In crop year 2012, 0 percent.”

Subtitle B—Risk Management Accounts

SEC. 1101. DEFINITIONS.

In this subtitle:

(1) ADJUSTED GROSS REVENUE.—The term “adjusted gross revenue”, with respect to a

farm of an operator or producer, means the adjusted gross income of the farm, as determined by the Secretary, from the sale or transfer of eligible commodities of the farm, as calculated—

(A) taking into consideration the gross receipts (including insurance indemnities) from each sale;

(B) including all farm payments received by the operator or producer from any Federal, State, or local government agency relating to the eligible commodities;

(C) by deducting the cost or basis of any eligible livestock or other item purchased for resale, such as feeder livestock, by the farm;

(D) excluding any revenue that does not arise from the sale of eligible commodities of the farm, such as revenue associated with the packaging, merchandising, marketing, or reprocessing beyond what is typically carried out by a producer of the eligible commodity, as determined by the Secretary; and

(E) using such adjustments, additions, and additional documentation as the Secretary determines to be appropriate, as presented on—

(i) a schedule F form of the Federal income tax returns of the operator or producer; or

(ii) a comparable tax form relating to the farm, as approved by the Secretary.

(2) APPLICABLE YEAR.—The term “applicable year” means a fiscal year covered by a risk management account contract.

(3) AVERAGE ADJUSTED GROSS REVENUE.—The term “average adjusted gross revenue” means—

(A) the rolling average of the adjusted gross revenue of an operator or producer for each of the 5 preceding taxable years; or

(B) in the case of a beginning farmer or rancher, or another agricultural operation that does not have adjusted gross revenue for each of the 5 preceding taxable years, the estimated income of the operation for the applicable year, as determined by the Secretary.

(4) ELIGIBLE COMMODITY.—The term “eligible commodity” means any annual or perennial crop raised or produced by an operator or producer.

(5) FARM.—

(A) IN GENERAL.—The term “farm” means any parcel of land used for the raising or production of an eligible commodity that is considered to be a separate operation, as determined by the Secretary.

(B) INCLUSIONS.—The term “farm” includes—

(i) any parcel of land and related agricultural production facilities on which an operator or producer has more than de minimis operational control; and

(ii) any parcel of land subject to more than de minimis common ownership, as determined by the Secretary, unless the common owners of the parcel—

(I) except with respect to a conservation condition established in an applicable rental agreement, do not have operational control regarding any portion of the parcel; and

(II) do not share in the proceeds of the parcel, other than cash rent.

(C) EXCLUSION.—The term “farm” does not include a parcel that is not a portion of a farm subject to a risk management account contract.

(D) APPLICABILITY OF CFR.—Except as otherwise provided in this subtitle or by the Secretary, by regulation, part 718 of title 7, Code of Federal Regulations (or successor regulations), shall apply to the definition, constitution, and reconstitution of a farm for purposes of this paragraph.

(6) OPERATOR.—The term “operator” means a producer who controls an agricultural operation on a farm, as determined by the Secretary.

(7) PRODUCER.—The term “producer” means a person that, as determined by the Secretary, for an applicable year—

(A) shares in the risk of producing, or provides a material contribution in producing, an eligible commodity;

(B) has a substantial beneficial interest in the farm on which the eligible commodity is produced;

(C)(i) for each of the 5 preceding taxable years, has filed—

(I) a schedule F form of the Federal income tax return relating to the eligible commodity; or

(II) a comparable tax form related to the eligible commodity, as approved by the Secretary; or

(ii) is a beginning farmer or rancher, or another producer that does not have adjusted gross revenue for each of the 5 preceding taxable years, as determined by the Secretary; and

(D)(i) during the 5 preceding taxable years, has earned at least \$10,000 in average adjusted gross revenue;

(ii) is a limited resource farmer or rancher, as determined by the Secretary; or

(iii) in the case of a beginning farmer or rancher, or another producer that does not have adjusted gross revenue for each of the 5 preceding taxable years, has at least \$10,000 in estimated income from all farms for the applicable year, as determined by the Secretary.

(8) RISK MANAGEMENT ACCOUNT.—The term “risk management account” means a farm income stabilization assistance account maintained at a qualified financial institution in accordance with such terms as the Secretary may establish.

SEC. 1102. RISK MANAGEMENT ACCOUNT CONTRACTS.

(a) ESTABLISHMENT OF PROGRAM.—The Secretary shall establish and carry out a program under which the Secretary shall offer to enter into contracts with eligible operators and producers in accordance with this section—

(1) to provide to the operators and producers a reserve to assist in the stabilization of farm income during low-revenue years;

(2) to assist operators and producers to invest in value-added farms; and

(3) to recognize high levels of environmental stewardship.

(b) ELIGIBILITY.—

(1) IN GENERAL.—Any operator that has participated in a commodity program under title I of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7901 et seq.), and that otherwise meets each eligibility requirement under this subtitle, shall be eligible to enter into a risk management account contract for agricultural production during each of fiscal years 2008 through 2012.

(2) OTHER PRODUCERS.—A producer that is not an operator described in paragraph (1) shall be eligible to enter into a risk management account contract for agricultural production during each of fiscal years 2008 through 2012.

(3) LIMITATIONS.—

(A) IN GENERAL.—No farm or portion of a farm shall be subject to more than 1 risk management account contract during any fiscal year.

(B) MULTIPLE RISK MANAGEMENT ACCOUNT CONTRACTS.—

(i) IN GENERAL.—Except as provided in clause (ii), no operator or producer shall participate or have a beneficial interest in more than 1 risk management account contract during any fiscal year.

(ii) EXCEPTION.—Notwithstanding clause (i), an operator that is eligible to receive a transition payment during a fiscal year, and that participates or has a beneficial interest

in a risk management account contract during that fiscal year, may enter into an additional risk management account contract during the fiscal year if—

(I) the additional risk management account contract is entered into solely for the purpose of receiving the transition payment; and

(II) the operator is not otherwise eligible to participate or have a beneficial interest in the additional risk management account contract.

(c) **RISK MANAGEMENT ACCOUNTS.**—

(1) **IN GENERAL.**—Each risk management account contract entered into under this section shall establish, in the name of the farm of the operator or producer, as applicable, in an appropriate financial institution and subject to such investment rules and other procedures as the Secretary, on approval of the Secretary of the Treasury, determines to be necessary to provide reasonable assurance of the viability and stability of the account, a risk management account, to consist of—

(A) such amounts as are transferred to the risk management account by the Secretary during an applicable year in accordance with paragraph (2) (including the amendments made by that paragraph); and

(B) such amounts as are voluntarily contributed by the operator or producer during the applicable year in accordance with paragraph (6).

(2) **TRANSFERS.**—Section 1103 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7913) is amended by adding at the end the following:

“(e) **RISK MANAGEMENT ACCOUNTS.**—Of the total amount of direct payments made to producers, payments in excess of \$10,000 for a crop year shall be deposited into risk management accounts established under section 1102 of the Food and Energy Security Act of 2007.”.

(3) **OPERATOR AND PRODUCER CONTRIBUTIONS.**—During any applicable year, an operator or producer may voluntarily contribute to the risk management account of the operator or producer.

(4) **WITHDRAWALS.**—

(A) **IN GENERAL.**—An operator or producer may withdraw amounts in the risk management account of the operator or producer only—

(i) for an applicable year during which the adjusted gross revenue of the operator or producer is equal to less than 95 percent of the average adjusted gross revenue of the operator or producer, in an amount that is equal to the lesser of—

(I) the difference between—

(aa) the average adjusted gross revenue of the operator or producer; and

(bb) the adjusted gross revenue of the operator or producer; and

(II) the amount of coverage that could be purchased under an adjusted gross revenue product available to the operator or producer through the Federal crop insurance program;

(ii) for investment in a value-added agricultural operation that contributes to the agricultural economy, as determined by the Secretary, and is not farmland or equipment used to produce raw agricultural products, an amount equal to the product obtained by multiplying—

(I) the total amount in the risk management account of the operator or producer on September 30 of the preceding applicable year; and

(II) 10 percent;

(iii) as the Secretary determines to be necessary to protect the solvency of a farm of the operator or producer; or

(iv) to purchase revenue insurance or crop insurance.

(B) **TRANSFER TO IRA ACCOUNT.**—In any calendar year, an individual operator or pro-

ducer aged 65 years or older who is the holder of a risk management account in existence for at least 5 years may elect to rollover not more than 15 percent of the balance of the risk management account into an individual retirement account pursuant to section 408 of the Internal Revenue Code of 1986.

(5) **LIMITATIONS.**—

(A) **ATTRIBUTION REQUIREMENT.**—The Secretary shall ensure that each payment transferred to a risk management account under this subsection is attributed to an individual operator or producer that is a party to the applicable risk management account contract.

(B) **NO INDIVIDUAL BENEFIT.**—

(i) **IN GENERAL.**—The Secretary shall ensure that no individual operator or producer receives a direct benefit from more than 1 risk management account.

(ii) **PROPORTIONAL REDUCTION.**—The Secretary shall reduce the amount of a standard payment under this subsection in an amount equal to the proportion that—

(I) the amount of each direct or indirect benefit received by the applicable individual operator or producer under the applicable risk management account contract; bears to

(II) the amount of any direct or indirect benefit received by the individual operator or producer under any other risk management account contract under which a standard payment is transferred to a risk management account.

(6) **CONSERVATION COMPLIANCE.**—Each operator, and each holder of a beneficial interest in a farm subject to a risk management account contract, shall comply with—

(A) applicable highly erodible land conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.); and

(B) applicable wetland conservation requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.).

(7) **REGULATIONS.**—The Secretary shall promulgate such regulations as the Secretary determines to be necessary to carry out this subsection.

SEC. 1103. TREATMENT OF RISK MANAGEMENT ACCOUNT ACCOUNTS ON TRANSFER.

(a) **IN GENERAL.**—In transferring, by sale or other means, any interest in a farm subject to a risk management account, an operator or producer may elect—

(1) to transfer the risk management account to another farm in which the operator or producer—

(A) has a controlling ownership interest; or

(B) not later than 2 years after the date of the transfer, will acquire a controlling ownership interest;

(2) to transfer the risk management account to the purchaser of the interest in the farm, if the purchaser is not already a holder of a risk management account; or

(3)(A) if the operator or producer is an individual, to rollover amounts in the risk management account into an individual retirement account of the operator or producer pursuant to section 408 of the Internal Revenue Code of 1986; or

(B) if the operator or producer is not an individual, to transfer amounts in the risk management account into an account of any individual who has a substantial beneficial interest in the farm (including a substantial beneficiary of a trust that holds at least a 50 percent ownership interest in the farm).

(b) **TRANSFER OR ACQUISITION OF LAND OR PORTION OF OPERATION.**—The Secretary shall promulgate such regulations as the Secretary determines to be appropriate to require reformulation, reaffirmation, or abandonment of a risk management account contract—

(1) on transfer of all or part of a farm under this section; or

(2) on any other major change to the farm, as determined by the Secretary.

SEC. 1104. ADMINISTRATION OF RISK MANAGEMENT ACCOUNTS.

(a) **IMPLEMENTATION.**—The Secretary shall carry out this subtitle through the Farm Service Agency.

(b) **COMPLIANCE.**—The Secretary shall conduct random audits of operators and producers subject to risk management account contracts under this subtitle as the Secretary determines to be necessary to ensure compliance with the risk management account contracts.

(c) **VIOLATIONS.**—If the Secretary determines that an operator or producer is in violation of the terms of an applicable risk management account contract—

(1) the operator or producer shall refund to the Secretary an amount equal to the amount transferred by the Secretary under section 1103(e) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7913(e)) to the affected risk management account during the applicable year in which the violation occurred; and

(2) for a serious or deliberate violation, as determined by the Secretary—

(A) the risk management account contract shall be terminated; and

(B) amounts remaining in each applicable risk management account as the result of a transfer by the Secretary under section 1103(e) of that Act shall be refunded to the Secretary.

(d) **REGULATIONS.**—The Secretary shall promulgate such regulations as the Secretary determines to be necessary to carry out this subtitle.

(e) **ADJUSTED GROSS INCOME LIMITATION.**—The adjusted gross income limitation under section 1001D of the Food Security Act of 1985 (7 U.S.C. 1308-3a) shall apply to participation in the farm income stabilization assistance program under this subtitle.

(f) **COMMODITY CREDIT CORPORATION.**—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this subtitle.

Subtitle C—Sugar

SEC. 1201. SUGAR PROGRAM.

Section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272) is amended to read as follows:

“SEC. 156. SUGAR PROGRAM.

“(a) **SUGARCANE.**—The Secretary shall make loans available to processors of domestically grown sugarcane at a rate equal to—

“(1) 18.00 cents per pound for raw cane sugar for the 2008 crop year;

“(2) 18.25 cents per pound for raw cane sugar for the 2009 crop year;

“(3) 18.50 cents per pound for raw cane sugar for the 2010 crop year;

“(4) 18.75 cents per pound for raw cane sugar for the 2011 crop year; and

“(5) 19.00 cents per pound for raw cane sugar for the 2012 crop year.

“(b) **SUGAR BEETS.**—The Secretary shall make loans available to processors of domestically grown sugar beets at a rate per pound for refined beet sugar that is equal to 128.5 percent of the loan rate per pound of raw cane sugar for the applicable crop year under subsection (a).

“(c) **TERM OF LOANS.**—

“(1) **IN GENERAL.**—A loan under this section during any fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature at the earlier of—

“(A) the end of the 9-month period beginning on the first day of the first month after the month in which the loan is made; or

“(B) the end of the fiscal year in which the loan is made.

“(2) **SUPPLEMENTAL LOANS.**—In the case of a loan made under this section in the last 3

months of a fiscal year, the processor may repledge the sugar as collateral for a second loan in the subsequent fiscal year, except that the second loan shall—

“(A) be made at the loan rate in effect at the time the second loan is made; and

“(B) mature in 9 months less the quantity of time that the first loan was in effect.

“(d) LOAN TYPE; PROCESSOR ASSURANCES.—

“(1) NONRECOURSE LOANS.—The Secretary shall carry out this section through the use of nonrecourse loans.

“(2) PROCESSOR ASSURANCES.—

“(A) IN GENERAL.—The Secretary shall obtain from each processor that receives a loan under this section such assurances as the Secretary considers adequate to ensure that the processor will provide payments to producers that are proportional to the value of the loan received by the processor for the sugar beets and sugarcane delivered by producers to the processor.

“(B) MINIMUM PAYMENTS.—

“(i) IN GENERAL.—Subject to clause (ii), the Secretary may establish appropriate minimum payments for purposes of this paragraph.

“(ii) LIMITATION.—In the case of sugar beets, the minimum payment established under clause (i) shall not exceed the rate of payment provided for under the applicable contract between a sugar beet producer and a sugar beet processor.

“(3) ADMINISTRATION.—The Secretary may not impose or enforce any prenotification requirement, or similar administrative requirement not otherwise in effect on the date of enactment of the Food and Energy Security Act of 2007, that has the effect of preventing a processor from electing to forfeit the loan collateral (of an acceptable grade and quality) on the maturity of the loan.

“(e) LOANS FOR IN-PROCESS SUGAR.—

“(1) DEFINITION OF IN-PROCESS SUGARS AND SYRUPS.—In this subsection, the term ‘in-process sugars and syrups’ does not include raw sugar, liquid sugar, invert sugar, invert syrup, or other finished product that is otherwise eligible for a loan under subsection (a) or (b).

“(2) AVAILABILITY.—The Secretary shall make nonrecourse loans available to processors of a crop of domestically grown sugarcane and sugar beets for in-process sugars and syrups derived from the crop.

“(3) LOAN RATE.—The loan rate shall be equal to 80 percent of the loan rate applicable to raw cane sugar or refined beet sugar, as determined by the Secretary on the basis of the source material for the in-process sugars and syrups.

“(4) FURTHER PROCESSING ON FORFEITURE.—

“(A) IN GENERAL.—As a condition of the forfeiture of in-process sugars and syrups serving as collateral for a loan under paragraph (2), the processor shall, within such reasonable time period as the Secretary may prescribe and at no cost to the Commodity Credit Corporation, convert the in-process sugars and syrups into raw cane sugar or refined beet sugar of acceptable grade and quality for sugars eligible for loans under subsection (a) or (b).

“(B) TRANSFER TO CORPORATION.—Once the in-process sugars and syrups are fully processed into raw cane sugar or refined beet sugar, the processor shall transfer the sugar to the Commodity Credit Corporation.

“(C) PAYMENT TO PROCESSOR.—On transfer of the sugar, the Secretary shall make a payment to the processor in an amount equal to the amount obtained by multiplying—

“(i) the difference between—

“(I) the loan rate for raw cane sugar or refined beet sugar, as appropriate; and

“(II) the loan rate the processor received under paragraph (3); by

“(ii) the quantity of sugar transferred to the Secretary.

“(5) LOAN CONVERSION.—If the processor does not forfeit the collateral as described in paragraph (4), but instead further processes the in-process sugars and syrups into raw cane sugar or refined beet sugar and repays the loan on the in-process sugars and syrups, the processor may obtain a loan under subsection (a) or (b) for the raw cane sugar or refined beet sugar, as appropriate.

“(6) TERM OF LOAN.—The term of a loan made under this subsection for a quantity of in-process sugars and syrups, when combined with the term of a loan made with respect to the raw cane sugar or refined beet sugar derived from the in-process sugars and syrups, may not exceed 9 months, consistent with subsection (d).

“(f) FEEDSTOCK FLEXIBILITY PROGRAM FOR BIOENERGY PRODUCERS.—

“(1) DEFINITIONS.—In this subsection:

“(A) BIOENERGY.—The term ‘bioenergy’ means fuel grade ethanol and other biofuel.

“(B) BIOENERGY PRODUCER.—The term ‘bioenergy producer’ means a producer of bioenergy that uses an eligible commodity to produce bioenergy under this subsection.

“(C) ELIGIBLE COMMODITY.—The term ‘eligible commodity’ means a form of raw or refined sugar or in-process sugar that is eligible—

“(i) to be marketed in the United States for human consumption; or

“(ii) to be used for the extraction of sugar for human consumption.

“(D) ELIGIBLE ENTITY.—The term ‘eligible entity’ means an entity located in the United States that markets an eligible commodity in the United States.

“(2) FEEDSTOCK FLEXIBILITY PROGRAM.—

“(A) PURCHASES AND SALES.—For each of fiscal years 2008 through 2012, the Secretary shall purchase eligible commodities from eligible entities and sell such commodities to bioenergy producers for the purpose of producing bioenergy in a manner that ensures that this section is operated at no cost to the Federal Government and avoids forfeitures to the Commodity Credit Corporation.

“(B) COMPETITIVE PROCEDURES.—In carrying out the purchases and sales required under subparagraph (A), the Secretary shall, to the maximum extent practicable, use competitive procedures, including the receiving, offering, and accepting of bids, when entering into contracts with eligible entities and bioenergy producers, provided that the procedures are consistent with the purposes of subparagraph (A).

“(C) LIMITATION.—The purchase and sale of eligible commodities under subparagraph (A) shall only be made for a fiscal year for which the purchases and sales are necessary to ensure that the program under this section is operated at no cost to the Federal Government by avoiding forfeitures to the Commodity Credit Corporation.

“(3) NOTICE.—

“(A) IN GENERAL.—As soon as practicable after the date of enactment of the Food and Energy Security Act of 2007, and each September 1 thereafter through fiscal year 2012, the Secretary shall provide notice to eligible entities and bioenergy producers of the quantity of eligible commodities that shall be made available for purchase and sale for the subsequent fiscal year under this subsection.

“(B) REESTIMATES.—Not later than the first day of each of the second through fourth quarters of each of fiscal years 2008 through 2012, the Secretary shall reestimate the quantity of eligible commodities determined under subparagraph (A), and provide notice and make purchases and sales based on the reestimates.

“(4) COMMODITY CREDIT CORPORATION INVENTORY.—To the extent that an eligible com-

modity is owned and held in inventory by the Commodity Credit Corporation (accumulated pursuant to the program under this section), the Secretary shall sell the eligible commodity to bioenergy producers under this subsection.

“(5) TRANSFER RULE; STORAGE FEES.—

“(A) GENERAL TRANSFER RULE.—Except as provided in subparagraph (C), the Secretary shall ensure that bioenergy producers that purchase eligible commodities pursuant to this subsection take possession of the eligible commodities not later than 30 calendar days after the date of the purchase from the Commodity Credit Corporation.

“(B) PAYMENT OF STORAGE FEES PROHIBITED.—

“(i) IN GENERAL.—The Secretary shall, to the maximum extent practicable, carry out this subsection in a manner that ensures no storage fees are paid by the Commodity Credit Corporation in the administration of this subsection.

“(ii) EXCEPTION.—Clause (i) shall not apply with respect to any commodities owned and held in inventory by the Commodity Credit Corporation (accumulated pursuant to the program under this section).

“(C) OPTION TO PREVENT STORAGE FEES.—

“(i) IN GENERAL.—The Secretary may enter into contracts with bioenergy producers to sell eligible commodities to the bioenergy producers prior in time to entering into contracts with eligible entities to purchase the eligible commodities to be used to satisfy the contracts entered into with the bioenergy producers.

“(ii) SPECIAL TRANSFER RULE.—If the Secretary makes a sale and purchase referred to in clause (i), the Secretary shall ensure that the bioenergy producer that purchased eligible commodities takes possession of the eligible commodities not later than 30 calendar days after the date on which the Commodity Credit Corporation purchases the eligible commodities.

“(6) RELATION TO OTHER LAWS.—If sugar that is subject to a marketing allotment under part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa et seq.) is the subject of a payment under this subsection, the sugar shall be considered marketed and shall count against the allocation of a processor of an allotment under that part, as applicable.

“(7) FUNDING.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation, including the use of such sums as are necessary, to carry out this subsection.

“(g) AVOIDING FORFEITURES; CORPORATION INVENTORY DISPOSITION.—

“(1) IN GENERAL.—Subject to subsection (d)(3), to the maximum extent practicable, the Secretary shall operate the program established under this section at no cost to the Federal Government by avoiding the forfeiture of sugar to the Commodity Credit Corporation.

“(2) INVENTORY DISPOSITION.—

“(A) IN GENERAL.—To carry out paragraph (1), the Commodity Credit Corporation may accept bids to obtain raw cane sugar or refined beet sugar in the inventory of the Commodity Credit Corporation from (or otherwise make available such commodities, on appropriate terms and conditions, to) processors of sugarcane and processors of sugar beets (acting in conjunction with the producers of the sugarcane or sugar beets processed by the processors) in return for the reduction of production of raw cane sugar or refined beet sugar, as appropriate.

“(B) BIOENERGY FEEDSTOCK.—Sugar beets or sugarcane planted on acreage diverted from production to achieve any reduction required under subparagraph (A) may not be

used for any commercial purpose other than as a bioenergy feedstock.

“(C) ADDITIONAL AUTHORITY.—The authority provided under this paragraph is in addition to any authority of the Commodity Credit Corporation under any other law.

“(h) INFORMATION REPORTING.—

“(1) DUTY OF PROCESSORS AND REFINERS TO REPORT.—A sugarcane processor, cane sugar refiner, and sugar beet processor shall furnish the Secretary, on a monthly basis, such information as the Secretary may require to administer sugar programs, including the quantity of purchases of sugarcane, sugar beets, and sugar, and production, importation, distribution, and stock levels of sugar.

“(2) DUTY OF PRODUCERS TO REPORT.—

“(A) PROPORTIONATE SHARE STATES.—As a condition of a loan made to a processor for the benefit of a producer, the Secretary shall require each producer of sugarcane located in a State (other than the Commonwealth of Puerto Rico) in which there are in excess of 250 producers of sugarcane to report, in the manner prescribed by the Secretary, the sugarcane yields and acres planted to sugarcane of the producer.

“(B) OTHER STATES.—The Secretary may require each producer of sugarcane or sugar beets not covered by subparagraph (A) to report, in a manner prescribed by the Secretary, the yields of, and acres planted to, sugarcane or sugar beets, respectively, of the producer.

“(3) DUTY OF IMPORTERS TO REPORT.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall require an importer of sugars, syrups, or molasses to be used for human consumption or to be used for the extraction of sugar for human consumption to report, in the manner prescribed by the Secretary, the quantities of the products imported by the importer and the sugar content or equivalent of the products.

“(B) TARIFF-RATE QUOTAS.—Subparagraph (A) shall not apply to sugars, syrups, or molasses that are within the quantities of tariff-rate quotas that are subject to the lower rate of duties.

“(4) INFORMATION ON MEXICO.—

“(A) COLLECTION.—The Secretary shall collect—

“(i) information of the production, consumption, stocks, and trade of sugar in Mexico, including United States exports of sugar to Mexico; and

“(ii) publicly-available information on Mexican production, consumption, and trade of high fructose corn syrups to Mexico.

“(B) PUBLICATION.—The date collected under subparagraph (A) shall be published in each edition of the World Agricultural Supply and Demand Estimates.

“(5) PENALTY.—Any person willfully failing or refusing to furnish the information required under paragraph (1), (2), or (3), or furnishing willfully any false information, shall be subject to a civil penalty of not more than \$10,000 for each such violation.

“(6) MONTHLY REPORTS.—Taking into consideration the information received under this subsection, the Secretary shall publish on a monthly basis composite data on production, imports, distribution, and stock levels of sugar.

“(i) SUBSTITUTION OF REFINED SUGAR.—For purposes of Additional U.S. Note 6 to chapter 17 of the Harmonized Tariff Schedule of the United States and the reexport programs and polyhydric alcohol program administered by the Secretary, all refined sugars (whether derived from sugar beets or sugarcane) produced by cane sugar refineries and beet sugar processors shall be fully substitutable for the export of sugar and sugar-containing products under those programs.

“(j) EFFECTIVE PERIOD.—

“(1) IN GENERAL.—This section shall be effective only for the 2008 through 2012 crops of sugar beets and sugarcane.

“(2) TRANSITION.—The Secretary shall make loans for raw cane sugar and refined beet sugar available for the 2007 crop year on the terms and conditions provided in this section as in effect on the day before the date of enactment of the Food and Energy Security Act of 2007.”.

SEC. 1202. STORAGE FACILITY LOANS.

Section 1402(c) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7971(c)) is amended—

(1) in paragraph (1), by striking “and” at the end;

(2) by redesignating paragraph (2) as paragraph (3);

(3) by inserting after paragraph (1) the following:

“(2) not include any penalty for prepayment”; and

(4) in paragraph (3) (as redesignated by paragraph (2)), by inserting “other” after “on such”.

SEC. 1203. COMMODITY CREDIT CORPORATION STORAGE PAYMENTS.

Subtitle E of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7281 et seq.) is amended by adding at the end the following:

“SEC. 167. COMMODITY CREDIT CORPORATION STORAGE PAYMENTS.

“(a) INITIAL CROP YEARS.—Notwithstanding any other provision of law, for each of the 2008 through 2011 crop years, the Commodity Credit Corporation shall establish rates for the storage of forfeited sugar in an amount that is not less than—

“(1) in the case of refined sugar, 15 cents per hundredweight of refined sugar per month; and

“(2) in the case of raw cane sugar, 10 cents per hundredweight of raw cane sugar per month.

“(b) SUBSEQUENT CROP YEARS.—For each of the 2012 and subsequent crop years, the Commodity Credit Corporation shall establish rates for the storage of forfeited sugar in the same manner as was used on the day before the date of enactment of this section.”.

SEC. 1204. FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR.

(a) DEFINITIONS.—Section 359a of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa) is amended—

(1) by redesignating paragraphs (2) through (4) as paragraphs (3) through (5), respectively; and

(2) by inserting after paragraph (1) the following:

“(2) MARKET.—

“(A) IN GENERAL.—The term ‘market’ means to sell or otherwise dispose of in commerce in the United States.

“(B) INCLUSIONS.—The term ‘market’ includes—

“(i) the forfeiture of sugar 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); and

“(ii) with respect to any integrated processor and refiner, the movement of raw cane sugar into the refining process.

“(C) MARKETING YEAR.—Forfeited sugar described in subparagraph (B)(i) shall be considered to have been marketed during the crop year for which a loan is made under the loan program described in that subparagraph.”.

(b) FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR.—Section 359b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359bb) is amended to read as follows:

“SEC. 359. FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR.

“(a) IN GENERAL.—

“(1) IN GENERAL.—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, sugar beets, or in-process sugar (whether produced domestically or imported) at a level that is—

“(A) sufficient to maintain raw and refined sugar prices at a level that will result in 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 consumption for domestic food use for the crop year.

“(2) PRODUCTS.—The Secretary may include sugar products, the majority content of which is sucrose for human consumption, derived from sugarcane, sugar beets, molasses, or sugar in the allotments under paragraph (1) if the Secretary determines it to be appropriate for purposes of this part.

“(b) COVERAGE OF ALLOTMENTS.—

“(1) IN GENERAL.—Marketing allotments under this part shall apply to the marketing by processors of sugar intended for domestic human food use that has been processed from sugar cane, sugar beets, or in-process sugar, whether produced domestically or imported.

“(2) EXCEPTIONS.—Marketing allotments under this part shall not apply to sugar sold—

“(A) to facilitate the exportation of the sugar to a foreign country;

“(B) to enable another processor to fulfill an allocation established for that processor; or

“(C) for uses other than domestic human food use.

“(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.

“(c) 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 food use 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 the level that will result in no forfeiture of sugar to the Commodity Credit Corporation; but

“(B) not less than a quantity equal to 85 percent of the estimated sugar consumption for domestic food use 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.”; and

(2) 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)—

(A) in subparagraph (B), by striking “subparagraphs (C) and (D)” and inserting “subparagraph (C)”;

(B) by striking subparagraph (C);

(C) by redesignating subparagraphs (D) through (F) as subparagraphs (C) through (E), respectively;

(D) in subparagraph (D) (as so redesignated)—

(i) in clause (i), by striking “subparagraphs (B) and (D)” and inserting “subparagraphs (B) and (C)”;

(ii) in clause (iii)(II), by striking “subparagraph (B) or (D)” as “subparagraph (B) or (C)”;

(E) in subparagraph (E) (as so redesignated), by striking “Except as otherwise provided in section 359f(c)(8), if” and inserting “If”; and

(2) in paragraph (2), by striking subparagraphs (H) and (I) and inserting the following:

“(H) NEW ENTRANTS STARTING PRODUCTION OR REOPENING FACTORIES.—

“(i) DEFINITION OF NEW ENTRANT.—

“(I) IN GENERAL.—In this subparagraph, the term ‘new entrant’ means an individual, corporation, or other entity that—

“(aa) does not have an allocation of the beet sugar allotment under this part;

“(bb) is not affiliated with any other individual, corporation, or entity that has an allocation of beet sugar under this part (referred to in this clause as a ‘third party’); and

“(cc) will process sugar beets produced by sugar beet growers under contract with the new entrant for the production of sugar at the new or re-opened factory that is the basis for the new entrant allocation.

“(II) AFFILIATION.—For purposes of subsection (I)(bb), a new entrant and a third party shall be considered to be affiliated if—

“(aa) the third party has an ownership interest in the new entrant;

“(bb) the new entrant and the third party have owners in common;

“(cc) the third party has the ability to exercise control over the new entrant by organizational rights, contractual rights, or any other means;

“(dd) the third party has a contractual relationship with the new entrant by which the new entrant will make use of the facilities or assets of the third party; or

“(ee) there are any other similar circumstances by which the Secretary determines that the new entrant and the third party are affiliated.

“(ii) ALLOCATION FOR A NEW ENTRANT THAT HAS CONSTRUCTED A NEW FACTORY OR REOPENED A FACTORY THAT WAS NOT OPERATED SINCE BEFORE 1998.—If a new entrant constructs a new sugar beet processing factory, or acquires and reopens a sugar beet processing factory that last processed sugar beets prior to the 1998 crop year and there is no allocation currently associated with the factory, the Secretary shall—

“(I) assign an allocation for beet sugar to the new entrant that provides a fair and equitable distribution of the allocations for beet sugar so as to enable the new entrant to achieve a factory utilization rate comparable to the factory utilization rates of other similarly-situated processors; and

“(II) reduce the allocations for beet sugar of all other processors on a pro rata basis to reflect the allocation to the new entrant.

“(iii) ALLOCATION FOR A NEW ENTRANT THAT HAS ACQUIRED AN EXISTING FACTORY WITH A PRODUCTION HISTORY.—

“(I) IN GENERAL.—If a new entrant acquires an existing factory that has processed sugar beets from the 1998 or subsequent crop year and has a production history, on the mutual agreement of the new entrant and the company currently holding the allocation associated with the factory, the Secretary shall transfer to the new entrant a portion of the allocation of the current allocation holder to reflect the historical contribution of the production of the acquired factory to the total allocation of the current allocation holder.

“(II) PROHIBITION.—In the absence of a mutual agreement described in subclause (I), the new entrant shall be ineligible for a beet sugar allocation.

“(iv) APPEALS.—Any decision made under this subsection may be appealed to the Secretary in accordance with section 359i.”

(e) REASSIGNMENT OF DEFICITS.—Section 359e(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ee(b)) is amended in paragraphs (1)(D) and (2)(C), by inserting “of raw cane sugar” after “imports” each place it appears.

(f) PROVISIONS APPLICABLE TO PRODUCERS.—Section 359f(c) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ff(c)) is amended—

(1) by striking paragraph (8);

(2) by redesignating paragraphs (1) through (7) as paragraphs (2) through (8), respectively;

(3) by inserting before paragraph (2) (as so redesignated) the following:

“(1) DEFINITION OF SEED.—

“(A) IN GENERAL.—In this subsection, the term ‘seed’ means only those varieties of seed that are dedicated to the production of sugarcane from which is produced sugar for human consumption.

“(B) EXCLUSION.—The term ‘seed’ does not include seed of a high-fiber cane variety dedicated to other uses, as determined by the Secretary”;

(4) in paragraph (3) (as so redesignated)—

(A) in the first sentence—

(i) by striking “paragraph (1)” and inserting “paragraph (2)”;

(ii) by inserting “sugar produced from” after “quantity of”; and

(B) in the second sentence, by striking “paragraph (7)” and inserting “paragraph (8)”;

(5) in paragraph (8) (as so redesignated), by inserting “sugar from” after “the amount of”.

(g) SPECIAL RULES.—Section 359g of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359gg) is amended—

(1) by striking subsection (a) and inserting the following:

“(a) TRANSFER OF ACREAGE BASE HISTORY.—

“(1) IN GENERAL.—For the purpose of establishing proportionate shares for sugarcane farms under section 359f(c), the Secretary, on application of any producer, with the written consent of all owners of a farm, may transfer the acreage base history of the farm to any other parcels of land of the applicant.

“(2) CONVERTED ACREAGE BASE.—

“(A) IN GENERAL.—Sugarcane base acreage established under section 359f(c) that has been or is converted to nonagricultural use on or after the date of the enactment of this paragraph may be transferred to other land suitable for the production of sugarcane that can be delivered to a processor in a proportionate share in accordance with this paragraph.

“(B) NOTIFICATION.—Not later than 90 days after the date of the enactment of this paragraph and at the subsequent conversion of any sugarcane base acreage to a non-agricultural use, the Administrator of the Farm Service Agency shall notify the 1 or more affected landowners of the transferability of the applicable sugarcane base acreage.

“(C) INITIAL TRANSFER PERIOD.—Not later than the end of the 90-day period beginning on the date of receipt of the notification under subparagraph (B), the owner of the base attributable to the acreage at the time of the conversion shall transfer the base to 1 or more farms owned by the owner.

“(D) GROWER OF RECORD.—If a transfer under subparagraph (C) cannot be accomplished during the period specified in that subparagraph, the grower of record with regard to the base acreage on the date on which the acreage was converted to non-agricultural use shall—

“(i) be notified; and

“(ii) have 90 days from the date of the receipt of the notification to transfer the base to 1 or more farms operated by the grower.

“(E) POOL DISTRIBUTION.—

“(i) IN GENERAL.—If transfers under subparagraphs (B) and (C) cannot be accomplished during the periods specified in those subparagraphs, the county committee of the Farm Service Agency for the applicable county shall place the acreage base in a pool for possible assignment to other farms.

“(ii) ACCEPTANCE OF REQUESTS.—After providing reasonable notice to farm owners, operators, and growers of record in the county, the county committee shall accept requests from owners, operators, and growers of record in the county.

“(iii) ASSIGNMENT.—The county committee shall assign the base acreage to other farms in the county that are eligible and capable of accepting the base acreage, based on a random selection from among the requests received under clause (ii).

“(F) STATEWIDE REALLOCATION.—

“(i) IN GENERAL.—Any base acreage remaining unassigned after the transfers and processes described in subparagraphs (A) through (E) shall be made available to the State committee of the Farm Service Agency for allocation among the remaining county committees representing counties with farms eligible for assignment of the base, based on a random selection.

“(ii) ALLOCATION.—Any county committee receiving base acreage under this subparagraph shall allocate the base acreage to eligible farms using the process described in subparagraph (E).

“(G) STATUS OF REASSIGNED BASE.—After base acreage has been reassigned in accordance with this subparagraph, the base acreage shall—

“(i) remain on the farm; and

“(ii) be subject to the transfer provisions of paragraph (1).”; and

(2) in subsection (d)—

(A) in paragraph (1)—

(i) by inserting “affected” before “crop-share owners” each place it appears; and

(ii) by striking “, and from the processing company holding the applicable allocation for such shares,”; and

(B) in paragraph (2), by striking “based on” and all that follows through the end of subparagraph (B) and inserting “based on—

“(A) the number of acres of sugarcane base being transferred; and

“(B) the pro rata amount of allocation at the processing company holding the applicable allocation that equals the contribution of the grower to allocation of the processing company for the sugarcane base acreage being transferred.”.

(h) APPEALS.—Section 359i of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ii) is amended—

(1) in subsection (a), by inserting “or 359g(d)” after “359f”; and

(2) by striking subsection (c).

(i) REALLOCATING SUGAR QUOTA IMPORT SHORTFALLS.—Section 359k of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359kk) is repealed.

(j) ADMINISTRATION OF TARIFF RATE QUOTAS.—Part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa) (as amended by subsection (i)) is amended by adding at the end the following:

“SEC. 359k. ADMINISTRATION OF TARIFF RATE QUOTAS.

“(a) IN GENERAL.—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 (other than specialty sugar) at the minimum necessary to comply with obligations under international trade agreements that have been approved by Congress.

“(b) ADJUSTMENT.—

“(1) BEFORE APRIL 1.—Before April 1 of each fiscal year, if there is an emergency shortage of sugar in the United States market that is caused by a war, flood, hurricane, or other natural disaster, or other similar event as determined by the Secretary—

“(A) the Secretary shall take action to increase the supply of sugar in accordance with sections 359c(b)(2) and 359e(b); and

“(B) if there is still a shortage of sugar in the United States market, and marketing of domestic sugar has been maximized, the Secretary may increase the tariff-rate quota for refined sugars sufficient to accommodate the supply increase, if the further increase will not threaten to result in the forfeiture of sugar pledged as collateral for a loan under section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272).

“(2) ON OR AFTER APRIL 1.—On or after April 1 of each fiscal year—

“(A) the Secretary may take action to increase the supply of sugar in accordance with sections 359c(b)(2) and 359e(b); and

“(B) if there is still a shortage of sugar in the United States market, and marketing of domestic sugar has been maximized, the Secretary may increase the tariff-rate quota for raw cane sugar if the further increase will not threaten to result in the forfeiture of sugar pledged as collateral for a loan under section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272).”.

(k) PERIOD OF EFFECTIVENESS.—Part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa) (as amended by subsection (j)) is amended by adding at the end the following:

“SEC. 359l. PERIOD OF EFFECTIVENESS.

“(a) IN GENERAL.—This part shall be effective only for the 2008 through 2012 crop years for sugar.

“(b) TRANSITION.—The Secretary shall administer flexible marketing allotments for sugar for the 2007 crop year for sugar on the terms and conditions provided in this part as in effect on the day before the date of enactment of this section.”.

(l) UNITED STATES MEMBERSHIP IN THE INTERNATIONAL SUGAR ORGANIZATION.—Not later than 1 year after the date of enactment of this Act, the Secretary shall work with the Secretary of State to restore, to the maximum extent practicable, United States membership in the International Sugar Organization.

SEC. 1205. SENSE OF THE SENATE REGARDING NAFTA SUGAR COORDINATION.

It is the sense of the Senate that in order to improve the operations of the North American Free Trade Agreement—

(1) the United States Government and the Government of Mexico should coordinate the operation of their respective sugar policies; and

(2) the United States Government should consult with the Government of Mexico on policies to avoid disruptions of the United States sugar market and the Mexican sugar market in order to maximize the benefits of sugar policies for growers, processors, and consumers of sugar in the United States and Mexico.

Subtitle D—Dairy

SEC. 1301. DAIRY PRODUCT PRICE SUPPORT PROGRAM.

(a) SUPPORT ACTIVITIES.—During the period beginning on January 1, 2008, and ending on December 31, 2012, the Secretary shall support the price of cheddar cheese, butter, and nonfat dry milk through the purchase of such products made from milk produced in the United States.

(b) PURCHASE PRICE.—To carry out subsection (a), the Secretary shall purchase cheddar cheese, butter, and nonfat dry milk at prices that are equivalent to—

(1) in the case of cheddar cheese—

(A) in blocks, not less than \$1.13 per pound;

(B) in barrels, not less than \$1.10 per pound;

(2) in the case of butter, not less than \$1.05 per pound; and

(3) in the case of nonfat dry milk, not less than \$0.80 per pound.

(c) UNIFORM PURCHASE PRICE.—The prices that the Secretary pays for cheese, butter, or nonfat dry milk under this section shall be uniform for all regions of the United States.

(d) SALES FROM INVENTORIES.—

(1) IN GENERAL.—Except as provided in paragraph (2), in the case of each commodity specified in subsection (b) that is available for unrestricted use in inventories of the Commodity Credit Corporation, the Secretary may sell the commodity at the market prices prevailing for that commodity at the time of sale.

(2) MINIMUM AMOUNT.—The sale price described in paragraph (1) may not be less than 110 percent of the minimum purchase price specified in subsection (b) for that commodity.

SEC. 1302. NATIONAL DAIRY MARKET LOSS PAYMENTS.

(a) DEFINITIONS.—In this section:

(1) CLASS I MILK.—The term “Class I milk” means milk (including milk components) classified as Class I milk under a Federal milk marketing order.

(2) ELIGIBLE PRODUCTION.—The term “eligible production” means milk produced by a producer in a participating State.

(3) FEDERAL MILK MARKETING ORDER.—The term “Federal milk marketing order” means an order issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.

(4) PARTICIPATING STATE.—The term “participating State” means each State.

(5) PRODUCER.—The term “producer” means an individual or entity that directly or indirectly (as determined by the Secretary)—

(A) shares in the risk of producing milk; and

(B) makes contributions (including land, labor, management, equipment, or capital) to the dairy farming operation of the individual or entity that are at least commensurate with the share of the individual or entity of the proceeds of the operation.

(b) PAYMENTS.—The Secretary shall offer to enter into contracts with producers on a

dairy farm located in a participating State under which the producers receive payments on eligible production.

(c) AMOUNT.—Payments to a producer under this section shall be calculated by multiplying (as determined by the Secretary)—

(1) the payment quantity for the producer during the applicable month established under subsection (d);

(2) the amount equal to—

(A) \$16.94 per hundredweight; less

(B) the Class I milk price per hundredweight in Boston under the applicable Federal milk marketing order; by

(3)(A) for the period beginning October 1, 2007, and ending September 30, 2008, 34 percent;

(B) for the period beginning October 1, 2008, and ending August 31, 2012, 45 percent; and

(C) for the period beginning September 1, 2012, and thereafter, 34 percent.

(d) PAYMENT QUANTITY.—

(1) IN GENERAL.—Subject to paragraph (2), the payment quantity for a producer during the applicable month under this section shall be equal to the quantity of eligible production marketed by the producer during the month.

(2) LIMITATION.—

(A) IN GENERAL.—The payment quantity for all producers on a single dairy operation for which the producers receive payments under subsection (b) shall not exceed—

(i) for the period beginning October 1, 2007, and ending September 30, 2008, 2,400,000 pounds;

(ii) for the period beginning October 1, 2008, and ending August 31, 2012, 4,150,000 pounds; and

(iii) effective beginning September 1, 2012, 2,400,000 pounds.

(B) STANDARDS.—For purposes of determining whether producers are producers on separate dairy operations or a single dairy operation, the Secretary shall apply the same standards as were applied in implementing the dairy program under section 805 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106-387; 114 Stat. 1549A-50).

(3) RECONSTITUTION.—The Secretary shall ensure that a producer does not reconstitute a dairy operation for the sole purpose of receiving additional payments under this section.

(e) PAYMENTS.—A payment under a contract under this section shall be made on a monthly basis not later than 60 days after the last day of the month for which the payment is made.

(f) SIGNUP.—The Secretary shall offer to enter into contracts under this section during the period beginning on the date that is 90 days after the date of enactment of this Act and ending on September 30, 2012.

(g) DURATION OF CONTRACT.—

(1) IN GENERAL.—Except as provided in paragraph (2), any contract entered into by producers on a dairy farm under this section shall cover eligible production marketed by the producers on the dairy farm during the period starting with the first day of month the producers on the dairy farm enter into the contract and ending on September 30, 2012.

(2) VIOLATIONS.—If a producer violates the contract, the Secretary may—

(A) terminate the contract and allow the producer to retain any payments received under the contract; or

(B) allow the contract to remain in effect and require the producer to repay a portion of the payments received under the contract based on the severity of the violation.

SEC. 1303. DAIRY EXPORT INCENTIVE AND DAIRY INDEMNITY PROGRAMS.

(a) DAIRY EXPORT INCENTIVE PROGRAM.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a-14(a)) is amended by striking “2007” and inserting “2012”.

(b) DAIRY INDEMNITY PROGRAM.—Section 3 of Public Law 90-484 (7 U.S.C. 450f) is amended by striking “2007” and inserting “2012”.

SEC. 1304. FUNDING OF DAIRY PROMOTION AND RESEARCH PROGRAM.

Section 113(e)(2) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(e)(2)) is amended by striking “2007” and inserting “2012”.

SEC. 1305. REVISION OF FEDERAL MARKETING ORDER AMENDMENT PROCEDURES.

Section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by striking subsection (17) and inserting the following:

“(17) PROVISIONS APPLICABLE TO AMENDMENTS.—

“(A) APPLICABILITY TO AMENDMENTS.—The provisions of this section and section 8d applicable to orders shall be applicable to amendments to orders.

“(B) SUPPLEMENTAL RULES OF PRACTICE.—

“(i) IN GENERAL.—Not later than 60 days after the date of enactment of this subparagraph, the Secretary shall issue, using informal rulemaking, supplemental rules of practice to define guidelines and timeframes for the rulemaking process relating to amendments to orders.

“(ii) ISSUES.—At a minimum, the supplemental rules of practice shall establish—

“(I) proposal submission requirements;

“(II) pre-hearing information session specifications;

“(III) written testimony and data request requirements;

“(IV) public participation timeframes; and

“(V) electronic document submission standards.

“(iii) EFFECTIVE DATE.—The supplemental rules of practice shall take effect not later than 120 days after the date of enactment of this subparagraph, as determined by the Secretary.

“(C) HEARING TIMEFRAMES.—

“(i) IN GENERAL.—Not more than 30 days after the receipt of a proposal for an amendment hearing regarding a milk marketing order, the Secretary shall—

“(I) issue a notice providing an action plan and expected timeframes for completion of the hearing not more than 180 days after the date of the issuance of the notice;

“(II)(aa) issue a request for additional information to be used by the Secretary in making a determination regarding the proposal; and

“(bb) if the additional information is not provided to the Secretary within the timeframe requested by the Secretary, issue a denial of the request; or

“(III) issue a denial of the request.

“(ii) NOTICE.—A notice issued under clause (i)(I) shall be individualized for each proceeding and take into consideration—

“(I) the number of orders affected;

“(II) the complexity of issues involved; and

“(III) the extent of the analyses required by applicable Executive orders (including Executive orders relating to civil rights, regulatory flexibility, and economic impact).

“(iii) RECOMMENDED DECISIONS.—A recommended decision on a proposed amendment to an order shall be issued not later than 90 days after the deadline established after the hearing for the submission of post-hearing briefs, unless otherwise provided in the initial notice issued under clause (i)(I).

“(iv) FINAL DECISIONS.—A final decision on a proposed amendment to an order shall be issued not later than 60 days after the dead-

line for submission of comments and exceptions to the recommended decision issued under clause (ii), unless otherwise provided in the initial notice issued under clause (i)(I).

“(D) INDUSTRY ASSESSMENTS.—If the Secretary determines it is necessary to improve or expedite rulemaking under this subsection, the Secretary may impose an assessment on the affected industry to supplement appropriated funds for the procurement of service providers, such as court reporters.

“(E) USE OF INFORMAL RULEMAKING.—The Secretary may use rulemaking under section 553 of title 5, United States Code, to amend orders, other than provisions of orders that directly affecting milk prices.

“(F) MONTHLY FEED AND FUEL COSTS FOR MAKE ALLOWANCES.—As part of any hearing to adjust make allowances under marketing orders, the Secretary shall—

“(i) determine the average monthly prices of feed and fuel incurred by dairy producers in the relevant marketing area;

“(ii) consider the most recent monthly feed and fuel price data available; and

“(iii) consider those prices in determining whether or not to adjust make allowances.”.

SEC. 1306. DAIRY FORWARD PRICING PROGRAM.

(a) IN GENERAL.—Section 23 of the Agricultural Adjustment Act (7 U.S.C. 627), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) in the section heading, by striking “PILOT”;

(2) by striking subsection (a) and inserting the following:

“(a) PROGRAM REQUIRED.—The Secretary of Agriculture shall establish a program under which milk producers and cooperative associations of producers are authorized to voluntarily enter into forward price contracts with milk handlers.”;

(3) in subsection (c)—

(A) in the subsection heading, by striking “PILOT”; and

(B) in paragraph (1), by striking “pilot”;

(4) by striking subsections (d) and (e); and

(5) by adding at the end the following:

“(d) VOLUNTARY PROGRAM.—

“(1) IN GENERAL.—A milk handler may not require participation in a forward price contract as a condition of the handler receiving milk from a producer or cooperative association of producers.

“(2) EFFECT OF NONPARTICIPATION.—A producer or cooperative association that does not enter into a forward price contract may continue to have milk priced under the minimum payment provisions of the applicable milk marketing order.

“(3) COMPLAINTS.—The Secretary shall—

“(A) investigate complaints made by producers or cooperative associations of coercion by handlers to enter into forward price contracts; and

“(B) if the Secretary finds evidence of coercion, take appropriate action.

“(e) DURATION.—No forward price contract under this section may—

“(1) be entered into after September 30, 2012; or

“(2) may extend beyond September 30, 2015.”.

(b) CONFORMING AMENDMENTS.—Section 23 of the Agricultural Adjustment Act (7 U.S.C. 627), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by striking “cooperatives” each place it appears in subsections (b) and (c)(2) and inserting “cooperative associations of producers”.

SEC. 1307. REPORT ON DEPARTMENT OF AGRICULTURE REPORTING PROCEDURES FOR NONFAT DRY MILK.

Not later than 90 days after the date of the 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 report regarding Department of Agriculture reporting procedures for nonfat dry milk and the impact of the procedures on Federal milk marketing order minimum prices during the period beginning on July 1, 2006, and ending on the date of the enactment of this Act.

SEC. 1308. FEDERAL MILK MARKETING ORDER REVIEW COMMISSION.

(a) DEFINITION OF ASCARR INSTITUTION.—In this section:

(1) IN GENERAL.—The term “ASCARR Institution” means a public college or university offering a baccalaureate or higher degree in the study of agriculture.

(2) EXCLUSIONS.—The term “ASCARR Institution” does not include an institution eligible to receive funds under—

(A) the Act of July 2, 1862 (commonly known as the “First Morrill Act”) (7 U.S.C. 301 et seq.);

(B) the Act of August 30, 1890 (commonly known as the “Second Morrill Act”) (7 U.S.C. 321 et seq.); or

(C) the Equity in Educational Land-Grant Status Act of 1994 (Public Law 103-382; 7 U.S.C. 301 note).

(b) ESTABLISHMENT.—Subject to the availability of funds appropriated to carry out this section, the Secretary shall establish a commission to be known as the “Federal Milk Marketing Order Review Commission” (referred to in this section as the “Commission”), which shall conduct a comprehensive review and evaluation of—

(1) the Federal milk marketing order system in effect on the date of enactment of this Act; and

(2) non-Federal milk marketing order systems.

(c) ELEMENTS OF REVIEW AND EVALUATION.—As part of the review and evaluation under subsection (b), the Commission shall consider legislative and regulatory options for—

(1) ensuring that the competitiveness of dairy products with other competing products in the marketplace is preserved and enhanced;

(2) enhancing the competitiveness of United States dairy producers in world markets;

(3) increasing the responsiveness of the Federal milk marketing order system to market forces;

(4) streamlining and expediting the process by which amendments to Federal milk marketing orders are adopted;

(5) simplifying the Federal milk marketing order system;

(6) 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;

(7) evaluating whether Federal milk marketing orders are operating in a manner to minimize costs to taxpayers and consumers;

(8) evaluating the nutritional composition of milk, including the potential benefits and costs of adjusting the milk content standards;

(9) 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 butyrfat, protein, and other solids; and

(10) 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.

(d) MEMBERSHIP.—

(1) COMPOSITION.—The Commission shall consist of 18 members.

(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 the Committee on Agriculture of the House of Representatives;

(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 the Committee on Agriculture, Nutrition and Forestry of the Senate; and

(C) 14 members of the Commission shall be appointed by the Secretary.

(3) SPECIAL APPOINTMENT REQUIREMENTS.—In the case of members of the Commission appointed under paragraph (2)(C), the Secretary shall ensure that—

(A) at least 1 member represents a national consumer organization;

(B) at least 4 members represent land-grant colleges or universities (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)) or ASCARR institutions with accredited dairy economic programs, with at least 2 of those members being experts in the field of economics;

(C) at least 1 member represents the food and beverage retail sector; and

(D) 4 dairy producers and 4 dairy processors are appointed in a manner that will—

(i) balance geographical distribution of milk production and dairy processing;

(ii) reflect all segments of dairy processing; and

(iii) represent all regions of the United States equitably, including States that operate outside of a Federal milk marketing order.

(4) CHAIR.—The Commission shall elect 1 of the members of the Commission to serve as chairperson for the duration of the proceedings of the Commission.

(5) VACANCY.—Any vacancy occurring before the termination of the Commission shall be filled in the same manner as the original appointment.

(6) COMPENSATION.—A member of the Commission shall serve without compensation, but shall be reimbursed by the Secretary from existing budget authority for necessary and reasonable expenses incurred in the performance of the duties of the Commission.

(e) REPORT.—

(1) IN GENERAL.—Not later than 2 years after the date of the first meeting of the Commission, the Commission shall submit to Congress and the Secretary a report describing the results of the review and evaluation conducted under this section, including such recommendations regarding the legislative and regulatory options considered under subsection (c) as the Commission considers to be appropriate.

(2) SUPPORT.—The report findings shall reflect, to the maximum extent practicable, a consensus opinion of the Commission members, but the report may include majority and minority findings regarding those matters for which consensus was not reached.

(f) ADVISORY NATURE.—The Commission is wholly advisory in nature and the recommendations of the Commission are non-binding.

(g) NO EFFECT ON EXISTING PROGRAMS.—The Secretary shall not allow the existence of the Commission to impede, delay, or otherwise affect any decisionmaking process of the Department of Agriculture, including any rulemaking procedures planned, proposed, or near completion.

(h) ADMINISTRATIVE ASSISTANCE.—The Secretary shall provide such administrative support to the Commission, and expend such funds as necessary from budget authority available to the Secretary, as is necessary to carry out this section.

(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

(j) TERMINATION OF EFFECTIVENESS.—The authority provided by this section terminates effective on the date of the submission of the report under subsection (e).

SEC. 1309. MANDATORY REPORTING OF DAIRY COMMODITIES.

Section 273 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1637b) is amended—

(1) by striking subsections (a) and (b) and inserting the following:

“(a) DAILY REPORTING.—

“(1) IN GENERAL.—Not later than 180 days after the date of enactment of the Food and Energy Security Act of 2007, the Secretary shall require corporate officers or officially-designated representatives of each dairy processor to report to the Secretary on each daily reporting day designated by the Secretary, not later than 10:00 a.m. Central Time, for each sales transaction involving a dairy commodity, information concerning—

“(A) the sales price;

“(B) the quantity sold;

“(C) the location of the sales transaction; and

“(D) product characteristics, including—

“(i) moisture level;

“(ii) packaging size;

“(iii) grade;

“(iv) if appropriate, fat, protein, or other component level;

“(v) heat level for dried products; and

“(vi) other defining product characteristics used in transactions.

“(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 location and product characteristics.

“(3) FEDERAL ORDER PRICES.—If the Secretary uses dairy product prices to establish minimum prices in accordance with section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, the Secretary shall use daily prices published under paragraph (2) to determine such prices.

“(4) EXEMPTION FOR SMALL PROCESSORS.—A processor that processes 1,000,000 pounds of milk or less per year shall be exempt from daily reporting requirements under this subsection.”; and

(2) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

Subtitle E—Administration

SEC. 1401. ADMINISTRATION GENERALLY.

(a) USE OF COMMODITY CREDIT CORPORATION.—Except as otherwise provided in subtitles A through D and this subtitle, the Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out subtitles A through D and this subtitle.

(b) DETERMINATIONS BY SECRETARY.—A determination made by the Secretary under this title shall be final and conclusive.

(c) REGULATIONS.—

(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary and the Commodity Credit Corporation, as appropriate, shall promulgate such regulations as are necessary to implement this title and the amendments made by this title.

(2) PROCEDURE.—The promulgation of the regulations and administration of this title

and the amendments made by this title shall be made without regard to—

(A) chapter 35 of title 44, United States Code (commonly known as the “Paperwork Reduction Act”);

(B) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and

(C) the notice and comment provisions of section 553 of title 5, United States Code.

(3) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out this subsection, the Secretary shall use the authority provided under section 808 of title 5, United States Code.

(d) ADJUSTMENT AUTHORITY RELATED TO TRADE AGREEMENTS COMPLIANCE.—

(1) REQUIRED DETERMINATION; ADJUSTMENT.—If the Secretary determines that expenditures under subtitles A through D and this subtitle that are subject to the total allowable domestic support levels under the Uruguay Round Agreements (as defined in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501)) will exceed such allowable levels for any applicable reporting period, the Secretary shall, to the maximum extent practicable, make adjustments in the amount of such expenditures during that period to ensure that such expenditures do not exceed such allowable levels.

(2) CONGRESSIONAL NOTIFICATION.—Before making any adjustment under paragraph (1), the Secretary shall submit to the Committee on Agriculture of the House of Representatives or the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the determination made under that paragraph and the extent of the adjustment to be made.

(e) TREATMENT OF ADVANCE PAYMENT OPTION.—Section 1601(d) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7991(d)) is amended—

(1) in paragraph (1), by striking “and” at the end;

(2) in paragraph (2), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:

“(3) the advance payment of direct payments and counter-cyclical payments under title I of the Food and Energy Security Act of 2007.”.

SEC. 1402. SUSPENSION OF PERMANENT PRICE SUPPORT AUTHORITY.

(a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 2008 through 2012 crops of covered commodities and sugar and shall not be applicable to milk during the period beginning on the date of enactment of this Act through December 31, 2012:

(1) Parts II through V of subtitle B of title III (7 U.S.C. 1326 et seq.).

(2) In the case of upland cotton, section 377 (7 U.S.C. 1377).

(3) Subtitle D of title III (7 U.S.C. 1379a et seq.).

(4) Title IV (7 U.S.C. 1401 et seq.).

(b) AGRICULTURAL ACT OF 1949.—The following provisions of the Agricultural Act of 1949 shall not be applicable to the 2008 through 2012 crops of covered commodities and sugar and shall not be applicable to milk during the period beginning on the date of enactment of this Act and through December 31, 2012:

(1) Section 101 (7 U.S.C. 1441).

(2) Section 103(a) (7 U.S.C. 1444(a)).

(3) Section 105 (7 U.S.C. 1444b).

(4) Section 107 (7 U.S.C. 1445a).

(5) Section 110 (7 U.S.C. 1445e).

(6) Section 112 (7 U.S.C. 1445g).

(7) Section 115 (7 U.S.C. 1445k).

(8) Section 201 (7 U.S.C. 1446).

(9) Title III (7 U.S.C. 1447 et seq.).

(10) Title IV (7 U.S.C. 1421 et seq.), other than sections 404, 412, and 416 (7 U.S.C. 1424, 1429, and 1431).

(11) Title V (7 U.S.C. 1461 et seq.).

(12) Title VI (7 U.S.C. 1471 et seq.).

(c) **SUSPENSION OF CERTAIN QUOTA PROVISIONS.**—The joint resolution entitled “A joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended”, approved May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be applicable to the crops of wheat planted for harvest in the calendar years 2008 through 2012.

SEC. 1403. PAYMENT LIMITATIONS.

(a) **EXTENSION OF LIMITATIONS.**—Sections 1001 and 1001C(a) of the Food Security Act of 1985 (7 U.S.C. 1308, 1308-3(a)) are amended by striking “Farm Security and Rural Investment Act of 2002” each place it appears and inserting “Food and Energy Security Act of 2007”.

(b) **REVISION OF LIMITATIONS.**—

(1) **DEFINITIONS.**—Section 1001(a) of the Food Security Act of 1985 (7 U.S.C. 1308) is amended—

(A) in the matter preceding paragraph (1), by inserting “and section 1001A” after “section”;

(B) by striking paragraph (2) and redesignating paragraph (3) as paragraph (5); and

(C) by inserting after paragraph (1) the following:

“(2) **FAMILY MEMBER.**—The term ‘family member’ means an individual to whom a member in the farming operation is related as lineal ancestor, lineal descendant, sibling, or spouse.

“(3) **LEGAL ENTITY.**—The term ‘legal entity’ means an entity that is created under Federal or State law and that—

“(A) owns land or an agricultural commodity; or

“(B) produces an agricultural commodity.

“(4) **PERSON.**—The term ‘person’ means a natural person, and does not include a legal entity.”.

(2) **LIMITATION ON DIRECT PAYMENTS AND COUNTER-CYCLICAL PAYMENTS.**—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking subsections (b), (c) and (d) and inserting the following:

“(b) **LIMITATION ON DIRECT AND COUNTER-CYCLICAL PAYMENTS FOR COVERED COMMODITIES (OTHER THAN PEANUTS).**—

“(1) **DIRECT PAYMENTS.**—The total amount of direct payments received, directly or indirectly, by a person or legal entity (except a joint venture or a general partnership) for any crop year under subtitle A of title I of the Farm Security and Rural Investment Act of 2002 for 1 or more covered commodities (except for peanuts) may not exceed \$40,000.

“(2) **COUNTER-CYCLICAL PAYMENTS.**—The total amount of counter-cyclical payments received, directly or indirectly, by a person or legal entity (except a joint venture or a general partnership) for any crop year under subtitle A of title I of the Farm Security and Rural Investment Act of 2002 for 1 or more covered commodities (except for peanuts) may not exceed \$60,000.

“(c) **LIMITATION ON DIRECT PAYMENTS AND COUNTER-CYCLICAL PAYMENTS FOR PEANUTS.**—

“(1) **DIRECT PAYMENTS.**—The total amount of direct payments received, directly or indirectly, by a person or legal entity (except a joint venture or a general partnership) for any crop year under subtitle C of title I of the Farm Security and Rural Investment Act of 2002 for peanuts may not exceed \$40,000.

“(2) **COUNTER-CYCLICAL PAYMENTS.**—The total amount of counter-cyclical payments

received, directly or indirectly, by a person or legal entity (except a joint venture or a general partnership) for any crop year under subtitle C of title I of the Farm Security and Rural Investment Act of 2002 for peanuts, may not exceed \$60,000.”.

“(d) **LIMITATION ON APPLICABILITY.**—Nothing in this section authorizes any limitation on any benefit associated with the marketing assistance loan program or the loan deficiency payment program under title I of the Farm Security and Rural Investment Act of 2002.”.

(3) **DIRECT ATTRIBUTION.**—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking subsection (e) and redesignating subsections (f) and (g) as (g) and (h), respectively, and inserting the following:

“(e) **ATTRIBUTION OF PAYMENTS.**—

“(1) **IN GENERAL.**—In implementing subsections (b) and (c) and a program described in section 1001D(b)(2)(C), the Secretary shall issue such regulations as are necessary to ensure that the total amount of payments are attributed to a person by taking into account the direct and indirect ownership interests of the person in a legal entity that is eligible to receive the payments.

“(2) **PAYMENTS TO A PERSON.**—Each payment made directly to a person shall be combined with the pro rata interest of the person in payments received by a legal entity in which the person has a direct or indirect ownership interest unless the payments of the legal entity have been reduced by the pro rata share of the person.

“(3) **PAYMENTS TO A LEGAL ENTITY.**—

“(A) **IN GENERAL.**—Each payment made to a legal entity shall be attributed to those persons who have a direct or indirect ownership interest in the legal entity unless the payment to the legal entity has been reduced by the pro rata share of the person.

“(B) **ATTRIBUTION OF PAYMENTS.**—

“(i) **PAYMENT LIMITS.**—Except as provided in clause (ii), payments made to a legal entity shall not exceed the amounts specified in subsections (b) and (c).

“(ii) **EXCEPTION FOR JOINT VENTURES AND GENERAL PARTNERSHIPS.**—Payments made to a joint venture or a general partnership shall not exceed, for each payment specified in subsections (b) and (c), the amount determined by multiplying the maximum payment amount specified in subsections (b) and (c) by the number of persons and legal entities (other than joint ventures and general partnerships) that comprise the ownership of the joint venture or general partnership.

“(iii) **REDUCTION.**—Payments made to a legal entity shall be reduced proportionately by an amount that represents the direct or indirect ownership in the legal entity by any individual or legal entity that has otherwise exceeded the applicable maximum payment limitation.

“(4) **4 LEVELS OF ATTRIBUTION FOR EMBEDDED LEGAL ENTITIES.**—

“(A) **IN GENERAL.**—Attribution of payments made to legal entities shall be traced through 4 levels of ownership in legal entities.

“(B) **FIRST LEVEL.**—Any payments made to a legal entity (a first-tier legal entity) that is owned in whole or in part by a person shall be attributed to the person in an amount that represents the direct ownership in the first-tier legal entity by the person.

“(C) **SECOND LEVEL.**—

“(i) **IN GENERAL.**—Any payments made to a first-tier legal entity that is owned (in whole or in part) by another legal entity (a second-tier legal entity) shall be attributed to the second-tier legal entity in proportion to the ownership of the second-tier legal entity in the first-tier legal entity.

“(ii) **OWNERSHIP BY A PERSON.**—If the second-tier legal entity is owned (in whole or in

part) by a person, the amount of the payment made to the first-tier legal entity shall be attributed to the person in the amount that represents the indirect ownership in the first-tier legal entity by the person.

“(D) **THIRD AND FOURTH LEVELS.**—

“(i) **IN GENERAL.**—Except as provided in clause (ii), the Secretary shall attribute payments at the third and fourth tiers of ownership in the same manner as specified in subparagraph (C).

“(ii) **FOURTH-TIER OWNERSHIP.**—If the fourth-tier of ownership is that of a fourth-tier legal entity and not that of a person, the Secretary shall reduce the amount of the payment to be made to the first-tier legal entity in the amount that represents the indirect ownership in the first-tier legal entity by the fourth-tier legal entity.

“(f) **SPECIAL RULES.**—

“(1) **MINOR CHILDREN.**—

“(A) **IN GENERAL.**—Except as provided in subparagraph (B), payments received by a child under the age of 18 shall be attributed to the parents of the child.

“(B) **REGULATIONS.**—The Secretary shall issue regulations specifying the conditions under which payments received by a child under the age of 18 will not be attributed to the parents of the child.

“(2) **MARKETING COOPERATIVES.**—Subsections (b) and (c) shall not apply to a cooperative association of producers with respect to commodities produced by the members of the association that are marketed by the association on behalf of the members of the association but shall apply to the producers as persons.

“(3) **TRUSTS AND ESTATES.**—

“(A) **IN GENERAL.**—With respect to irrevocable trusts and estates, the Secretary shall administer this section through section 1001F in such manner as the Secretary determines will ensure the fair and equitable treatment of the beneficiaries of the trusts and estates.

“(B) **IRREVOCABLE TRUST.**—

“(i) **IN GENERAL.**—In order for a trust to be considered an irrevocable trust, the terms of the trust agreement shall not—

“(I) allow for modification or termination of the trust by the grantor;

“(II) allow for the grantor to have any future, contingent, or remainder interest in the corpus of the trust; or

“(III) except as provided in clause (ii), provide for the transfer of the corpus of the trust to the remainder beneficiary in less than 20 years beginning on the date the trust is established.

“(ii) **EXCEPTION.**—Clause (i)(III) shall not apply in a case in which the transfer is—

“(I) contingent on the remainder beneficiary achieving at least the age of majority; or

“(II) is contingent on the death of the grantor or income beneficiary.

“(C) **REVOCABLE TRUST.**—For the purposes of this section through section 1001F, a revocable trust shall be considered to be the same person as the grantor of the trust.

“(4) **CASH RENT TENANTS.**—

“(A) **DEFINITION.**—In this paragraph, the term ‘cash rent tenant’ means a person or legal entity that rents land—

“(i) for cash; or

“(ii) for a crop share guaranteed as to the amount of the commodity to be paid in rent.

“(B) **RESTRICTION.**—A cash rent tenant who makes a significant contribution of active personal management, but not of personal labor, with respect to a farming operation shall be eligible to receive a payment described in subsection (b) or (c) only if the tenant makes a significant contribution of equipment to the farming operation.

“(5) **FEDERAL AGENCIES.**—

“(A) IN GENERAL.—A Federal agency shall not be eligible to receive any payment described in subsection (b) or (c).

“(B) LAND RENTAL.—A lessee of land owned by a Federal agency may receive a payment described in subsection (b) or (c) if the lessee otherwise meets all applicable criteria.

“(6) STATE AND LOCAL GOVERNMENTS.—

“(A) IN GENERAL.—Except as provided in subsection (g), a State or local government, or political subdivision or agency of the government, shall not be eligible to receive a payment described in subsection (b) or (c).

“(B) TENANTS.—A lessee of land owned by a State or local government, or political subdivision or agency of the government, may receive payments described in subsections (b) and (c) if the lessee otherwise meet all applicable criteria.

“(7) CHANGES IN FARMING OPERATIONS.—

“(A) IN GENERAL.—In the administration of this section through section 1001F, the Secretary may not approve any change in a farming operation that otherwise will increase the number of persons to which the limitations under this section are applied unless the Secretary determines that the change is bona fide and substantive.

“(B) FAMILY MEMBERS.—The addition of a family member to a farming operation under the criteria set out in section 1001A shall be considered a bona fide and substantive change in the farming operation.

“(8) DEATH OF OWNER.—

“(A) IN GENERAL.—If any ownership interest in land or a commodity is transferred as the result of the death of a program participant, the new owner of the land or commodity may, if the person is otherwise eligible to participate in the applicable program, succeed to the contract of the prior owner and receive payments subject to this section without regard to the amount of payments received by the new owner.

“(B) LIMITATIONS ON PRIOR OWNER.—Payments made under this paragraph shall not exceed the amount to which the previous owner was entitled to receive under the terms of the contract at the time of the death of the prior owner.”.

(c) REPEAL OF 3-ENTITY RULE.—Section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308-1) is amended—

(1) in the section heading, by striking “prevention of creation of entities to qualify as separate persons” and inserting “notification of interests”; and

(2) by striking subsection (a) and inserting the following:

“(a) NOTIFICATION OF INTERESTS.—To facilitate administration of section 1001 and this section, each person or legal entity receiving payments described in subsections (b) and (c) of section 1001 as a separate person or legal entity shall separately provide to the Secretary, at such times and in such manner as prescribed by the Secretary—

“(1) the name and social security number of each individual, or the name and taxpayer identification number of each legal entity, that holds or acquires an ownership interest in the separate person or legal entity; and

“(2) the name and taxpayer identification number of each legal entity in which the person or legal entity holds an ownership interest.”.

(d) AMENDMENT FOR CONSISTENCY.—Section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308-1) is amended by striking subsection (b) and inserting the following:

“(b) ACTIVELY ENGAGED.—

“(1) IN GENERAL.—To be eligible to receive a payment described in subsection (b) or (c) of section 1001, a person or legal entity shall be actively engaged in farming with respect to a farming operation as provided in this subsection or subsection (c).

“(2) CLASSES ACTIVELY ENGAGED.—Except as provided in subsections (c) and (d)—

“(A) a person (including a person participating in a farming operation as a partner in a general partnership, a participant in a joint venture, a grantor of a revocable trust, or a participant in a similar entity, as determined by the Secretary) shall be considered to be actively engaged in farming with respect to a farming operation if—

“(i) the person makes a significant contribution (based on the total value of the farming operation) to the farming operation of—

“(I) capital, equipment, or land; and

“(II) personal labor or active personal management;

“(ii) the person's share of the profits or losses from the farming operation is commensurate with the contributions of the person to the farming operation; and

“(iii) the contributions of the person are at risk;

“(B) a legal entity that is a corporation, joint stock company, association, limited partnership, charitable organization, or other similar entity determined by the Secretary (including any such legal entity participating in the farming operation as a partner in a general partnership, a participant in a joint venture, a grantor of a revocable trust, or as a participant in a similar legal entity as determined by the Secretary) shall be considered as actively engaged in farming with respect to a farming operation if—

“(i) the legal entity separately makes a significant contribution (based on the total value of the farming operation) of capital, equipment, or land;

“(ii) the stockholders or members collectively make a significant contribution of personal labor or active personal management to the operation; and

“(iii) the standards provided in clauses (ii) and (iii) of subparagraph (A), as applied to the legal entity, are met by the legal entity;

“(C) if a legal entity that is a general partnership, joint venture, or similar entity, as determined by the Secretary, separately makes a significant contribution (based on the total value of the farming operation involved) of capital, equipment, or land, and the standards provided in clauses (ii) and (iii) of subparagraph (A), as applied to the legal entity, are met by the legal entity, the partners or members making a significant contribution of personal labor or active personal management shall be considered to be actively engaged in farming with respect to the farming operation involved; and

“(D) in making determinations under this subsection regarding equipment and personal labor, the Secretary shall take into consideration the equipment and personal labor normally and customarily provided by farm operators in the area involved to produce program crops.

“(c) SPECIAL CLASSES ACTIVELY ENGAGED.—

“(1) LANDOWNER.—A person or legal entity that is a landowner contributing the owned land to a farming operation shall be considered to be actively engaged in farming with respect to the farming operation if—

“(A) the landowner receives rent or income for the use of the land based on the production on the land or the operating results of the operation; and

“(B) the person or legal entity meets the standards provided in clauses (ii) and (iii) of subsection (b)(2)(A).

“(2) ADULT FAMILY MEMBER.—If a majority of the participants in a farming operation are family members, an adult family member shall be considered to be actively engaged in farming with respect to the farming operation if the person—

“(A) makes a significant contribution, based on the total value of the farming oper-

ation, of active personal management or personal labor; and

“(B) with respect to such contribution, meets the standards provided in clauses (ii) and (iii) of subsection (b)(2)(A).

“(3) SHARECROPPER.—A sharecropper who makes a significant contribution of personal labor to a farming operation shall be considered to be actively engaged in farming with respect to the farming operation if the contribution meets the standards provided in clauses (ii) and (iii) of subsection (b)(2)(A).

“(4) GROWERS OF HYBRID SEED.—In determining whether a person or legal entity growing hybrid seed under contract shall be considered to be actively engaged in farming, the Secretary shall not take into consideration the existence of a hybrid seed contract.

“(5) CUSTOM FARMING SERVICES.—

“(A) IN GENERAL.—A person or legal entity receiving custom farming services shall be considered separately eligible for payment limitation purposes if the person or legal entity is actively engaged in farming based on subsection (b)(2) or paragraphs (1) through (4) of this subsection.

“(B) PROHIBITION.—No other rules with respect to custom farming shall apply.

“(6) SPOUSE.—If 1 spouse (or estate of a deceased spouse) is determined to be actively engaged, the other spouse shall be determined to have met the requirements of subsection (b)(2)(A)(i)(II).

“(d) CLASSES NOT ACTIVELY ENGAGED.—

“(1) CASH RENT LANDLORD.—A landlord contributing land to a farming operation shall not be considered to be actively engaged in farming with respect to the farming operation if the landlord receives cash rent, or a crop share guaranteed as to the amount of the commodity to be paid in rent, for the use of the land.

“(2) OTHER PERSONS AND LEGAL ENTITIES.—Any other person or legal entity that the Secretary determines does not meet the standards described in subsections (b)(2) and (c) shall not be considered to be actively engaged in farming with respect to a farming operation.”.

(e) DENIAL OF PROGRAM BENEFITS.—Section 1001B of the Food Security Act of 1985 (7 U.S.C. 1308-2) is amended to read as follows: “SEC. 1001B. DENIAL OF PROGRAM BENEFITS.

“(a) 2-YEAR DENIAL OF PROGRAM BENEFITS.—A person or legal entity shall be ineligible to receive payments specified in subsections (b) and (c) of section 1001 for the crop year, and the succeeding crop year, in which the Secretary determines that the person or legal entity—

“(1) failed to comply with section 1001A(b) and adopted or participated in adopting a scheme or device to evade the application of section 1001, 1001A, or 1001C; or

“(2) intentionally concealed the interest of the person or legal entity in any farm or legal entity engaged in farming.

“(b) EXTENDED INELIGIBILITY.—If the Secretary determines that a person or legal entity, for the benefit of the person or legal entity or the benefit of any other person or legal entity, has knowingly engaged in, or aided in the creation of a fraudulent document, presented false information that was material and relevant to the administration of sections 1001 through 1001F, or committed other equally serious actions (as identified in regulations issued by the Secretary), the Secretary may for a period not to exceed 5 crop years deny the issuance of payments to the person or legal entity.

“(c) PRO RATA DENIAL.—

“(1) IN GENERAL.—Payments otherwise owed to a person or legal entity described in subsections (a) or (b) shall be denied in a pro rata manner based on the ownership interest of the person or legal entity in a farm.

“(2) CASH RENT TENANT.—Payments otherwise payable to the person or legal entity described in subsection (a) or (b) who is a cash rent tenant on a farm owned or under the control of the person or legal entity shall be denied.

“(d) JOINT AND SEVERAL LIABILITY.—Any member of any legal entity (including partnerships and joint ventures) determined to have knowingly participated in a scheme or device to evade, or that has the purpose of evading, sections 1001, 1001A, or 1001C shall be jointly and severally liable for any amounts that are payable to the Secretary as the result of the scheme or device (including amounts necessary to recover those amounts).

“(e) RELEASE.—The Secretary may partially or fully release from liability any person or legal entity who cooperates with the Secretary in enforcing sections 1001, 1001A, and 1001C, and this section.”.

(f) TRANSITION.—Section 1001, 1001A, and 1001B of the Food Security Act of 1985 (7 U.S.C. 1308, 1308-1, 1308-2), as in effect on the day before the date of the enactment of this Act, shall continue to apply with respect to the 2007 crop of any covered commodity or peanuts.

SEC. 1404. ADJUSTED GROSS INCOME LIMITATION.

(a) EXTENSION OF ADJUSTED GROSS INCOME LIMITATION.—Section 1001D(e) of the Food Security Act of 1985 (7 U.S.C. 1308-3a(e)) is amended by striking “2007” and inserting “2012”.

(b) ALLOCATION OF INCOME.—Section 1001D(a) of the Food Security Act of 1985 (7 U.S.C. 1308-3a(a)) is amended by adding at the end the following:

“(3) ALLOCATION OF INCOME.—On the request of any individual filing a joint tax return, the Secretary shall provide for the allocation of adjusted gross income among the individuals filing the return based on a certified statement provided by a certified public accountant or attorney specifying the manner in which the income would have been declared and reported if the individuals had filed 2 separate returns, if the Secretary determines that the calculation is consistent with the information supporting the filed joint return.”.

(c) MODIFICATION OF LIMITATION.—Section 1001D of the Food Security Act of 1985 (7 U.S.C. 1308-3a) is amended by striking subsection (b) and inserting the following:

“(b) LIMITATION.—

“(1) CROP YEARS.—

“(A) 2009 CROP YEAR.—Notwithstanding any other provision of law, an individual or entity shall not be eligible to receive any benefit described in paragraph (2)(A) during the 2009 crop year if the average adjusted gross income of the individual or entity exceeds \$1,000,000, unless not less than 66.66 percent of the average adjusted gross income of the individual or entity is derived from farming, ranching, or forestry operations, as determined by the Secretary.

“(B) 2010 AND SUBSEQUENT CROP YEARS.—Notwithstanding any other provision of law, an individual or entity shall not be eligible to receive any benefit described in paragraph (2)(A) during any of the 2010 and subsequent crop years if the average adjusted gross income of the individual or entity exceeds \$750,000, unless not less than 66.66 percent of the average adjusted gross income of the individual or entity is derived from farming, ranching, or forestry operations, as determined by the Secretary.

“(C) CONSERVATION PROGRAMS.—Notwithstanding any other provision of law, an individual or entity shall not be eligible to receive any benefit described in paragraph (2)(B) during a crop year if the average adjusted gross income of the individual or entity

exceeds \$2,500,000, unless not less than 75 percent of the average adjusted gross income of the individual or entity is derived from farming, ranching, or forestry operations, as determined by the Secretary.

“(2) COVERED BENEFITS.—

“(A) IN GENERAL.—Subparagraphs (A) and (B) of paragraph (1) apply with respect to the following:

“(i) A direct payment or counter-cyclical payment under subtitle A of title I of the Farm Security and Rural Investment Act of 2002.

“(ii) A marketing loan gain or loan deficiency payment under subtitle B of title I of the Farm Security and Rural Investment Act of 2002.

“(B) CONSERVATION PROGRAMS.—Paragraph (1)(C) applies with respect to a payment under any program under—

“(i) title XII of this Act;

“(ii) title II of the Farm Security and Rural Investment Act of 2002 (Public Law 107-171; 116 Stat. 223); or

“(iii) title II of the Food and Energy Security Act of 2007.

“(3) INCOME DERIVED FROM FARMING, RANCHING OR FORESTRY OPERATIONS.—In determining what portion of the average adjusted gross income of an individual or entity is derived from farming, ranching, or forestry operations, the Secretary shall include income derived from—

“(A) the production of crops, livestock, or unfinished raw forestry products;

“(B) the sale, including the sale of easements and development rights, of farm, ranch, or forestry land or water or hunting rights;

“(C) the sale of equipment to conduct farm, ranch, or forestry operations;

“(D) the rental or lease of land used for farming, ranching, or forestry operations, including water or hunting rights;

“(E) the provision of production inputs and services to farmers, ranchers, and foresters;

“(F) the processing (including packing), storing (including shedding), and transporting of farm, ranch, and forestry commodities;

“(G) the sale of land that has been used for agriculture; and

“(H) payments or other income attributable to benefits received under any program authorized under title I or II of the Food and Energy Security Act of 2007.”.

(d) TRANSITION.—Section 1001D of the Food Security Act of 1985 (7 U.S.C. 1308-3a), as in effect on the day before the date of the enactment of this Act, shall continue to apply with respect to the 2007 and 2008 crops of any covered commodity or peanuts.

SEC. 1405. AVAILABILITY OF QUALITY INCENTIVE PAYMENTS FOR CERTAIN PRODUCERS.

(a) INCENTIVE PAYMENTS REQUIRED.—Subject to subsection (b), the Secretary shall use funds made available under subsection (f) to provide quality incentive payments for the production of oilseeds with specialized traits that enhance human health, as determined by the Secretary.

(b) COVERED OILSEEDS.—The Secretary shall make payments under this section only for the production of an oilseed variety that has, as determined by the Secretary—

(1) been demonstrated to improve the health profile of the oilseed for use in human consumption by—

(A) reducing or eliminating the need to partially hydrogenate the oil derived from the oilseed for use in human consumption; or

(B) adopting new technology traits; and

(2) 1 or more impediments to commercialization.

(c) REQUEST FOR PROPOSALS.—

(1) ISSUANCE.—If funds are made available to carry out this section for a crop year, the

Secretary shall issue a request for proposals for payments under this section.

(2) MULTIYEAR PROPOSALS.—An entity may submit a multiyear proposal for payments under this section.

(3) CONTENT OF PROPOSALS.—A proposal for payments under this section shall include a description of—

(A) each oilseed variety described in subsection (b) and the value of the oilseed variety as a matter of public policy;

(B) a range for the amount of total per bushel or hundredweight premiums to be paid to producers;

(C) a per bushel or hundredweight amount of incentive payments requested for each year under this section that does not exceed $\frac{1}{3}$ of the total premium offered for any year;

(D) the period of time, not to exceed 4 years, during which incentive payments are to be provided to producers; and

(E) the targeted total quantity of production and estimated acres needed to produce the targeted quantity for each year under this section.

(d) CONTRACTS FOR PRODUCTION.—

(1) IN GENERAL.—The Secretary shall approve successful proposals submitted under subsection (c) on a timely basis so as to allow production contracts to be entered into with producers in advance of the spring planting season for the 2009 crop year.

(2) TIMING OF PAYMENTS.—The Secretary shall make payments to producers under this section after the Secretary receives documentation that the premium required under a contract has been made to covered producers.

(e) ADMINISTRATION.—If funding provided for a crop year is not fully allocated under the initial request for proposals under subsection (c), the Secretary shall issue additional requests for proposals for subsequent crop years under this section.

(f) PROPRIETARY INFORMATION.—The Secretary shall protect proprietary information provided to the Secretary for the purpose of administering this section.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section \$400,000,000 for the period of fiscal years 2008 through 2012.

SEC. 1406. HARD WHITE WHEAT DEVELOPMENT PROGRAM.

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE HARD WHITE WHEAT SEED.—The term “eligible hard white wheat seed” means hard white wheat seed that, as determined by the Secretary, is—

(A) certified;

(B) of a variety that is suitable for the State in which the seed will be planted;

(C) rated at least superior with respect to quality; and

(D) specifically approved under a seed establishment program established by the State Department of Agriculture and the State Wheat Commission of the 1 or more States in which the seed will be planted.

(2) PROGRAM.—The term “program” means the hard white wheat development program established under subsection (b)(1).

(3) SECRETARY.—The term “Secretary” means the Secretary of Agriculture, in consultation with the State Departments of Agriculture and the State Wheat Commissions of the States in regions in which hard white wheat is produced, as determined by the Secretary.

(b) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary shall establish a hard white wheat development program in accordance with paragraph (2) to promote the establishment of hard white wheat as a viable market class of wheat in the United States by encouraging production of at least 240,000,000 bushels of hard white wheat by 2012.

(2) PAYMENTS.—

(A) IN GENERAL.—Subject to subparagraphs (B) and (C) and subsection (c), the Secretary shall make available incentive payments to producers of each of the 2008 through 2012 crops of hard white wheat.

(B) ACREAGE LIMITATION.—The Secretary shall carry out subparagraph (A) subject to a regional limitation determined by the Secretary on the number of acres for which payments may be received that takes into account planting history and potential planting, but does not exceed a total of 2,900,000 acres or the equivalent volume of production based on a yield of 50 bushels per acre.

(C) PAYMENT LIMITATIONS.—Payments to producers on a farm described in subparagraph (A) shall be—

(i) in an amount that is not less than \$0.20 per bushel; and

(ii) in an amount that is not less than \$2.00 per acre for planting eligible hard white wheat seed.

(c) FUNDING.—The Secretary shall make available \$35,000,000 of funds of the Commodity Credit Corporation during the period of crop years 2008 through 2012 to provide incentive payments to producers of hard white wheat under this section.

SEC. 1407. DURUM WHEAT QUALITY PROGRAM.

(a) IN GENERAL.—Subject to the availability of funds under subsection (c), the Secretary shall provide compensation to producers of durum wheat in an amount not to exceed 50 percent of the actual cost of fungicides applied to a crop of durum wheat of the producers to control Fusarium head blight (wheat scab) on acres certified to have been planted to Durum wheat in a crop year.

(b) INSUFFICIENT FUNDS.—If the total amount of funds appropriated for a fiscal year under subsection (c) are insufficient to fulfill all eligible requests for compensation under this section, the Secretary shall prorate the compensation payments in a manner determined by the Secretary to be equitable.

(c) 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.

SEC. 1408. STORAGE FACILITY LOANS.

(a) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary shall establish a storage facility loan program to provide funds for producers of grains, oilseeds, pulse crops, hay, renewable biomass, and other storable commodities (other than sugar), as determined by the Secretary, to construct or upgrade storage and handling facilities for the commodities.

(b) ELIGIBLE PRODUCERS.—A storage facility loan under this section shall be made available to any producer described in subsection (a) that, as determined by the Secretary—

(1) has a satisfactory credit history;

(2) has a need for increased storage capacity; and

(3) demonstrates an ability to repay the loan.

(c) TERM OF LOANS.—A storage facility loan under this section shall have a maximum term of 12 years.

(d) LOAN AMOUNT.—The maximum principal amount of a storage facility loan under this section shall be \$500,000.

(e) LOAN DISBURSEMENTS.—The Secretary shall provide for partial disbursements of loan principal, as determined to be appropriate and subject to acceptable documentation, to facilitate the purchase and construction of eligible facilities.

(f) LOAN SECURITY.—Approval of a storage facility loan under this section shall—

(1) for loan amounts of less than \$150,000, not require a lien on the real estate parcel on which the storage facility is located;

(2) for loan amounts equal to or more than \$150,000, not require a severance agreement from the holder of any prior lien on the real estate parcel on which the storage facility is located, if the borrower—

(A) agrees to increase the down payment on the storage facility loan by an amount determined appropriate by the Secretary; or

(B) provides other security acceptable to the Secretary; and

(3) allow a borrower, upon the approval of the Secretary, to define a subparcel of real estate as security for the storage facility loan if the subparcel is—

(A) of adequate size and value to adequately secure the loan; and

(B) not subject to any other liens or mortgages that are superior to the lien interest of the Commodity Credit Corporation.

SEC. 1409. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.

Section 164 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7284) is amended by striking “and title I of the Farm Security and Rural Investment Act of 2002” each place it appears and inserting “title I of the Farm Security and Rural Investment Act of 2002, and title I of the Food and Energy Security Act of 2007”.

SEC. 1410. EXTENSION OF EXISTING ADMINISTRATIVE AUTHORITY REGARDING LOANS.

Section 166 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7286) is amended in subsections (a) and (c)(1) by striking “and subtitle B and C of title I of the Farm Security and Rural Investment Act of 2002” each place it appears and inserting “title I of the Farm Security and Rural Investment Act of 2002, and title I of the Food and Energy Security Act of 2007”.

SEC. 1411. ASSIGNMENT OF PAYMENTS.

(a) IN GENERAL.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)), relating to assignment of payments, shall apply to payments made under the authority of subtitles A through E and this subtitle.

(b) NOTICE.—The producer making the assignment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require, of any assignment made under this section.

SEC. 1412. COTTON CLASSIFICATION SERVICES.

Section 3a of the Act of March 3, 1927 (7 U.S.C. 473a), is amended to read as follows:

“SEC. 3a. COTTON CLASSIFICATION SERVICES.

“(a) IN GENERAL.—The Secretary of Agriculture (referred to in this section as the ‘Secretary’) shall—

“(1) make cotton classification services available to producers of cotton; and

“(2) provide for the collection of classification fees from participating producers or agents that voluntarily agree to collect and remit the fees on behalf of producers.

“(b) USE OF FEES.—Classification fees collected under subsection (a)(2) and the proceeds from the sales of samples submitted under this section shall, to the maximum extent practicable, be used to pay the cost of the services provided under this section, including administrative and supervisory costs.

“(c) CONSULTATION.—

“(1) IN GENERAL.—In establishing the amount of fees under this section, the Secretary shall consult with representatives of the United States cotton industry.

“(2) EXEMPTION.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to consultations with representatives of the United States cotton industry under this section.

“(d) CREDITING OF FEES.—Any fees collected under this section and under section 3d, late payment penalties, the proceeds

from the sales of samples, and interest earned from the investment of such funds shall—

“(1) be credited to the current appropriation account that incurs the cost of services provided under this section and section 3d; and

“(2) remain available without fiscal year limitation to pay the expenses of the Secretary in providing those services.

“(e) INVESTMENT OF FUNDS.—Funds described in subsection (d) may be invested—

“(1) by the Secretary in insured or fully collateralized, interest-bearing accounts; or

“(2) at the discretion of the Secretary, by the Secretary of the Treasury in United States Government debt instruments.

“(f) LEASE AGREEMENTS.—Notwithstanding any other provision of law, the Secretary may enter into long-term lease agreements that exceed 5 years or may take title to property (including through purchase agreements) for the purpose of obtaining offices to be used for the classification of cotton in accordance with this Act, if the Secretary determines that action would best effectuate the purposes of this Act.

“(g) AUTHORIZATION OF APPROPRIATIONS.—To the extent that financing is not available from fees and the proceeds from the sales of samples, there are authorized to be appropriated such sums as are necessary to carry out this section.”.

SEC. 1413. DESIGNATION OF STATES FOR COTTON RESEARCH AND PROMOTION.

Section 17(f) of the Cotton Research and Promotion Act (7 U.S.C. 2116(f)) is amended—

(1) by striking “(f) The term” and inserting the following:

“(f) COTTON-PRODUCING STATE.—

“(1) IN GENERAL.—The term”;

(2) by striking “more, and the term” and all that follows through the end of the subsection and inserting the following: “more.

“(2) INCLUSIONS.—The term ‘cotton-producing State’ includes—

“(A) any combination of States described in paragraph (1); and

“(B) effective beginning with the 2008 crop of cotton, the States of Kansas, Virginia, and Florida.”.

SEC. 1414. GOVERNMENT PUBLICATION OF COTTON PRICE FORECASTS.

Section 15 of the Agricultural Marketing Act (12 U.S.C. 1141j) is amended—

(1) by striking subsection (d); and

(2) by redesignating subsections (e) through (g) as subsections (d) through (f), respectively.

SEC. 1415. STATE, COUNTY, AND AREA COMMITTEES.

Section 8(b)(5)(B)(ii) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)(5)(B)(ii)) is amended—

(1) by redesignating subclauses (I) and (II) as items (aa) and (bb), respectively, and indenting appropriately;

(2) in the matter preceding item (aa) (as redesignated by paragraph (1)), by striking “A committee established” and inserting the following:

“(I) IN GENERAL.—Except as provided in subclause (II), a committee established”; and

(3) by adding at the end the following:

“(II) COMBINATION OR CONSOLIDATION OF AREAS.—A committee established by combining or consolidating 2 or more county or area committees shall consist of not fewer than 3 nor more than 11 members that—

“(aa) are fairly representative of the agricultural producers within the area covered by the county, area, or local committee; and

“(bb) are elected by the agricultural producers that participate or cooperate in programs administered within the area under the jurisdiction of the county, area, or local committee.

“(III) REPRESENTATION OF SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.—The Secretary shall ensure, to the extent practicable, that representation of socially disadvantaged farmers and ranchers is maintained on combined or consolidated committees.

“(IV) ELIGIBILITY FOR MEMBERSHIP.—Notwithstanding any other producer eligibility requirements for service on county or area committees, if a county or area is consolidated or combined, a producer shall be eligible to serve only as a member of the county or area committee that the producer elects to administer the farm records of the producer.”.

SEC. 1416. PROHIBITION ON CHARGING CERTAIN FEES.

Public Law 108-470 (7 U.S.C. 7416a) is amended—

(1) in subsection (a), by striking “may” and inserting “shall”; and

(2) by adding at the end the following:

“(c) PROHIBITION ON CHARGING CERTAIN FEES.—The Secretary may not charge any fees or related costs for the collection of commodity assessments pursuant to this Act.”.

SEC. 1417. SIGNATURE AUTHORITY.

In carrying out this title and title II and amendments made by those titles, if the Secretary approves a document containing signatures of program applicants, the Secretary shall not subsequently determine the document is inadequate or invalid because of the lack of authority of any applicant signing the document on behalf of the applicant or any other individual, entity, general partnership, or joint venture, or the documents relied upon were determined inadequate or invalid, unless the applicant knowingly and willfully falsified the evidence of signature authority or a signature.

SEC. 1418. MODERNIZATION OF FARM SERVICE AGENCY.

The Secretary shall modernize the Farm Service Agency information technology and communication systems to ensure timely and efficient program delivery at national, State, and County offices.

SEC. 1419. GEOSPATIAL SYSTEMS.

(a) IN GENERAL.—The Secretary shall ensure that all agencies of the Department of Agriculture consolidate the geospatial systems of the agencies into a single enterprise system that ensures that geospatial data is shareable, portable, and standardized.

(b) REQUIREMENTS.—In carrying out subsection (a), the Secretary shall—

(1) identify common datasets;

(2) give responsibility for managing each identified dataset to the agency best suited for collecting and maintaining that data, as determined by the Secretary; and

(3) make every effort to minimize the duplication of efforts.

(c) AVAILABILITY OF DATA.—The Secretary shall ensure, to the maximum extent practicable, that data is readily available to all agencies beginning not later than 2 years after the date of enactment of this Act.

SEC. 1420. LEASING OFFICE SPACE.

The Secretary may use the funds, facilities, and authorities of the Commodity Credit Corporation to lease space for use by agencies of the Department of Agriculture in cases in which office space would be jointly occupied by the agencies.

SEC. 1421. REPEALS.

(a) COMMISSION ON APPLICATION OF PAYMENT LIMITATIONS.—Section 1605 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7993) is repealed.

(b) RENEWED AVAILABILITY OF MARKET LOSS ASSISTANCE AND CERTAIN EMERGENCY ASSISTANCE TO PERSONS THAT FAILED TO RE-

CEIVE ASSISTANCE UNDER EARLIER AUTHORITIES.—Section 1617 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8000) is repealed.

Subtitle F—Specialty Crop Programs

SEC. 1501. DEFINITIONS.

In this subtitle:

(1) SPECIALTY CROP.—The term “specialty crop” has the meaning given the term in section 3 of the Specialty Crops Competitive-ness Act of 2004 (7 U.S.C. 1621 note; Public Law 108-465).

(2) STATE.—The term “State” means each of the several States of the United States.

(3) STATE DEPARTMENT OF AGRICULTURE.—The term “State department of agriculture” means the agency, commission, or department of a State government responsible for protecting and promoting agriculture in the State.

PART I—MARKETING, INFORMATION, AND EDUCATION

SEC. 1511. FRUIT AND VEGETABLE MARKET NEWS ALLOCATION.

(a) IN GENERAL.—The Secretary, acting through the Administrator of the Agricultural Marketing Service, shall carry out market news activities to provide timely price information of United States fruits and vegetables in the United States.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$9,000,000 for each of fiscal years 2008 through 2012, to remain available until expended.

SEC. 1512. FARMERS’ MARKET PROMOTION PROGRAM.

Section 6 of the Farmer-to-Consumer Direct Marketing Act of 1976 (7 U.S.C. 3005) is amended—

(1) in subsection (a), by inserting “and to promote direct producer-to-consumer marketing” before the period at the end;

(2) in subsection (b)(1)(B), by striking “infrastructure” and inserting “marketing opportunities”;

(3) in subsection (c)(1), by inserting “or a producer network or association” after “co-operative”; and

(4) by striking subsection (e) and inserting the following:

“(e) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section \$1,000,000 for each of fiscal years 2008 through 2012.

SEC. 1513. FOOD SAFETY INITIATIVES.

(a) INITIATIVE AUTHORIZED.—The Secretary may carry out a food safety education program to educate the public and persons in the fresh produce industry about—

(1) scientifically proven practices for reducing microbial pathogens on fresh produce; and

(2) methods of reducing the threat of cross-contamination of fresh produce through unsanitary handling practices.

(b) COOPERATION.—The Secretary may carry out the education program in cooperation with public and private partners.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section \$1,000,000.

SEC. 1514. CENSUS OF SPECIALTY CROPS.

(a) ESTABLISHMENT.—Not later than September 30, 2008, and each 5 years thereafter, the Secretary shall conduct a census of specialty crops to assist in the regularly development and dissemination of information relative to specialty crops.

(b) RELATION TO OTHER CENSUS.—The Secretary may include the census of specialty crops in the census on agriculture.

PART II—ORGANIC PRODUCTION

SEC. 1521. ORGANIC DATA COLLECTION AND PRICE REPORTING.

Section 2104 of the Organic Foods Production Act of 1990 (7 U.S.C. 6503) is amended by adding at the end the following:

“(e) DATA COLLECTION AND PRICE REPORTING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use \$5,000,000 for the period of fiscal years 2008 through 2012—

“(1) to collect data relating to organic agriculture;

“(2) to identify and publish organic production and market data initiatives and surveys;

“(3) to expand, collect, and publish organic census data analyses;

“(4) to fund comprehensive reporting of prices relating to organically-produced agricultural products;

“(5) to conduct analysis relating to organic production, handling, distribution, retail, and trend studies;

“(6) to study and perform periodic updates on the effects of organic standards on consumer behavior; and

“(7) to conduct analyses for organic agriculture using the national crop table.”.

SEC. 1522. EXEMPTION OF CERTIFIED ORGANIC PRODUCTS FROM ASSESSMENTS.

Section 501(e) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7401(e)) is amended by striking paragraph (1) and inserting the following:

“(1) IN GENERAL.—Notwithstanding any provision of a commodity promotion law, a person that produces and markets organic products shall be exempt from the payment of an assessment under a commodity promotion law with respect to that portion of agricultural commodities that the person—

“(A) produces on a certified organic farm (as defined in section 2103 of the Organic Foods Production Act of 1990 (7 U.S.C. 6502); and

“(B) produces or markets as organically produced (as so defined).”.

SEC. 1523. NATIONAL ORGANIC CERTIFICATION COST SHARE PROGRAM.

Section 10606 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 6523) is amended to read as follows:

“SEC. 10606. NATIONAL ORGANIC CERTIFICATION COST-SHARE PROGRAM.

“(a) DEFINITIONS.—In this section:

“(1) PROGRAM.—The term ‘program’ means the national certification cost-share program established under subsection (b).

“(2) SECRETARY.—The term ‘Secretary’ means the Secretary of Agriculture, acting through the Agricultural Marketing Service.

“(b) ESTABLISHMENT.—The Secretary shall use amounts made available under subsection (f) to establish a national organic certification cost-share program under which the Secretary shall make payments to States to assist producers and handlers of agricultural products in obtaining certification under the national organic production program established under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.).

“(c) FEDERAL SHARE.—

“(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall pay under this section not more than 75 percent of the costs incurred by a producer or handler in obtaining certification under the national organic production program, as certified to and approved by the Secretary.

“(2) MAXIMUM AMOUNT.—The maximum amount of a payment made to a producer or handler under this section shall be \$750.

“(d) RECORDKEEPING REQUIREMENTS.—

“(1) IN GENERAL.—The Secretary shall—

“(A) keep accurate, up-to-date records of requests and disbursements from the program; and

“(B) require accurate and consistent recordkeeping from each State and entity that receives program payments.

“(2) FEDERAL REQUIREMENTS.—Not later than 30 days after the last day on which a

State may request funding under the program, the Secretary shall—

“(A) determine the number of States requesting funding and the amount of each request; and

“(B) distribute the funding to the States.

“(3) STATE REQUIREMENTS.—An annual funding request from a State shall include data from the program during the preceding year, including—

“(A) a description of—

“(i) the entities that requested reimbursement;

“(ii) the amount of each reimbursement request; and

“(iii) any discrepancies between the amount requested and the amount provided;

“(B) data to support increases in requests expected in the coming year, including information from certifiers or other data showing growth projections; and

“(C) an explanation of any case in which an annual request is lower than the request of the preceding year.

“(e) REPORTING.—Not later than March 1 of each year, the Secretary shall submit to Congress a report that describes the expenditures for each State under the program during the previous fiscal year, including the number of producers and handlers served by the program in the previous fiscal year.

“(f) FUNDING.—

“(1) IN GENERAL.—Not later than 30 days after the date of enactment of the Food and Energy Security Act of 2007, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this section \$22,000,000, to remain available until expended.

“(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.”.

SEC. 1524. NATIONAL ORGANIC PROGRAM.

Section 2123 of the Organic Foods Production Act of 1990 (7 U.S.C. 6522) is amended—

(1) by striking “There are” and inserting the following:

“(a) IN GENERAL.—There are”; and

(2) by adding at the end the following:

“(b) NATIONAL ORGANIC PROGRAM.—Notwithstanding any other provision of law, in order to carry out the activities of the Agricultural Marketing Service under the national organic program established under this title, there are authorized to be appropriated—

“(1) \$5,000,000 for fiscal year 2008;

“(2) \$6,500,000 for fiscal year 2009;

“(3) \$8,000,000 for fiscal year 2010;

“(4) \$9,500,000 for fiscal year 2011; and

“(5) \$11,000,000 for fiscal year 2012.”.

PART III—INTERNATIONAL TRADE

SEC. 1531. FOREIGN MARKET ACCESS STUDY AND STRATEGY PLAN.

(a) DEFINITION OF URUGUAY ROUND AGREEMENTS.—In this section, the term “Uruguay Round Agreements” includes any agreement described in section 101(d) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)).

(b) STUDY.—The Comptroller General of the United States shall study—

(1) the extent to which United States specialty crops have or have not benefitted from any reductions of foreign trade barriers, as provided for in the Uruguay Round Agreements; and

(2) the reasons why United States specialty crops have or have not benefitted from such trade-barrier reductions.

(c) STRATEGY PLAN.—The Secretary shall prepare a foreign market access strategy plan based on the study in subsection (b), to increase exports of specialty crops, including an assessment of the foreign trade barriers

that are incompatible with the Uruguay Round Agreements and a strategy for removing those barriers.

(d) REPORT.—Not later than 18 months after the date of enactment of this Act—

(1) the Comptroller General shall submit to Congress a report that contains the results of the study; and

(2) the Secretary shall submit to Congress the strategy plan.

SEC. 1532. MARKET ACCESS PROGRAM.

Section 211(c) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)) is amended by adding at the end the following:

“(3) MINIMUM ALLOCATION FOR SALE AND EXPORT PROPOSAL.—

“(A) IN GENERAL.—In providing funds under paragraph (2), to the maximum extent practicable, the Secretary shall use not less than 50 percent of any of the funds made available in excess of \$200,000,000 to carry out the market access program each fiscal year to provide assistance for proposals submitted by eligible trade organizations to promote the sale and export of specialty crops.

“(B) UNALLOCATED FUNDS.—If, by March 31 of any fiscal year, the Secretary determines that the total amount of funds made available to carry out the market access program are in excess of the amounts necessary to promote the sale and export of specialty crops during the fiscal year, the Secretary may use the excess funds to provide assistance for any other proposals submitted by eligible trade organizations consistent with the priorities described in paragraph (2).”.

SEC. 1533. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.

Section 3205 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5680) is amended by striking subsection (d) and inserting the following:

“(d) PETITION.—A participant in the program may petition the Secretary for an extension of a project carried out under this section that exceeds, or will exceed, applicable time restrictions.

“(e) FUNDING.—

“(1) IN GENERAL.—The Secretary shall make available to carry out the program under this section—

“(A) \$6,800,000 of funds of, or an equal value of commodities owned by, the Commodity Credit Corporation for each of fiscal years 2008 through 2011; and

“(B) \$2,000,000 of funds of, or an equal value of commodities owned by, the Commodity Credit Corporation for fiscal year 2012 and each subsequent fiscal year.

“(2) CARRYOVER OF UNOBLIGATED FUNDS.—In a case in which the total amount of funds or commodities made available under paragraph (1) for a fiscal year is not obligated in that fiscal year, the Secretary shall make available in the subsequent fiscal year an amount equal to—

“(A) the amount made available for the fiscal year under paragraph (1); plus

“(B) the amount not obligated in the previous fiscal year.”

SEC. 1534. CONSULTATIONS ON SANITARY AND PHYTOSANITARY RESTRICTIONS FOR FRUITS AND VEGETABLES.

(a) CONSULTATIONS ON SANITARY AND PHYTOSANITARY RESTRICTIONS FOR FRUITS AND VEGETABLES.—To the maximum extent practicable, the Secretary and the United States Trade Representative shall consult with interested persons, and conduct annual briefings, on sanitary and phytosanitary trade issues, including—

(1) the development of a strategic risk management framework; and

(2) as appropriate, implementation of peer review for risk analysis.

(b) SPECIAL CONSULTATIONS ON IMPORT-SENSITIVE PRODUCTS.—Section

2104(b)(2)(A)(ii)(II) of the Bipartisan Trade Promotion Authority Act of 2002 (19 U.S.C. 3804(b)(2)(A)(ii)(II)) is amended—

(1) by striking “whether the products so identified” and inserting “whether—

“(aa) the products so identified”; and

(2) by adding at the end the following:

“(bb) any fruits or vegetables so identified are subject to or likely to be subject to unjustified sanitary or phytosanitary restrictions, including restrictions not based on scientific principles in contravention of the Uruguay Round Agreements, as determined by the United States Trade Representative Technical Advisory Committee for Trade in Fruits and Vegetables of the Department of Agriculture; and”.

(c) EFFECTIVE DATE.—The amendments made by subsection (b) apply with respect to the initiation of negotiations to enter into any trade agreement that is subject to section 2103(b) of the Bipartisan Trade Promotion Authority Act of 2002 (19 U.S.C. 3803(b)) on or after the date of the enactment of this Act.

PART IV—SPECIALTY CROPS COMPETITIVENESS

SEC. 1541. SPECIALTY CROP BLOCK GRANTS.

(a) EXTENSION OF PROGRAM.—Section 101(a) of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note; Public Law 108-465) is amended by striking “2009” and inserting “2012”.

(b) AVAILABILITY OF FUNDS.—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 (i) and inserting the following:

“(i) FUNDING.—

“(1) IN GENERAL.—Subject to paragraph (2), of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall make grants under this section, using—

“(A) \$135,000,000 for fiscal year 2008;

“(B) \$140,000,000 for fiscal year 2009;

“(C) \$145,000,000 for fiscal year 2010;

“(D) \$150,000,000 for fiscal year 2011; and

“(E) \$0 for fiscal year 2012.

“(2) AQUACULTURE AND SEAFOOD PRODUCTS.—Of the amount made available under subparagraphs (A) through (D) of paragraph (1), the Secretary shall ensure that at least \$50,000 is used each fiscal year to promote the competitiveness of aquacultural and seafood products.”.

(c) CONFORMING AMENDMENTS.—Section 101 of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note; Public Law 108-465) is amended—

(1) in subsection (a), by striking “Subject to the appropriation of funds to carry out this section” and inserting “Using the funds made available under subsection (i)”;

(2) in subsection (b), by striking “appropriated pursuant to the authorization of appropriations in” and inserting “made available under”;

(3) by striking subsection (c) and inserting the following:

“(c) MINIMUM GRANT AMOUNT.—Notwithstanding subsection (b), each State shall receive a grant under this section for each fiscal year in an amount that is at least ½ of 1 percent of the total amount of funding made available to carry out this section for the fiscal year.”;

(4) by redesignating subsection (i) as subsection (j); and

(5) by inserting after subsection (h) the following:

“(i) REALLOCATION.—The Secretary may reallocate to other States any amounts made available under this section that are not obligated or expended by a date determined by the Secretary.”.

(d) DEFINITION OF SPECIALTY CROP.—Section 3 of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note; Public

Law 108-465) is amended by striking paragraph (1) and inserting the following:

“(1) **SPECIALTY CROP.**—The term ‘specialty crop’ means fruits, vegetables, tree nuts, dried fruits, nursery crops, floriculture, seafood products, aquaculture (including ornamental fish), sea grass, sea oats, and horticulture, including turfgrass sod and herbal crops.”.

(e) **DEFINITION OF STATE.**—Section 3(2) of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note; Public Law 108-465) is amended by striking “and the Commonwealth of Puerto Rico” and inserting “the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands”.

SEC. 1542. GRANT PROGRAM TO IMPROVE MOVEMENT OF SPECIALTY CROPS.

Title II of the Specialty Crops Competitiveness Act of 2004 (Public Law 108-465; 118 Stat. 3884) is amended by adding at the end the following:

“SEC. 204. GRANT PROGRAM TO IMPROVE MOVEMENT OF SPECIALTY CROPS.

“(a) **IN GENERAL.**—The Secretary of Agriculture may make grants under this section to an eligible entity described in subsection (b)—

“(1) to improve the cost-effective movement of specialty crops to local, regional, national, and international markets; and

“(2) to address regional intermodal transportation deficiencies that adversely affect the movement of specialty crops to markets inside or outside the United States.

“(b) **ELIGIBLE ENTITIES.**—Grants may be made under this section to—

“(1) a State or local government;

“(2) a grower cooperative;

“(3) a State or regional producer or shipper organization;

“(4) a combination of entities described in paragraphs (1) through (3); or

“(5) other entities, as determined by the Secretary.

“(c) **MATCHING FUNDS.**—As a condition of the receipt of a grant under this section, the recipient of a grant under this section shall contribute an amount of non-Federal funds toward the project for which the grant is provided that is at least equal to the amount of grant funds received by the recipient under this section.

“(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.”.

SEC. 1543. HEALTHY FOOD ENTERPRISE DEVELOPMENT CENTER.

Title II of the Specialty Crops Competitiveness Act of 2004 (Public Law 108-465; 118 Stat. 3884) (as amended by section 1542) is amended by adding at the end the following:

“SEC. 205. HEALTHY FOOD ENTERPRISE DEVELOPMENT CENTER.

“(a) **DEFINITIONS.**—In this section:

“(1) **CENTER.**—The term ‘Center’ means the healthy food enterprise development center established under subsection (b).

“(2) **ELIGIBLE ENTITY.**—The term ‘eligible entity’ means—

“(A) a nonprofit organization;

“(B) a cooperative;

“(C) a business;

“(D) an agricultural producer;

“(E) an academic institution;

“(F) an individual; and

“(G) such other entities as the Secretary may designate.

“(3) **SECRETARY.**—The term ‘Secretary’ means the Secretary of Agriculture.

“(4) **UNDERSERVED COMMUNITY.**—The term ‘underserved community’ means a community (including an urban or rural community

and an Indian tribal community) that, as determined by the Secretary, has—

“(A) limited access to affordable, healthy foods, including fresh fruits and vegetables;

“(B) a high incidence of a diet-related disease (including obesity) as compared to the national average;

“(C) a high rate of hunger or food insecurity; or

“(D) severe or persistent poverty.

“(b) **CENTER.**—The Secretary, acting through the Agricultural Marketing Service, shall offer to enter into a contract with a nonprofit organization to establish and support a healthy food enterprise development center to increase access to healthy, affordable foods, such as fresh fruit and vegetables, particularly for school-aged children and individuals in low-income communities.

“(c) **ACTIVITIES.**—

“(1) **PURPOSE.**—The purpose of the Center is to increase access to healthy affordable foods, including locally produced agricultural products, to underserved communities.

“(2) **TECHNICAL ASSISTANCE AND INFORMATION.**—The Center shall collect, develop, and provide technical assistance and information to small and mid-sized agricultural producers, food wholesalers and retailers, schools, and other individuals and entities regarding best practices and the availability of assistance for aggregating, storing, processing, and marketing locally produced agricultural products and increasing the availability of the products in underserved communities.

“(d) **AUTHORITY TO SUBGRANT.**—The Center may provide subgrants to eligible entities to carry out feasibility studies to establish businesses to carry out the purposes of this section.

“(e) **PRIORITY.**—In providing technical assistance and grants under subsections (c)(2) and (d), the Center shall give priority to applications that have components that will—

“(1) benefit underserved communities; and

“(2) develop market opportunities for small and mid-sized farm and ranch operations.

“(f) **REPORT.**—For each fiscal year for which the nonprofit organization described in subsection (b) receives funds, the organization shall submit to the Secretary a report describing the activities carried out in the previous fiscal year, including—

“(1) a description of technical assistance provided;

“(2) the total number and a description of the subgrants provided under subsection (d);

“(3) a complete listing of cases in which the activities of the Center have resulted in increased access to healthy, affordable foods, such as fresh fruit and vegetables, particularly for school-aged children and individuals in low-income communities; and

“(4) a determination of whether the activities identified in paragraph (3) are sustained in the years following the initial provision of technical assistance and subgrants under this section.

“(g) **COMPETITIVE AWARD PROCESS.**—The Secretary shall use a competitive process to award funds to establish the Center.

“(h) **FUNDING.**—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—

“(1) \$1,000,000 for fiscal year 2009; and

“(2) \$2,000,000 for each of fiscal years 2010 through 2012.”.

PART V—MISCELLANEOUS

SEC. 1551. CLEAN PLANT NETWORK.

(a) **IN GENERAL.**—The Secretary shall establish a program to be known as the “National Clean Plant Network” (referred to in this section as the “Program”).

(b) **REQUIREMENTS.**—Under the Program, the Secretary shall establish a network of

clean plant centers for diagnostic and pathogen elimination services to—

(1) produce clean propagative plant material; and

(2) maintain blocks of pathogen-tested plant material in sites located throughout the United States.

(c) **AVAILABILITY OF CLEAN PLANT SOURCE MATERIAL.**—Clean plant source material may be made available to—

(1) a State for a certified plant program of the State; and

(2) private nurseries and producers.

(d) **CONSULTATION AND COLLABORATION.**—In carrying out the Program, the Secretary shall—

(1) consult with State departments of agriculture and land grant universities; and

(2) to the extent practicable and with input from the appropriate State officials and industry representatives, use existing Federal or State facilities to serve as clean plant centers.

(e) **FUNDING.**—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out the Program \$4,000,000 for each of fiscal years 2008 through 2012.

SEC. 1552. MARKET LOSS ASSISTANCE FOR ASPARAGUS PRODUCERS.

(a) **IN GENERAL.**—As soon as practicable after the date of enactment of this Act, the Secretary shall make payments to producers of the 2007 crop of asparagus for market loss resulting from imports during the 2004 through 2007 crop years.

(b) **PAYMENT RATE.**—The payment rate for a payment under this section shall be based on the reduction in revenue received by asparagus producers associated with imports during the 2004 through 2007 crop years.

(c) **PAYMENT QUANTITY.**—The payment quantity for asparagus for which the producers on a farm are eligible for payments under this section shall be equal to the average quantity of the 2003 crop of asparagus produced by producers on the farm.

(d) **FUNDING.**—

(1) **IN GENERAL.**—Subject to paragraph (2), the Secretary shall make available \$15,000,000 of the funds of the Commodity Credit Corporation to carry out a program to provide market loss payments to producers of asparagus under this section.

(2) **ALLOCATION.**—Of the amount made available under paragraph (1), the Secretary shall use—

(A) \$7,500,000 to make payments to producers of asparagus for the fresh market; and

(B) \$7,500,000 to make payments to producers of asparagus for the processed or frozen market.

SEC. 1553. MUSHROOM PROMOTION, RESEARCH, AND CONSUMER INFORMATION.

(a) **REGIONS AND MEMBERS.**—Section 1925(b)(2) of the Mushroom Promotion, Research, and Consumer Information Act of 1990 (7 U.S.C. 6104(b)(2)) is amended—

(1) in subparagraph (B), by striking “4 regions” and inserting “3 regions”;

(2) in subparagraph (D), by striking “35,000,000 pounds” and inserting “50,000,000 pounds”; and

(3) by striking subparagraph (E), and inserting the following:

“(E) **ADDITIONAL MEMBERS.**—In addition to the members appointed pursuant to paragraph (1), and subject to the 9-member limitation on members on the Council provided in that paragraph, the Secretary shall appoint additional members to the Council from a region that attains additional pounds of production of mushrooms as follows:

“(i) If the annual production of the region is greater than 110,000,000 pounds, but not more than 180,000,000 pounds, the region shall be represented by 1 additional member.

“(ii) If the annual production of the region is greater than 180,000,000 pounds, but not

more than 260,000,000 pounds, the region shall be represented by 2 additional members.

“(iii) If the annual production of the region is greater than 260,000,000 pounds, the region shall be represented by 3 additional members.”.

(b) **POWERS AND DUTIES OF COUNCIL.**—Section 1925(c) of the Mushroom Promotion, Research, and Consumer Information Act of 1990 (7 U.S.C. 6104(c)) is amended—

(1) by redesignating paragraphs (6), (7), and (8) as paragraphs (7), (8), and (9), respectively; and

(2) by inserting after paragraph (5) the following:

“(6) to develop food safety programs, including good agricultural practices and good handling practices or related activities for mushrooms;”.

SEC. 1554. NATIONAL HONEY BOARD.

Section 7(c) of the Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4606(c)) is amended by adding at the end the following:

“(12) REFERENDUM REQUIREMENT.—

“(A) IN GENERAL.—Notwithstanding any other provision of law, subject to subparagraph (B), the order providing for the establishment and operation of the Honey Board in effect on the date of enactment of this paragraph shall continue in force, and the Secretary shall not schedule or conduct any referendum on the continuation or termination of the order, until the Secretary first conducts, at the earliest practicable date, concurrent referenda among all eligible producers, importers, packers, and handlers of honey for the purpose of ascertaining whether eligible producers, importers, packers, and handlers of honey approve of 1 or more orders to establish successor marketing boards for honey.

“(B) REQUIREMENTS.—In conducting concurrent referenda under subparagraph (A), the Secretary shall ensure that—

“(i) a referendum of United States honey producers for the establishment of a marketing board solely for United States honey producers is included in the process; and

“(ii) the rights and interests of honey producers, importers, packers, and handlers of honey are protected in the transition to any new marketing board.”.

SEC. 1555. IDENTIFICATION OF HONEY.

Section 203(h) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1622(h)) is amended—

(1) by designating the first through sixth sentences as paragraphs (1), (2)(A), (2)(B), (3), (4), and (5), respectively; and

(2) by adding at the end the following:

“(6) IDENTIFICATION OF HONEY.—The use of a label or advertising material on, or in conjunction with, packaged honey that bears any official certificate of quality, grade mark or statement, continuous inspection mark or statement, sampling mark or statement, or any combination of the certificates, marks, or statements of the Department of Agriculture shall be considered a deceptive practice that is prohibited under this Act unless there appears legibly and permanently in close proximity to the certificate, mark, or statement, and in at least a comparable size, the 1 or more names of the 1 or more countries of origin of the lot or container of honey, preceded by ‘Product of’ or other words of similar meaning.”.

SEC. 1556. EXPEDITED MARKETING ORDER FOR HASS AVOCADOS FOR GRADES AND STANDARDS AND OTHER PURPOSES.

(a) IN GENERAL.—The Secretary shall initiate procedures under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to determine whether it would be appropriate to establish

a Federal marketing order for Hass avocados relating to grades and standards and for other purposes under that Act.

(b) **EXPEDITED PROCEDURES.**—

(1) **PROPOSAL FOR AN ORDER.**—An organization of domestic avocado producers in existence on the date of enactment of this Act may request the issuance of, and submit to the Secretary a proposal for, an order described in subsection (a).

(2) **PUBLICATION OF PROPOSAL.**—Not later than 60 days after the date on which the Secretary receives a proposed order under paragraph (1), the Secretary shall initiate procedures described in subsection (a) to determine whether the proposed order should proceed.

(c) **EFFECTIVE DATE.**—Any order issued under this section shall become effective not later than 15 months after the date on which the Secretary initiates procedures under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.

Subtitle G—Risk Management

SEC. 1601. DEFINITION OF ORGANIC CROP.

Section 502(b) of the Federal Crop Insurance Act (7 U.S.C. 1502(b)) is amended—

(1) by redesignating paragraphs (7) and (8) as paragraphs (8) and (9), respectively; and

(2) by inserting after paragraph (6) the following:

“(7) **ORGANIC CROP.**—The term ‘organic crop’ means an agricultural commodity that is organically produced consistent with section 2103 of the Organic Foods Production Act of 1990 (7 U.S.C. 6502).”.

SEC. 1602. GENERAL POWERS.

(a) IN GENERAL.—Section 506 of the Federal Crop Insurance Act (7 U.S.C. 1506) is amended—

(1) in the first sentence of subsection (d), by striking “The Corporation” and inserting “Subject to section 508(j)(2)(A), the Corporation”; and

(2) by striking subsection (n).

(b) **CONFORMING AMENDMENTS.**—

(1) Section 506 of the Federal Crop Insurance Act (7 U.S.C. 1506) is amended by redesignating subsections (o), (p), and (q) as subsections (n), (o), and (p), respectively.

(2) Section 521 of the Federal Crop Insurance Act (7 U.S.C. 1521) is amended by striking the last sentence.

SEC. 1603. REDUCTION IN LOSS RATIO.

(a) **PROJECTED LOSS RATIO.**—Subsection (n)(2) of section 506 of the Federal Crop Insurance Act (7 U.S.C. 1506) (as redesignated by section 1902(b)(1)) is amended—

(1) in the paragraph heading, by striking “AS OF OCTOBER 1, 1998”; and

(2) by striking “, on and after October 1, 1998,”; and

(3) by striking “1.075” and inserting “1.0”.

(b) **PREMIUMS REQUIRED.**—Section 508(d)(1) of the Federal Crop Insurance Act (7 U.S.C. 1508(d)(1)) is amended by striking “not greater than” and all that follows and inserting “not greater than—

“(A) 1.1 through September 30, 1998;

“(B) 1.075 for the period beginning October 1, 1998, and ending on the date of enactment of the Food and Energy Security Act of 2007; and

“(C) 1.0 on and after the date of enactment of that Act.”.

SEC. 1604. CONTROLLED BUSINESS INSURANCE.

Section 508(a) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)) is amended by adding at the end the following:

“(9) **COMMISSIONS.**—

“(A) **DEFINITION OF IMMEDIATE FAMILY.**—In this paragraph, the term ‘immediate family’ means a person’s father, mother, stepfather, stepmother, brother, sister, stepbrother, stepsister, son, daughter, stepson, step-

daughter, grandparent, grandson, granddaughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, the spouse of the foregoing, and the person’s spouse.

“(B) **PROHIBITION.**—No person may receive a commission or share of a commission for any policy or plan of insurance offered under this Act in which the person has a substantial beneficial interest or in which a member of the person’s immediate family has a substantial beneficial interest if, in a calendar year, the aggregate of the commissions exceeds 30 percent of the aggregate of all commissions received by the person for any policy or plan of insurance offered under this Act.

“(C) **REPORTING.**—On the completion of the reinsurance year, any person that received a commission or share of a commission for any policy or plan of insurance offered under this Act in the prior calendar year shall certify to applicable approved insurance providers that the person received the commissions in compliance with this paragraph.

“(D) **SANCTIONS.**—The requirements and sanctions prescribed in section 515(h) shall apply to the prosecution of a violation of this paragraph.

“(E) **APPLICABILITY.**—

“(i) IN GENERAL.—Sanctions for violations under this paragraph shall only apply to the person directly responsible for the certification required under subparagraph (C) or the failure to comply with the requirements of this paragraph.

“(ii) **PROHIBITION.**—No sanctions shall apply with respect to the policy or plans of insurance upon which commissions are received, including the reinsurance for those policies or plans.”.

SEC. 1605. ADMINISTRATIVE FEE.

Section 508(b)(5) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)(5)) is amended—

(1) by striking subparagraph (A) and inserting the following:

“(A) **BASIC FEE.**—

“(i) IN GENERAL.—Except as provided in clause (ii), each producer shall pay an administrative fee for catastrophic risk protection in an amount that is, as determined by the Corporation, equal to 25 percent of the premium amount for catastrophic risk protection established under subsection (d)(2)(A) per crop per county.

“(ii) **MAXIMUM AMOUNT.**—The total amount of administrative fees for catastrophic risk protection payable by a producer under clause (i) shall not exceed \$5,000 for all crops in all counties.”; and

(2) in subparagraph (B)—

(A) by striking “PAYMENT ON BEHALF OF PRODUCERS” and inserting “PAYMENT OF CATASTROPHIC RISK PROTECTION FEE ON BEHALF OF PRODUCERS”; and

(B) in clause (i)—

(i) by striking “or other payment”; and

(ii) by striking “with catastrophic risk protection or additional coverage” and inserting “through the payment of catastrophic risk protection administrative fees”; and

(C) by striking clauses (ii) and (vi);

(D) by redesignating clauses (iii), (iv), and (v) as clauses (ii), (iii), and (iv), respectively;

(E) in clause (iii) (as so redesignated), by striking “A policy or plan of insurance” and inserting “Catastrophic risk protection coverage”; and

(F) in clause (iv) (as so redesignated)—

(i) by striking “or other arrangement under this subparagraph”; and

(ii) by striking “additional”.

SEC. 1606. TIME FOR PAYMENT.

Section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) is amended—

(1) in subsection (d), by adding at the end the following:

“(4) TIME FOR PAYMENT.—Effective beginning with the 2012 reinsurance year, a producer that obtains a policy or plan of insurance under this title shall submit the required premium not later than September 30 of the year for which the plan or policy of insurance was obtained.”; and

(2) in subsection (k)(4), by adding at the end the following:

“(D) TIME FOR REIMBURSEMENT.—Effective beginning with the 2012 reinsurance year, the Corporation shall reimburse approved insurance providers and agents for the allowable administrative and operating costs of the providers and agents as soon as practicable after October 1 (but not later than October 31) of the reinsurance year for which reimbursements are earned.”.

SEC. 1607. SURCHARGE PROHIBITION.

Section 508(d) of the Federal Crop Insurance Act (7 U.S.C. 1508(d)) (as amended by section 1906(1)) is amended by adding at the end the following:

“(5) SURCHARGE PROHIBITION.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), the Corporation may not require producers to pay a premium surcharge for using scientifically-sound sustainable and organic farming practices and systems.

“(B) EXCEPTION.—

“(i) IN GENERAL.—A surcharge may be required for individual organic crops on the basis of significant, consistent, and systemic increased risk factors (including loss history) demonstrated by published cropping system research (as applied to crop types and regions) and other relevant sources of information.

“(ii) CONSULTATION.—The Corporation shall evaluate the reliability of information described in clause (i) in consultation with independent experts in the field.”.

SEC. 1608. PREMIUM REDUCTION PLAN.

Section 508(e) of Federal Crop Insurance Act (7 U.S.C. 1508(e)) is amended by striking paragraph (3) and inserting the following:

“(3) DISCOUNT STUDY.—

“(A) IN GENERAL.—The Secretary shall commission an entity independent of the crop insurance industry (with expertise that includes traditional crop insurance) to study the feasibility of permitting approved insurance providers to provide discounts to producers purchasing crop insurance coverage without undermining the viability of the Federal crop insurance program.

“(B) COMPONENTS.—The study should include—

“(i) an evaluation of the operation of a premium reduction plan that examines—

“(I) the clarity, efficiency, and effectiveness of the statutory language and related regulations;

“(II) whether the regulations frustrated the goal of offering producers upfront, predictable, and reliable premium discount payments; and

“(III) whether the regulations provided for reasonable, cost-effective oversight by the Corporation of premium discounts offered by approved insurance providers, including—

“(aa) whether the savings were generated from verifiable cost efficiencies adequate to offset the cost of discounts paid; and

“(bb) whether appropriate control was exercised to prevent approved insurance providers from preferentially offering the discount to producers of certain agricultural commodities, in certain regions, or in specific size categories;

“(ii) examination of the impact on producers, the crop insurance industry, and profitability from offering discounted crop insurance to producers;

“(iii) examination of implications for industry concentration from offering discounted crop insurance to producers;

“(iv) an examination of the desirability and feasibility of allowing other forms of price competition in the Federal crop insurance program;

“(v) a review of the history of commissions paid by crop insurance providers; and

“(vi) recommendations on—

“(I) potential changes to this title that would address the deficiencies in past efforts to provide discounted crop insurance to producers,

“(II) whether approved insurance providers should be allowed to draw on both administrative and operating reimbursement and underwriting gains to provide discounted crop insurance to producers; and

“(III) any other action that could increase competition in the crop insurance industry that will benefit producers but not undermine the viability of the Federal crop insurance program.

“(C) REQUEST FOR PROPOSALS.—In developing the request for proposals for the study, the Secretary shall consult with parties in the crop insurance industry (including producers and approved insurance providers and agents, including providers and agents with experience selling discount crop insurance products).

“(D) REVIEW OF STUDY.—The independent entity selected by Secretary under subparagraph (A) shall seek comments from interested stakeholders before finalizing the report of the entity.

“(E) REPORT.—Not later than 18 months after the date of enactment of the Food and Energy Security Act of 2007, 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 describes the results and recommendations of the study.”.

SEC. 1609. DENIAL OF CLAIMS.

Section 508(j)(2)(A) of the Federal Crop Insurance Act (7 U.S.C. 1508(j)(2)(A)) is amended by inserting “on behalf of the Corporation” after “approved provider”.

SEC. 1610. MEASUREMENT OF FARM-STORED COMMODITIES.

Section 508(j) of the Federal Crop Insurance Act (7 U.S.C. 1508(j)) is amended by adding at the end the following:

“(5) MEASUREMENT OF FARM-STORED COMMODITIES.—Beginning with the 2009 crop year, for the purpose of determining the amount of any insured production loss sustained by a producer and the amount of any indemnity to be paid under a plan of insurance—

“(A) a producer may elect, at the expense of the producer, to have the Farm Service Agency measure the quantity of the commodity; and

“(B) the results of the measurement shall be used as the evidence of the quantity of the commodity that was produced.”.

SEC. 1611. RENEGOTIATION OF STANDARD REINSURANCE AGREEMENT.

Section 508(k) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)) is amended by adding at the end the following:

“(8) RENEGOTIATION OF STANDARD REINSURANCE AGREEMENT.—

“(A) IN GENERAL.—Notwithstanding section 536 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 1506 note; Public Law 105-185) and section 148 of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1506 note; Public Law 106-224), the Corporation may renegotiate the financial terms and conditions of each Standard Reinsurance Agreement—

“(i) following the reinsurance year ending June 30, 2012;

“(ii) once during each period of 5 reinsurance years thereafter; and

“(iii) subject to subparagraph (B), in any case in which the approved insurance providers, as a whole, experience unexpected adverse circumstances, as determined by the Secretary.

“(B) NOTIFICATION REQUIREMENT.—If the Corporation renegotiates a Standard Reinsurance Agreement under subparagraph (A)(iii), the Corporation shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the renegotiation.

“(C) CONSULTATION.—The approved insurance providers may confer with each other and collectively with the Corporation during any renegotiation under subparagraph (A).”.

SEC. 1612. CHANGE IN DUE DATE FOR CORPORATION PAYMENTS FOR UNDERWRITING GAINS.

Section 508(k) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)) (as amended by section 1912) is amended by adding at the end the following:

“(9) DUE DATE FOR PAYMENT OF UNDERWRITING GAINS.—Effective beginning with the 2011 reinsurance year, the Corporation shall make payments for underwriting gains under this title on—

“(A) for the 2011 reinsurance year, October 1, 2012; and

“(B) for each reinsurance year thereafter, October 1 of the following calendar year.”.

SEC. 1613. CONTROLLING CROP INSURANCE PROGRAM COSTS.

(a) SHARE OF RISK.—Section 508(k)(3) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(3)) is amended by striking paragraph (3) and inserting the following:

“(3) SHARE OF RISK.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), the reinsurance agreements of the Corporation with a reinsured company shall require the reinsured company to provide to the Corporation 30 percent of the cumulative underwriting gain or loss of the reinsured company.

“(B) LIVESTOCK.—In the case of a policy or plan of insurance covering livestock, the reinsurance agreements of the Corporation with the reinsured companies shall require the reinsured companies to bear a sufficient share of any potential loss under the agreement so as to ensure that the reinsured company will sell and service policies of insurance in a sound and prudent manner, taking into consideration the financial condition of the reinsured companies and the availability of private reinsurance.”.

(b) REIMBURSEMENT RATE.—Section 508(k)(4)(A) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(4)(A)) is amended by striking clause (ii) and inserting the following:

“(ii) for each of the 2008 and subsequent reinsurance years—

“(I) 15 percent of the premium used to define loss ratio; and

“(II) in the case of a policy or plan of insurance covering livestock, 27 percent of the premium used to define loss ratio.”.

SEC. 1614. SUPPLEMENTAL DEDUCTIBLE COVERAGE.

(a) IN GENERAL.—Section 508(c)(4) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)(4)) is amended—

(1) by striking “The level of coverage” and inserting the following:

“(A) BASIC COVERAGE.—The level of coverage”; and

(2) by adding at the end the following:

“(B) SUPPLEMENTAL COVERAGE.—

“(i) IN GENERAL.—Notwithstanding paragraph (3) and subparagraph (A), the Corporation may offer supplemental coverage, based on an area yield and loss basis, to cover that portion of a crop loss not covered under the

individual yield and loss basis plan of insurance of a producer, including any revenue plan of insurance with coverage based in part on individual yield and loss.

“(ii) LIMITATION.—The sum of the indemnity paid to the producer under the individual yield and loss plan of insurance and the supplemental coverage may not exceed 100 percent of the loss incurred by the producer for the crop.

“(iii) ADMINISTRATIVE AND OPERATING EXPENSE REIMBURSEMENT.—Notwithstanding subsection (k)(4), the reimbursement rate for approved insurance providers for the supplemental coverage shall equal 6 percent of the premium used to define the loss ratio.

“(iv) DIRECT COVERAGE.—If the Corporation determines that it is in the best interests of producers, the Corporation may offer supplemental coverage as a Corporation endorsement to existing plans and policies of crop insurance authorized under this title.

“(v) PAYMENT OF PORTION OF PREMIUM BY CORPORATION.—Notwithstanding subsection (e), the amount of the premium to be paid by the Corporation for supplemental coverage offered pursuant to this subparagraph shall be determined by the Corporation, but may not exceed the sum of—

“(I) 50 percent of the amount of premium established under subsection (d)(2)(C)(i); and

“(II) the amount determined under subsection (d)(2)(C)(ii) for the coverage level selected to cover operating and administrative expenses.”.

(b) CONFORMING AMENDMENTS.—Section 508(d)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(d)(2)) is amended—

(1) by striking “additional coverage” the first place it appears and inserting “additional and supplemental coverages”; and

(2) by adding at the end the following:

“(C) SUPPLEMENTAL COVERAGE.—In the case of supplemental coverage offered under subsection (c)(4)(B), the amount of the premium shall—

“(i) be sufficient to cover anticipated losses and a reasonable reserve; and

“(ii) include an amount for operating and administrative expenses, as determined by the Corporation on an industry-wide basis as a percentage of the amount of the premium used to define loss ratio.”.

SEC. 1615. REVENUE-BASED SAFETY NET.

(a) ESTABLISHMENT.—Section 508(c) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)) is amended by adding at the end the following:

“(11) GROUP RISK INCOME PROTECTION AND GROUP RISK PROTECTION.—The Corporation shall offer, at no cost to a producer, revenue and yield coverage plans that allow producers in a county to qualify for an indemnity if the actual revenue or yield per acre in the county in which the producer is located is below 85 percent of the average revenue or yield per acre for the county, for each agricultural commodity for which a futures price is available, or as otherwise approved by the Secretary, to the extent the coverage is actuarially sound.”.

(b) PREMIUMS.—Section 508(e)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)(2)) is amended by adding at the end the following:

“(H) In the case of a group risk income protection and group risk protection offered under subsection (c)(11) beginning in fiscal year 2009, and the whole farm insurance plan offered under subsection (c)(12) beginning in fiscal year 2010, the entire amount of the premium for the plan shall be paid by the Corporation.”.

SEC. 1616. WHOLE FARM INSURANCE.

(a) ESTABLISHMENT.—Section 508(c) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)) (as amended by section 19 (a)) is amended by adding at the end the following:

“(12) WHOLE FARM INSURANCE PLAN.—The Corporation shall offer, at no cost to a producer described in paragraph (11), a whole farm insurance plan that allows the producer to qualify for an indemnity if actual gross farm revenue is below 80 percent of the average gross farm revenue of the producer.”.

(b) ADJUSTED GROSS REVENUE INSURANCE PILOT PROGRAM.—Section 523(e) of the Federal Crop Insurance Act (7 U.S.C. 1523(e)) is amended—

(1) in paragraph (1), by striking “2004” and inserting “2012”;

(2) in paragraph (2), by striking subparagraph (A) and inserting the following:

“(A) IN GENERAL.—In addition to counties otherwise included in the pilot program, the Corporation shall include in the pilot program for each of the 2010 through 2012 reinsurance years all States and counties that meet the criteria for selection (pending required rating), as determined by the Corporation.”; and

(3) by adding at the end the following:

“(3) ELIGIBLE PRODUCERS.—The Corporation shall permit the producer of any type of agricultural commodity (including a producer of specialty crops, floricultural, ornamental nursery, and Christmas tree crops, turfgrass sod, seed crops, aquacultural products (including ornamental fish), sea grass and sea oats, and industrial crops) to participate in a pilot program established under this subsection.”.

(c) PREVENTION OF DUPLICATION.—Section 508(c) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)) (as amended by subsection (a)) is amended by adding at the end the following:

“(13) PREVENTION OF DUPLICATION.—The Administrator of the Risk Management Agency and Administrator of the Farm Service Agency shall cooperate to ensure, to the maximum extent practicable, that producers on a farm do not receive duplicative compensation under Federal law for the same loss, including by reducing crop insurance indemnity payments.”.

SEC. 1617. ACCESS TO DATA MINING INFORMATION.

(a) IN GENERAL.—Section 515(j)(2) of the Federal Crop Insurance Act (7 U.S.C. 1515(j)(2)) is amended—

(1) by striking “The Secretary” and inserting the following:

“(A) IN GENERAL.—The Secretary”; and

(2) by adding at the end the following:

“(B) ACCESS TO DATA MINING INFORMATION.—

“(i) IN GENERAL.—The Secretary shall establish a fee-for-access program under which approved insurance providers pay to the Secretary a user fee in exchange for access to the data mining system established under subparagraph (A) for the purpose of assisting in fraud and abuse detection.

“(ii) PROHIBITION.—

“(I) IN GENERAL.—Except as provided in subclause (II), the Corporation shall not impose a requirement on approved insurance providers to access the data mining system established under subparagraph (A).

“(II) ACCESS WITHOUT FEE.—If the Corporation requires approved insurance providers to access the data mining system established under subparagraph (A), access will be provided without charge to the extent necessary to fulfill the requirements.

“(iii) ACCESS LIMITATION.—In establishing the program under clause (i), the Secretary shall ensure that an approved insurance provider has access only to information relating to the policies or plans of insurance for which the approved insurance provider provides insurance coverage, including any information relating to—

“(I) information of agents and adjusters relating to policies for which the approved insurance provider provides coverage;

“(II) the other policies or plans of an insured that are insured through another approved insurance providers; and

“(III) the policies or plans of an insured for prior crop insurance years.”.

(b) INSURANCE FUND.—Section 516 of the Federal Crop Insurance Act (7 U.S.C. 1516) is amended—

(1) in subsection (b), by adding at the end the following:

“(3) DATA MINING SYSTEM.—The Corporation shall use amounts deposited in the insurance fund established under subsection (c) from fees collected under section 515(j)(2)(B) to administer and carry out improvements to the data mining system under that section.”; and

(2) in subsection (c)(1)—

(A) by striking “and civil” and inserting “civil”; and

(B) by inserting “and fees collected under section 515(j)(2)(B)(i),” after “section 515(h).”.

SEC. 1618. PRODUCER ELIGIBILITY.

Section 520(2) of the Federal Crop Insurance Act (7 U.S.C. 1520(2)) is amended by inserting “or is a person who raises livestock owned by other persons (that is not covered by insurance under this title by another person)” after “sharecropper”.

SEC. 1619. CONTRACTS FOR ADDITIONAL CROP POLICIES.

Section 522(c) of the Federal Crop Insurance Act (7 U.S.C. 1522) is amended—

(1) by redesignating paragraph (10) as paragraph (14); and

(2) by inserting after paragraph (9) the following:

“(10) ENERGY CROP INSURANCE POLICY.—

“(A) DEFINITION OF DEDICATED ENERGY CROP.—In this subsection, the term ‘dedicated energy crop’ means an annual or perennial crop that—

“(i) is grown expressly for the purpose of producing a feedstock for renewable biofuel, renewable electricity, or bio-based products; and

“(ii) is not typically used for food, feed, or fiber.

“(B) AUTHORITY.—The Corporation shall offer to enter into 1 or more contracts with qualified entities to carry out research and development regarding a policy to insure dedicated energy crops.

“(C) RESEARCH AND DEVELOPMENT.—Research and development described in subparagraph (B) shall evaluate the effectiveness of risk management tools for the production of dedicated energy crops, including policies and plans of insurance that—

“(i) are based on market prices and yields;

“(ii) to the extent that insufficient data exist to develop a policy based on market prices and yields, evaluate the policies and plans of insurance based on the use of weather or rainfall indices to protect the interests of crop producers; and

“(iii) provide protection for production or revenue losses, or both.

“(11) AQUACULTURE INSURANCE POLICY.—

“(A) DEFINITION OF AQUACULTURE.—In this subsection:

“(i) IN GENERAL.—The term ‘aquaculture’ means the propagation and rearing of aquatic species in controlled or selected environments, including shellfish cultivation on grants or leased bottom and ocean ranching.

“(ii) EXCLUSION.—The term ‘aquaculture’ does not include the private ocean ranching of Pacific salmon for profit in any State in which private ocean ranching of Pacific salmon is prohibited by any law (including regulations).

“(B) AUTHORITY.—The Corporation shall offer to enter into 1 or more contracts with

qualified entities to carry out research and development regarding a policy to insure aquaculture operations.

“(C) RESEARCH AND DEVELOPMENT.—Research and development described in subparagraph (B) shall evaluate the effectiveness of risk management tools for the production of fish and other seafood in aquaculture operations, including policies and plans of insurance that—

“(i) are based on market prices and yields;“(ii) to the extent that insufficient data exist to develop a policy based on market prices and yields, evaluate how best to incorporate insuring of aquaculture operations into existing policies covering adjusted gross revenue; and

“(iii) provide protection for production or revenue losses, or both.

“(12) ORGANIC CROP PRODUCTION COVERAGE IMPROVEMENTS.—

“(A) IN GENERAL.—Not later than 180 days after the date of enactment of this paragraph, the Corporation shall offer to enter into 1 or more contracts with qualified entities for the development of improvements in Federal crop insurance policies covering organic crops.

“(B) PRICE ELECTION.—

“(i) IN GENERAL.—The contracts under subparagraph (A) shall include the development of procedures (including any associated changes in policy terms or materials required for implementation of the procedures) to offer producers of organic crops a price election that would reflect the actual retail or wholesale prices, as appropriate, received by producers for organic crops, as established using data collected and maintained by the Agricultural Marketing Service.

“(ii) DEADLINE.—The development of the procedures required under clause (i) shall be completed not later than the date necessary to allow the Corporation to offer the price election—

“(I) beginning in the 2009 reinsurance year for organic crops with adequate data available; and

“(II) subsequently for additional organic crops as data collection for those organic crops is sufficient, as determined by the Corporation.

“(13) SKIPROW CROPPING PRACTICES.—

“(A) IN GENERAL.—The Corporation shall offer to enter into a contract with a qualified entity to carry out research into needed modifications of policies to insure corn and sorghum produced in the Central Great Plains (as determined by the Agricultural Research Service) through use of skiprow cropping practices.

“(B) RESEARCH.—Research described in subparagraph (A) shall—

“(i) review existing research on skiprow cropping practices and actual production history of producers using skiprow cropping practices; and

“(ii) evaluate the effectiveness of risk management tools for producers using skiprow cropping practices, including—

“(I) the appropriateness of rules in existence as of the date of enactment of this paragraph relating to the determination of acreage planted in skiprow patterns; and

“(II) whether policies for crops produced through skiprow cropping practices reflect actual production capabilities.”.

SEC. 1620. RESEARCH AND DEVELOPMENT.

(a) REIMBURSEMENT AUTHORIZED.—Section 522(b) of the Federal Crop Insurance Act (7 U.S.C. 1522(b)) is amended by striking paragraph (1) and inserting the following:

“(1) RESEARCH AND DEVELOPMENT REIMBURSEMENT.—The Corporation shall provide a payment to reimburse an applicant for research and development costs directly related to a policy that—

“(A) is submitted to, and approved by, the Board pursuant to a FCIC reimbursement grant under paragraph (7); or

“(B) is—

“(i) submitted to the Board and approved by the Board under section 508(h) for reinsurance; and

“(ii) if applicable, offered for sale to producers.”.

(b) FCIC REIMBURSEMENT GRANTS.—Section 522(b) of the Federal Crop Insurance Act (7 U.S.C. 1522(b)) is amended by adding at the end the following:

“(7) FCIC REIMBURSEMENT GRANTS.—

“(A) GRANTS AUTHORIZED.—The Corporation shall provide FCIC reimbursement grants to persons (referred to in this paragraph as ‘submitters’) proposing to prepare for submission to the Board crop insurance policies and provisions under subparagraphs (A) and (B) of section 508(h)(1), that apply and are approved for the FCIC reimbursement grants under this paragraph.

“(B) SUBMISSION OF APPLICATION.—

“(i) IN GENERAL.—The Board shall receive and consider applications for FCIC reimbursement grants at least once each year.

“(ii) REQUIREMENTS.—An application to receive a FCIC reimbursement grant from the Corporation shall consist of such materials as the Board may require, including—

“(I) a concept paper that describes the proposal in sufficient detail for the Board to determine whether the proposal satisfies the requirements of subparagraph (C); and

“(II) a description of —

“(aa) the need for the product, including an assessment of marketability and expected demand among affected producers;

“(bb) support from producers, producer organizations, lenders, or other interested parties; and

“(cc) the impact the product would have on producers and on the crop insurance delivery system; and

“(III) a statement that no products are offered by the private sector that provide the same benefits and risk management services as the proposal;

“(IV) a summary of data sources available that demonstrate that the product can reasonably be developed and properly rated; and

“(V) an identification of the risks the proposed product will cover and an explanation of how the identified risks are insurable under this title.

“(C) APPROVAL CONDITIONS.—

“(i) IN GENERAL.—A majority vote of the Board shall be required to approve an application for a FCIC reimbursement grant.

“(ii) REQUIRED FINDINGS.—The Board shall approve the application if the Board finds that—

“(I) the proposal contained in the application—

“(aa) provides coverage to a crop or region not traditionally served by the Federal crop insurance program;

“(bb) provides crop insurance coverage in a significantly improved form;

“(cc) addresses a recognized flaw or problem in the Federal crop insurance program or an existing product;

“(dd) introduces a significant new concept or innovation to the Federal crop insurance program; or

“(ee) provides coverage or benefits not available from the private sector;

“(II) the submitter demonstrates the necessary qualifications to complete the project successfully in a timely manner with high quality;

“(III) the proposal is in the interests of producers and can reasonably be expected to be actuarially appropriate and function as intended;

“(IV) the Board determines that the Corporation has sufficient available funding to award the FCIC reimbursement grant; and

“(V) the proposed budget and timetable are reasonable.

“(D) PARTICIPATION.—

“(i) IN GENERAL.—In reviewing proposals under this paragraph, the Board may use the services of persons that the Board determines appropriate to carry out expert review in accordance with section 508(h).

“(ii) CONFIDENTIALITY.—All proposals submitted under this paragraph shall be treated as confidential in accordance with section 508(h)(4).

“(E) ENTERING INTO AGREEMENT.—Upon approval of an application, the Board shall offer to enter into an agreement with the submitter for the development of a formal submission that meets the requirements for a complete submission established by the Board under section 508(h).

“(F) FEASIBILITY STUDIES.—

“(i) IN GENERAL.—In appropriate cases, the Corporation may structure the FCIC reimbursement grant to require, as an initial step within the overall process, the submitter to complete a feasibility study, and report the results of the study to the Corporation, prior to proceeding with further development.

“(ii) MONITORING.—The Corporation may require such other reports as the Corporation determines necessary to monitor the development efforts.

“(G) RATES.—Payment for work performed by the submitter under this paragraph shall be based on rates determined by the Corporation for products—

“(i) submitted under section 508(h); or

“(ii) contracted by the Corporation under subsection (c).

“(H) TERMINATION.—

“(i) IN GENERAL.—The Corporation or the submitter may terminate any FCIC reimbursement grant at any time for just cause.

“(ii) REIMBURSEMENT.—If the Corporation or the submitter terminates the FCIC reimbursement grant before final approval of the product covered by the grant, the submitter shall be entitled to—

“(I) reimbursement of all eligible costs incurred to that point; or

“(II) in the case of a fixed rate agreement, payment of an appropriate percentage, as determined by the Corporation.

“(iii) DENIAL.—If the submitter terminates development without just cause, the Corporation may deny reimbursement or recover any reimbursement already made.

“(I) CONSIDERATION OF PRODUCTS.—The Board shall consider any product developed under this paragraph and submitted to the Board under the rules the Board has established for products submitted under section 508(h).”.

(c) CONFORMING AMENDMENT.—Section 523(b)(10) of the Federal Crop Insurance Act (7 U.S.C. 1523(b)(10)) is amended by striking “(other than research and development costs covered by section 522)”.

SEC. 1621. FUNDING FROM INSURANCE FUND.

Section 522(e) of the Federal Crop Insurance Act (7 U.S.C. 1522(e)) is amended—

(1) in paragraph (1), by striking “\$10,000,000” and all that follows through the end of the paragraph and inserting “\$7,500,000 for fiscal year 2008 and each subsequent fiscal year”;

(2) in paragraph (2)(A), by striking “\$20,000,000 for” and all that follows through “year 2004” and inserting “\$12,500,000 for fiscal year 2008”; and

(3) in paragraph (3), by striking “the Corporation may use” and all that follows through the end of the paragraph and inserting “the Corporation may use—

“(A) not more than \$5,000,000 for each fiscal year to improve program integrity, including by—

- “(i) increasing compliance-related training;
- “(ii) improving analysis tools and technology regarding compliance;
- “(iii) use of information technology, as determined by the Corporation;
- “(iv) identifying and using innovative compliance strategies; and

“(B) any excess amounts to carry out other activities authorized under this section.”.

SEC. 1622. CAMELINA PILOT PROGRAM.

(a) IN GENERAL.—Section 523 of the Federal Crop Insurance Act (7 U.S.C. 1523) is amended by adding at the end the following:

“(f) CAMELINA PILOT PROGRAM.—

“(1) IN GENERAL.—Beginning with the 2008 crop year, the Corporation shall establish a pilot program under which producers or processors of camelina may propose for approval by the Board policies or plans of insurance for camelina, in accordance with section 508(h).

“(2) DETERMINATION BY BOARD.—The Board shall approve a policy or plan of insurance proposed under paragraph (1) if, as determined by the Board, the policy or plan of insurance—

- “(A) protects the interests of producers;
- “(B) is actuarially sound; and
- “(C) meets the requirements of this title.”.

(b) NONINSURED CROP ASSISTANCE PROGRAM.—Section 196(a)(2) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333(a)(2)) is amended by adding at the end the following:

“(D) CAMELINA.—

“(i) IN GENERAL.—For each of crop years 2008 through 2011, the Secretary shall consider camelina to be an eligible crop for purposes of the noninsured crop disaster assistance program under this section.

“(ii) LIMITATION.—Producers that are eligible to purchase camelina crop insurance, including camelina crop insurance under a pilot program, shall not be eligible for assistance under this section.”.

SEC. 1623. RISK MANAGEMENT EDUCATION FOR BEGINNING FARMERS OR RANCHERS.

Section 524(a) of the Federal Crop Insurance Act (7 U.S.C. 1524(a)) is amended—

- (1) in paragraph (1), by striking “paragraph (4)” and inserting “paragraph (5)”;

- (2) by redesignating paragraph (4) as paragraph (5); and

(3) by inserting after paragraph (3) the following:

“(4) REQUIREMENTS.—In carrying out the programs established under paragraphs (2) and (3), the Secretary shall place special emphasis on risk management strategies, education, and outreach specifically targeted at—

- “(A) beginning farmers or ranchers;
- “(B) immigrant farmers or ranchers that are attempting to become established producers in the United States;
- “(C) socially disadvantaged farmers or ranchers;

“(D) farmers or ranchers that—

- “(i) are preparing to retire; and
- “(ii) are using transition strategies to help new farmers or ranchers get started; and

“(E) new or established farmers or ranchers that are converting production and marketing systems to pursue new markets.”.

SEC. 1624. CROP INSURANCE EDUCATION ASSISTANCE.

(a) PARTNERSHIPS FOR RISK MANAGEMENT EDUCATION.—Section 524(a)(3) of the Federal Crop Insurance Act (7 U.S.C. 1524(a)(3)) is amended—

- (1) in subparagraph (B), by striking “A grant” and inserting “Subject to subparagraph (E), a grant”;

- (2) by adding at the end the following:

“(E) ALLOCATION TO STATES.—The Secretary shall allocate funds made available to carry out this subsection for each fiscal year in a manner that ensures that grants are provided to eligible entities in States based on the ratio that the value of agricultural production of each State bears to the total value of agricultural production in all States, as determined by the Secretary.”.

(b) FUNDING.—Paragraph (5) of section 524(a) of the Federal Crop Insurance Act (7 U.S.C. 1524(a)) (as redesignated by section 1920(2)) is amended by striking subparagraph (B) and inserting the following:

“(B) for the partnerships for risk management education program established under paragraph (3)—

“(i) \$20,000,000 for fiscal year 2008, of which not less than \$15,000,000 shall be used to provide educational assistance with respect to whole farm and adjusted gross revenue insurance plans;

“(ii) \$15,000,000 for fiscal year 2009, of which not less than \$10,000,000 shall be used to provide educational assistance described in clause (i);

“(iii) \$10,000,000 for fiscal year 2010, of which not less than \$5,000,000 shall be used to provide educational assistance described in clause (i); and

“(iv) \$5,000,000 for fiscal year 2011 and each fiscal year thereafter.”.

SEC. 1625. AGRICULTURAL MANAGEMENT ASSISTANCE.

Section 524(b)(4) of the Federal Crop Insurance Act (7 U.S.C. 1524(b)(4)) is amended by adding at end the following:

“(C) COST-SHARING.—The Secretary may provide matching funds to any State described in paragraph (1) that appropriates a portion of the budget of the State to provide financial assistance for producer-paid premiums for crop insurance policies reinsured by the Corporation.”.

SEC. 1626. CROP INSURANCE MEDIATION.

Section 275 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6995) is amended—

- (1) by striking “If an officer” and inserting the following:

“(a) IN GENERAL.—If an officer”;

- (2) by striking “With respect to” and inserting the following:

“(b) FARM SERVICE AGENCY.—With respect to”;

- (3) by striking “If a mediation”; and inserting the following:

“(c) MEDIATION.—If a mediation”; and

(4) in subsection (c) (as so designated)—

(A) by striking “participant shall be offered” and inserting “participant shall—

“(1) be offered”; and

(B) by striking the period at the end and inserting the following: “; and

“(2) to the maximum extent practicable, be allowed to use both informal agency review and mediation to resolve disputes under that title.”.

SEC. 1627. DROUGHT COVERAGE FOR AQUACULTURE UNDER NONINSURED CROP ASSISTANCE PROGRAM.

Section 196(c)(2) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333(c)(2)) is amended—

- (1) by striking “On making” and inserting the following:

“(A) IN GENERAL.—On making”; and

(2) by adding at the end the following:

“(B) AQUACULTURE PRODUCERS.—On making a determination described in subsection (a)(3) for aquaculture producers, the Secretary shall provide assistance under this section to aquaculture producers from all losses related to drought.”.

SEC. 1628. INCREASE IN SERVICE FEES FOR NON-INSURED CROP ASSISTANCE PROGRAM.

Section 196(k)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333(k)(1)) is amended—

- (1) in subparagraph (A), by striking “\$100” and inserting “\$200”; and

(2) in subparagraph (B)—

- (A) by striking “\$300” and inserting “\$600”; and

(B) by striking “\$900” and inserting “\$1,500”.

SEC. 1629. DETERMINATION OF CERTAIN SWEET POTATO PRODUCTION.

Section 9001(d) of the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 (Public Law 110-28; 121 Stat. 211) is amended—

- (1) by redesignating paragraph (8) as paragraph (9); and

(2) by inserting after paragraph (7) the following:

“(8) SWEET POTATOES.—

“(A) DATA.—In the case of sweet potatoes, any data obtained under a pilot program carried out by the Risk Management Agency shall not be considered for the purpose of determining the quantity of production under the crop disaster assistance program established under this section.

“(B) EXTENSION OF DEADLINE.—If this paragraph is not implemented before the sign-up deadline for the crop disaster assistance program established under this section, the Secretary shall extend the deadline for producers of sweet potatoes to permit sign-up for the program in accordance with this paragraph.”.

SEC. 1630. PERENNIAL CROP REPORT.

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 and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing details about activities and administrative options of the Federal Crop Insurance Corporation and Risk Management Agency that address issues relating to—

- (1) declining yields on the actual production histories of producers; and

(2) declining and variable yields for perennial crops, including pecans.

TITLE II—CONSERVATION

Subtitle A—Definitions

SEC. 2001. DEFINITIONS.

Section 1201(a) of the Food Security Act of 1985 (16 U.S.C. 3801(a)) is amended—

- (1) by redesignating paragraphs (2) through (11), (12) through (15), and (16), (17), and (18) as paragraphs (3) through (12), (15) through (18), and (20), (22), and (23), respectively;

(2) by inserting after paragraph (1) the following:

“(2) BEGINNING FARMER OR RANCHER.—The term ‘beginning farmer or rancher’ has, to the maximum extent practicable, the meaning given the term in section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)), except that the Secretary may include in the definition of the term—

“(A) a fair and reasonable test of net worth; and

“(B) such other criteria as the Secretary determines to be appropriate.”;

- (3) by inserting after paragraph (12) (as redesignated by paragraph (1)) the following:

“(13) INDIAN TRIBE.—The term ‘Indian tribe’ has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

“(14) NONINDUSTRIAL PRIVATE FOREST LAND.—The term ‘nonindustrial private forest land’ means rural land, as determined by the Secretary, that—

“(A) has existing tree cover or is suitable for growing trees; and

“(B) is owned by any nonindustrial private individual, group, association, corporation, Indian tribe, or other private legal entity that has definitive decisionmaking authority over the land.”;

(4) by inserting after paragraph (18) (as redesignated by paragraph (1)) the following:

“(19) SOCIALLY DISADVANTAGED FARMER OR RANCHER.—The term ‘socially disadvantaged farmer or rancher’ has the meaning given the term in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)).”; and

(5) by inserting after paragraph (20) (as redesignated by paragraph (1)) the following:

“(21) TECHNICAL ASSISTANCE.—

“(A) IN GENERAL.—The term ‘technical assistance’ means technical expertise, information, and tools necessary for the conservation of natural resources on land active in agricultural, forestry, or related uses.

“(B) INCLUSIONS.—The term ‘technical assistance’ includes—

“(i) technical services provided directly to farmers, ranchers, and other eligible entities, such as conservation planning, technical consultation, and assistance with design and implementation of conservation practices; and

“(ii) technical infrastructure, including activities, processes, tools, and agency functions needed to support delivery of technical services, such as technical standards, resource inventories, training, data, technology, monitoring, and effects analyses.”.

Subtitle B—Highly Erodible Land Conservation

SEC. 2101. REVIEW OF GOOD FAITH DETERMINATIONS; EXEMPTIONS.

Section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812) is amended by striking subsection (f) and inserting the following:

“(f) GRADUATED PENALTIES.—

“(1) INELIGIBILITY.—No person shall become ineligible under section 1211 for program loans, payments, and benefits as a result of the failure of the person to actively apply a conservation plan, if the Secretary determines that the person has acted in good faith and without an intent to violate this subtitle.

“(2) ELIGIBLE REVIEWERS.—A determination of the Secretary, or a designee of the Secretary, under paragraph (1) shall be reviewed by the applicable—

“(A) State Executive Director, with the technical concurrence of the State Conservationist; or

“(B) district director, with the technical concurrence of the area conservationist.

“(3) PERIOD FOR IMPLEMENTATION.—A person who meets the requirements of paragraph (1) shall be allowed a reasonable period of time, as determined by the Secretary, but not to exceed 1 year, during which to implement the measures and practices necessary to be considered to be actively applying the conservation plan of the person.

“(4) PENALTIES.—

“(A) APPLICATION.—This paragraph applies if the Secretary determines that—

“(i) a person who has failed to comply with section 1211 with respect to highly erodible cropland, and has acted in good faith and without an intent to violate section 1211; or

“(ii) the violation—

“(I) is technical and minor in nature; and

“(II) has a minimal effect on the erosion control purposes of the conservation plan applicable to the land on which the violation has occurred.

“(B) REDUCTION.—If this paragraph applies under subparagraph (A), the Secretary shall, in lieu of applying the ineligibility provisions of section 1211, reduce program benefits

described in section 1211 that the producer would otherwise be eligible to receive in a crop year by an amount commensurate with the seriousness of the violation, as determined by the Secretary.

“(5) SUBSEQUENT CROP YEARS.—Any person whose benefits are reduced for any crop year under this subsection shall continue to be eligible for all of the benefits described in section 1211 for any subsequent crop year if, prior to the beginning of the subsequent crop year, the Secretary determines that the person is actively applying a conservation plan according to the schedule specified in the plan.”.

Subtitle C—Wetland Conservation

SEC. 2201. REVIEW OF GOOD FAITH DETERMINATIONS.

Section 1222(h) of the Food Security Act of 1985 (16 U.S.C. 3822(h)) is amended—

(1) by redesignating paragraph (2) as paragraph (3);

(2) by inserting after paragraph (1) the following:

“(2) ELIGIBLE REVIEWERS.—A determination of the Secretary, or a designee of the Secretary, under paragraph (1) shall be reviewed by the applicable—

“(A) State Executive Director, with the technical concurrence of the State Conservationist; or

“(B) district director, with the technical concurrence of the area conservationist.”;

(3) in paragraph (3) (as redesignated by paragraph (1)), by inserting “be” before “actively”.

Subtitle D—Agricultural Resources Conservation Program

CHAPTER 1—COMPREHENSIVE CONSERVATION ENHANCEMENT

Subchapter A—Comprehensive Conservation Enhancement Program

SEC. 2301. REAUTHORIZATION AND EXPANSION OF PROGRAMS COVERED.

(a) IN GENERAL.—Section 1230 of the Food Security Act of 1985 (16 U.S.C. 3830) is amended to read as follows:

“SEC. 1230. COMPREHENSIVE CONSERVATION ENHANCEMENT PROGRAM.

“(a) ESTABLISHMENT.—

“(1) IN GENERAL.—During the 1996 through 2012 fiscal years, the Secretary shall establish a comprehensive conservation enhancement program (referred to in this section as ‘CCEP’) to be implemented through contracts and the acquisition of easements to assist owners and operators of farms, ranches, and nonindustrial private forestland to conserve and enhance soil, water, and related natural resources, including grazing land, wetland, and wildlife habitat.

“(2) MEANS.—The Secretary shall carry out the CCEP by—

“(A) providing for the long-term protection of environmentally-sensitive land; and

“(B) providing technical and financial assistance to farmers, ranchers, and nonindustrial private forest landowners—

“(i) to improve the management and operation of the farms, ranches, and private nonindustrial forest land; and

“(ii) to reconcile productivity and profitability with protection and enhancement of the environment;

“(C) reducing administrative burdens and streamlining application and planning procedures to encourage producer participation; and

“(D) providing opportunities to leverage Federal conservation investments through innovative partnerships with governmental agencies, education institutions, producer groups, and other nongovernmental organizations.

“(3) PROGRAMS.—The CCEP shall consist of—

“(A) the conservation reserve program established under subchapter B;

“(B) the wetlands reserve program established under subchapter C; and

“(C) the healthy forests reserve program established under subchapter D.

“(b) CONTRACTS AND ENROLLMENTS.—

“(1) IN GENERAL.—In carrying out the CCEP, the Secretary shall enter into contracts with owners and operators and acquire interests in land through easements from owners, as provided in this chapter.

“(2) PRIOR ENROLLMENTS.—Acreage enrolled in the conservation reserve program, wetlands reserve program, or healthy forests reserve program prior to the date of enactment of the Food and Energy Security Act of 2007 shall be considered to be placed into the CCEP.

“(c) ADMINISTRATION.—

“(1) LIMITATIONS.—

“(A) IN GENERAL.—The Secretary shall not enroll more than 25 percent of the cropland in any county in the programs administered under subchapters B and C of this chapter.

“(B) EASEMENTS.—Within the limit described in subparagraph (A), not more than 10 percent of the land described in that subparagraph may be subject to an easement acquired under subchapter C of this chapter.

“(C) EXCLUSION.—Subparagraphs (A) and (B) shall not apply to acres enrolled in the special conservation reserve enhancement program described in section 1234(f)(3).

“(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; or

“(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.

“(E) SHELTERBELTS AND WINDBREAKS.—The limitations established under this paragraph shall not apply to cropland that is subject to an easement under chapter 1 or 3 that is used for the establishment of shelterbelts and windbreaks.

“(F) ENROLLMENT.—Not later than 180 days after the date of a request from a landowner to enroll acreage described in subparagraph (D)(ii) in the program, the Secretary shall enroll the acreage.

“(2) TENANT PROTECTION.—Except for a person who is a tenant on land that is subject to a conservation reserve contract that has been extended by the Secretary, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provisions for sharing, on a fair and equitable basis, in payments under the programs established under this subtitle and subtitles B and C.

“(3) PROVISION OF TECHNICAL ASSISTANCE BY OTHER SOURCES.—

“(A) IN GENERAL.—In the preparation and application of a conservation compliance plan under subtitle B or similar plan required as a condition for assistance from the Department of Agriculture, the Secretary shall permit persons to secure technical assistance from approved sources, as determined by the Secretary, other than the Natural Resources Conservation Service.

“(B) REJECTION.—If the Secretary rejects a technical determination made by a source described in subparagraph (A), the basis of the determination of the Secretary shall be supported by documented evidence.

“(4) REGULATIONS.—Not later than 90 days after the date of enactment of the Food and Energy Security Act of 2007, the Secretary shall promulgate regulations to implement the conservation reserve and wetlands reserve programs established under this chapter.”.

(b) CONFORMING AMENDMENTS.—

(1) Section 1243 of the Food Security Act of 1985 (16 U.S.C. 3843) is repealed.

(2) Section 1222(g) of the Food Security Act of 1985 (16 U.S.C. 3822(g)) is amended by striking “1243” and inserting “1230(c)”.

(3) Section 1231(k)(3)(C)(i) of the Food Security Act of 1985 (16 U.S.C. 3831(k)(3)(C)(i)) is amended by striking “1243(b)” and inserting “1230(c)(1)”.

Subchapter B—Conservation Reserve

SEC. 2311. CONSERVATION RESERVE PROGRAM.

(a) IN GENERAL.—Section 1231(a) of the Food Security Act of 1985 (16 U.S.C. 3831(a)) is amended—

(1) by striking “2007” and inserting “2012”; and

(2) by striking “and wildlife” and inserting “wildlife, and pollinator habitat”.

(b) ELIGIBLE LAND.—Section 1231(b) of the Food Security Act of 1985 (16 U.S.C. 3831(b)) is amended—

(1) in paragraph (1)(B), by striking the period at the end and inserting a semicolon;

(2) in paragraph (4)—

(A) in subparagraph (C), by striking “; or” and inserting a semicolon;

(B) in subparagraph (D), by striking “and” at the end and inserting “or”; and

(C) in subparagraph (E), by inserting “in the case of alfalfa or other forage crops,” before “enrollment”;

(3) in paragraph (5), by striking the period at the end and inserting a semicolon; and

(4) by adding at the end the following:

“(6) marginal pasture land or hay land that is otherwise ineligible, if the land—

“(A) is to be devoted to native vegetation appropriate to the ecological site; and

“(B) would contribute to the restoration of a long-leaf pine forest or other declining forest ecosystem, as defined by the Secretary; or

“(7) land that is enrolled in the flooded farmland program established under section 1235B.”.

(c) ENROLLMENT.—Section 1231(d) of the Food Security Act of 1985 (16 U.S.C. 3831(d)) is amended by striking “up to” and all that follows through “2007” and inserting “up to 39,200,000 acres in the conservation reserve at any 1 time during the 2008 through 2012”.

(d) CONSERVATION PRIORITY AREAS.—Section 1231(f)(1) of the Food Security Act of 1985 (16 U.S.C. 3831(f)(1)) is amended—

(1) by striking “(Pennsylvania, Maryland, and Virginia)”; and

(2) by inserting “the Prairie Pothole Region, the Grand Lake St. Mary’s Watershed, the Eastern Snake Plain Aquifer,” after “Sound Region.”.

(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 4 of the immediately preceding 6 crop years; or

“(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; 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, 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), 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) 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.”.

(f) BALANCE OF NATURAL RESOURCE PURPOSES.—Section 1231(j) of the Food Security Act of 1985 (16 U.S.C. 3831(j)) is amended by striking “and wildlife” and inserting “wildlife, and pollinator”.

(g) DUTIES OF PARTICIPANTS.—Section 1232(a) of the Food Security Act of 1985 (16 U.S.C. 3832(a)) is amended—

(1) in paragraph (4)—

(A) by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively; and

(B) by inserting before subparagraph (B) (as so redesignated) the following:

“(A) approved vegetative cover shall encourage the planting of native species and restoration of biodiversity.”;

(2) by redesignating paragraphs (5) through (10) as paragraphs (6) through (11), respectively; and

(3) by inserting after paragraph (4) the following:

“(5) to undertake active management on the land as needed throughout the term of the contract to implement the conservation plan.”.

(h) MANAGED HARVESTING AND GRAZING.—Section 1232(a)(7) of the Food Security Act of 1985 (16 U.S.C. 3832(a)(7)) is amended—

(1) in the matter preceding subparagraph (A), by inserting “and brood rearing” after “habitat during nesting”; and

(2) in subparagraph (A), by striking “biomass” and inserting “biomass and prescribed grazing for the control of invasive species), if such activity is permitted and consistent with the conservation plan described in subsection (b)(1)(A))”; and

(i) CONSERVATION PLANS.—Section 1232(b)(1)(A) of the Food Security Act of 1985 (16 U.S.C. 3832(b)(1)(A)) is amended by striking “contract; and” and inserting the following: “contract that are—

“(i) compatible with the conservation and improvement of soil, water, and wildlife and wildlife habitat;

“(ii) clearly described and apply throughout the duration of the contract;

“(iii) actively managed by the owner or operator that entered into the contract; and

“(iv) consistent with local active management conservation measures and practices, as determined by the Secretary; and”.

(j) ACCEPTANCE OF CONTRACT OFFERS.—Section 1234(c) of the Food Security Act of 1985 (16 U.S.C. 3834(c)) is amended—

(1) by striking paragraph (3) and inserting the following:

“(3) ACCEPTANCE OF CONTRACT OFFERS.—

“(A) EVALUATION OF OFFERS.—In determining the acceptability of contract offers, the Secretary may take into consideration the extent to which enrollment of the land that is the subject of the contract offer would improve soil resources, water quality, pollinator, fish, or wildlife habitat, or provide other environmental benefits.

“(B) LOCAL PREFERENCE.—In determining the acceptability of contract offers for new enrollments if, as determined by the Secretary, the land would provide at least equivalent conservation benefits to land under competing offers, the Secretary shall, to the maximum extent practicable, accept an offer from an owner or operator that is a resident of the county in which the land is located or of a contiguous county.”; and

(2) by adding at the end the following:

“(5) RENTAL RATES.—

“(A) ANNUAL ESTIMATES.—Not later than 1 year after the date of enactment of this paragraph, the Secretary (acting through the National Agricultural Statistics Service) shall conduct an annual survey of per acre estimates of county average market dryland and irrigated cash rental rates for cropland and pastureland in all counties or equivalent subdivisions within each State that have 20,000 acres or more of cropland and pastureland.

“(B) PUBLIC AVAILABILITY OF ESTIMATES.—The estimates derived from the annual survey conducted under subparagraph (A) shall be maintained on a website of the Department of Agriculture for use by the general public.”.

(k) EARLY TERMINATION BY OWNER OR OPERATOR.—Section 1235(e)(1) of the Food Security Act of 1985 (16 U.S.C. 3835(e)(1)) is amended by striking subparagraph (A) and inserting the following:

“(A) IN GENERAL.—The Secretary shall allow a participant to terminate a conservation reserve contract at any time if, as determined by the Secretary—

“(i) the participant entered into a contract under this subchapter before January 1, 1995, and the contract has been in effect for at least 5 years; or

“(ii) in the case of a participant who is disabled (as defined in section 72(m)(7) of the Internal Revenue Code of 1986) or retired from farming or ranching, the participant has en-

dured financial hardship as a result of the taxation of rental payments received.”.

SEC. 2312. FLOODED FARMLAND PROGRAM.

Subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831a et seq.) is amended by adding at the end the following:

“SEC. 1235B. FLOODED FARMLAND PROGRAM.

“(a) DEFINITIONS.—In this section:

“(1) CLOSED BASIN LAKE OR POTHOLE.—The term ‘closed basin lake or pothole’ means a naturally occurring lake, pond, pothole, or group of potholes within a tract that—

“(A) covered, on average, at least 5 acres in surface area during the preceding 3 crop years, as determined by the Secretary; and

“(B) has no natural outlet.

“(2) TRACT.—The term ‘tract’ has the meaning given the term by the Secretary.

“(b) PROGRAM.—

“(1) IN GENERAL.—Notwithstanding any other provision of law (including regulations), as part of the conservation reserve program established under this subchapter, the Secretary shall offer to enter into contracts under which the Secretary shall permit the enrollment in the conservation reserve of eligible cropland and grazing land that has been flooded by the natural overflow of a closed basin lake or pothole located within the Prairie Pothole Region of the northern Great Plains priority area (as determined by the Secretary, by regulation).

“(2) EXTENSIONS.—The Secretary may offer to extend a contract entered into under paragraph (1) if the Secretary determines that conditions persist that make cropland or grazing land covered by the contract and eligible for entry into the program under this section.

“(c) CONTINUOUS SIGNUP.—The Secretary shall offer the program under this section through continuous signup under this subchapter.

“(d) ELIGIBILITY.—

“(1) IN GENERAL.—To be eligible to enter into a contract under subsection (b), the owner shall own land that, as determined by the Secretary—

“(A) during the 3 crop years preceding entry into the contract, was rendered incapable of use for the production of an agricultural commodity or for grazing purposes; and

“(B) prior to the natural overflow of a closed basin lake or pothole caused by a period of precipitation in excess of historical patterns, had been consistently used for the production of crops or as grazing land.

“(2) INCLUSIONS.—Land described in paragraph (1) shall include—

“(A) land that has been flooded as the result of the natural overflow of a closed basin lake or pothole;

“(B) land that has been rendered inaccessible due to flooding as the result of the natural overflow of a closed basin lake or pothole; and

“(C) a reasonable quantity of additional land adjoining the flooded land that would enhance the conservation or wildlife value of the tract, as determined by the Secretary.

“(3) ADMINISTRATION.—The Secretary may establish—

“(A) reasonable minimum acreage levels for individual parcels of land that may be included in a contract entered into under this section; and

“(B) the location and area of adjoining flooded land that may be included in a contract entered into under this section.

“(e) PAYMENTS.—

“(1) IN GENERAL.—Subject to paragraph (2), the rate of an annual rental payment under this section, as determined by the Secretary—

“(A) shall be based on the rental rate under this subchapter for cropland, and an appropriate rental rate for pastureland; and

“(B) may be reduced by up to 25 percent, based on the ratio of upland associated with the enrollment of the flooded land.

“(2) EXCLUSIONS.—During the term of a contract entered into under this section, an owner shall not be eligible to participate in or receive benefits for land that is included in the contract under—

“(A) the Federal crop insurance program established under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.);

“(B) the noninsured crop assistance program established under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333); or

“(C) any Federal agricultural crop disaster assistance program.

“(f) RELATIONSHIP TO AGRICULTURAL COMMODITY PROGRAMS.—

“(1) IN GENERAL.—Subject to paragraph (2), the Secretary, by regulation, shall provide for the preservation of cropland base, allotment history, and payment yields applicable to land that was rendered incapable of use for the production of an agricultural commodity or for grazing purposes as the result of the natural overflow of a closed basin lake or pothole.

“(2) TERMINATION OF CONTRACT.—On termination of a contract under this section, the Secretary shall adjust the cropland base, allotment history, and payment yields for land covered by the contract to ensure equitable treatment of the land relative to program payment yields of comparable land in the county that was not flooded as a result of the natural overflow of a closed basin lake or pothole and was capable of remaining in agricultural production.

“(g) USE OF LAND.—An owner that has entered into a contract with the Secretary under this section shall take such actions as are necessary to avoid degrading any wildlife habitat on land covered by the contract that has naturally developed as a result of the natural overflow of a closed basin lake or pothole.”.

SEC. 2313. WILDLIFE HABITAT PROGRAM.

Subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831a et seq.) (as amended by section 2312) is amended by adding at the end the following:

“SEC. 1235C. WILDLIFE HABITAT PROGRAM.

“(a) IN GENERAL.—As part of the conservation reserve program established under this subchapter, the Secretary shall carry out a program to provide to owners and operators who have entered into contracts under this subchapter and established softwood pine stands, for each of fiscal years 2008 through 2012, assistance to carry out, on the acreage of the owner or operator enrolled in the program under this subchapter, activities that improve the condition of the enrolled land for the benefit of wildlife.

“(b) SCOPE OF PROGRAM.—In carrying out the program under this section, the Secretary shall determine—

“(1) the amount and rate of payments (including incentive payments and cost-sharing payments) to be made to owners and operators who participate in the program to ensure the participation of those owners and operators;

“(2) the areas in each of the States in which owners and operators referred to in subsection (a) are located that should be given priority under the program, based on the need in those areas for changes in the condition of land to benefit wildlife; and

“(3) the management strategies and practices (including thinning, burning, seeding, establishing wildlife food plots, and such

other practices that have benefits for wildlife as are approved by the Secretary) that may be carried out by owners and operators under the program.

“(c) AGREEMENTS.—

“(1) IN GENERAL.—An owner or operator described in subsection (a) that seeks to receive assistance under this section shall enter into an agreement with the Secretary that—

“(A) describes the management strategies and practices referred to in subsection (b)(3) that will be carried out by the owner or operator under the agreement;

“(B) describes measures to be taken by the owner or operator to ensure active but flexible management of acreage covered by the agreement;

“(C) requires the owner or operator to submit to periodic monitoring and evaluation by wildlife or forestry agencies of the State in which land covered by the agreement is located; and

“(D) contains such other terms or conditions as the Secretary may require.

“(2) TERM; INCLUSION IN CONTRACT.—An agreement entered into under this section shall have a term of not more than 5 years.

“(d) PARTNERSHIPS.—In carrying out this section, the Secretary may establish or identify and, as appropriate, require owners and operators participating in the program under this section to work cooperatively with, partnerships among the Secretary and State, local, and nongovernmental organizations.

“(e) TECHNICAL ASSISTANCE AND COST SHARING.—The Secretary may provide to owners and operators participating in the program under this section, and members of partnerships described in subsection (d)—

“(1) technical assistance for use in carrying out an activity covered by an agreement described in subsection (c); and

“(2) a payment for use in covering a percentage of the costs of carrying out each such activity that does not exceed the applicable amount and rate determined by the Secretary under subsection (b)(1).

“(f) TERMINATION OF PROGRAM.—The program under this section shall terminate on September 30, 2011.”

Subchapter C—Wetlands Reserve Program

SEC. 2321. WETLANDS RESERVE PROGRAM.

Section 1237 of the Food Security Act of 1985 (16 U.S.C. 3837) is amended—

(1) by striking subsection (b) and inserting the following:

“(b) ENROLLMENT CONDITIONS.—

“(1) ANNUAL ENROLLMENT.—To the maximum extent practicable, the Secretary shall enroll 250,000 acres in each fiscal year, with no enrollments beginning in fiscal year 2013.

“(2) METHODS OF ENROLLMENT.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall enroll acreage into the wetlands reserve program through the use of—

“(i) permanent easements;

“(ii) 30-year easements;

“(iii) restoration cost-share agreements; or

“(iv) any combination of the options described in clauses (i) through (iii).

“(B) ACREAGE OWNED BY INDIAN TRIBES.—In the case of acreage owned by an Indian tribe, the Secretary shall enroll acreage into the wetlands reserve program through the use of—

“(i) a 30-year contract (the value of which shall be equivalent to the value of a 30-year easement);

“(ii) restoration cost-share agreements; or

“(iii) any combination of the options described in clauses (i) and (ii).”; and

(2) in subsection (c), by striking “2007 calendar” and inserting “2012 fiscal”.

SEC. 2322. EASEMENTS AND AGREEMENTS.

(a) TERMS OF EASEMENT.—Section 1237A(b)(2)(B) of the Food Security Act of 1985 (16 U.S.C. 3837a(b)(2)(B)) is amended—

(1) in clause (i), by striking “or” at the end;

(2) in clause (ii), by striking “; and” and inserting “; or”; and

(3) by adding at the end the following:

“(iii) to meet habitat needs of specific wildlife species; and”.

(b) COMPENSATION.—Section 1237A(f) of the Food Security Act of 1985 (16 U.S.C. 3837a(f)) is amended—

(1) in the first sentence—

(A) by striking “Compensation” and inserting the following:

“(1) IN GENERAL.—Compensation”; and

(B) by striking “agreed to” and all that follows through “encumbered by the easement” and inserting “determined under paragraph (4)”; and

(2) in the second sentence, by striking “Lands” and inserting the following:

“(2) BIDS.—Land”; and

(3) by striking the third sentence and inserting the following:

“(3) PAYMENTS.—Compensation may be provided in 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) METHOD FOR DETERMINATION OF AMOUNT OF 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 comparison of—

“(A) the fair market value of the land based on—

“(i) the Uniform Standards of Professional Appraisal Practices; or

“(ii) an area-wide market analysis or survey, as determined by the Secretary;

“(B) a geographical cap, as established through a process prescribed in regulations promulgated by the Secretary; and

“(C) the offer made by the landowner.”.

(c) WETLANDS RESERVE ENHANCEMENT PROGRAM.—Section 1237A of the Food Security Act of 1985 (16 U.S.C. 3837a) is amended by adding at the end the following:

“(h) WETLANDS RESERVE ENHANCEMENT PROGRAM.—

“(1) IN GENERAL.—The Secretary may enter into 1 or more agreements with a State (including a political subdivision or agency of a State), nongovernmental organization, or Indian tribe to carry out a special wetlands reserve enhancement program that the Secretary determines would advance the purposes of this subchapter.

“(2) RESERVED RIGHTS.—Under the wetlands reserve enhancement program, the Secretary may use unique wetlands reserve agreements that may include certain compatible uses as reserved rights in the warranty easement deed restriction, if using those agreements is determined by the Secretary to be—

“(A) consistent with the long-term wetland protection and enhancement goals for which the easement was established; and

“(B) in accordance with a conservation plan.”.

(d) REPORT.—

(1) IN GENERAL.—Not later than January 1, 2010, 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 evaluates the implications of the long-term nature of conservation easements granted under section 1237A of the Food Security Act of 1985 (16 U.S.C. 3837a) on resources of the Department of Agriculture.

(2) INCLUSIONS.—The report shall include—

(A) data relating to the number and location of conservation easements granted under that section that the Secretary holds or has a significant role in monitoring or managing;

(B) an assessment of the extent to which the oversight of the conservation easement agreements impacts the availability of resources, including technical assistance;

(C) an assessment of the uses and value of agreements with partner organizations; and

(D) any other relevant information relating to costs or other effects that would be helpful to the Committees.

SEC. 2323. PAYMENTS.

Section 1237D(c) of the Food Security Act of 1985 (16 U.S.C. 3837d(c)) is amended—

(1) in paragraph (1)—

(A) by striking “The total” and inserting “Subject to section 1244(i), the total”

(B) by striking “easement payments” and inserting “payments”; and

(C) by striking “person” and inserting “individual”; and

(D) by inserting “or under 30-year contracts or restoration agreements” before the period at the end; and

(2) in paragraph (3)—

(A) by striking “Easement payments” and inserting “Payments”; and

(B) by striking “the Food, Agriculture, Conservation, and Trade Act of 1990, or the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.)” and inserting “the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104-127; 110 Stat. 888), or the Farm Security and Rural Investment Act of 2002 (Public Law 107-171; 116 Stat. 134)”.

Subchapter D—Healthy Forests Reserve Program

SEC. 2331. HEALTHY FORESTS RESERVE PROGRAM.

(a) IN GENERAL.—Chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) is amended by adding at the end the following:

“Subchapter D—Healthy Forests Reserve Program

“SEC. 1237M. ESTABLISHMENT OF HEALTHY FORESTS RESERVE PROGRAM.

“(a) ESTABLISHMENT.—The Secretary shall establish the healthy forests reserve program for the purpose of restoring and enhancing forest ecosystems—

“(1) to promote the recovery of threatened and endangered species;

“(2) to improve biodiversity; and

“(3) to enhance carbon sequestration.

“(b) COORDINATION.—The Secretary shall carry out the healthy forests reserve program in coordination with the Secretary of the Interior and the Secretary of Commerce.

“SEC. 1237N. ELIGIBILITY AND ENROLLMENT OF LANDS IN PROGRAM.

“(a) IN GENERAL.—The Secretary, in coordination with the Secretary of the Interior and the Secretary of Commerce, shall describe and define forest ecosystems that are eligible for enrollment in the healthy forests reserve program.

“(b) ELIGIBILITY.—To be eligible for enrollment in the healthy forests reserve program, land shall be—

“(1) private land the enrollment of which will restore, enhance, or otherwise measurably increase the likelihood of recovery of a species listed as endangered or threatened under section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533); and

“(2) private land the enrollment of which will restore, enhance, or otherwise measurably improve the well-being of species that—

“(A) are not listed as endangered or threatened under section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533); but

“(B) are candidates for such listing, State-listed species, or special concern species.

“(c) OTHER CONSIDERATIONS.—In enrolling land that satisfies the criteria under subsection (b), the Secretary shall give additional consideration to land the enrollment of which will—

- “(1) improve biological diversity; and
- “(2) increase carbon sequestration.

“(d) ENROLLMENT BY WILLING OWNERS.—The Secretary shall enroll land in the healthy forests reserve program only with the consent of the owner of the land.

“(e) METHODS OF ENROLLMENT.—

“(1) IN GENERAL.—Land may be enrolled in the healthy forests reserve program in accordance with—

- “(A) a 10-year cost-share agreement;
- “(B) a 30-year easement; or
- “(C) a permanent easement.

“(2) PROPORTION.—The extent to which each enrollment method is used shall be based on the approximate proportion of owner interest expressed in that method in comparison to the other methods.

“(3) ACREAGE OWNED BY INDIAN TRIBES.—In the case of acreage owned by an Indian tribe, the Secretary may enroll acreage into the healthy forests reserve program through the use of—

“(A) a 30-year contract (the value of which shall be equivalent to the value of a 30-year easement);

“(B) a 10-year cost-share agreement; or

“(C) any combination of the options described in subparagraphs (A) and (B).

“(f) ENROLLMENT PRIORITY.—

“(1) SPECIES.—The Secretary shall give priority to the enrollment of land that provides the greatest conservation benefit to—

“(A) primarily, species listed as endangered or threatened under section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533); and

“(B) secondarily, species that—

“(i) are not listed as endangered or threatened under section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533); but

“(ii) are candidates for such listing, State-listed species, or special concern species.

“(2) COST-EFFECTIVENESS.—The Secretary shall also consider the cost-effectiveness of each agreement or easement, and associated restoration plans, so as to maximize the environmental benefits per dollar expended.

“SEC. 1237O. RESTORATION PLANS.

“(a) IN GENERAL.—Land enrolled in the healthy forests reserve program shall be subject to a restoration plan, to be developed jointly by the landowner and the Secretary, in coordination with the Secretary of Interior.

“(b) PRACTICES.—The restoration plan shall require such restoration practices as are necessary to restore and enhance habitat for—

“(1) species listed as endangered or threatened under section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533); and

“(2) animal or plant species before the species reach threatened or endangered status, such as candidate, State-listed species, and special concern species.

“SEC. 1237P. FINANCIAL ASSISTANCE.

“(a) PERMANENT EASEMENTS.—In the case of land enrolled in the healthy forests reserve program using a permanent easement, the Secretary shall pay to the owner of the land an amount equal to not less than 75 percent, nor more than 100 percent, of (as determined by the Secretary)—

“(1) the fair market value of the enrolled land during the period the land is subject to the easement, less the fair market value of the land encumbered by the easement; and

“(2) the actual costs of the approved conservation practices or the average cost of approved practices carried out on the land during the period in which the land is subject to the easement.

“(b) 30-YEAR EASEMENT OR CONTRACT.—In the case of land enrolled in the healthy forests reserve program using a 30-year easement or contract, the Secretary shall pay the owner of the land an amount equal to not more than (as determined by the Secretary)—

“(1) 75 percent of the fair market value of the land, less the fair market value of the land encumbered by the easement or contract; and

“(2) 75 percent of the actual costs of the approved conservation practices or 75 percent of the average cost of approved practices.

“(c) 10-YEAR AGREEMENT.—In the case of land enrolled in the healthy forests reserve program using a 10-year cost-share agreement, the Secretary shall pay the owner of the land an amount equal to not more than (as determined by the Secretary)—

“(1) 50 percent of the actual costs of the approved conservation practices; or

“(2) 50 percent of the average cost of approved practices.

“(d) ACCEPTANCE OF CONTRIBUTIONS.—The Secretary may accept and use contributions of non-Federal funds to make payments under this section.

“SEC. 1237Q. TECHNICAL ASSISTANCE.

“(a) IN GENERAL.—The Secretary shall provide landowners with technical assistance to assist the owners in complying with the terms of plans (as included in agreements or easements) under the healthy forests reserve program.

“(b) TECHNICAL SERVICE PROVIDERS.—The Secretary may request the services of, and enter into cooperative agreements with, individuals or entities certified as technical service providers under section 1242, to assist the Secretary in providing technical assistance necessary to develop and implement the healthy forests reserve program.

“SEC. 1237R. PROTECTIONS AND MEASURES.

“(a) PROTECTIONS.—In the case of a landowner that enrolls land in the program and whose conservation activities result in a net conservation benefit for listed, candidate, or other species, the Secretary shall make available to the landowner safe harbor or similar assurances and protection under—

“(1) section 7(b)(4) of the Endangered Species Act of 1973 (16 U.S.C. 1536(b)(4)); or

“(2) section 10(a)(1) of that Act (16 U.S.C. 1539(a)(1)).

“(b) MEASURES.—If protection under subsection (a) requires the taking of measures that are in addition to the measures covered by the applicable restoration plan agreed to under section 1237O, the cost of the additional measures, as well as the cost of any permit, shall be considered part of the restoration plan for purposes of financial assistance under section 1237P.

“SEC. 1237S. INVOLVEMENT BY OTHER AGENCIES AND ORGANIZATIONS.

“In carrying out this subchapter, the Secretary may consult with—

“(1) nonindustrial private forest landowners;

“(2) other Federal agencies;

“(3) State fish and wildlife agencies;

“(4) State forestry agencies;

“(5) State environmental quality agencies;

“(6) other State conservation agencies; and

“(7) nonprofit conservation organizations.

“SEC. 1237T. FUNDING.

“Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this subchapter \$70,000,000 for each of the fiscal years 2008 through 2012.”

(b) CONFORMING AMENDMENTS.—The Healthy Forests Restoration Act of 2003 (16 U.S.C. 6501 et seq.) is amended—

(1) by striking title V (16 U.S.C. 6571 et seq.); and

(2) by redesignating title VI and section 601 (16 U.S.C. 6591) as title V and section 501, respectively.

CHAPTER 2—COMPREHENSIVE STEWARDSHIP INCENTIVES PROGRAM

Subchapter A—General Provisions

SEC. 2341. COMPREHENSIVE STEWARDSHIP INCENTIVES PROGRAM.

Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.) is amended by adding at the end the following:

“CHAPTER 6—COMPREHENSIVE STEWARDSHIP INCENTIVES PROGRAM

“Subchapter A—Comprehensive Stewardship Incentives Program

“SEC. 1240T. COMPREHENSIVE STEWARDSHIP INCENTIVES PROGRAM.

“(a) ESTABLISHMENT.—

“(1) IN GENERAL.—The Secretary shall establish a comprehensive stewardship incentives program (referred to in this chapter as ‘CSIP’) to—

“(A) promote coordinated efforts within conservation programs in this chapter to address resources of concern, as identified at the local level;

“(B) encourage the adoption of conservation practices, activities and management measures; and

“(C) promote agricultural production and environmental quality as compatible goals.

“(2) MEANS.—The Secretary shall carry out CSIP by—

“(A) identifying resources of concern at a local level as described in subsection (b)(4);

“(B) entering into contracts with owners and operators of agricultural and nonindustrial private forest land to—

“(i) address natural resource concerns;

“(ii) meet regulatory requirements; or

“(iii) achieve and maintain new conservation practices, activities and management measures; and

“(C) providing technical assistance.

“(3) PROGRAMS.—CSIP shall consist of—

“(A) the conservation stewardship program; and

“(B) the environmental quality incentives program.

“(4) DEFINITION OF RESOURCE OF CONCERN.—In this chapter, the term ‘resource of concern’ means—

“(A) a specific resource concern on agricultural or nonindustrial private forest land that—

“(i) is identified by the Secretary in accordance with subsection (b)(4);

“(ii) represents a significant conservation concern in the State to which agricultural activities are contributing; and

“(iii) is likely to be addressed successfully through the implementation of conservation practices, activities, and management measures by owners and operators of agricultural and nonindustrial private forest land; or

“(B) a specific resource concern on agricultural or nonindustrial private forest land that is the subject of mandatory environmental requirements that apply to a producer under Federal, State, or local law.

“(b) ADMINISTRATION.—

“(1) IN GENERAL.—In carrying out CSIP, the Secretary shall ensure that the conservation programs under this chapter are managed in a coordinated manner.

“(2) PLANS.—The Secretary shall, to the maximum extent practicable, avoid duplication in the conservation plans required under this chapter and comparable conservation and regulatory programs, including a permit acquired under an approved water or air quality regulatory program.

“(3) TENANT PROTECTION.—The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and

equitable basis, in payments under the programs established under this chapter.

“(4) IDENTIFICATION OF RESOURCES OF CONCERN.—

“(A) IN GENERAL.—The Secretary shall ensure that resources of concern are identified at the State level in consultation with the State Technical Committee.

“(B) LIMITATION.—The Secretary shall identify not more than 5 resources of concern in a particular watershed or other appropriate region or area within a State.

“(5) REGULATIONS.—Not later than 180 days after the date of enactment of the Food and Energy Security Act of 2007 the Secretary shall issue regulations to implement the programs established under this chapter.

“Subchapter B—Conservation Stewardship Program

“SEC. 1240U. PURPOSES.

“The purpose of the conservation stewardship program is to promote agricultural production and environmental quality as compatible goals, and to optimize environmental benefits, by assisting producers—

“(1) in promoting conservation and improving resources of concern (including soil, water, and energy conservation, soil, water, and air quality, biodiversity, fish, wildlife and pollinator habitat, and related resources of concern, as defined by the Secretary) by providing flexible assistance to install, improve, and maintain conservation systems, practices, activities, and management measures on agricultural land (including cropland, grazing land, and wetland) while sustaining production of food and fiber;

“(2) in making beneficial, cost-effective changes to conservation systems, practices, activities, and management measures carried out on agricultural and forest land relating to—

- “(A) cropping systems;
- “(B) grazing management systems;
- “(C) nutrient management associated with livestock and crops;
- “(D) forest management;
- “(E) fuels management;
- “(F) integrated pest management;
- “(G) irrigation management;
- “(H) invasive species management;
- “(I) energy conservation; or
- “(J) other management-intensive issues;
- “(3) in complying with Federal, State, tribal, and local requirements concerning—
- “(A) soil, water, and air quality;
- “(B) fish, wildlife, and pollinator habitat; and

“(C) surface water and groundwater conservation;

“(4) in avoiding, to the maximum extent practicable, the need for resource and regulatory programs by protecting resources of concern and meeting environmental quality criteria established by Federal, State, tribal, and local agencies; and

“(5) by encouraging, consolidating, and streamlining conservation planning and regulatory compliance processes to reduce administrative burdens on producers and the cost of achieving environmental goals.

“SEC. 1240V. DEFINITIONS.

“In this chapter:

“(1) COMPREHENSIVE CONSERVATION PLAN.—The term ‘comprehensive conservation plan’ means a plan produced by following the planning process outlined in the applicable National Planning Procedures Handbook of the Department of Agriculture with regard to all applicable resources of concern.

“(2) CONTRACT OFFER.—The term ‘contract offer’ means an application submitted by a producer that seeks to address 1 or more resources of concern with the assistance of the program.

“(3) ENHANCEMENT PAYMENT.—The term ‘enhancement payment’ means a payment described in section 1240X(d).

“(4) ELIGIBLE LAND.—The term ‘eligible land’ means land described in section 1240X(b).

“(5) LIVESTOCK.—The term ‘livestock’ means dairy cattle, beef cattle, laying hens, broilers, turkeys, swine, sheep, goats, ducks, ratites, shellfish, alpacas, bison, catfish, managed pollinators, and such other animals and fish as are determined by the Secretary.

“(6) MANAGEMENT INTENSITY.—The term ‘management intensity’ means the degree, scope, and comprehensiveness of conservation systems, practices, activities, or management measures adopted by a producer to improve and sustain the condition of a resource of concern.

“(7) PAYMENT.—The term ‘payment’ means financial assistance provided to a producer under the program to compensate the producers for incurred costs associated with planning, materials, installation, labor, management, maintenance, technical assistance, and training, the value of risk, and income forgone by the producer, as applicable, including—

- “(A) enhancement payments;
- “(B) CSP supplemental payments; and
- “(C) other payments provided under this chapter.

“(8) PRACTICE.—

“(A) IN GENERAL.—The term ‘practice’ means 1 or more measures that improve or sustain a resource of concern.

“(B) INCLUSIONS.—The term ‘practice’ includes—

“(i) structural measures, vegetative measures, and land management measures, as determined by the Secretary; and

“(ii) planning activities needed to improve or sustain a resource of concern, including implementation of—

- “(I) a comprehensive conservation plan; and
- “(II) a comprehensive nutrient management plan.

“(9) PRODUCER.—The term ‘producer’ means an individual who is an owner, operator, landlord, tenant, or sharecropper that—

“(A) derives income from, and controls, the production or management of an agricultural commodity, livestock, or nonindustrial forest land regardless of ownership;

“(B) shares in the risk of producing any crop or livestock; and

“(C)(i) is entitled to share in the crop or livestock available for marketing from a farm (or would have shared had the crop or livestock been produced); or

“(ii) is a custom feeder or contract grower.

“(10) PROGRAM.—The term ‘program’ means the conservation stewardship program established under this chapter.

“(11) RESOURCE-CONSERVING CROP.—The term ‘resource-conserving crop’ means—

- “(A) a perennial grass;
- “(B) a legume grown for use as forage, seed for planting, or green manure;
- “(C) a legume-grass mixture;
- “(D) a small grain grown in combination with a grass or legume, whether interseeded or planted in succession;
- “(E) a winter annual oilseed crop that provides soil protection; and
- “(F) such other plantings as the Secretary determines to be appropriate for a particular area.

“(12) RESOURCE-CONSERVING CROP ROTATION.—The term ‘resource-conserving crop rotation’ means a crop rotation that—

- “(A) includes at least 1 resource-conserving crop;
- “(B) reduces erosion;
- “(C) improves soil fertility and tilth;
- “(D) interrupts pest cycles; and

“(E) in applicable areas, reduces depletion of soil moisture (or otherwise reduces the need for irrigation).

“(13) RESOURCE-SPECIFIC INDICES.—The term ‘resource-specific indices’ means indices developed by the Secretary that measure or estimate the expected level of resource and environmental outcomes of the conservation systems, practices, activities, and management measures employed by a producer to address a resource of concern on an agricultural operation.

“(14) STEWARDSHIP CONTRACT.—The term ‘stewardship contract’ means a contract entered into under the conservation stewardship program to carry out the programs and activities described in this chapter.

“(15) STEWARDSHIP THRESHOLD.—The term ‘stewardship threshold’ means the level of natural resource conservation and environmental management required, as determined by the Secretary—

“(A) to maintain, conserve, and improve the quality or quantity of a resource of concern reflecting at a minimum, the resource management system quality criteria described in the handbooks of the Natural Resource Conservation Service, if available and appropriate; or

“(B) in the case of a resource of concern that is the subject of a Federal, State, or local regulatory requirement, to meet the higher of—

“(i) the standards that are established by the requirement for the resource of concern; or

“(ii) standards reflecting the resource management system quality criteria described in the handbooks of the Natural Resource Conservation Service, if available and appropriate.

“SEC. 1240W. ESTABLISHMENT OF PROGRAM.

“The Secretary shall establish and, for each of fiscal years 2008 through 2012, carry out a conservation stewardship program to assist producers in improving environmental quality by addressing resources of concern in a comprehensive manner through—

“(1) the addition of conservation systems, practices, activities, and management measures; and

“(2) the active management, maintenance, and improvement of existing, and adoption of new, conservation systems, practices, activities, and management measures.

“SEC. 1240X. ELIGIBILITY.

“(a) ELIGIBLE PRODUCERS.—

“(1) GENERAL PROGRAM ELIGIBILITY.—To be eligible to participate in the conservation stewardship program, a producer shall—

“(A) submit to the Secretary for approval a contract offer to participate in the program;

“(B) agree to receive technical services, either directly from the Secretary or, at the option of the producer, from an approved third party under section 1242(b)(3);

“(C) enter into a contract with the Secretary, as described in subsection (c); and

“(D) demonstrate to the satisfaction of the Secretary that the producer—

“(i) is addressing resources of concern relating to both soil and water to at least the stewardship threshold; and

“(ii) is adequately addressing other resources of concern applicable to the agricultural operation, as determined by the Secretary.

“(b) ELIGIBLE LAND.—

“(1) IN GENERAL.—Except as provided in paragraph (2), private agricultural land that is eligible for enrollment in the program includes—

“(A) cropland (including vineyards and orchards);

“(B) pasture land;

“(C) rangeland;

“(D) other agricultural land used for the production of livestock;

“(E) land used for agroforestry;

“(F) land used for aquaculture;

“(G) riparian areas adjacent to otherwise eligible land;

“(H) land under the jurisdiction of an Indian tribe (as determined by the Secretary);

“(I) public land, if failure to enroll the land in the program would defeat the purposes of the program on private land that is an integral part of the operation enrolled or offered to be enrolled in the program by the producer;

“(J) State and school owned land that is under the effective control of a producer; and

“(K) other agricultural land (including cropped woodland and marshes) that the Secretary determines is vulnerable to serious threats to resources of concern.

“(2) EXCLUSIONS.—

“(A) LAND ENROLLED IN OTHER CONSERVATION PROGRAMS.—The following land is not eligible for enrollment in the program:

“(i) Land enrolled in the conservation reserve program under subchapter B of chapter 1.

“(ii) Land enrolled in the wetlands reserve program established under subchapter C of chapter 1.

“(B) CONVERSION TO CROPLAND.—With regard to the program, land used for crop production after May 13, 2002, that had not been planted, considered to be planted, or devoted to crop production for at least 4 of the 6 years preceding that date (except for land enrolled in the conservation reserve program or that has been maintained using long-term crop rotation practices, as determined by the Secretary) shall not be the basis for any payment under the program.

“(3) ECONOMIC USES.—The Secretary shall not restrict economic uses of land covered by a program contract (including buffers and other partial field conservation practices) that comply with the agreement and comprehensive conservation plan, or other applicable law.

“(c) CONTRACT REQUIREMENTS AND PROVISIONS.—

“(1) IN GENERAL.—After a determination by the Secretary that a producer is eligible to participate in the program, and on acceptance of the contract offer of the producer, the Secretary shall enter into a contract with the producer to enroll the land to be covered by the contract.

“(2) AGRICULTURAL OPERATIONS.—All acres of all agricultural operations, whether or not contiguous, that are under the effective control of a producer within a particular watershed or region (or in a contiguous watershed or region) of a State and constitute a cohesive management unit, as determined by the Secretary, at the time the producer enters into a stewardship contract shall be covered by the stewardship contract, other than land the producer has enrolled in the conservation reserve program or the wetlands reserve program.

“(3) RESOURCES OF CONCERN.—Each stewardship contract shall, at a minimum, meet or exceed the stewardship threshold for at least 1 additional resource of concern by the end of the stewardship contract through—

“(A) the installation and adoption of additional conservation systems, practices, activities, or management measures; and

“(B) the active management and improvement of conservation systems, practices, activities, and management measures in place at the operation of the producer at the time the contract offer is accepted by the Secretary.

“(4) TERMS.—A contract entered into under paragraph (1) shall—

“(A) describe the land covered by the contract;

“(B) describe the practices or technical services from an approved third party, to be implemented on eligible land of the producer;

“(C) state the amount of payments (determined in accordance with subsection (f)) the Secretary agrees to make to the producer each year of the contract;

“(D) describe existing conservation systems, practices, activities, and management measures the producer agrees to maintain, manage, and improve during the term of the stewardship contract in order to meet and exceed the appropriate stewardship threshold for the resources of concern;

“(E) describe the additional conservation systems, practices, activities, and management measures the producer agrees to plan, install, maintain, and manage during the term of the stewardship contract in order to meet and exceed the appropriate stewardship threshold for the appropriate resource or resources of concern;

“(F) if applicable, describe the on-farm conservation research, demonstration, training, or pilot project activities the producer agrees to undertake during the term of the contract;

“(G) if applicable, describe the on-farm monitoring and evaluation activities the producer agrees to undertake during the term of the contract relating to—

“(i) a comprehensive conservation plan; or

“(ii) conservation systems, practices, activities, and management measures; and

“(H) include such other provisions as the Secretary determines are necessary to ensure that the purposes of the program are achieved.

“(5) ON-FARM RESEARCH, DEMONSTRATION, TRAINING, OR PILOT PROJECTS.—The Secretary may approve a stewardship contract that includes—

“(A) on-farm conservation research, demonstration, and training activities; and

“(B) pilot projects for evaluation of new technologies or innovative conservation practices.

“(6) DURATION.—A contract under this chapter shall have a term of 5 years.

“(7) EVALUATION OF CONTRACT OFFERS.—In evaluating contract offers made by producers to enter into contracts under the program, the Secretary shall—

“(A) prioritize applications based on—

“(i) the level of conservation treatment on all resources of concern at the time of application, based on the initial scores received by the producer on applicable resource-specific indices;

“(ii) the degree to which the proposed conservation treatment effectively increases the level of performance on applicable resource-specific indices or the level of management intensity with which the producer addresses the designated resources of concern;

“(iii) the extent to which all resources of concern will exceed the stewardship threshold level by the end of the contract period;

“(iv) the extent to which resources of concern in addition to resources of concern will be addressed to meet and exceed the stewardship threshold level by the end of the contract period;

“(v) the extent to which the producer proposes to address the goals and objectives of State, regional, and national fish and wildlife conservation plans and initiatives;

“(vi) whether the proposed conservation treatment reflects the multiple natural resource and environmental benefits of conservation-based farming systems, including resource-conserving crop rotations, advanced integrated pest management, and managed rotational grazing; and

“(vii) whether the application includes land transitioning out of the conservation reserve program, on the condition that the

land is maintained in a grass-based system and would help meet habitat needs for fish and wildlife;

“(B) evaluate the extent to which the anticipated environmental benefits from the contract would be provided in the most cost-effective manner, relative to other similarly beneficial contract offers;

“(C) reward higher levels of environmental performance and management intensity;

“(D) develop criteria for use in evaluating applications that will ensure that national, State, and local conservation priorities are effectively addressed;

“(E) evaluate the extent to which the environmental benefits expected to result from the contract complement other conservation efforts in the watershed or region; and

“(F) provide opportunities to agricultural producers that have not previously participated in Federal conservation programs, including beginning farmers and ranchers and socially disadvantaged farmers and ranchers.

“(8) TERMINATION OF CONTRACTS.—

“(A) IN GENERAL.—

“(i) VOLUNTARY TERMINATION.—The producer may terminate a contract entered into with the Secretary under this chapter if the Secretary determines that the termination is in the public interest.

“(ii) INVOLUNTARY TERMINATION.—The Secretary may terminate a contract under this chapter if the Secretary determines that the producer violated the contract.

“(B) REPAYMENT.—If a contract is terminated, the Secretary may—

“(i) allow the producer to retain payments already received under the contract if—

“(I) the producer has complied with the terms and conditions of the contract; and

“(II) the Secretary determines that allowing the producer to retain the payments is consistent with the purposes of the program;

“(ii) require repayment, in whole or in part, of payments already received; and

“(iii) assess liquidated damages, if doing so is consistent with the purposes of the program.

“(C) TRANSFER OR CHANGE OF INTEREST IN LAND SUBJECT TO A CONTRACT.—

“(i) IN GENERAL.—Except as provided in clause (ii), the transfer, or change in the interest, of a producer in land subject to a contract under this chapter shall result in the termination of the contract.

“(ii) TRANSFER OF DUTIES AND RIGHTS.—Clause (i) shall not apply if—

“(I) within a reasonable period of time (as determined by the Secretary) after the date of the transfer or change in the interest in land, the transferee of the land provides written notice to the Secretary that all duties and rights under the contract have been transferred to, and assumed by, the transferee; and

“(II) the transferee meets the eligibility requirements of this subchapter.

“(9) MODIFICATION.—

“(A) IN GENERAL.—The Secretary may allow a producer to modify a contract before the expiration of the contract if the Secretary determines that failure to modify the contract would significantly interfere with achieving the purposes of the program.

“(B) PARTICIPATION IN OTHER PROGRAMS.—If appropriate payment reductions and other adjustments (as determined by the Secretary) are made to the contract of a producer, the producer may remove land enrolled in the conservation stewardship program for enrollment in the conservation reserve program, wetlands reserve program, or other conservation programs, as determined by the Secretary.

“(C) CHANGES IN SIZE OF OPERATION.—The Secretary shall allow a producer to modify a stewardship contract before the expiration of the stewardship contract if the agricultural

operation of the producer has reduced or enlarged in size to reflect the new acreage total.

“(D) NEW ACREAGE.—With respect to acreage added to the agricultural operation of a producer after entering into a stewardship contract, a producer may elect to not add the acreage to the stewardship contract during the term of the current stewardship contract, except that such additional acreage shall be included in any contract renewal.

“(E) CHANGES IN PRODUCTION.—The Secretary shall allow a producer to modify a stewardship contract before the expiration of the stewardship contract if—

“(i) the producer has a change in production that requires a change to scheduled conservation practices and activities; and

“(ii) the Secretary determines that—

“(I) all relevant conservation standards will be maintained or improved; and

“(II) there is no increase in total payment under the stewardship contract.

“(10) EFFECT OF NONCOMPLIANCE DUE TO CIRCUMSTANCES BEYOND THE CONTROL OF PRODUCER.—The Secretary shall include in each contract a provision to ensure that a producer shall not be considered in violation of the contract for failure to comply with the contract due to circumstances beyond the control of the producer, including a disaster or related weather, pest, disease, or other similar condition, as determined by the Secretary.

“(11) COORDINATION WITH ORGANIC CERTIFICATION.—

“(A) IN GENERAL.—Not later than 180 days after the date of enactment of this chapter, the Secretary shall establish a transparent and producer-friendly means by which producers may coordinate and simultaneously certify eligibility under—

“(i) a stewardship contract; and

“(ii) the national organic production program established under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.).

“(B) PROGRAMMATIC CONSIDERATIONS.—The Secretary shall identify and implement programmatic considerations, including conservation systems, practices, activities, and management measures, technical assistance, evaluation of contract offers, enhancement payments, on-farm research, demonstration, training, and pilot projects, and data management, through which to maximize the purposes of the program by enrolling producers who are certified under the national organic production program established under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.).

“(12) RENEWAL.—At the end of a stewardship contract of a producer, the Secretary shall allow the producer to renew the stewardship contract for an additional 5-year period if the producer—

“(A) demonstrates compliance with the terms of the existing contract, including a demonstration that the producer has complied with the schedule for the implementation of additional conservation systems, practices, activities, and management measures included in the stewardship contract and is addressing the designated resources of concern to a level that meets and exceeds the stewardship threshold; and

“(B) agrees to implement and maintain such additional conservation practices and activities as the Secretary determines to be necessary and feasible to achieve higher levels of performance on applicable resource-specific indices or higher levels of management intensity with which the producer addresses the resources of concern.

“(d) ENHANCEMENT PAYMENTS.—

“(1) LOWER PAYMENTS.—In evaluating applications and making payments under this chapter, the Secretary shall not assign a higher priority to any application because

the applicant is willing to accept a lower payment than the applicant would otherwise be entitled to receive.

“(2) EVALUATION OF CONTRACT OFFERS.—Nothing in this subsection relieves the Secretary of the obligation, in evaluating applications for payments, to evaluate and prioritize the applications in accordance with subsection (e)(4), including the requirement for contracts to be cost-effective.

“(3) LOWEST-COST ALTERNATIVES.—In determining the eligibility of a conservation system, practice, activity, or management measure for a payment under this subsection, the Secretary shall require, to the maximum extent practicable, that the lowest-cost alternatives be used to achieve the purposes of the contract, as determined by the Secretary.

“(4) METHOD OF PAYMENT.—Payments under this subsection shall be made in such amounts and in accordance with such time schedule as is agreed on and specified in the contract.

“(5) ACTIVITIES QUALIFYING FOR PAYMENTS.—

“(A) IN GENERAL.—To receive an enhancement payment under this subsection, a producer shall agree—

“(i) to implement additional conservation systems, practices, activities, and management measures and maintain, manage, and improve existing conservation systems, practices, activities, and management measures in order to maintain and improve the level of performance of the producer, as determined by applicable resource-specific indices, or the level of management intensity of the producer with respect to resources of concern in order to meet and exceed the stewardship threshold for resources of concern; and

“(ii) to maintain, and make available to the Secretary at such times as the Secretary may request, appropriate records demonstrating the effective and timely implementation of the stewardship contract.

“(B) COMPENSATION.—Subject to subparagraph (C), the Secretary shall provide an enhancement payment to a producer to compensate the producer for—

“(i) ongoing implementation, active management, and maintenance of conservation systems, practices, activities, and management measures in place on the operation of the producer at the time the contract offer of the producer is accepted; and

“(ii) installation and adoption of additional conservation systems, practices, activities, and management measures or improvements to conservation systems, practices, activities, and management measures in place on the operation of the producer at the time the contract offer is accepted.

“(C) ADJUSTMENTS.—A payment under subparagraph (B) shall be adjusted to reflect—

“(i) management intensity; or

“(ii) resource-specific indices, in a case in which those indices have been developed and implemented.

“(D) ON-FARM RESEARCH, DEMONSTRATION, TRAINING, AND PILOT PROJECT PAYMENTS.—The Secretary shall provide an additional enhancement payment to a producer who opts to participate as part of the stewardship contract in an on-farm conservation research, demonstration, training or pilot project certified by the Secretary to compensate the producer for the cost of participation.

“(E) RESTRICTION ON STRUCTURAL PRACTICES.—For purposes of the conservation stewardship program, structural practices shall be eligible for payment only if the structural practices are integrated with and essential to support site-specific management activities that are part of an implemented management system designed to address 1 or more resources of concern.

“(6) EXCLUSIONS.—An enhancement payment to a producer under this subsection shall not be provided for the design, construction, or maintenance of animal waste storage or treatment facilities or associated waste transport or transfer devices for animal feeding operations.

“(7) TIMING OF PAYMENTS.—

“(A) IN GENERAL.—The Secretary shall make enhancement payments as soon as practicable after October 1 of each fiscal year.

“(B) ADDITIONAL SYSTEMS, PRACTICES, ACTIVITIES, AND MANAGEMENT MEASURES.—The Secretary shall make enhancement payments to compensate producers for installation and adoption of additional conservation systems, practices, activities, and management measures or improvements to existing conservation systems, practices, activities, and management measures at the time at which the systems, practices, activities, and measures or improvements are installed and adopted.

“(8) RESEARCH, DEMONSTRATION, TRAINING, AND PILOT PROJECT PAYMENT LIMITATIONS.—An enhancement payment for research, demonstration, training and pilot projects may not exceed \$25,000 for each 5-year term of the stewardship contract (excluding funding arrangements with federally recognized Indian tribes or Alaska Native Corporations).

“(e) CSP SUPPLEMENTAL PAYMENTS.—

“(1) IN GENERAL.—The Secretary shall provide additional payments to producers that, in participating in the conservation stewardship program, agree to adopt resource-conserving crop rotations to achieve optimal crop rotations as appropriate for the land of the producers.

“(2) OPTIMAL CROP ROTATIONS.—The Secretary shall determine whether a resource-conserving crop rotation is an optimal crop rotation eligible for additional payments under paragraph (1), based on whether the resource-conserving crop rotation is designed to optimize natural resource conservation and production benefits, including—

“(A) increased efficiencies in pesticide, fertilizer, and energy use; and

“(B) improved disease management.

“(3) ELIGIBILITY.—To be eligible to receive a payment described in paragraph (1), a producer shall agree to adopt and maintain optimal resource-conserving crop rotations for the term of the contract.

“(4) RATE.—The Secretary shall provide payments under this subsection at a rate that encourages producers to adopt optimal resource-conserving crop rotations.

“(f) LIMITATION ON PAYMENTS.—Subject to section 1244(i), an individual or entity may not receive, directly or indirectly, payments under this subchapter that, in the aggregate, exceed \$240,000 for all contracts entered into under the conservation stewardship program during any 6-year period.

“(g) DUTIES OF PRODUCERS.—In order to receive assistance under this chapter, a producer shall—

“(1) implement the terms of the contract approved by the Secretary;

“(2) not conduct any practices on the covered land that would defeat the purposes of the program;

“(3) on the violation of a term or condition of the contract at any time the producer has control of the land—

“(A) if the Secretary determines that the violation warrants termination of the contract—

“(i) forfeit all rights to receive payments under the contract; and

“(ii) refund to the Secretary all or a portion of the payments received by the owner or operator under the contract, including any interest on the payments or liquidated damages, as determined by the Secretary;

“(B) if the Secretary determines that the violation does not warrant termination of the contract, refund to the Secretary, or accept adjustments to, the payments provided to the owner or operator, as the Secretary determines to be appropriate; or

“(C) comply with a combination of the remedies authorized by subparagraphs (A) and (B), as the Secretary determines to be appropriate;

“(4) on the transfer of the right and interest of the producer in land subject to the contract (unless the transferee of the right and interest agrees with the Secretary to assume all obligations of the contract) refund any cost-share payments, incentive payments, and stewardship payments received under the program, as determined by the Secretary;

“(5) supply information as required by the Secretary to determine compliance with the contract and requirements of the program; and

“(6) comply with such additional provisions as the Secretary determines are necessary to carry out the contract.

“(h) DUTIES OF SECRETARY.—

“(1) IN GENERAL.—To achieve the conservation and environmental goals of a contract under this chapter, to the extent appropriate, the Secretary shall—

“(A) provide to a producer information and training to aid in implementation of the conservation systems, practices, activities, and management measures covered by the contract;

“(B) develop agreements with governmental agencies, nonprofit organizations, and private entities to facilitate the provision of technical and administrative assistance and services;

“(C) make the program available to eligible producers on a continuous enrollment basis;

“(D) when identifying biodiversity or fish and wildlife as a resource of concern for a particular watershed or other appropriate region or area within a State, ensure that the identification—

“(i) is specific with respect to particular species or habitat; and

“(ii) would further the goals and objectives of State, regional, and national fish and wildlife conservation plans and initiatives;

“(E) provide technical assistance and payments for each of fiscal years 2008 through 2012;

“(F) maintain contract and payment data relating to the conservation stewardship program in a manner that provides detailed and segmented data and allows for quantification of the amount of payments made to producers for—

“(i) the installation and adoption of additional conservation systems, practices, activities, or management measures;

“(ii) participating in research, demonstration, training, and pilot projects;

“(iii) the development, monitoring, and evaluation of comprehensive conservation plans; and

“(iv) the maintenance and active management of conservation systems, practices, activities, and management measures, and the improvement of conservation practices, in place on the operation of the producer on the date on which the contract offer is accepted by the Secretary;

“(G) develop resource-specific indices for purposes of determining eligibility and payments; and

“(H) establish and publicize design protocols and application procedures for individual producer and collaborative on-farm research, demonstration, training, and pilot projects.

“(2) SPECIALTY CROP PRODUCERS.—The Secretary shall ensure that outreach and tech-

nical assistance are available and program specifications are appropriate to enable specialty crop producers to participate in the conservation stewardship program.

“(3) ADDITIONAL REQUIREMENTS.—For the period beginning on the date of enactment of this chapter and ending on September 30, 2017, with respect to eligible land of producers participating in the program, the Secretary shall—

“(A) to the maximum extent practicable, enroll an additional 13,273,000 acres for each fiscal year, but not to exceed 79,638,000 acres;

“(B) implement the program nationwide to make the program available to producers meeting the eligibility requirements in each county;

“(C) to the maximum extent practicable, manage the program to achieve a national average annual cost per acre of \$19, which shall include the costs of all financial assistance, technical assistance, and any other expenses associated with enrollment or participation in the program of those acres; and

“(D) establish a minimum contract value, to ensure equity for small acreage farms, including specialty crop and organic producers.

“(i) ACRE ALLOCATION.—

“(1) INITIAL ALLOCATIONS TO STATES.—In making allocations of acres to States to enroll in the conservation stewardship program, to the maximum extent practicable, the Secretary shall allocate to each State a number of acres equal to the proportion that—

“(A) the number of acres of eligible land in the State; bears to

“(B) the number of acres of eligible land in all States.

“(2) MINIMUM ACRE ALLOCATION.—Of the acres allocated for each fiscal year, no State shall have allocated fewer than the lesser of—

“(A) 20,000 acres; or

“(B) 2.2 percent of the number of acres of eligible land in the State.

“(3) REALLOCATION TO STATES.—For any fiscal year, acres not obligated under this subsection by a date determined by the Secretary through rulemaking shall be reallocated to each State that—

“(A) has obligated 100 percent of the initial allocation of the State; and

“(B) requests additional acres.

“SEC. 1240Y. REGULATIONS.

“Not later than 180 days after the date of enactment of this chapter, the Secretary shall promulgate such regulations as are necessary to carry out the program, including regulations that—

“(1) provide for adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing payments, on a fair and equitable basis;

“(2) prescribe such other rules as the Secretary determines to be necessary to ensure a fair and reasonable application of the program; and

“(3) to the maximum extent practicable, eliminate duplication of planning activities under the program and comparable conservation programs.”

Subchapter B—Environmental Quality Incentives Program

SEC. 2351. PURPOSES.

Section 1240 of the Food Security Act of 1985 (16 U.S.C. 3839aa) is amended—

(1) in the matter preceding paragraph (1), by inserting “, forest management,” after “agricultural production”;

(2) in paragraph (3)—

(A) by inserting “, forest land,” after “grazing land”; and

(B) by inserting “pollinators,” after “wetland.”; and

(3) in paragraph (4)—

(A) by inserting “fuels management, forest management,” after “grazing management.”; and

(B) by inserting “and forested” after “agricultural”.

SEC. 2352. DEFINITIONS.

(a) ELIGIBLE LAND.—Section 1240A(2) of the Food Security Act of 1985 (16 U.S.C. 3838aa-1(2)) is amended—

(1) in subparagraph (A), by striking “commodities or livestock” and inserting “commodities, livestock, or forest-related products”; and

(2) in subparagraph (B)—

(A) by striking clause (v) and inserting the following:

“(v) nonindustrial private forest land.”;

(B) by redesignating clause (vi) as clause (vii); and

(C) by inserting after clause (v) the following:

“(vi) land used for pond-raised aquaculture production; and”.

(b) LAND MANAGEMENT PRACTICE.—Section 1240A(3) of the Food Security Act of 1985 (16 U.S.C. 3838aa-1(3)) is amended—

(1) by striking “The term” and inserting the following:

“(A) IN GENERAL.—The term”;

(2) by inserting “fuels management, forest management,” after “grazing management”; and

(3) by adding at the end the following:

“(B) FOREST MANAGEMENT.—For purposes of subparagraph (A), forest management practices may include activities that the Secretary determines are necessary—

“(i) to improve water, soil, or air quality;

“(ii) to restore forest biodiversity;

“(iii) to control invasive species;

“(iv) to improve wildlife habitat; or

“(v) to achieve conservation priorities identified in an applicable forest resource assessment and plan.”.

(c) PRACTICE.—Section 1240A(5) of the Food Security Act of 1985 (16 U.S.C. 3838aa-1(5)) is amended by inserting “conservation planning practices,” after “land management practices.”.

(d) CUSTOM FEEDING BUSINESS.—Section 1240A of the Food Security Act of 1985 (16 U.S.C. 3838aa-1) is amended—

(1) by redesignating paragraph (6) as paragraph (7); and

(2) by inserting after paragraph (5) the following:

“(6) PRODUCER.—The term ‘producer’ includes a custom feeding business and a contract grower or finisher.”.

(e) STRUCTURAL PRACTICE.—Paragraph (7)(A) of section 1240A of the Food Security Act of 1985 (16 U.S.C. 3838aa-1) (as redesignated by subsection (d)(1)) is amended by inserting “firebreak, fuelbreak,” after “constructed wetland.”.

SEC. 2353. ESTABLISHMENT AND ADMINISTRATION OF ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

(a) ESTABLISHMENT.—Section 1240B(a) of the Food Security Act of 1985 (16 U.S.C. 3839aa-2(a)) is amended—

(1) in paragraph (1), by striking “2010” and inserting “2012”; and

(2) in paragraph (2)(B), by inserting “conservation plan or” after “develops a”.

(b) PRACTICES AND TERM.—Section 1240B(b) of the Food Security Act of 1985 (16 U.S.C. 3839aa-2(b)) is amended—

(1) in paragraph (1), by inserting “conservation planning practices,” after “land management practices.”; and

(2) in paragraph (2)(B), by striking “10” and inserting “5”.

(c) ESTABLISHMENT AND ADMINISTRATION.—Section 1240B of the Food Security Act of 1985 (16 U.S.C. 3839aa-2) is amended—

(1) by striking subsection (c);

(2) in subsection (d)—

(A) in paragraph (2), by striking subparagraph (A) and inserting the following:

“(A) SOCIALLY DISADVANTAGED FARMERS OR RANCHERS AND BEGINNING FARMERS OR RANCHERS.—

“(i) IN GENERAL.—In the case of a producer that is a socially disadvantaged farmer or rancher or a beginning farmer or rancher, the Secretary may increase the amount that would otherwise be provided to the producer under paragraph (1) to—

“(I) not more than 90 percent; and

“(II) not less than 15 percent above the otherwise applicable rate.

“(ii) ADVANCE PAYMENTS.—Not more than 30 percent of the amount determined under clause (i) may be provided in advance for the purpose of purchasing materials or contracting.”;

(B) by striking paragraph (3) and inserting the following:

“(3) OTHER PAYMENTS.—A producer shall not be eligible for cost-share payments for practices on eligible land under the program if the producer receives cost-share payments or other benefits for the same practice on the same land under another program.”; and

(C) by adding at the end the following:

“(4) GUARANTEED LOAN ELIGIBILITY.—Notwithstanding section 333(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983(1)), with respect to the cost of a loan, a producer with an application that meets the standards for a cost-share payment under this subsection but that is not approved by the Secretary shall receive priority consideration for a guaranteed loan under section 304 of that Act (7 U.S.C. 1924).”;

(3) in subsection (e), by striking paragraph (2) and inserting the following:

“(2) SPECIAL RULE.—In determining the amount and rate of incentive payments, the Secretary may accord great significance to a practice that promotes residue, nutrient, air quality, pest, or predator deterrence, including practices to deter predator species protected under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), gray wolves, grizzly bears, and black bears.”;

(4) in subsection (g), by striking “2007” and inserting “2012”;

(5) by redesignating subsections (d) through (h) as subsections (c) through (g), respectively; and

(6) by adding at the end the following:

“(h) WATER CONSERVATION OR IRRIGATION EFFICIENCY PRACTICE.—

“(1) IN GENERAL.—The Secretary may provide technical assistance, cost-share payments, and incentive payments to a producer for a water conservation or irrigation practice.

“(2) PRIORITY.—In providing assistance and payments to producers for a water conservation or irrigation practice, the Secretary may give priority to applications in which—

“(A) there is an improvement in surface flows or a reduction in the use of groundwater in the agricultural operation of the producer, consistent with the law of the State in which the operation of the producer is located; or

“(B) the producer agrees not to use any associated water savings to bring new land, other than incidental land needed for efficient operations, under irrigated production, unless the producer is participating in a watershed-wide project that will effectively conserve water, as determined by the Secretary.”.

SEC. 2354. EVALUATION OF OFFERS AND PAYMENTS.

Section 1240C of the Food Security Act of 1985 (16 U.S.C. 3839aa-3) is amended—

(1) in paragraph (1), by striking “and” at the end;

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following:

“(2) improve conservation practices in place on the operation of the producer at the time the contract offer is accepted; and”.

SEC. 2355. DUTIES OF PRODUCERS.

Section 1240D(2) of the Food Security Act of 1985 (16 U.S.C. 3839aa-4(2)) is amended by striking “farm or ranch” and inserting “farm, ranch, or forest land”.

SEC. 2356. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

Section 1240E(a) of the Food Security Act of 1985 (16 U.S.C. 3839aa-5(a)) is amended—

(1) in the matter preceding paragraph (1), by inserting “, or an entity described in section 1244(e) acting on behalf of producers,” after “producer”;

(2) in paragraph (2), by striking “and” after the semicolon at the end;

(3) in paragraph (3), by striking the period at the end and inserting “; and”; and

(4) by adding at the end the following:

“(4) in the case of forest land, is consistent with a forest management plan that is approved by the Secretary, which may include—

“(A) a forest stewardship plan described in section 5 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103a);

“(B) another practice plan approved by the State forester; or

“(C) another plan determined appropriate by the Secretary.”.

SEC. 2357. LIMITATION ON PAYMENTS.

Section 1240G of the Food Security Act of 1985 (16 U.S.C. 3839aa-7) is amended—

(1) by striking “An individual” and inserting “(a) IN GENERAL.—Subject to section 1244(i), an individual”; and

(2) by adding at the end the following:

“(b) PRODUCER ORGANIZATIONS.—In the case of an entity described in section 1244(e), the limitation established under this section shall apply to each participating producer and not to the entity described in section 1244(e).”.

SEC. 2358. CONSERVATION INNOVATION GRANTS.

Section 1240H of the Food Security Act of 1985 (16 U.S.C. 3839aa-8) is amended—

(1) by striking subsection (a) and inserting the following:

“(a) IN GENERAL.—The Secretary may pay the cost of competitive grants that leverage Federal investment in environmental enhancement and protection through the program by—

“(1) stimulating the development of innovative technologies; and

“(2) transferring those technologies to agricultural and nonindustrial private forest land in production.”; and

(2) in subsection (b), by striking paragraph (2) and inserting the following:

“(2)(A) implement innovative conservation technologies, such as market systems for pollution reduction and practices for the storing of carbon in the soil;

“(B) provide a mechanism for transferring those technologies to agricultural and nonindustrial private forest land in production; and

“(C) increase environmental and resource conservation benefits through specialty crop production; and”.

SEC. 2359. GROUND AND SURFACE WATER CONSERVATION.

Section 1240I of the Food Security Act of 1985 (16 U.S.C. 3839aa-9) is amended to read as follows:

“SEC. 1240I. GROUND AND SURFACE WATER CONSERVATION.

“(a) PURPOSES.—The purposes of this section are—

“(1) to improve irrigation systems;

“(2) to enhance irrigation efficiencies;

“(3) to assist producers in converting to—

“(A) the production of less water-intensive agricultural commodities; or

“(B) dryland farming;

“(4) to improve water storage capabilities through measures such as water banking and groundwater recharge and other related activities;

“(5) to mitigate the effects of drought;

“(6) to enhance fish and wildlife habitat associated with irrigation systems, including pivot corners and areas with irregular boundaries;

“(7) to conduct resource condition assessment and modeling relating to water conservation;

“(8) to assist producers in developing water conservation plans; and

“(9) to promote any other measures that improve groundwater and surface water conservation, as determined by the Secretary.

“(b) DEFINITIONS.—In this section:

“(1) PARTNER.—

“(A) IN GENERAL.—The term ‘partner’ means an entity that enters into a partnership agreement with the Secretary to carry out water conservation activities on a regional scale.

“(B) INCLUSIONS.—The term ‘partner’ includes—

“(i) an agricultural or silvicultural producer association or other group of producers;

“(ii) a State or unit of local government, including an irrigation company and a water district and canal company; or

“(iii) a federally recognized Indian tribe.

“(2) PARTNERSHIP AGREEMENT.—The term ‘partnership agreement’ means a cooperative or contribution agreement entered into between the Secretary and a partner.

“(3) REGIONAL WATER CONSERVATION ACTIVITY.—The term ‘regional water conservation activity’ means a water conservation activity carried out on a regional or other appropriate level, as determined by the Secretary, to benefit agricultural land.

“(c) ESTABLISHMENT.—In carrying out the program under this chapter, the Secretary shall promote ground and surface water conservation—

“(1) by providing cost-share assistance and incentive payments to producers to carry out water conservation activities with respect to the agricultural operations of producers; and

“(2) by working cooperatively with partners, in accordance with subsection (d), on a regional level to benefit working agricultural land.

“(d) PARTNERSHIP AGREEMENTS.—

“(1) IN GENERAL.—The Secretary may enter into partnership agreements to meet the objectives of the program under this chapter.

“(2) APPLICATIONS.—An application to the Secretary to enter into an agreement under paragraph (1) shall include—

“(A) a description of—

“(i) the geographical area;

“(ii) the current conditions;

“(iii) the water conservation objectives to be achieved; and

“(iv) the expected level of participation by producers;

“(B) a description of the partners collaborating to achieve the project objectives and the roles, responsibilities, and capabilities of each partner;

“(C) a description of—

“(i) the program resources requested from the Secretary; and

“(ii) the non-Federal resources that will be leveraged by the Federal contribution; and

“(D) other such elements as the Secretary considers necessary to adequately evaluate and competitively select applications for award.

“(e) DUTIES OF THE SECRETARY.—

“(1) WATER CONSERVATION ACTIVITIES BY PRODUCERS.—The Secretary shall select water conservation projects proposed by producers according to applicable requirements under the environmental quality incentives program established under this chapter.

“(2) REGIONAL WATER CONSERVATION ACTIVITIES.—

“(A) COMPETITIVE PROCESS.—The Secretary shall conduct a competitive process to select the regional water conservation activities for funding under this section.

“(B) PUBLIC AVAILABILITY.—In carrying out the process, the Secretary shall make public the criteria used in evaluating applications.

“(C) PRIORITY.—The Secretary may give a higher priority to proposals from partners that—

“(i) include high percentages of agricultural land and producers in a region or other appropriate area;

“(ii) result in high levels of on-the-ground water conservation activities;

“(iii) significantly enhance agricultural activity and related economic development;

“(iv) allow for monitoring and evaluation; and

“(v) assist producers in meeting Federal, State and local regulatory requirements.

“(D) ADMINISTRATION.—The Secretary shall ensure that resources made available for regional water conservation activities under this section are delivered in accordance with applicable program rules.

“(f) EASTERN SNAKE PLAIN AQUIFER PILOT.—

“(1) IN GENERAL.—Of amounts made available under subsection (h), the Secretary shall reserve \$2,000,000, to remain available until expended, for regional water conservation activities in the Eastern Snake Aquifer Region.

“(2) APPROVAL.—The Secretary may approve regional water conservation activities under this subsection that address, in whole or in part, water quality issues.

“(g) CONSISTENCY WITH STATE LAW.—Any water conservation activity conducted under this section shall be consistent with applicable State water law.

“(h) 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 \$60,000,000 for each of fiscal years 2008 through 2012.

“(2) LIMITATION.—None of the funds made available for regional water conservation activities under this section may be used to pay for the administrative expenses of partners.”.

SEC. 2360. ORGANIC CONVERSION.

The Food Security Act of 1985 is amended by inserting after section 1240I (16 U.S.C. 3839aa-9) the following:

“SEC. 1240J. ORGANIC CONVERSION.

“(a) DEFINITIONS.—In this section:

“(1) NATIONAL ORGANIC PROGRAM.—The term ‘national organic program’ means the national organic program established under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et. seq.).

“(2) ORGANIC SYSTEM PLAN.—The term ‘organic system plan’ means an organic plan approved under the national organic program.

“(b) ESTABLISHMENT.—Under the environmental quality incentives program established under this chapter, not later than 180 days after the date of enactment of this section, the Secretary shall establish a program under which the Secretary shall provide cost-share and incentive payments to producers to promote conservation practices and activities for production systems under-

going conversion on some or all of the operations of the producer to organic production in accordance with the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.).

“(c) ORGANIC CONVERSION COST-SHARE AND INCENTIVE PAYMENTS.—The Secretary shall provide organic conversion cost-share and incentive payments to producers that—

“(1) are converting to organic production systems, including producers with existing certified organic production for conversion to organic production of land and livestock not previously certified organic; and

“(2) enter into contracts with the Secretary for eligible practices and activities described in subsection (d).

“(d) ELIGIBLE PRACTICES AND ACTIVITIES.—Producers may use funds made available under subsection (c) for—

“(1) practices and activities during conversion to certified organic production that—

“(A) are required by, or consistent with, an approved organic system plan; and

“(B) protect resources of concern, as identified by the Secretary;

“(2) technical services, including the costs of developing an approved organic system plan; and

“(3) such other measures as the Secretary determines to be appropriate and consistent with an approved organic system plan.

“(e) ELIGIBLE PRODUCERS.—To be eligible to receive cost-share and incentive payments under this section, a producer shall agree—

“(1) to develop and carry out conservation and environmental activities that—

“(A) are required by, or consistent with, an approved organic system plan; and

“(B) protect resources of concern, as identified by the Secretary;

“(2) to receive technical and educational assistance from the Secretary or from an organization, institute, or consultant with a cooperative agreement with the Secretary relating to—

“(A) the development of an organic system plan and the implementation of conservation practices and activities that are part of an organic system plan; or

“(B) other aspects of an organic system plan, including marketing, credit, business, and risk management plans; and

“(3) to submit annual verification by a certifying entity accredited by the Secretary to determine the compliance of the producer with organic certification requirements.

“(f) TERM.—A contract under this section shall have a term of—

“(1) not less than 3 years; and

“(2) not more than 4 years.

“(g) LIMITATIONS ON PAYMENTS.—As part of the payment limitation described in section 1240G, an individual or entity may not receive, directly or indirectly, cost-share or incentive payments under this section—

“(1) for a period of more than 4 years; or

“(2) that, in the aggregate and exclusive of technical assistance, exceed—

“(A) \$20,000 per year; or

“(B) a total amount of \$80,000.

“(h) TERMINATION OF CONTRACTS.—The Secretary may cancel or otherwise nullify a contract entered into under this section if the Secretary determines the producers are not pursuing organic certification.”.

SEC. 2361. CHESAPEAKE BAY WATERSHED CONSERVATION PROGRAM.

The Food Security Act of 1985 is amended by inserting after section 1240J (as added by section 2360) the following:

“SEC. 1240K. CHESAPEAKE BAY WATERSHED CONSERVATION PROGRAM.

“(a) DEFINITION OF CHESAPEAKE BAY WATERSHED.—In this section, the term ‘Chesapeake Bay watershed’ includes all tributaries, backwaters, and side channels (including watersheds) draining into the Chesapeake Bay.

“(b) ESTABLISHMENT.—The Secretary shall use the authorities granted under the environmental quality incentives program established under this chapter to address natural resource concerns relating to agricultural and nonindustrial private forest land in the Chesapeake Bay watershed.

“(c) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use \$265,000,000 to carry out this section for the period of fiscal years 2008 through 2012.”.

CHAPTER 3—FARMLAND PROTECTION

Subchapter A—Farmland Protection Program

SEC. 2371. FARMLAND PROTECTION PROGRAM.

(a) DEFINITIONS.—Section 1238H of the Food Security Act of 1985 (16 U.S.C. 3838h) is amended—

(1) by striking paragraph (1) and inserting the following:

“(1) ELIGIBLE ENTITY.—The term ‘eligible entity’ means—

“(A) any agency of any State or local government or an Indian tribe (including a farmland protection board or land resource council established under State law); or

“(B) any organization that—

“(i) is organized for, and at all times since the formation of the organization has been operated principally for, 1 or more of the conservation purposes specified in clause (i), (ii), (iii), or (iv) of section 170(h)(4)(A) of the Internal Revenue Code of 1986;

“(ii) is an organization described in section 501(c)(3) of that Code that is exempt from taxation under section 501(a) of that Code; and

“(iii) is—

“(I) described in paragraph (1) or (2) of section 509(a) of that Code; or

“(II) described in section 509(a)(3), and is controlled by an organization described in section 509(a)(2), of that Code.”; and

(2) in paragraph (2)—

(A) in subparagraph (A), by striking clauses (i) and (ii) and inserting the following:

“(i) has prime, unique, or other productive soil;

“(ii) contains historical or archaeological resources; or

“(iii) furthers a State or local policy consistent with the purposes of the program.”; and

(B) in subparagraph (B)—

(i) in clause (iv), by striking “and” at the end;

(ii) by striking clause (v) and inserting the following:

“(v) forest land that—

“(I) contributes to the economic viability of an agricultural operation; or

“(II) serves as a buffer to protect an agricultural operation from development; and

“(vi) land that is incidental to land described in clauses (i) through (v), if the incidental land is determined by the Secretary to be necessary for the efficient administration of a conservation easement.”.

(b) FARMLAND PROTECTION.—Section 1238I of the Food Security Act of 1985 (16 U.S.C. 3838i) is amended—

(1) in subsection (a), by striking “purchase conservation easements” and all the follows through the end of the subsection and inserting “enter into cooperative agreements with eligible entities for the eligible entities to purchase permanent conservation easements or other interests in eligible land for the purpose of protecting the agricultural use and related conservation values of the land by limiting incompatible nonagricultural uses of the land.”;

(2) by redesignating subsections (b) and (c) as subsections (e) and (f), respectively;

(3) by inserting after subsection (a) the following:

“(b) TERMS AND CONDITIONS FOR COOPERATIVE AGREEMENTS.—

“(1) IN GENERAL.—The Secretary shall establish the terms and conditions of any cooperative agreement entered into under this subchapter under which the eligible entity shall use funds provided by the Secretary.

“(2) MINIMUM REQUIREMENTS.—A cooperative agreement shall, at a minimum—

“(A) specify the qualifications of the eligible entity to carry out the responsibilities of the eligible entity under the program, including acquisition and management policies and procedures that ensure the long-term integrity of the conservation easement protections;

“(B) subject to subparagraph (C), identify a specific project or a range of projects funded under the agreement;

“(C) allow, upon mutual agreement of the parties, substitution of qualified projects that are identified at the time of substitution;

“(D) specify the manner in which the eligible entity will evaluate and report the use of funds to the Secretary;

“(E) allow the eligible entity flexibility to use the terms and conditions of the eligible entity for conservation easements and other purchases of interests in land, except that—

“(i) subject to clause (ii), each easement shall include a limitation on the total quantity of impervious surface of not more than—

“(I) 20 percent of the first 10 acres;

“(II) 5 percent of the next 90 acres; and

“(III) 1 percent of any additional acres; and

“(ii) the Secretary may waive a limitation under clause (i) after a determination by the Secretary that the eligible entity has in place a requirement that provides substantially-similar protection consistent with agricultural activities regarding the impervious surfaces to be allowed for any conservation easement or other interest in land purchases using funds provided under the program;

“(F) require appraisals of acquired interests in eligible land that comply with, at the option of the eligible entity—

“(i) the Uniform Standards of Professional Appraisal Practice; or

“(ii) other industry-approved standard, as determined by the Secretary; and

“(G) allow as part of the share of the eligible entity of the cost to purchase a conservation easement or other interest in eligible land described in subsection (a), that an eligible entity may include a charitable donation or qualified conservation contribution (as defined by section 170(h) of the Internal Revenue Code of 1986), from the private landowner from which the conservation easement will be purchased.

“(c) COST SHARING.—

“(1) IN GENERAL.—Subject to paragraphs (2) and (3), the Secretary may provide a share of the purchase price of a conservation easement or other interest in land acquired by an eligible entity under the program.

“(2) MAXIMUM AMOUNT OF FAIR MARKET VALUE.—The Secretary shall not pay more than 50 percent of the appraised fair market value of the acquisition under this subsection.

“(3) MINIMUM SHARE BY ELIGIBLE ENTITY.—The eligible entity shall be required to provide a share of the cost under this subsection in an amount that is not less than the lesser of—

“(A) ½ of the purchase price of the acquisition;

“(B) if the landowner has made a donation of 25 percent or less of the appraised fair market value of the acquisition, an amount that, when combined with the donation, equals the amount of the payment by the Secretary; or

“(C) if the landowner has made a donation of more than 25 percent of the appraised fair market value of the acquisition, ½ of the purchase price of the acquisition.

“(d) PROTECTION OF FEDERAL INVESTMENT.—

“(1) IN GENERAL.—The Secretary shall ensure that the terms of an easement acquired by the eligible entity provides protection for the Federal investment through an executory limitation by the Federal Government.

“(2) RELATIONSHIP TO FEDERAL ACQUISITION OF REAL PROPERTY.—The inclusion of a Federal executory limitation described in paragraph (1) shall—

“(A) not be considered the Federal acquisition of real property; and

“(B) not trigger any Federal appraisal or other real property requirements, including the Federal standards and procedures for land acquisition.”; and

(4) in subsection (f) (as redesignated by paragraph (2)), by striking “COST SHARING.—” and all that follows through “BIDDING DOWN.—” and inserting “BIDDING DOWN.—”.

Subchapter B—Grassland Reserve Program

SEC. 2381. GRASSLAND RESERVE PROGRAM.

Subchapter C of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838n et seq.) is amended to read as follows:

“Subchapter C—Grassland Reserve Program

“SEC. 1238N. DEFINITIONS.

“In this subchapter:

“(1) ELIGIBLE ENTITY.—The term ‘eligible entity’ means—

“(A) any agency of any State or local government or an Indian tribe (including a farmland protection board or land resource council established under State law); or

“(B) any organization that—

“(i) is organized for, and at all times since the formation of the organization has been operated principally for, 1 or more of the conservation purposes specified in clause (i), (ii), (iii), or (iv) of section 170(h)(4)(A) of the Internal Revenue Code of 1986;

“(ii) is an organization described in section 501(c)(3) of that Code that is exempt from taxation under section 501(a) of that Code; and

“(iii) is—

“(I) described in paragraph (1) or (2) of section 509(a) of that Code; or

“(II) described in section 509(a)(3), and is controlled by an organization described in section 509(a)(2), of that Code.

“(2) ELIGIBLE LAND.—The term ‘eligible land’ means private land that—

“(A) is grassland, rangeland, land that contains forbs, or shrub land (including improved rangeland and pastureland) for which grazing is the predominant use;

“(B) is located in an area that has been historically dominated by grassland, forbs, or shrub land, and the land potentially could provide habitat for animal or plant populations of significant ecological value if the land—

“(i) is retained in the current use of the land;

“(ii) is restored to a natural condition;

“(iii) contains historical or archeological resources;

“(iv) would further the goals and objectives of State, regional, and national fish, and wildlife conservation plans and initiatives; or

“(v) is incidental to land described in clauses (i) through (iv), if the incidental land is determined by the Secretary to be necessary for the efficient administration of an agreement or conservation easement.

“(3) PERMANENT CONSERVATION EASEMENT.—The term ‘permanent conservation easement’ means a conservation easement that is—

“(A) a permanent easement; or

“(B) in a State that imposes a maximum duration for easements, an easement for the maximum duration allowed under State law.

“SEC. 1238O. GRASSLAND RESERVE PROGRAM.

“(a) ESTABLISHMENT.—The Secretary shall establish and carry out a grassland reserve program through which the Secretary shall provide payments and technical assistance to landowners to assist in restoring and conserving eligible land described in section 1238N(2).

“(b) ENROLLMENT OF LAND.—

“(1) IN GENERAL.—The Secretary may enroll eligible land in the program through—

“(A) an easement or contract described in paragraph (2); or

“(B) a cooperative agreement with an eligible entity.

“(2) OPTIONS.—Eligible land enrolled in the program shall be subject to—

“(A) a 30-year contract;

“(B) a 30-year conservation easement; or

“(C) a permanent conservation easement.

“(3) ENROLLMENT OF CONSERVATION RESERVE ACREAGE.—

“(A) IN GENERAL.—Eligible land enrolled in the conservation reserve program established under subchapter B of chapter 1 may be enrolled into permanent conservation easements under this subchapter if—

“(i) the Secretary determines that the eligible land—

“(I) is of high ecological value; and

“(II) would be under significant threat of conversion to other uses if the conservation reserve program contract were terminated; and

“(ii) the landowner agrees to the enrollment.

“(B) MAXIMUM ENROLLMENT.—The number of acres of conservation reserve program land enrolled under this paragraph in a calendar year shall not exceed the number of acres that could be funded by 10 percent of the total amount of funds available for this section for a fiscal year.

“(C) PROHIBITION ON DUPLICATE PAYMENTS.—Eligible land enrolled in the program shall no longer be eligible for payments under the conservation reserve program.

“(c) RESTORATION AGREEMENTS.—The Secretary may enter into a restoration agreement with a landowner, as determined appropriate by the Secretary.

“(d) CONSERVATION EASEMENT TITLE.—The title holder of a conservation easement obtained under this subchapter may be—

“(1) the Secretary; or

“(2) an eligible entity.

“SEC. 1238P. DUTIES.

“(a) DUTIES OF LANDOWNERS.—

“(1) IN GENERAL.—To become eligible to enroll eligible land through the grant of a conservation easement, the landowner shall—

“(A) create and record an appropriate deed restriction in accordance with applicable State law;

“(B) provide proof of clear title to the underlying fee interest in the eligible land that is subject of the conservation easement;

“(C) provide a written statement of consent to the easement signed by persons holding a security interest or any vested interest in the land;

“(D) grant the conservation easement to the Secretary or an eligible entity; and

“(E) comply with the terms of the conservation easement and any associated restoration agreement.

“(2) RESTORATION AGREEMENT.—If a restoration agreement is required by the Secretary, the landowner shall develop and implement a restoration plan.

“(b) DUTIES OF SECRETARY.—

“(1) EVALUATION OF OFFERS.—

“(A) IN GENERAL.—The Secretary shall establish criteria to evaluate and rank applications for easements and contracts under this subchapter.

“(B) CONSIDERATIONS.—In establishing the criteria, the Secretary shall emphasize support for—

- “(i) grazing operations;
- “(ii) plant and animal biodiversity;
- “(iii) grassland, land that contains forbs, and shrubland under the greatest threat of conversion; and
- “(iv) other considerations, as determined by the Secretary.

“(C) PRIORITY.—In evaluating offers under this subchapter, the Secretary may give priority to applications that—

- “(i) include a cash contribution from the eligible entity submitting the application; or
- “(ii) leverage resources from other sources.

“(2) COMPENSATION.—

“(A) IN GENERAL.—

“(i) EASEMENTS AND CONTRACTS.—In return for the granting of an easement, the Secretary shall provide to the landowner an amount that is equal to—

“(I) in the case of a permanent easement, the fair market value of the land less the grazing value of the land encumbered by the easement; and

“(II) in the case of a 30-year easement or 30-year contract, 30 percent of the fair market value of the land less the grazing value of the land for the period during which the land is encumbered by the easement.

“(ii) RESTORATION AGREEMENTS.—In making cost-share payments for restoration agreements, the Secretary shall make payments to the landowner—

“(I) in the case of a permanent easement, in an amount that is not less than 90, but not more than 100, percent of the eligible costs; and

“(II) in the case of a 30-year easement or 30-year contract, in an amount that is not less than 50, but not more than 75, percent of the eligible costs.

“(B) DELIVERY OF PAYMENTS.—

“(i) PAYMENT SCHEDULE.—Except as otherwise provided in this subchapter, payments may be provided pursuant to an easement, contract, or other agreement, in not more than 30 annual payments, and in an equal or unequal amounts, as agreed to by the Secretary and the landowner.

“(ii) PAYMENTS TO OTHERS.—If an owner that is entitled to a payment under this subchapter dies, becomes incompetent, is otherwise unable to receive the payment, or is succeeded by another person who renders or completes the required performance, the Secretary shall make the payment, in accordance with regulations promulgated by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable after considering all the circumstances.

“(3) TECHNICAL ASSISTANCE.—If a restoration agreement is required by the Secretary, the Secretary shall provide technical assistance to comply with the terms and conditions of the restoration agreement.

“SEC. 1238Q. TERMS AND CONDITIONS.

“(a) TERMS AND CONDITIONS OF EASEMENT OR CONTRACTS.—An easement or contract under this subchapter shall—

- “(1) permit—
- “(A) common grazing practices, including maintenance and necessary cultural practices, on the land in a manner that is consistent with maintaining the viability of grassland, forb, and shrub species appropriate to that locality;
- “(B) haying, mowing, or harvesting for seed production, subject to appropriate restrictions during the nesting season for birds in the local area that are in significant de-

cline or are conserved in accordance with Federal or State law, as determined by the State Conservationist; and

“(C) fire suppression, rehabilitation, and construction of fire breaks and fences (including placement of the posts necessary for fences);

“(2) prohibit—

“(A) the production of crops (other than hay), fruit trees, vineyards, or any other agricultural commodity that is inconsistent with maintaining grazing land; and

“(B) except as permitted under a restoration plan, the conduct of any other activity that would be inconsistent with maintaining grazing land covered by the easement or agreement; and

“(3) include such additional provisions as the Secretary determines are appropriate to carry out or facilitate the administration of this subchapter.

“(b) TERMS AND CONDITIONS OF COOPERATIVE AGREEMENTS.—

“(1) IN GENERAL.—The Secretary shall establish the terms and conditions of any cooperative agreement entered into under this subchapter under which the eligible entity shall use funds provided by the Secretary.

“(2) MINIMUM REQUIREMENTS.—A cooperative agreement shall, at a minimum—

“(A) specify the qualification of the eligible entity to carry out the responsibilities of the eligible entity under the program, including acquisition, monitoring, enforcement, and management policies and procedures that ensure the long-term integrity of the conservation easement protections;

“(B) subject to subparagraph (C), identify a specific project or a range of projects funded under the agreement;

“(C) allow, upon mutual agreement of the parties, substitution of qualified projects that are identified at the time of substitution;

“(D) specify the manner in which the eligible entity will evaluate and report the use of funds to the Secretary;

“(E) allow the eligible entity flexibility to develop and use terms and conditions for conservation easements and other purchases of interest in eligible land, if the Secretary finds the terms and conditions consistent with the purposes of the program and adequate to achieve and permit effective enforcement of the conservation purposes of the conservation easements or other interests;

“(F) require appraisals of acquired interests in eligible land that comply with a method approved by industry;

“(G) if applicable, allow as part of the share of the eligible entity of the cost to purchase a conservation easement or other interest in eligible land described in section 1238O(b), that an eligible entity may include a charitable donation or qualified conservation contribution (as defined by section 170(h) of the Internal Revenue Code of 1986), from the private landowner for which the conservation easement will be purchased; and

“(H) provide for a schedule of payments to an eligible entity, as agreed to by the Secretary and the eligible entity, over a term of not to exceed 30 years.

“(3) PROTECTION OF FEDERAL INVESTMENT.—

“(A) IN GENERAL.—The Secretary shall ensure that the terms of an easement acquired by the eligible entity provides protection for the Federal investment through an executory limitation by the Federal government.

“(B) RELATIONSHIP TO FEDERAL ACQUISITION OF REAL PROPERTY.—The inclusion of an executory limitation described in subparagraph (A) shall—

“(i) not be considered the Federal acquisition of real property; and

“(ii) not trigger any Federal appraisal or other real property requirements, including the Federal standards and procedures for land acquisition.

“(C) TERMS OF RESTORATION AGREEMENT.—A restoration agreement shall contain—

“(i) a statement of the conservation measures and practices that will be undertaken in regard to the eligible land subject to the conservation easement;

“(ii) restrictions on the use of the eligible land subject to the conservation easement; and

“(iii) a statement of the respective duties of the Secretary, landowner, and eligible entity, as appropriate.

“(c) VIOLATION.—If a violation occurs of the terms or conditions of a conservation easement, contract, cooperative agreement or restoration agreement entered into under this section—

“(1) the conservation easement, contract, cooperative agreement, or restoration agreement shall remain in force; and

“(2) the Secretary may require the owner or entity to refund all or part of any payments received by the owner under this subchapter, with interest on the payments as determined appropriate by the Secretary.”.

CHAPTER 4—OTHER CONSERVATION PROGRAMS

SEC. 2391. CONSERVATION SECURITY PROGRAM.

Subchapter A of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 is amended by adding after section 1238C (16 U.S.C. 3838c) the following:

“SEC. 1238D. PERIOD OF EFFECTIVENESS.

“(a) IN GENERAL.—This subchapter, and the terms and conditions of the conservation security program, shall continue to apply to conservation security contracts entered into as of the date before the date of enactment of this section.

“(b) PAYMENTS.—The Secretary shall make payments under this subchapter with respect to conservation security contracts described in subsection (a) during the term of the contracts.

“(c) PROHIBITION ON NEW CONTRACTS.—A conservation security contract may not be entered into or renewed under this subchapter as of the date of enactment of this section.

“(d) LIMITATION.—A contract described in subsection (a) may not be administered under the regulations issued under section 1240Y.”.

SEC. 2392. CONSERVATION OF PRIVATE GRAZING LAND.

Section 1240M(e) of the Food Security Act of 1985 (16 U.S.C. 3839bb(e)) is amended by striking “2007” and inserting “2012”.

SEC. 2393. REAUTHORIZATION OF WILDLIFE HABITAT INCENTIVE PROGRAM.

Section 1240N of the Food Security Act of 1985 (16 U.S.C. 3839bb-1) is amended—

(1) in subsection (b)—

(A) in the subsection heading, by striking “COST-SHARE”;

(B) in paragraph (1), by inserting “and incentive” after “cost-share”; and

(C) in paragraph (2)(B), by striking “15 percent” and inserting “25 percent”; and

(2) by adding at the end the following:

“(d) FISH AND WILDLIFE CONSERVATION PLANS AND INITIATIVES.—In carrying out this section, the Secretary shall give priority to projects that would further the goals and objectives of State, regional, and national fish and wildlife conservation plans and initiatives.

“(e) DURATION OF PROGRAM.—Using funds made available under section 1241(a)(7), the Secretary shall carry out the program during each of fiscal years 2008 through 2012.”.

SEC. 2394. GRASSROOTS SOURCE WATER PROTECTION PROGRAM.

Section 12400 of the Food Security Act of 1985 (16 U.S.C. 3839bb-2) is amended by striking subsection (b) and inserting the following:

“(b) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section \$20,000,000 for each of fiscal years 2008 through 2012.”

SEC. 2395. GREAT LAKES BASIN PROGRAM FOR SOIL EROSION AND SEDIMENT CONTROL.

Section 1240P(c) of the Food Security Act of 1985 (16 U.S.C. 3839bb-3(c)) is amended by striking “2007” and inserting “2012”.

SEC. 2396. FARM VIABILITY PROGRAM.

Section 1238J(b) of the Food Security Act of 1985 (16 U.S.C. 3838j(b)) is amended by striking “2007” and inserting “2012”.

SEC. 2397. DISCOVERY WATERSHED DEMONSTRATION PROGRAM.

Chapter 5 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839bb et seq.) is amended by adding at the end the following:

“SEC. 1240Q. DISCOVERY WATERSHED DEMONSTRATION PROGRAM.

“(a) **ESTABLISHMENT.**—The Secretary shall establish and carry out a demonstration program in not less than 30 small watersheds in States of the Upper Mississippi River basin to identify and promote the most cost-effective and efficient approaches to reducing the loss of nutrients to surface waters.

“(b) **PURPOSE.**—The demonstration program shall demonstrate in small watersheds performance-based and market-based approaches—

“(1) to reduce the loss of nutrients to surface waters from agricultural land; and

“(2) to monitor the cost-effectiveness of management practices designed to reduce the loss of nutrients to surface waters from agricultural land.

“(c) **PARTNERSHIPS.**—In carrying out this section, the Secretary may establish or identify, as appropriate, partnerships to select the watersheds and to encourage cooperative effort among the Secretary and State, local, and nongovernmental organizations.

“(d) **SELECTION OF SMALL WATERSHEDS.**—In selecting small watersheds for participation in the program, the Secretary shall consider the extent to which—

“(1) reducing nutrient losses to surface water in the small watershed would be likely to result in measurable improvements in water quality in the small watershed;

“(2) a demonstration project would use innovative approaches to attract a high level of producer participation in the small watershed to ensure success;

“(3) a demonstration project could be implemented through a third party, including a producer organization, farmer cooperative, conservation district, water utility, agency of State or local government, conservation organization, or other organization with appropriate expertise;

“(4) a demonstration project would leverage funding from State, local, and private sources;

“(5) a demonstration project would demonstrate market-based approaches to nutrient losses to surface waters;

“(6) baseline data related to water quality and agricultural practices and contributions from nonagricultural sources as relevant in the small watershed has been collected or could be readily collected; and

“(7) water quality monitoring infrastructure is in place or could reasonably be put in place in the small watershed.

“(e) **USE OF FUNDS.**—

“(1) **IN GENERAL.**—Funding provided for the program under subsection(f) shall be used in not less than 30 small watersheds—

“(A) to provide technical assistance;

“(B) to provide and assess financial incentives to agricultural producers implementing conservation practices that reduce nutrient losses to surface waters;

“(C) to monitor the performance and costs of alternative nutrient management techniques, including soil tests, stalk tests, cover crops, soil amendments, buffers, and tillage practices; and

“(D) to share the cost of data collection, monitoring, and analysis.

“(2) **PROHIBITION.**—None of the funds made available to carry out the program for each fiscal year may be used for administrative expenses.

“(f) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated such sums as are necessary to carry out this section.”

SEC. 2398. EMERGENCY LANDSCAPE RESTORATION PROGRAM.

(a) **IN GENERAL.**—Chapter 5 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3839bb et seq.) (as amended by section 2386) is amended by adding at the end the following:

“SEC. 1240R. EMERGENCY LANDSCAPE RESTORATION PROGRAM.

“(a) **DEFINITION OF ELIGIBLE RECIPIENT.**—In this section, the term ‘eligible recipient’ means—

“(1) an organization that is eligible for technical assistance and cost-share payments under this section and assists working agricultural land and nonindustrial private forest land, including—

“(A) a community-based association; and

“(B) a city, county, or regional government, including a watershed council and a conservation district; and

“(2) an individual who is eligible for technical assistance and cost-share payments under this section, including—

“(A) a producer;

“(B) a rancher;

“(C) an operator;

“(D) a nonindustrial private forest landowner; and

“(E) a landlord on working agricultural land.

“(b) **PURPOSE.**—The purpose of the emergency landscape restoration program is to rehabilitate watersheds, nonindustrial private forest land, and working agricultural land adversely affected by natural catastrophic events, by—

“(1) providing a source of assistance for restoration of the land back to a productive state;

“(2) preventing further impairment of land and water, including prevention through the purchase of floodplain easements; and

“(3) providing further protection of natural resources.

“(c) **ESTABLISHMENT.**—The Secretary, acting through the Natural Resources Conservation Service, shall carry out an emergency landscape restoration program under which technical assistance and cost-share payments are made available to eligible recipients to carry out remedial activities to restore landscapes damaged by—

“(1) fire;

“(2) drought;

“(3) flood;

“(4) hurricane force or excessive winds;

“(5) ice storms or blizzards; or

“(6) other resource-impacting natural events, as determined by the Secretary.

“(d) **PRIORITIZATION.**—The Secretary shall provide the highest priority for those activities that protect human health and safety.

“(e) **TECHNICAL ASSISTANCE AND COST-SHARE PAYMENTS.**—

“(1) **IN GENERAL.**—The Secretary shall provide technical assistance and cost-share payments in amounts of up to 75 percent of the

cost of remedial activities described in paragraph (2) to rehabilitate watersheds, nonindustrial private forest land, and working agricultural land.

“(2) **REMEDIAL ACTIVITIES.**—Remedial activities that are eligible for technical assistance and cost-share payments under this section include—

“(A) removal of debris from streams, agricultural land, and nonindustrial forest land, including—

“(i) the restoration of natural hydrology; and

“(ii) the removal of barriers for aquatic species;;

“(B) restoration of destabilized streambanks;

“(C) establishment of cover on critically eroding land;

“(D) restoration of fences;

“(E) construction of conservation structures;

“(F) provision of water for livestock in drought situations;

“(G) rehabilitation of farm or ranch land;

“(H) restoration of damaged nonindustrial private forest land, including—

“(i) the removal of damaged standing trees and downed timber; and

“(ii) site preparation, tree planting, direct seeding, and firebreaks;

“(I) the carrying out of emergency water conservation measures;

“(J) restoration of wildlife habitat and corridors;

“(K) livestock carcass removal and disposal; and

“(L) such other remedial activities as are determined by the Secretary.

“(f) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Secretary to carry out this section such sums as are necessary for each of fiscal years 2008 through 2012, to remain available until expended.

“(g) **TEMPORARY ADMINISTRATION OF EMERGENCY LANDSCAPE RESTORATION PROGRAM.**—

“(1) **IN GENERAL.**—During the period beginning on the date of enactment of this section and ending on the termination date described in paragraph (2), to ensure that technical assistance, cost-share payments, and other payments continue to be administered in an orderly manner until the date on which final regulations are promulgated to implement the emergency landscape restoration program, the Secretary shall, to the extent the terms and conditions of the programs described in clauses (i) and (ii) of subparagraph (A) are consistent with the emergency landscape restoration program, continue to—

“(A) provide technical assistance, cost-share payments, and other payments under the terms and conditions of—

“(i) the emergency conservation program established under title IV of the Agricultural Credit Act of 1978 (16 U.S.C. 2201 et seq.); and

“(ii) the emergency watershed protection program established under section 403 of the Agricultural Credit Act of 1978 (16 U.S.C. 2203); and

“(B) use for those purposes—

“(i) any funds made available under those programs; and

“(ii) as the Secretary determines to be necessary, any funds made available to carry out the emergency landscape restoration program.

“(2) **TERMINATION OF AUTHORITY.**—The authority of the Secretary to carry out paragraph (1) shall terminate on the effective date of final regulations to implement the emergency landscape restoration program.”

(b) **CONFORMING AMENDMENTS.**—

(1) Effective on the effective date of final regulations to implement the emergency landscape restoration program under section 1240R of the Food Security Act of 1985 (as

added by subsection (a)), title IV of the Agricultural Credit Act of 1978 (16 U.S.C. 2201 et seq.) is repealed.

(2) Section 1211(a)(3)(C) of the Food Security Act of 1985 (16 U.S.C. 3811(a)(3)(C)) is amended by inserting “section 1240R or” after “a payment under”.

(3) Section 1221(b)(3)(C) of the Food Security Act of 1985 (16 U.S.C. 3821(b)(3)(C)) is amended by inserting “section 1240R or” after “A payment under”.

SEC. 2399. VOLUNTARY PUBLIC ACCESS AND HABITAT INCENTIVE PROGRAM.

Chapter 5 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839bb et seq.) (as amended by section 2387(a)) is amended by adding at the end the following:

“SEC. 1240S. VOLUNTARY PUBLIC ACCESS AND HABITAT INCENTIVE PROGRAM.

“(a) IN GENERAL.—The Secretary shall establish a voluntary public access program under which States and tribal governments may apply for grants to encourage owners and operators of privately-held farm, ranch, and forest land to voluntarily make that land available for access by the public for wildlife-dependent recreation, including hunting or fishing under programs administered by the States and tribal governments.

“(b) APPLICATIONS.—In submitting applications for a grant under the program, a State or tribal government shall describe—

“(1) the benefits that the State or tribal government intends to achieve by encouraging public access to private farm and ranch land for—

“(A) hunting and fishing; and
“(B) to the maximum extent practicable, other recreational purposes; and
“(2) the methods that will be used to achieve those benefits.

“(c) PRIORITY.—In approving applications and awarding grants under the program, the Secretary shall give priority to States and tribal governments that propose—

“(1) to maximize participation by offering a program the terms of which are likely to meet with widespread acceptance among landowners;

“(2) to ensure that land enrolled under the State or tribal government program has appropriate wildlife habitat;

“(3) to strengthen wildlife habitat improvement efforts on land enrolled in a special conservation reserve enhancement program described in section 1234(f)(3) by providing incentives to increase public hunting and other recreational access on that land;

“(4) to use additional Federal, State, tribal government, or private resources in carrying out the program; and

“(5) to make available to the public the location of land enrolled.

“(d) RELATIONSHIP TO OTHER LAWS.—Nothing in this section preempts a State or tribal government law (including any State or tribal government liability law).

“(e) REGULATIONS.—The Secretary shall promulgate such regulations as are necessary to carry out this section.”

SEC. 2399A. MIGRATORY BIRD HABITAT CONSERVATION SECURITY PROGRAM.

Chapter 5 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839bb et seq.) (as amended by section 2399) is amended by adding at the end the following:

“SEC. 1240S-1. MIGRATORY BIRD HABITAT CONSERVATION SECURITY PROGRAM.

“(a) IN GENERAL.—The Secretary, acting through the Natural Resources Conservation Service, shall establish a migratory bird habitat conservation program under which the Secretary shall provide payments and technical assistance to rice producers to promote the conservation of migratory bird habitat.

“(b) ELIGIBILITY.—To be eligible for payments and technical assistance under this

section, an eligible producer shall maintain on rice acreage of the producer (as determined by the Secretary)—

“(1) straw residue on a minimum of 50 percent of the rice acreage by flooding, rolling, or stomping, and maintaining, water depths of at least 4 inches from November through February in a manner that benefits migratory waterfowl; or

“(2) if supplemental water is not available, planting a winter cover crop (such as vetch) on the rice acreage.

“(c) ADMINISTRATION.—In carrying out this section, the Secretary shall—

“(1) enroll not more than 100,000 acres of irrigated rice; and

“(2) provide payments to a participating rice producer for the value of the ecological benefit, but not less than \$25 per acre.

“(d) REVIEW.—In cooperation with a national, State, or regional association of rice producers, the Secretary shall periodically review—

“(1) the value of the ecological benefit of practices for which assistance is provided under this section on a per acre basis; and

“(2) the practices for which assistance is provided under this section to maximize the wildlife benefit to migratory bird populations on land in rice production.

“(e) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section \$13,000,000 for the period of fiscal years 2008 through 2012.”

Subtitle E—Funding and Administration

SEC. 2401. FUNDING AND ADMINISTRATION.

Section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended—

(1) in the matter preceding paragraph (1), by striking “2007” and inserting “2012”; and
(2) by striking paragraphs (3) through (7) and inserting the following:

“(3) The conservation security program under subchapter A of chapter 2, using \$2,317,000,000 to administer contracts entered into as of the day before the date of enactment of the Food and Energy Security Act of 2007, to remain available until expended.

“(4) The conservation stewardship program under subchapter B of chapter 6.

“(5) The farmland protection program under subchapter B of chapter 2, using, to the maximum extent practicable, \$120,000,000 for each of fiscal years 2008 through 2012.

“(6) The grassland reserve program under subchapter C of chapter 2, using, to the maximum extent practicable, \$400,000,000 for the period of fiscal years 2008 through 2012.

“(7) The environmental quality incentives program under chapter 4, using, to the maximum extent practicable—

“(A) \$1,410,000,000 for each of fiscal years 2008 and 2009; and

“(B) \$1,420,000,000 for each of fiscal years 2010 through 2012.

“(8) The wildlife habitat incentives program under section 1240N, using, to the maximum extent practicable, \$100,000,000 for each of fiscal years 2008 through 2012.

“(9) The voluntary public access program under section 1240S, using, to the maximum extent practicable, \$20,000,000 in each of fiscal years 2008 through 2012.”

SEC. 2402. REGIONAL EQUITY.

Section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) is amended by striking subsection (d) and inserting the following:

“(d) REGIONAL EQUITY.—

“(1) IN GENERAL.—Before April 1 of each fiscal year, the Secretary shall give priority for funding under the conservation programs under subtitle D and the agricultural management assistance program under section 524(b) of the Federal Crop Insurance Act (7 U.S.C. 1524(b)) (excluding the conservation reserve program under subchapter B of chap-

ter 1 and the wetlands reserve program under subchapter C of chapter 1) to approved applications in any State that has not received, for the fiscal year, an aggregate amount of at least \$15,000,000 for those conservation programs.

“(e) SPECIFIC FUNDING ALLOCATIONS.—In determining the specific funding allocations for each State under paragraph (1), the Secretary shall consider the respective demand for each program in each State.

“(f) ALLOCATIONS REVIEW AND UPDATE.—

“(1) REVIEW.—Not later than January 1, 2012, the Secretary shall conduct a review of conservation program allocation formulas to determine the sufficiency of the formulas in accounting for State-level economic factors, level of agricultural infrastructure, or related factors that affect conservation program costs.

“(2) UPDATE.—The Secretary shall improve conservation program allocation formulas as necessary to ensure that the formulas adequately reflect the costs of carrying out the conservation programs.”

SEC. 2403. CONSERVATION ACCESS.

Section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) (as amended by section 2402) is amended by adding at the end the following:

“(g) CONSERVATION ACCESS.—

“(1) ASSISTANCE TO ELIGIBLE FARMERS OR RANCHERS.—

“(A) DEFINITION OF ELIGIBLE FARMER OR RANCHER.—In this paragraph, the term ‘eligible farmer or rancher’ means a farmer or rancher that, as determined by the Secretary—

“(i) derives or expects to derive more than 50 percent of the annual income of the farmer or rancher from agriculture (not including payments under the conservation reserve program established under subchapter B of chapter 1 of subtitle D); and

“(ii) is—

“(I) a beginning farmer or rancher (as defined in section 343 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991)), except that in determining whether the farmer or rancher qualifies as a beginning farmer or rancher, the Secretary may—

“(aa) employ a fair and reasonable test of net worth; and

“(bb) use such other criteria as the Secretary determines to be appropriate; or

“(II) a socially disadvantaged farmer or rancher (as defined in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e))).

“(B) ASSISTANCE.—In the case of each program described in subsection (a), except as provided in paragraph (2), for each fiscal year in which funding is made available for the program, 10 percent of the funds available for the fiscal year shall be used by the Secretary to assist eligible farmers or ranchers.

“(2) ACREAGE PROGRAMS.—In the case of the conservation reserve and wetlands reserve programs, 10 percent of the acreage authorized to be enrolled in any fiscal year shall be used to assist eligible farmers or ranchers.

“(3) REPOOLING.—In any fiscal year, amounts not obligated under this subsection by a date determined by the Secretary shall be available for payments and technical assistance to all persons eligible for payments or technical assistance in that fiscal year under the program for which the amounts were originally made available under this title.

“(4) CONSERVATION INNOVATION GRANTS.—Funding under paragraph (1) for conservation innovation grants under section 1240H may, in addition to purposes described in subsection (b) of that section, be used for—

“(A) technology transfer;

“(B) farmer-to-farmer workshops; and

“(C) demonstrations of innovative conservation practices.

“(5) TECHNICAL ASSISTANCE.—The Secretary shall offer, to the maximum extent practicable, higher levels of technical assistance to beginning farmers or ranchers and socially disadvantaged farmers or ranchers than are otherwise made available to producers participating in programs under this title.

“(6) COOPERATIVE AGREEMENTS.—The Secretary may develop and implement cooperative agreements with entities (including government agencies, extension entities, nongovernmental and community-based organizations, and educational institutions) with expertise in addressing the needs of beginning farmers or ranchers and socially disadvantaged farmers or ranchers to provide technical assistance, comprehensive conservation planning education, and sustainable agriculture training.”

SEC. 2404. DELIVERY OF TECHNICAL ASSISTANCE.

Section 1242 of the Food Security Act of 1985 (16 U.S.C. 3842) is amended to read as follows:

“SEC. 1242. DELIVERY OF TECHNICAL ASSISTANCE.

“(a) DEFINITION OF ELIGIBLE PARTICIPANT.—In this section, the term ‘eligible participant’ means—

- “(1) an agricultural producer;
- “(2) an eligible entity;
- “(3) an eligible landowner; and
- “(4) an interested organization.

“(b) PURPOSE.—The purpose of technical assistance authorized by this title is to provide eligible participants with consistent, science-based, site-specific practices designed to achieve conservation objectives on land active in agricultural, forestry, or related uses.

“(c) PROVISION OF TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance under this title to an eligible participant—

- “(1) directly;
- “(2) through a contract or agreement with a third-party provider; or
- “(3) at the option of the eligible participant, through a payment, as determined by the Secretary, to the eligible participant for an approved third-party provider, if available.

“(d) CERTIFICATION OF THIRD-PARTY PROVIDERS.—

“(1) IN GENERAL.—The Secretary shall continue to carry out the technical service provider program established under regulations promulgated under subsection (b)(1) (as in existence on the day before the date of enactment of this subsection).

“(2) PURPOSE.—The purpose of the technical service provider program shall be to increase the availability and range of technical expertise available to farmers, ranchers, and eligible landowners to plan and implement conservation measures.

“(3) EXPERTISE.—In promulgating regulations to carry out this subsection, the Secretary shall—

“(A) ensure that persons with expertise in the technical aspects of conservation planning, watershed planning, and environmental engineering (including commercial entities, nonprofit entities, State or local government agencies, and other Federal agencies) are eligible to become approved providers of the technical assistance; and

“(B) to the maximum extent practicable—

- “(i) provide national criteria for the certification of technical service providers; and
- “(ii) approve any unique certification standards established at the State level.

“(4) SYSTEM ADMINISTRATION.—

“(A) FUNDING.—Effective for fiscal year 2008 and each subsequent fiscal year, funds of the Commodity Credit Corporation that are made available to carry out each of the programs specified in section 1241 shall be available for the provision of technical assistance from third-party providers under this section.

“(B) CONTRACT TERM.—A contract under this section shall have a term that—

- “(i) at a minimum, is equal to the period—
- “(I) beginning on the date on which the contract is entered into; and
- “(II) ending on the date that is 1 year after the date on which all activities in the contract have been completed;
- “(ii) does not exceed 3 years; and
- “(iii) can be renewed, as determined by the Secretary.

“(C) REVIEW OF CERTIFICATION REQUIREMENTS.—Not later than 1 year after the date of enactment of this subsection, the Secretary shall—

- “(i) review certification requirements for third-party providers; and
- “(ii) make any adjustments considered necessary by the Secretary to improve participation.

“(D) ELIGIBLE ACTIVITIES.—The Secretary may include in activities eligible for payment to a third-party provider—

- “(i) education and outreach to eligible participants; and
- “(ii) administrative services necessary to support conservation program implementation.

“(e) AVAILABILITY OF TECHNICAL SERVICES.—

“(1) AVAILABILITY.—

“(A) IN GENERAL.—In carrying out the programs under this title and the agricultural management assistance program under section 524 of the Federal Crop Insurance Act (7 U.S.C. 1524), the Secretary shall make technical services available to all eligible participants who are installing an eligible practice.

“(B) TECHNICAL SERVICE CONTRACTS.—In any case in which financial assistance is not requested or is not provided under subparagraph (A), the Secretary may enter into a technical service contract with the applicable eligible participant for the purposes of assisting in the planning, design, or installation of an eligible practice.

“(2) REVIEW OF CONSERVATION PRACTICE STANDARDS.—

“(A) IN GENERAL.—The Secretary shall—

- “(i) review conservation practice standards, including engineering design specifications, in effect on the date of enactment of this subsection;
- “(ii) ensure, to the maximum extent practicable, the completeness and relevance of the standards to local agricultural, forestry, and natural resource needs, including specialty crops, native and managed pollinators, bioenergy crop production, forestry, and such other needs as are determined by the Secretary; and
- “(iii) ensure that the standards provide for the optimal balance between meeting site-specific conservation needs and minimizing risks of design failure and associated costs of construction and installation.

“(B) CONSULTATION.—In conducting the assessment under subparagraph (A), the Secretary shall consult with agricultural producers, crop consultants, cooperative extension and land grant universities, nongovernmental organizations, and other qualified entities.

“(C) EXPEDITED REVISION OF STANDARDS.—If the Secretary determines under subparagraph (A) that revisions to the conservation practice standards, including engineering design specifications, are necessary, the Sec-

retary shall establish an administrative process for expediting the revisions.

“(3) ADDRESSING CONCERNS OF SPECIALTY CROP, ORGANIC, AND PRECISION AGRICULTURE PRODUCERS.—

“(A) IN GENERAL.—The Secretary shall—

“(i) to the maximum extent practicable, fully incorporate specialty crop production, organic crop production, and precision agriculture into the conservation practice standards; and

“(ii) provide for the appropriate range of conservation practices and resource mitigation measures available to specialty crop, organic, and precision agriculture producers.

“(B) AVAILABILITY OF ADEQUATE TECHNICAL ASSISTANCE.—

“(i) IN GENERAL.—The Secretary shall ensure that adequate technical assistance is available for the implementation of conservation practices by specialty crop, organic, and precision agriculture producers through Federal conservation programs.

“(ii) REQUIREMENTS.—In carrying out clause (i), the Secretary shall develop—

“(I) programs that meet specific needs of specialty crop, organic, and precision agriculture producers through cooperative agreements with other agencies and nongovernmental organizations; and

“(II) program specifications that allow for innovative approaches to engage local resources in providing technical assistance for planning and implementation of conservation practices.”

SEC. 2405. ADMINISTRATIVE REQUIREMENTS FOR CONSERVATION PROGRAMS.

(a) STREAMLINED APPLICATION PROCESS.—Section 1244 of the Food Security Act of 1985 (16 U.S.C. 3844) is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following:

“(b) STREAMLINED APPLICATION PROCESS.—

“(1) IN GENERAL.—In carrying out each conservation program under this title, the Secretary shall ensure that the application process used by producers and landowners is streamlined to minimize complexity and eliminate redundancy.

“(2) REVIEW AND STREAMLINING.—

“(A) REVIEW.—The Secretary shall carry out a review of the application forms and processes for each conservation program covered by this subsection.

“(B) STREAMLINING.—On completion of the review the Secretary shall revise application forms and processes, as necessary, to ensure that—

“(i) all required application information is essential for the efficient, effective, and accountable implementation of conservation programs;

“(ii) conservation program applicants are not required to provide information that is readily available to the Secretary through existing information systems of the Department of Agriculture;

“(iii) information provided by the applicant is managed and delivered efficiently for use in all stages of the application process, or for multiple applications; and

“(iv) information technology is used effectively to minimize data and information input requirements.

“(3) IMPLEMENTATION AND NOTIFICATION.—Not later than 1 year after the date of enactment of the Food and Energy Security Act of 2007, the Secretary shall submit to Congress a written notification of completion of the requirements of this subsection.”

(b) ADMINISTRATION.—Section 1244 of the Food Security Act of 1985 (16 U.S.C. 3844) (as amended by subsection (a)) is amended by adding at the end the following:

“(d) COOPERATION REGARDING PROTECTION.—In the case of a landowner who enrolls

land in a conservation program authorized under this title that results in a net conservation benefit for a listed, candidate, or other species, the Secretary shall cooperate at the request of the landowner with the Secretary of the Interior and the Secretary of Commerce, as appropriate, to make available to the landowner safe harbor or similar assurances and protections under sections 7(b)(4) and 10(a), as applicable, of the Endangered Species Act of 1973 (16 U.S.C. 1536(b)(4), 1539(a)).

“(e) ELIGIBILITY OF PRODUCER ORGANIZATIONS.—

“(1) IN GENERAL.—In carrying out a conservation program administered by the Secretary, the Secretary shall accept applications from, and shall provide cost-share and incentive payments and other assistance to, producers who elect to apply through an organization that represents producers and of which producers make up a majority of the governing body, if the Secretary determines that—

“(A) the full objective of the proposed activity, practice, or plan cannot be realized without the participation of all or substantially all of the producers in the affected area; and

“(B) the benefits achieved through the proposed activity, practice, or plan are likely to be greater and to be delivered more cost-effectively if provided through a single organization with related conservation expertise and management experience.

“(2) LIMITATION.—Any applicable payment limitation shall apply to each participating producer and not to the organization described in paragraph (1).

“(f) PARTNERSHIPS AND COOPERATION.—

“(1) IN GENERAL.—In carrying out a program under subtitle D, the Secretary may designate special projects, as recommended if appropriate by the State Executive Director of the Conservationist, after consultation with the State technical committee, to enhance assistance provided to multiple producers to address conservation issues relating to agricultural and nonindustrial private forest management and production.

“(2) PURPOSES.—The purposes of special projects carried out under this subsection shall be to achieve 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.

“(3) 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.

“(4) SPECIAL PROJECT APPLICATION.—To apply for designation under paragraph (1), 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 requested from the Secretary, in relevant units, and the non-Federal resources that will be leveraged by the Federal contribution; and

“(D) such other information as the Secretary considers necessary.

“(5) 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 (2).

“(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 factors to be considered in evaluating applications.

“(iii) PRIORITY.—The Secretary may give priority to applications based on the highest percentage of—

“(I) producers involved;

“(II) on-the-ground conservation to be implemented;

“(III) non-Federal resources to be leveraged; and

“(IV) 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 (2).

“(D) FLEXIBILITY.—The Secretary may adjust elements of the programs under this title to better reflect unique local circumstances and purposes, if the Secretary determines that such adjustments are necessary to achieve the purposes of this subsection.

“(E) ADMINISTRATION.—

“(i) IN GENERAL.—The Secretary shall ensure that resources made available under this subsection are delivered in accordance with applicable program rules.

“(ii) ADDITIONAL REQUIREMENTS.—The Secretary may establish additional requirements beyond applicable program rules in order to effectively implement this subsection.

“(6) 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 (3); 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) on land described in paragraph (1).

“(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) DURATION.—

“(I) IN GENERAL.—Multiyear agreements under this subsection shall be for a period not to exceed 5 years.

“(II) 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.

“(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.

“(7) FUNDING.—

“(A) IN GENERAL.—The Secretary shall use not more than 5 percent of the funds made available for conservation programs under subtitle D for each fiscal year under section 1241(a) to carry out activities that are authorized under this subsection.

“(B) PARTNERS.—Overhead or administrative costs of partners may not be covered by funds provided through this subsection.

“(C) UNUSED FUNDING.—Any funds made available for a fiscal year under subparagraph (A) that are not obligated 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.

“(g) ACCURACY OF PAYMENTS.—Immediately after the date of enactment of this subsection, the Secretary shall implement policies and procedures to ensure proper payment of farm program benefits to producers participating in conservation easement programs and correct other management deficiencies identified in Report No. 50099-11-SF issued by the Department of Agriculture Office of Inspector General in August 2007.

“(h) COMPLIANCE AND PERFORMANCE.—For each conservation program under this title, the Secretary shall develop procedures—

“(1) to monitor compliance with program requirements by landowners and eligible entities;

“(2) to measure program performance;

“(3) to demonstrate whether the long-term conservation benefits of the program are being achieved; and

“(4) to coordinate activities described in this subsection with the national conservation program authorized under section 5 of the Soil and Water Resources Conservation Act of 1977 (16 U.S.C. 2004).

“(i) DIRECT ATTRIBUTION OF PAYMENTS.—In implementing payment limitations for any program under this title, the Secretary shall issue such regulations as are necessary to ensure that the total amount of payments are attributed to an individual by taking into account the direct and indirect ownership interests of the individual in an entity that is eligible to receive the payments.”

(c) CONFORMING AMENDMENTS.—Section 1234 of the Food Security Act of 1985 (16 U.S.C. 3834) is amended—

(1) in subsection (d)(3)(B), by striking “(f)(4)” and inserting “(f)(3)”; and

(2) in subsection (f)—

(A) in paragraph (1)—

(i) by striking “The total” and inserting “Subject to section 1244(i), the total”; and

(ii) by striking “a person” and inserting “an individual”;

(B) by striking paragraph (2); and

(C) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

SEC. 2406. CONSERVATION PROGRAMS IN ENVIRONMENTAL SERVICES MARKETS.

Subtitle E of the Food Security Act of 1985 (16 U.S.C. 3841 et seq.) is amended by adding at the end the following:

“SEC. 1245. CONSERVATION PROGRAMS IN ENVIRONMENTAL SERVICES MARKETS.

“(a) FRAMEWORK.—

“(1) IN GENERAL.—The Secretary shall establish a framework to facilitate the participation of farmers, ranchers, and forest landowners in emerging environmental services markets.

“(2) PROCESS.—In carrying out paragraph (1), the Secretary shall use a collaborative process that includes representatives of—

“(A) farm, ranch, and forestry interests;

“(B) financial institutions involved in environmental services trading;

“(C) institutions of higher education with relevant expertise or experience;

“(D) nongovernmental organizations with relevant expertise or experience;

“(E) government agencies of relevant jurisdiction, including—

“(i) the Department of Commerce;

“(ii) the Department of Energy;

“(iii) the Department of the Interior;

“(iv) the Department of Transportation;

“(v) the Environmental Protection Agency; and

“(vi) the Corps of Engineers; and

“(F) other appropriate interests, as determined by the Secretary.

“(3) REQUIREMENTS.—

“(A) DEFINITION OF STANDARD.—In this paragraph, the term ‘standard’ means a tech-

nical guideline that outlines accepted, science-based methods to quantify the environmental services benefits from agricultural and forest conservation and land management practices, as determined by the Secretary.

“(B) FRAMEWORK REQUIREMENTS.—In establishing the framework under paragraph (1), the Secretary shall—

“(i) establish uniform standards;

“(ii) design accounting procedures to quantify environmental services benefits that would assist farmers, ranchers, and forest landowners in using the uniform standards to establish certifications, as defined in emerging environmental services markets;

“(iii) establish—

“(I) a protocol to report environmental services benefits; and

“(II) a registry to report and maintain the benefits for future use in emerging environmental services markets; and

“(iv) establish a process to verify that a farmer, rancher, or forest landowner that reports and maintains an environmental services benefit in the registry described in clause (iii)(II) has implemented the reported conservation or land management activity.

“(C) THIRD-PARTY SERVICE PROVIDERS.—In developing the process described in subparagraph (B)(iv), the Secretary shall consider the role of third-party service providers.

“(4) COORDINATION.—The Secretary shall coordinate and leverage activities in existence on the date of enactment of this section in agriculture and forestry relating to emerging environmental services markets.

“(5) PRIORITY.—In establishing the framework under this subsection, the Secretary shall give priority to providing assistance to farmers, ranchers, and forest landowners participating in carbon markets.

“(b) AUTHORITY TO DELEGATE.—The Secretary may delegate any responsibility under this section to a relevant agency or office, as determined by the Secretary.

“(c) REPORTS TO CONGRESS.—

“(1) STATUS OF COLLABORATIVE PROCESS.—Not later than 90 days after the date of enactment of this section, the Secretary shall provide to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate information on the status of the collaborative process under subsection (a)(2).

“(2) INTERIM REPORT.—Not later than 180 days after the date of enactment of this section, the Secretary shall submit to the committees of Congress described in paragraph (1) an interim report that—

“(A) describes the adequacy of existing research and methods to quantify environmental services benefits;

“(B) proposes methods—

“(i) to establish technical guidelines, accounting procedures, and reporting protocols; and

“(ii) to structure the registry; and

“(C) includes recommendations for actions to remove barriers for farmers, ranchers, and forest landowners to participation, reporting, registration, and verification relating to environmental services markets.

“(3) FINAL REPORT.—Not later than 18 months after the date of enactment of this section, the Secretary shall submit to the committees of Congress described in paragraph (1) a report that describes—

“(A) the progress of the Secretary in meeting the requirements described in subsection (a)(3)(B);

“(B) the rates of participation of farmers, ranchers, and forest landowners in emerging environmental services markets; and

“(C) any recommendations of the Secretary relating to reauthorization of this section.

“(d) FUNDING.—There are authorized to be appropriated to the Secretary to carry out this section such sums as are necessary for each of fiscal years 2008 through 2012.”.

Subtitle F—State Technical Committees

SEC. 2501. STATE TECHNICAL COMMITTEES.

(a) STANDARDS.—Section 1261 of the Food Security Act of 1985 (16 U.S.C. 3861(c)) is amended by striking subsection (b) and inserting the following:

“(b) STANDARDS.—Not later than 180 days after the date of enactment of the Food and Energy Security Act of 2007, the Secretary shall develop—

“(1) standard operating procedures to standardize the operations of State technical committees; and

“(2) standards to be used by the State technical committees in the development of technical guidelines under section 1262(b) for the implementation of the conservation provisions of this title.”.

(b) COMPOSITION.—Section 1261(c) of the Food Security Act of 1985 (16 U.S.C. 3861(c)) is amended—

(1) by striking paragraphs (1) and (2) and inserting the following:

“(1) the Natural Resources Conservation Service;

“(2) the Farm Service Agency;”; and

(2) by striking paragraph (5) and inserting the following:

“(5) Rural Development agencies;”; and

(3) in paragraph (11), by striking “and” at the end;

(4) in paragraph (12), by striking the period at the end and inserting “; and”; and

(5) by adding at the end the following:

“(13) nonindustrial private forest land owners.”.

(c) FACA REQUIREMENTS.—Section 1262(e) of the Food Security Act of 1985 (16 U.S.C. 3862(e)) is amended—

(1) by striking “The committees” and inserting the following:

“(1) IN GENERAL.—The committees”; and

(2) by adding at the end the following:

“(2) LOCAL WORKING GROUPS.—For purposes of the Federal Advisory Committee Act (5 U.S.C. App.), any local working group established under this subtitle shall be considered to be a subcommittee of the applicable State technical committee.”.

Subtitle G—Other Authorities

SEC. 2601. AGRICULTURAL MANAGEMENT ASSISTANCE.

Section 524(b) of the Federal Crop Insurance Act (7 U.S.C. 1524(b)) is amended—

(1) in paragraph (1), by inserting “Idaho” after “Delaware”; and

(2) in paragraph (4)(B), by striking “2007” each place it appears and inserting “2012”.

SEC. 2602. AGRICULTURE CONSERVATION EXPERIENCED SERVICES PROGRAM.

The Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6901 et seq.) is amended by adding at the end the following:

“SEC. 307. AGRICULTURE CONSERVATION EXPERIENCED SERVICES PROGRAM.

“(a) ESTABLISHMENT.—

“(1) IN GENERAL.—Notwithstanding any other provision of law relating to Federal grants, cooperative agreements, or contracts, there is established in the Department the agriculture conservation experienced services program (referred to in this section as the ‘ACE program’).

“(2) AUTHORIZATION.—Under the ACE program, the Secretary may offer to enter into agreements with nonprofit private agencies and organizations eligible to receive grants for the applicable fiscal year under title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.) to use the talents of individuals who are age 55 or older, to provide conservation technical assistance in support of the

administration of conservation-related programs and authorities administered by the Secretary.

“(3) FUNDING.—Agreements described in paragraph (2) may be carried out using funds made available to carry out—

“(A) the environmental quality incentives program of the comprehensive stewardship incentives program established under subchapter A of chapter 6 of subtitle D of title XII of the Food Security Act of 1985;

“(B) the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590a et seq.); or

“(C) title V of the Older Americans Act of 1965 (42 U.S.C. 3056).

“(b) DETERMINATION.—Prior to entering into an agreement described in subsection (a)(2), the Secretary shall determine that the agreement would not—

“(1) result in the displacement of individuals employed by the Department, including partial displacement through reduction of nonovertime hours, wages, or employment benefits;

“(2) result in the use of an individual covered by this section for a job or function in a case in which a Federal employee is in a layoff status from the same or a substantially-equivalent job or function with the Department; or

“(3) affect existing contracts for services.

“(c) TECHNICAL ASSISTANCE.—The Secretary may make available to individuals providing technical assistance under an agreement authorized by this section appropriate conservation technical tools, including the use of agency vehicles necessary to carry out technical assistance in support of the conservation-related programs affected by the ACE program.”.

SEC. 2603. TECHNICAL ASSISTANCE.

(a) SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT.—

(1) PREVENTION OF SOIL EROSION.—

(A) IN GENERAL.—The first section of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590a) is amended—

(i) by striking “That it” and inserting the following:

“SECTION 1. PURPOSE.

“‘It’; and

(ii) in the matter preceding paragraph (1), by striking “and thereby to preserve natural resources,” and inserting “to preserve soil, water, and related resources, promote soil and water quality.”.

(B) POLICIES AND PURPOSES.—Section 7(a)(1) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g(a)(1)) is amended by striking “fertility” and inserting “and water quality and related resources”.

(2) DEFINITIONS.—Section 10 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590j) is amended to read as follows:

“SEC. 10. DEFINITIONS.

“In this Act:

“(1) AGRICULTURAL COMMODITY.—The term ‘agricultural commodity’ means—

“(A) an agricultural commodity; and

“(B) any regional or market classification, type, or grade of an agricultural commodity.

“(2) TECHNICAL ASSISTANCE.—

“(A) IN GENERAL.—The term ‘technical assistance’ means technical expertise, information, and tools necessary for the conservation of natural resources on land active in agriculture, forestry, or related uses.

“(B) INCLUSIONS.—The term ‘technical assistance’ includes—

“(i) technical services provided directly to farmers, ranchers, and other eligible entities, such as conservation planning, technical consultation, and assistance with design and implementation of conservation practices; and

“(ii) technical infrastructure, including activities, processes, tools, and agency func-

tions needed to support delivery of technical services, such as technical standards, resource inventories, training, data, technology, monitoring, and effects analyses.”.

(b) SOIL AND WATER RESOURCES CONSERVATION ACT OF 1977.—

(1) CONGRESSIONAL FINDINGS.—Section 2 of the Soil and Water Resources Conservation Act of 1977 (16 U.S.C. 2001) is amended—

(A) in paragraph (2), by striking “base, of the” and inserting “base of the”; and

(B) in paragraph (3), by striking “(3)” and all that follows through “Since individual” and inserting the following:

“(3) Appraisal and inventory of resources, assessment and inventory of conservation needs, evaluation of the effects of conservation practices, and analyses of alternative conservation programs are basic to effective soil, water, and related natural resource conservation.

“(4) Since individual”.

(2) CONTINUING APPRAISAL OF SOIL, WATER, AND RELATED RESOURCES.—Section 5 of the Soil and Water Resources Conservation Act of 1977 (16 U.S.C. 2004) is amended—

(A) in subsection (a)—

(i) in paragraph (5), by striking “and” at the end;

(ii) in paragraph (6), by striking the period at the end and inserting “; and”; and

(iii) by adding at the end the following:

“(7) data on conservation plans, conservation practices planned or implemented, environmental outcomes, economic costs, and related matters under conservation programs administered by the Secretary.”;

(B) by redesignating subsection (d) as subsection (e);

(C) by inserting after subsection (c) the following:

“(d) EVALUATION OF APPRAISAL.—In conducting the appraisal described in subsection (a), the Secretary shall concurrently solicit and evaluate recommendations for improving the appraisal, including the content, scope, process, participation in, and other elements of the appraisal, as determined by the Secretary.”; and

(D) in subsection (e) (as redesignated by subparagraph (B)), by striking “December 31, 1979” and all that follows through “December 31, 2005” and inserting “December 31, 2010, December 31, 2015, December 31, 2020, and December 31, 2025”.

(3) SOIL AND WATER CONSERVATION PROGRAM.—Section 6 of the Soil and Water Resources Conservation Act of 1977 (16 U.S.C. 2005) is amended—

(A) by redesignating subsection (b) as subsection (d);

(B) by inserting after subsection (a) the following:

“(b) EVALUATION OF EXISTING CONSERVATION PROGRAMS.—In evaluating existing conservation programs, the Secretary shall emphasize demonstration, innovation, and monitoring of specific program components in order to encourage further development and adoption of practices and performance-based standards.

“(c) IMPROVEMENT TO PROGRAM.—In developing a national soil and water conservation program under subsection (a), the Secretary shall solicit and evaluate recommendations for improving the program, including the content, scope, process, participation in, and other elements of the program, as determined by the Secretary.”; and

(C) in subsection (d) (as redesignated by subparagraph (A)), by striking “December 31, 1979” and all that follows through “December 31, 2007” and inserting “December 31, 2011, December 31, 2016, December 31, 2021, and December 31, 2026”.

(4) REPORTS TO CONGRESS.—Section 7 of the Soil and Water Resources Conservation Act

of 1977 (16 U.S.C. 2006) is amended to read as follows:

“SEC. 7. REPORTS TO CONGRESS.

“(a) APPRAISAL.—Not later than the date on which Congress convenes in 2011, 2016, 2021, and 2026, the President shall transmit to the Speaker of the House of Representatives and the President of the Senate the appraisal developed under section 5 and completed prior to the end of the previous year.

“(b) PROGRAM AND STATEMENT OF POLICY.—Not later than the date on which Congress convenes in 2012, 2017, 2022, and 2027, the President shall transmit to the Speaker of the House of Representatives and the President of the Senate—

“(1) the initial program or updated program developed under section 6 and completed prior to the end of the previous year;

“(2) a detailed statement of policy regarding soil and water conservation activities of the Department of Agriculture; and

“(3) a special evaluation of the status, conditions, and trends of soil quality on cropland in the United States that addresses the challenges and opportunities for reducing soil erosion to tolerance levels.

“(c) IMPROVEMENTS TO APPRAISAL AND PROGRAM.—Not later than the date on which Congress convenes in 2012, the Secretary shall submit to the Speaker of the House of Representatives and the President of the Senate a report describing the plans of the Department of Agriculture for improving the resource appraisal and national conservation program required under this Act, based on the recommendations received under sections 5(d) and 6(c).”.

(5) TERMINATION OF PROGRAM.—Section 10 of the Soil and Water Resources Conservation Act of 1977 (16 U.S.C. 2009) is amended by striking “2008” and inserting “2028”.

SEC. 2604. SMALL WATERSHED REHABILITATION PROGRAM.

Section 14 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012) is amended by striking subsection (h) and inserting the following:

“(h) 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.”.

SEC. 2605. RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.

(a) LOCALLY LED PLANNING PROCESS.—Section 1528 of the Agriculture and Food Act of 1981 (16 U.S.C. 3451) is amended—

(1) in paragraph (1), in the matter preceding subparagraph (A), by striking “planning process” and inserting “locally led planning process”;

(2) by redesignating paragraphs (8) and (9) as paragraphs (9) and (8), respectively, and moving those paragraphs so as to appear in numerical order;

(3) in paragraph (8) (as so redesignated)—

(A) by striking “(8) PLANNING PROCESS” and inserting “(8) LOCALLY LED PLANNING PROCESS”; and

(B) by striking “council” and inserting “locally led council”.

(b) AUTHORIZED TECHNICAL ASSISTANCE.—Section 1528(13) of the Agriculture and Food Act of 1981 (16 U.S.C. 3451(13)) is amended by striking subparagraphs (C) and (D) and inserting the following:

“(C) providing assistance for the implementation of area plans and projects; and

“(D) providing services that involve the resources of Department of Agriculture programs in a local community, as defined in the locally led planning process.”.

(c) IMPROVED PROVISION OF TECHNICAL ASSISTANCE.—Section 1531 of the Agriculture and Food Act of 1981 (16 U.S.C. 3454) is amended—

(1) by redesignating paragraphs (1) through (4) as clauses (i) through (iv), respectively, and indenting appropriately;

(2) by striking “In carrying” and inserting the following:

“(1) IN GENERAL.—In carrying”; and

(3) by adding at the end the following:

“(b) COORDINATOR.—

“(1) IN GENERAL.—To improve the provision of technical assistance to councils under this subtitle, the Secretary shall designate for each council an individual to be the coordinator for the council.

“(2) RESPONSIBILITY.—A coordinator for a council shall be directly responsible for the provision of technical assistance to the council.”.

(d) PROGRAM EVALUATION.—Section 1534 of the Agriculture and Food Act of 1981 (16 U.S.C. 3457) is repealed.

SEC. 2606. NATIONAL NATURAL RESOURCES CONSERVATION FOUNDATION.

(a) ADVISORY FUNCTIONS.—Section 353 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 5802) is amended—

(1) in subsection (b)(3), by striking “agencies” and inserting “agencies, individuals,”; and

(2) by adding at the end the following:

“(d) ADVISORY FUNCTIONS.—Notwithstanding the requirements of the Federal Advisory Committee Act (5 U.S.C. App.), the Foundation may provide advice and recommendations to the Secretary.”.

(b) GIFTS, DEVISES, AND BEQUESTS OF PERSONAL PROPERTY.—Section 354 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 5803) is amended by adding at the end the following:

“(h) GIFTS, DEVISES, AND BEQUESTS OF PERSONAL PROPERTY.—

“(1) IN GENERAL.—Prior to the appointment and initial meeting of the members of the Board and after the initial meeting of the Board, the Secretary may, on behalf of the Foundation—

“(A) accept, receive, and hold nonmonetary gifts, devises, or bequests of personal property; and

“(B) accept and receive monetary gifts, devises, or bequests.

“(2) HELD IN TRUST.—Gifts, devises, or bequests of monetary and nonmonetary personal property shall—

“(A) be held in trust for the Foundation; and

“(B) shall not be—

“(i) considered gifts to the United States; or

“(ii) used for the benefit of the United States.

“(3) TREASURY ACCOUNT.—The Secretary shall deposit monetary gifts, devises, and bequests to the Foundation in a special interest-bearing account in the Treasury of the United States.

“(4) INITIAL GIFTS, DEVISES, AND BEQUESTS.—

“(A) IN GENERAL.—The Secretary may use initial gifts, devises, or bequests received prior to the first meeting of the Board for any necessary expenses and activities related to the first meeting of the Board.

“(B) TRANSFER.—Except with respect to any amounts expended under subparagraph (A), the Secretary shall, at the first meeting of the Board, transfer to the Foundation all gifts, devises, or bequests received prior to the first meeting of the Board.”.

(c) OFFICERS AND EMPLOYEES.—Section 355(b)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 5804(b)(1)) is amended—

(1) by striking “Foundation—” and all that follows through “shall not,” in subparagraph (A) and inserting “Foundation shall not”; and

(2) by striking “employee; and” and inserting “employee.”; and

(3) by striking subparagraph (B).

(d) CONTRACTS AND AGREEMENTS.—Section 356 of the Federal Agriculture Improvement Reform Act of 1996 (16 U.S.C. 5805) is amended—

(1) in subsection (c)(7), by striking “State or local” and inserting “Federal, State, or local”; and

(2) in subsection (d)(2)—

(A) by striking “A gift” and inserting the following:

“(A) IN GENERAL.—A gift”; and

(B) by adding at the end the following:

“(B) TAX STATUS.—A gift, devise, or bequest to the Foundation shall be treated as a gift, devise, or bequest to an organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986.”.

(e) ADMINISTRATIVE SERVICES AND SUPPORT.—Section 356 of the Federal Agriculture Improvement Reform Act of 1996 (16 U.S.C. 5806) is amended by striking “1996 through 1998” and inserting “2008 through 2012.”.

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) by striking “(a)” and all that follows through “the Secretary of Agriculture” and inserting the following: “Subject to paragraph (1) of section 207 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, the Secretary of Agriculture”; and

(2) by striking subsection (b).

SEC. 2608. CROP INSURANCE INELIGIBILITY RELATING TO CROP PRODUCTION ON NATIVE SOD.

(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.—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) 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.—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) CROPLAND REPORT.—

(1) BASELINE.—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 and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report

that describes the cropland acreage in each county and State, and the change in cropland acreage from the preceding year in each county and State, beginning with calendar year 1995 and including that information for the most recent year for which that information is available.

(2) **ANNUAL UPDATES.**—Not later than January 1, 2008, and each January 1 thereafter through January 1, 2012, 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 describes—

(A) the cropland acreage in each county and State as of the date of submission of the report; and

(B) the change in cropland acreage from the preceding year in each county and State.

SEC. 2609. HIGH PLAINS WATER STUDY.

Notwithstanding any other provision of this Act, no person shall become ineligible for any program benefits under this Act or an amendment made by this Act solely as a result of participating in a 1-time study of recharge potential for the Ogallala Aquifer in the High Plains of the State of Texas.

SEC. 2610. PAYMENT OF EXPENSES.

Section 17(d) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136o(d)) is amended—

(1) by striking “The Administrator” and inserting the following:

“(1) IN GENERAL.—The Administrator”; and

(2) by adding at the end the following:

“(2) **DEPARTMENT OF STATE EXPENSES.**—Any expenses incurred by an employee of the Environmental Protection Agency who participates in any international technical, economic, or policy review board, committee, or other official body that is meeting in relation to an international treaty shall be paid by the Department of State.”.

SEC. 2611. USE OF FUNDS IN BASIN FUNDS FOR SALINITY CONTROL ACTIVITIES UPSTREAM OF IMPERIAL DAM.

(a) IN GENERAL.—Section 202(a) of the Colorado River Basin Salinity Control Act (43 U.S.C. 1592(a)) is amended by adding at the end the following:

“(7) **BASIN STATES PROGRAM.**—

“(A) IN GENERAL.—A Basin States Program that the Secretary, acting through the Bureau of Reclamation, shall implement to carry out salinity control activities in the Colorado River Basin using funds made available under section 205(f).

“(B) **ASSISTANCE.**—The Secretary, in consultation with the Colorado River Basin Salinity Control Advisory Council, shall carry out this paragraph using funds described in subparagraph (A) directly or by providing grants, grant commitments, or advance funds to Federal or non-Federal entities under such terms and conditions as the Secretary may require.

“(C) **ACTIVITIES.**—Funds described in subparagraph (A) shall be used to carry out, as determined by the Secretary—

“(i) cost-effective measures and associated works to reduce salinity from saline springs, leaking wells, irrigation sources, industrial sources, erosion of public and private land, or other sources;

“(ii) operation and maintenance of salinity control features constructed under the Colorado River Basin salinity control program; and

“(iii) studies, planning, and administration of salinity control activities.

“(D) **REPORT.**—

“(i) IN GENERAL.—Not later than 30 days before implementing the program established under this paragraph, the Secretary shall submit to the appropriate committees of Congress a planning report that describes the proposed implementation of the program.

“(ii) **IMPLEMENTATION.**—The Secretary may not expend funds to implement the program established under this paragraph before the expiration of the 30-day period beginning on the date on which the Secretary submits the report, or any revision to the report, under clause (i).”.

(b) **CONFORMING AMENDMENTS.**—

(1) Section 202 of the Colorado River Basin Salinity Control Act (43 U.S.C. 1592) is amended—

(A) in subsection (a), in the matter preceding paragraph (1), by striking “program” and inserting “programs”; and

(B) in subsection (b)(4)—

(i) by striking “program” and inserting “programs”; and

(ii) by striking “and (6)” and inserting “(6), and (7)”.

(2) Section 205 of the Colorado River Basin Salinity Control Act (43 U.S.C. 1595) is amended by striking subsection (f) and inserting the following:

“(f) **UPFRONT COST SHARE.**—

“(1) IN GENERAL.—Effective beginning on the date of enactment of this paragraph, subject to paragraph (3), the cost share obligations required by this section shall be met through an upfront cost share from the Basin Funds, in the same proportions as the cost allocations required under subsection (a), as provided in paragraph (2).

“(2) **BASIN STATES PROGRAM.**—The Secretary shall expend the required cost share funds described in paragraph (1) through the Basin States Program for salinity control activities established under section 202(a)(7).

“(3) **EXISTING SALINITY CONTROL ACTIVITIES.**—The cost share contribution required by this section shall continue to be met through repayment in a manner consistent with this section for all salinity control activities for which repayment was commenced prior to the date of enactment of this paragraph.”.

SEC. 2612. GREAT LAKES COMMISSION.

(a) IN GENERAL.—The Secretary, in consultation with the Great Lakes Commission created by article IV of the Great Lakes Basin Compact (Public Law 90-419; 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 education programs to improve water quality in the Great Lakes basin by reducing soil erosion and improving sediment control; and

(2) provide 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 hydrologic 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 2007 through 2012.

SEC. 2613. TECHNICAL CORRECTIONS TO THE FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT.

(a) **PESTICIDE REGISTRATION SERVICE FEES.**—Section 33 of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136w-8) is amended—

(1) in subsection (b)(7)—

(A) in subparagraph (D)—

(i) by striking clause (i) and inserting the following:

“(i) IN GENERAL.—The Administrator may exempt from, or waive a portion of, the registration service fee for an application for minor uses for a pesticide.”; and

(ii) in clause (ii), by inserting “or exemption” after “waiver”; and

(B) in subparagraph (E)—

(i) in the paragraph heading, by striking “WAIVER” and inserting “EXEMPTION”; and

(ii) by striking “waive the registration service fee for an application” and inserting “exempt an application from the registration service fee”; and

(iii) in clause (ii), by striking “waiver” and inserting “exemption”; and

(2) in subsection (m)(2), by striking “2008” each place it appears and inserting “2012”.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) take effect on October 1, 2007.

SEC. 2614. CONSERVATION OF GREATER EVERGLADES ECOSYSTEM.

Of the funds of the Commodity Credit Corporation, the Secretary shall use \$7,000,000 for each of fiscal years 2008 through 2012 to provide assistance to 1 or more States to carry out conservation activities in or for the greater Everglades ecosystem.

TITLE III—TRADE

Subtitle A—Food for Peace Act

SEC. 3001. SHORT TITLE.

(a) IN GENERAL.—Section 1 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 note; 104 Stat. 3633) is amended by striking “Agricultural Trade Development and Assistance Act of 1954” and inserting “Food for Peace Act”.

(b) **CONFORMING AMENDMENTS.**—

(1) IN GENERAL.—Each provision of law described in paragraph (2) is amended—

(A) by striking “Agricultural Trade Development and Assistance Act of 1954” each place it appears and inserting “Food for Peace Act”; and

(B) in each section heading, by striking “**AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954**” each place it appears and inserting “**FOOD FOR PEACE ACT**”.

(2) **PROVISIONS OF LAW.**—The provisions of law referred to in paragraph (1) are the following:

(A) The Agriculture and Food Act of 1981 (Public Law 97-98; 95 Stat. 1213).

(B) The Agricultural Act of 1949 (7 U.S.C. 1421 et seq.).

(C) Section 9(a) of the Military Construction Codification Act (7 U.S.C. 1704c).

(D) Section 201 of the Africa: Seeds of Hope Act of 1998 (7 U.S.C. 1721 note; Public Law 105-385).

(E) The Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f-1 et seq.).

(F) The Food for Progress Act of 1985 (7 U.S.C. 1736o).

(G) Section 3107 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o-1).

(H) Sections 605B and 606C of the Act of August 28, 1954 (commonly known as the “Agricultural Act of 1954”) (7 U.S.C. 1765b, 1766b).

(I) Section 206 of the Agricultural Act of 1956 (7 U.S.C. 1856).

(J) The Agricultural Competitiveness and Trade Act of 1988 (7 U.S.C. 5201 et seq.).

(K) The Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.).

(L) The Export-Import Bank Act of 1945 (12 U.S.C. 635 et seq.).

(M) Section 301 of title 13, United States Code.

(N) Section 8 of the Endangered Species Act of 1973 (16 U.S.C. 1537).

(O) Section 604 of the Enterprise for the Americas Act of 1992 (22 U.S.C. 2077).

(P) Section 5 of the International Health Research Act of 1960 (22 U.S.C. 2103).

(Q) The Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.).

(R) The Horn of Africa Recovery and Food Security Act (22 U.S.C. 2151 note; Public Law 102-274).

(S) Section 105 of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2455).

(T) Section 35 of the Foreign Military Sales Act (22 U.S.C. 2775).

(U) The Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5401 et seq.).

(V) Section 1707 of the Cuban Democracy Act of 1992 (22 U.S.C. 6006).

(W) The Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 (22 U.S.C. 6021 et seq.).

(X) Section 902 of the Trade Sanctions Reform and Export Enhancement Act of 2000 (22 U.S.C. 7201).

(Y) Chapter 553 of title 46, United States Code.

(Z) Section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98c).

(AA) The Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 104 Stat. 3359).

(BB) Section 738 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 106-387; 114 Stat 1549A-34).

(c) REFERENCES.—Any reference in any Federal, State, tribal, or local law (including regulations) to the “Agricultural Trade Development and Assistance Act of 1954” shall be considered to be a reference to the “Food for Peace Act”.

SEC. 3002. UNITED STATES POLICY.

Section 2 of the Food for Peace Act (7 U.S.C. 1691) is amended—

- (1) by striking paragraph (4); and
- (2) by redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively.

SEC. 3003. FOOD AID TO DEVELOPING COUNTRIES.

Section 3(b) of the Food for Peace Act (7 U.S.C. 1691a(b)) is amended by striking “(b)” and all that follows through paragraph (1) and inserting the following:

“(b) SENSE OF CONGRESS.—It is the sense of Congress that—

“(1) in negotiations with other countries at the Food Aid Convention, the World Trade Organization, the United Nations Food and Agriculture Organization, and other appropriate venues, the President shall—

“(A) seek commitments of higher levels of food aid by donors in order to meet the legitimate needs of developing countries;

“(B) ensure, to the maximum extent practicable, that humanitarian nongovernmental organizations, recipient country governments, charitable bodies, and international organizations shall continue—

“(i) to be eligible to receive resources based on assessments of need conducted by those organizations and entities; and

“(ii) to implement food aid programs in agreements with donor countries; and

“(C) ensure, to the maximum extent practicable, that options for providing food aid for emergency and nonemergency, or chronic, needs shall not be subject to limitation, including in-kind commodities, provision of funds for commodity procurement, and monetization of commodities, on the condition that the provision of those commodities or funds—

“(i) is based on assessments of need and intended to benefit the food security of or otherwise assist recipients, and

“(ii) is provided in a manner that avoids disincentives to local agricultural production and marketing and with minimal potential for disruption of commercial markets; and”.

SEC. 3004. TRADE AND DEVELOPMENT ASSISTANCE.

(a) Title I of the Food for Peace Act (7 U.S.C. 1701 et seq.) is amended in the title heading, by striking “TRADE AND DEVELOPMENT ASSISTANCE” and inserting “ECONOMIC ASSISTANCE AND FOOD SECURITY”.

(b) Section 101 of the Food for Peace Act (7 U.S.C. 1701) is amended in the section heading, by striking “trade and development assistance” and inserting “ECONOMIC ASSISTANCE and food security”.

SEC. 3005. AGREEMENTS REGARDING ELIGIBLE COUNTRIES AND PRIVATE ENTITIES.

Section 102 of the Food for Peace Act (7 U.S.C. 1702) is amended—

- (1) in subsection (a)—
 - (A) by striking paragraph (1); and
 - (B) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively; and
- (2) by striking subsection (c).

SEC. 3006. USE OF LOCAL CURRENCY PAYMENTS.

Section 104(c) of the Food for Peace Act (7 U.S.C. 1704(c)) is amended—

- (1) in the matter preceding paragraph (1), by inserting “, through agreements with recipient governments, private voluntary organizations, and cooperatives,” after “developing country”;
- (2) in paragraph (2)—
 - (A) in subparagraph (C), by striking “and” at the end;
 - (B) in subparagraph (D), by striking the period at the end and inserting “; and”; and
 - (C) by adding at the end the following:

“(E) the improvement of the trade capacity of the recipient country.”;
- (3) by striking paragraphs (1), (3), (4), (5), and (6); and
- (4) by redesignating paragraphs (2), (7), (8), and (9) as paragraphs (1), (2), (3), and (4), respectively.

SEC. 3007. GENERAL AUTHORITY.

Section 201 of the Food for Peace Act (7 U.S.C. 1721) is amended—

- (1) by striking paragraph (1) and inserting the following:

“(1) address famine and respond to emergency food needs arising from man-made and natural disasters.”;
- (2) in paragraph (5), by inserting “food security and support” after “promote”; and
- (3) by striking paragraph (6) and inserting the following:

“(6) protect livelihoods, provide safety nets for food insecure populations, and encourage participation in educational, training, and other productive activities.”.

SEC. 3008. PROVISION OF AGRICULTURAL COMMODITIES.

Section 202 of the Food for Peace Act (7 U.S.C. 1722) is amended—

- (1) in subsection (b)(2), by striking “may not deny a request for funds” and inserting “may not use as a sole rationale for denying a request for funds”;
- (2) in subsection (e)(1)—
 - (A) in the matter preceding subparagraph (A)—
 - (i) by striking “Of the funds made available in” and inserting “Of the total amount of funds made available from all sources for”; and
 - (ii) by striking “not less than 5 percent nor more than 10 percent” and inserting “not less than 7.5 percent”;
 - (B) in subparagraph (A), by striking “and” at the end;
 - (C) by striking subparagraph (B) and inserting the following:

“(B) meeting specific administrative, management, personnel, programmatic, and

operational activities, and internal transportation and distribution costs for carrying out new and existing programs in foreign countries under this title; and”

(D) by adding at the end the following:

“(C) improving and implementing methodologies for food aid programs, including needs assessments, monitoring, and evaluation.”; and

(3) by striking subsection (h) and inserting the following:

“(h) FOOD AID QUALITY.—

“(1) IN GENERAL.—The Administrator shall use funds made available for fiscal year 2008 and subsequent fiscal years to carry out this title—

“(A) to assess the types and quality of agricultural commodities and products donated for food aid;

“(B) to adjust products and formulations as necessary to cost-effectively meet nutrient needs of target populations; and

“(C) to pretest prototypes.

“(2) ADMINISTRATION.—The Administrator—

“(A) shall carry out this subsection in consultation with and through an independent entity with proven impartial expertise in food aid commodity quality enhancements;

“(B) may enter into contracts to obtain the services of such an entity; and

“(C) shall consult with the Food Aid Consultative Group on how to carry out this subsection.

“(3) REPORTS.—The Administrator shall submit to the Committees on Agriculture and Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate—

“(A) a report that describes the activities of the Administrator in carrying out paragraph (1) for fiscal year 2008; and

“(B) an annual report that describes the progress of the Administrator in addressing food aid quality issues.”.

SEC. 3009. MICROENTERPRISE ACTIVITIES.

Section 203(d)(2) of the Food for Peace Act (7 U.S.C. 1723(d)(2)) is amended by inserting “, including activities involving microenterprise and village banking,” after “other developmental activities”.

SEC. 3010. LEVELS OF ASSISTANCE.

Section 204(a)(1) of the Food for Peace Act (7 U.S.C. 1724(a)(1)) is amended by striking “2007” and inserting “2012”.

SEC. 3011. FOOD AID CONSULTATIVE GROUP.

Section 205 of the Food for Peace Act (7 U.S.C. 1725) is amended—

- (1) in subsection (b)—
 - (A) in paragraph (5), by striking “and” at the end;
 - (B) in paragraph (6), by striking the period and inserting “; and”; and
 - (C) by inserting at the end the following:

“(7) representatives from the maritime transportation sector involved in transporting agricultural commodities overseas for programs under this Act.”;
- (2) in subsection (d)—
 - (A) by striking “In preparing” and inserting the following:

“(1) IN GENERAL.—In preparing”;
 - (B) by striking “The Administrator” and inserting the following:

“(2) BIENNIAL CONSULTATION.—The Administrator”;

(C) by adding at the end the following:

“(3) CONSULTATION FOR DRAFT REGULATIONS.—In addition to the meetings required under paragraph (2), the Administrator shall consult and meet with the Group—

“(A) before issuing the draft regulations to carry out the program described in section 209; and

“(B) during the public comment period relating to those draft regulations.”; and

(3) in subsection (f), by striking “2007” and inserting “2012”.

SEC. 3012. ADMINISTRATION.

Section 207 of the Food for Peace Act (7 U.S.C. 1726a) is amended—

(1) in subsection (a)(3), by striking “must be met for the approval of such proposal” and inserting “should be considered for a proposal in a future fiscal year”;

(2) in subsection (c), by striking paragraph (3);

(3) by striking subsection (d) and inserting the following:

“(d) **TIMELY PROVISION OF COMMODITIES.**—The Administrator, in consultation with the Secretary, shall develop procedures that ensure expedited processing of commodity call forwards in order to provide commodities overseas in a timely manner and to the extent feasible, according to planned delivery schedules.”;

(4) in subsection (e)(2), by striking “December 1” and inserting “June 1”; and

(5) by adding at the end the following:

“(f) **PROGRAM OVERSIGHT.**—

“(1) **IN GENERAL.**—Funds made available to carry out this title may be used to pay the expenses of the United States Agency for International Development associated with program monitoring, evaluation, assessments, food aid data collection, and food aid information management and commodity reporting systems.

“(2) **CONTRACT AUTHORITY.**—

“(A) **IN GENERAL.**—Subject to subparagraphs (B) and (C) and notwithstanding any other provision of law, in carrying out administrative and management activities related to the implementation of programs under this title, the Administrator may contract with 1 or more individuals for personal service to be performed in recipient countries or neighboring countries.

“(B) **PROHIBITION.**—Individuals contracting with the Administrator under subparagraph (A) shall not be considered to be employees of the United States Government for the purpose of any law administered by the Office of Personnel Management.

“(C) **PERSONAL SERVICE.**—Subparagraph (A) does not limit the ability of the Administrator to contract with individuals for personal service under section 202(a).

“(g) **INDIRECT SUPPORT COSTS TO THE WORLD FOOD PROGRAM OF THE UNITED NATIONS.**—

“(1) **IN GENERAL.**—Notwithstanding any other provision of law, in providing assistance under this title, the Administrator may make contributions to the World Food Program of the United Nations to the extent that the contributions are made in accordance with the rules and regulations of that program for indirect cost rates.

“(2) **REPORT.**—The Administrator shall submit the Committees on Agriculture and Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report on the level of the contribution and the reasons for the level.

“(h) **INDIRECT SUPPORT COSTS TO COOPERATING SPONSORS.**—Notwithstanding any other provision of law, the Administrator may pay to a private voluntary organization or cooperative indirect costs associated with any funds received or generated for programs, costs, or activities under this title, on the condition that the indirect costs are consistent with Office of Management and Budget cost principles.

“(i) **PROJECT REPORTING.**—

“(1) **IN GENERAL.**—In submitting project reports to the Administrator, a private voluntary organization or cooperative shall provide a copy of the report in such form as is necessary for the report to be displayed for

public use on the website of the United States Agency for International Development.

“(2) **CONFIDENTIAL INFORMATION.**—An organization or cooperative described in paragraph (1) may omit any confidential information from the copy of the report submitted for public display under that paragraph.”.

SEC. 3013. ASSISTANCE FOR STOCKPILING AND RAPID TRANSPORTATION, DELIVERY, AND DISTRIBUTION OF SHELF-STABLE PREPACKAGED FOODS.

Section 208(f) of the Food for Peace Act (7 U.S.C. 1726b(f)) is amended—

(1) by striking “\$3,000,000” and inserting “\$8,000,000”; and

(2) by striking “2007” and inserting “2012”.

SEC. 3014. PILOT PROGRAM FOR LOCAL PURCHASE.

Title II of the Food for Peace Act (7 U.S.C. 1721 et seq.) is amended by adding at the end the following:

“SEC. 209. PILOT PROGRAM FOR LOCAL PURCHASE.

“(a) **DEFINITIONS.**—In this section:

“(1) **ELIGIBLE COMMODITY.**—Notwithstanding section 402(2), the term ‘eligible commodity’ means an agricultural commodity, or the product of an agricultural commodity, that is produced in—

“(A) the recipient country;

“(B) a low-income, developing country near the recipient country; or

“(C) Africa.

“(2) **ELIGIBLE ORGANIZATION.**—The term ‘eligible organization’ means—

“(A) an organization that is—

“(i) described in section 202(d); and

“(ii) subject to guidelines promulgated to carry out this section, including United States audit requirements that are applicable to non-governmental organizations; or

“(B) an intergovernmental organization, if the organization agrees to be subject to all requirements of this section, including any regulations promulgated or guidelines issued by the Administrator to carry out this section.

“(3) **PILOT PROGRAM.**—The term ‘pilot program’ means the pilot program established under subsection (b).

“(b) **ESTABLISHMENT.**—Notwithstanding section 407(c)(1)(A), the Administrator, in consultation with the Secretary, shall establish a field-based pilot program for local and regional purchases of eligible commodities in accordance with this section.

“(c) **PURPOSES.**—Eligible commodities under the pilot program shall be used solely—

“(1) to address severe food shortages caused by sudden events, including—

“(A) earthquakes, floods, and other unforeseen crises; or

“(B) human-made crises, such as conflicts;

“(2) to prevent or anticipate increasing food scarcity as the result of slow-onset events, such as drought, crop failures, pests, economic shocks, and diseases that result in an erosion of the capacity of communities and vulnerable populations to meet food needs;

“(3) to address recovery, resettlement, and reconstruction following 1 or more disasters or emergencies described in paragraph (1) or (2); and

“(4) to protect and improve livelihoods and food security, provide safety nets for food insecure or undernourished populations, and encourage participation in education and other productive activities.

“(d) **PROCUREMENT.**—Subject to subsections (a), (b), (f), and (h) of section 403, eligible commodities under the pilot program shall for emergency situations be procured through the most effective 1 or more approaches or methodologies that are likely to

expedite the provision of food aid to affected populations.

“(e) **REVIEW OF PRIOR LOCAL CASH PURCHASE EXPERIENCE.**—

“(1) **IN GENERAL.**—Not later than 30 days after the date of enactment of this section, the Administrator shall initiate the process to commission an external review of local cash purchase projects conducted before the date of enactment of this section by other donor countries, private voluntary organizations, and the World Food Program of the United Nations.

“(2) **USE OF REVIEW.**—The Administrator shall use the results of the review to develop—

“(A) proposed guidelines under subsection (j); and

“(B) requests for applications under subsection (f).

“(3) **REPORT.**—Not later than 270 days after the date of enactment of this section, the Administrator shall submit to the Committees on Agriculture and Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the results of the review.

“(f) **GRANTS TO ELIGIBLE ORGANIZATIONS.**—

“(1) **IN GENERAL.**—After the promulgation of final guidelines under subsection (j), the Administrator may seek applications from and provide grants to eligible organizations to carry out the pilot program.

“(2) **COMPLETION REQUIREMENT.**—As a condition of receiving a grant under the pilot program, an eligible organization shall agree—

“(A) to complete all projects funded through the grant not later than September 30, 2011; and

“(B) to provide information about the results of the project in accordance with subsection (i).

“(3) **OTHER REQUIREMENTS.**—Other requirements for submission of proposals for consideration under this title shall apply to the submission of an application for a grant under this section.

“(g) **PROJECT DIVERSITY.**—In selecting projects to fund under the pilot program, the Administrator shall select a diversity of projects, including—

“(1) at least 1 project for each of the situations described in subsection (c);

“(2) at least 1 project carried out jointly with a project using agricultural commodities produced in the United States under this title;

“(3) at least 1 project carried out jointly with a project funded through grassroots efforts by agricultural producers through eligible United States organizations;

“(4) projects in both food surplus and food deficit regions, using regional procurement for food deficit regions; and

“(5) projects in diverse geographical regions, with most, but not all, projects located in Africa.

“(h) **INFORMATION REQUIRED IN APPLICATIONS.**—In submitting an application under this section, an eligible organization shall—

“(1) request funding for up to 3 years; and

“(2) include in the application—

“(A) a description of the target population through a needs assessment and sufficient information to demonstrate that the situation is a situation described in subsection (c);

“(B) an assurance that the local or regional procurement—

“(i) is likely to expedite the provision of food aid to the affected population; and

“(ii) would meet the requirements of subsection (d);

“(C) a description of—

“(i) the quantities and types of eligible commodities that would be procured;

“(ii) the rationale for selecting those eligible commodities; and

“(iii) how the eligible commodities could be procured and delivered in a timely manner;

“(D) an analysis of the potential impact of the purchase of eligible commodities on the production, pricing, and marketing of the same and similar agricultural commodities in the country and localities in which the purchase will take place;

“(E) a description of food quality and safety assurance measures; and

“(F) a monitoring and evaluation plan that ensures collection of sufficient data—

“(i) to determine the full cost of procurement, delivery, and administration;

“(ii) to report on the agricultural production, marketing, and price impact of the local or regional purchases, including the impact on low-income consumers; and

“(iii) to provide sufficient information to support the completion of the report described in subsection (i).

“(i) INDEPENDENT EVALUATION AND REPORT.—

“(1) IN GENERAL.—The Administrator shall—

“(A) arrange for an independent evaluation of the pilot program; and

“(B) provide access to all records and reports for the completion of the evaluation.

“(2) REPORT.—Not later than 4 years after the date of enactment of this section, the Administrator shall submit to the Committees on Agriculture and Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that—

“(A) includes the analysis and findings of the independent evaluation;

“(B) assesses whether the requirements of this section have been met;

“(C) describes for each of the relevant markets in which the commodities were purchased—

“(i) prevailing and historic supply, demand, and price movements;

“(ii) impact on producer and consumer prices;

“(iii) government market interferences and other donor activities that may have affected the supply and demand in the area in which the local or regional purchase took place; and

“(iv) the quantities and types of eligible commodities procured in each market, the time frame for procurement, and the complete costs of the procurement (including procurement, storage, handling, transportation, and administrative costs);

“(D) assesses the impact of different methodologies and approaches on local and regional agricultural producers (including large and small producers), markets, low-income consumers, and program recipients;

“(E) assesses the time elapsed from initiation of the procurement process to delivery;

“(F) compares different methodologies used in terms of—

“(i) the benefits to local agriculture;

“(ii) the impact on markets and consumers;

“(iii) the time for procurement and delivery;

“(iv) quality and safety assurances; and

“(v) implementation costs; and

“(G) to the extent adequate information is available, includes a comparison of the different methodologies used by other donors to make local and regional purchases, including purchases conducted through the World Food Program of the United Nations.

“(j) GUIDELINES.—Prior to approving projects or the procurement of eligible commodities under this section, not later than 1 year after the date of enactment of this sec-

tion, the Administrator shall issue guidelines to carry out this section.

“(k) AUTHORIZATION OF APPROPRIATIONS.—

“(1) IN GENERAL.—Subject to paragraph (2), for each of fiscal years 2008 through 2011, the Administrator may use to carry out this section not more than \$25,000,000 of funds made available to carry out this title, to remain available until expended.

“(2) LIMITATION.—No funds may be made available to carry out the pilot program unless the minimum tonnage requirements of section 204(a) are met.”.

SEC. 3015. GENERAL AUTHORITIES AND REQUIREMENTS.

(a) IN GENERAL.—Section 401 of the Food for Peace Act (7 U.S.C. 1731) is amended—

(1) by striking subsection (a);

(2) redesignating subsections (b) and (c) as subsections (a) and (b), respectively; and

(3) in subsection (b) (as so redesignated), by striking “(b)(1)” and inserting “(a)(1)”.

(b) CONFORMING AMENDMENTS.—

(1) Section 406(a) of the Food for Peace Act (7 U.S.C. 1736(a)) is amended by striking “(that have been determined to be available under section 401(a))”.

(2) Subsection (e)(1) of the Food for Progress Act of 1985 (7 U.S.C. 1736o(e)(1)) is amended by striking “determined to be available under section 401 of the Food for Peace Act”.

SEC. 3016. USE OF COMMODITY CREDIT CORPORATION.

Section 406(b)(2) of the Food for Peace Act (7 U.S.C. 1736(b)(2)) is amended by inserting “, including the costs of carrying out section 415” before the semicolon.

SEC. 3017. ADMINISTRATIVE PROVISIONS.

Section 407 of the Food for Peace Act (7 U.S.C. 1736a) is amended—

(1) in subsection (c)(4)—

(A) by striking “2007” and inserting “2012”;

(B) by striking “\$2,000,000” and inserting “\$4,000,000”; and

(C) by adding at the end the following:

“(5) NONEMERGENCY OR MULTIYEAR AGREEMENTS.—Annual resource requests for ongoing nonemergency or multiyear agreements under title II shall be finalized not later than October 1 of the fiscal year in which the agricultural commodities will be shipped under the agreement.”; and

(2) in subsection (f)—

(A) in paragraph (2)—

(i) in subparagraph (B), by inserting “, and the amount of funds, tonnage levels, and types of activities for nonemergency programs under title II” before the semicolon;

(ii) in subparagraph (C), by inserting “, and a general description of the projects and activities implemented” before the semicolon; and

(iii) in subparagraph (D), by striking “achieving food security” and inserting “reducing food insecurity”; and

(B) in paragraph (3)—

(i) by striking “shall submit” and inserting the following: “shall—

“(A) submit”;

(ii) by striking “January 15” and inserting “April 1”; and

(iii) by striking “of the Senate”. and inserting the following: “of the Senate; and

“(B) make the reports available to the public by electronic and other means.”.

SEC. 3018. EXPIRATION DATE.

Section 408 of the Food for Peace Act (7 U.S.C. 1736b) is amended by striking “2007” and inserting “2012”.

SEC. 3019. AUTHORIZATION OF APPROPRIATIONS.

Section 412 of the Food for Peace Act (7 U.S.C. 1736f) is amended by striking subsection (b) and inserting the following:

“(b) MINIMUM LEVEL OF NONEMERGENCY FOOD ASSISTANCE.—For each of fiscal years 2008 through 2012, of the amounts made

available to carry out emergency and non-emergency food assistance programs under title II, not less than \$600,000,000 for each of those fiscal years shall be obligated and expended for nonemergency food assistance programs under title II.”.

SEC. 3020. MICRONUTRIENT FORTIFICATION PROGRAMS.

Section 415 of the Food for Peace Act (7 U.S.C. 1736g-2) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking “Not later than September 30, 2003, the Administrator, in consultation with the Secretary” and inserting “Not later than September 30, 2008, the Secretary, in consultation with the Administrator”; and

(B) in paragraph (2)—

(i) in subparagraph (A), by adding “and” after the semicolon at the end; and

(ii) by striking subparagraphs (B) and (C) and inserting the following:

“(B) assess and apply technologies and systems to improve and ensure the quality, shelf life, bioavailability, and safety of fortified food aid agricultural commodities, and products of those agricultural commodities, that are provided to developing countries, using recommendations included in the report entitled ‘Micronutrient Compliance Review of Fortified Public Law 480 Commodities’, published in October 2001, with implementation by an independent entity with proven impartial experience and expertise in food aid commodity quality enhancements.”;

(2) by striking subsection (b) and redesignating subsections (c) and (d) as subsections (b) and (c), respectively; and

(3) in subsection (c) (as redesignated by paragraph (2)), by striking “2007” and inserting “2012”.

SEC. 3021. GERmplasm CONSERVATION.

Title IV of the Food for Peace Act (7 U.S.C. 1731 et seq.) is amended by adding at the end the following:

“SEC. 417. GERmplasm CONSERVATION.

“(a) CONTRIBUTION.—The Administrator of the United States Agency for International Development shall contribute funds to endow the Global Crop Diversity Trust (referred to in this section as the ‘Trust’) to assist in the conservation of genetic diversity in food crops through the collection and storage of the germplasm of food crops in a manner that provides for—

“(1) the maintenance and storage of seed collections;

“(2) the documentation and cataloguing of the genetics and characteristics of conserved seeds to ensure efficient reference for researchers, plant breeders, and the public;

“(3) building the capacity of seed collection in developing countries;

“(4) making information regarding crop genetic data publicly available for researchers, plant breeders, and the public (including through the provision of an accessible Internet website);

“(5) the operation and maintenance of a back-up facility in which are stored duplicate samples of seeds, in the case of natural or man-made disasters; and

“(6) oversight designed to ensure international coordination of those actions and efficient, public accessibility to that diversity through a cost-effective system.

“(b) UNITED STATES CONTRIBUTION LIMIT.—The aggregate contributions of funds of the Federal Government provided to the Trust shall not exceed 25 percent of the total of the funds contributed to the Trust from all sources.

“(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$60,000,000 for the period of fiscal years 2008 through 2012.”.

SEC. 3022. JOHN OGONOWSKI AND DOUG BEREUTER FARMER-TO-FARMER PROGRAM.

Section 501 of the Food for Peace Act (7 U.S.C. 1737) is amended by striking “2007” each place it appears and inserting “2012”.

Subtitle B—Agricultural Trade Act of 1978 and Related Statutes**SEC. 3101. NONGOVERNMENTAL ORGANIZATION PARTICIPATION IN THE RESOLUTION OF TRADE DISPUTES.**

Section 104 of the Agricultural Trade Act of 1978 (7 U.S.C. 5604) is amended—

(1) by striking “The Secretary shall” and inserting the following:

“(a) IN GENERAL.—The Secretary shall”; and

(2) by adding at the end the following:

“(b) NONGOVERNMENTAL ORGANIZATION PARTICIPATION IN THE RESOLUTION OF TRADE DISPUTES.—The Secretary shall permit United States nongovernmental organizations to participate as part of the United States delegation attending formal sessions of dispute resolution panels involving United States agriculture under the auspices of the World Trade Organization if—

“(1) the 1 or more other members of the World Trade Organization involved in the dispute are expected to include private sector representatives in the delegations of the members to the sessions;

“(2) the United States nongovernmental organization has submitted public comments through the Federal Register that support the position of the United States Government in the case; and

“(3) the United States nongovernmental organization will provide for representation at the session a cleared adviser who is a member of the agricultural policy advisory committee or an agricultural technical advisory committee established under the Federal Advisory Committee Act (5 U.S.C. App.).”.

SEC. 3102. EXPORT CREDIT GUARANTEE PROGRAM.

(a) REPEAL OF SUPPLIER CREDIT GUARANTEE PROGRAM AND INTERMEDIATE EXPORT CREDIT GUARANTEE PROGRAM.—Section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking “The Commodity” and inserting “Subject to paragraph (2), the Commodity”; and

(B) by striking paragraphs (2) and (3) and inserting the following:

“(2) TENURE.—Beginning with the 2013 fiscal year, credit terms described in paragraph (1) may not exceed a 180-day period.”;

(2) by striking subsections (b) and (c);

(3) by redesignating subsections (d) through (j) as subsections (b) through (j), respectively; and

(4) by adding at the end the following:

“(k) ADMINISTRATION.—

“(1) DEFINITION OF LONG TERM.—In this subsection, the term ‘long term’ means a period of 10 or more years.

“(2) GUARANTEES.—In administering the export credit guarantees authorized under this section, the Secretary shall—

“(A) maximize the export sales of agricultural commodities;

“(B) maximize the export credit guarantees that are made available and used during the course of a fiscal year;

“(C) develop an approach to risk evaluation that facilitates accurate country risk designations and timely adjustments to the designations (on an ongoing basis) in response to material changes in country risk conditions, with ongoing opportunity for input and evaluation from the private sector;

“(D) adjust risk-based guarantees as necessary to ensure program effectiveness and United States competitiveness; and

“(E) work with industry to ensure that risk-based fees associated with the guarantees cover, but do not exceed, the operating costs and losses over the long term.”.

(b) CONFORMING AMENDMENTS.—The Agricultural Trade Act of 1978 is amended—

(1) in section 202 (7 U.S.C. 5622)—

(A) in subsection (b)(4) (as redesignated by subsection (a)(3)), by striking “, consistent with the provisions of subsection (c)”; and

(B) in subsection (d) (as redesignated by subsection (a)(3))—

(i) by striking “(1)” and all that follows through “The Commodity” and inserting “The Commodity”; and

(ii) by striking paragraph (2); and

(C) in subsection (g)(2) (as redesignated by subsection (a)(3)), by striking “subsections (a) and (b)” and inserting “subsection (a)”; and

(2) in section 211, by striking subsection (b) and inserting the following:

“(b) EXPORT CREDIT GUARANTEE PROGRAMS.—The Commodity Credit Corporation shall make available for each of fiscal years 1996 through 2012 not less than \$5,500,000,000 in credit guarantees under section 202(a).”.

SEC. 3103. MARKET ACCESS PROGRAM.

(a) ORGANIC COMMODITIES.—Section 203(a) of the Agricultural Trade Act of 1978 (7 U.S.C. 5623(a)) is amended by inserting after “agricultural commodities” the following: “(including commodities that are organically produced (as defined in section 2103 of the Organic Foods Production Act of 1990 (7 U.S.C. 6502)))”.

(b) FUNDING.—Section 211(c)(1)(A) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)(1)(A)) is amended by striking “, and \$200,000,000 for each of fiscal years 2006 and 2007” and inserting “\$200,000,000 for each of fiscal years 2006 and 2007, \$210,000,000 for fiscal year 2008, \$220,000,000 for fiscal year 2009, \$230,000,000 for fiscal year 2010, \$240,000,000 for fiscal year 2011, and \$200,000,000 for fiscal year 2012 and each subsequent fiscal year”.

SEC. 3104. EXPORT ENHANCEMENT PROGRAM.

(a) IN GENERAL.—Section 301 of the Agricultural Trade Act of 1978 (7 U.S.C. 5651) is repealed.

(b) CONFORMING AMENDMENTS.—The Agricultural Trade Act of 1978 is amended—

(1) in title III, by striking the title heading and inserting the following:

“TITLE III—BARRIERS TO EXPORTS”;

(2) by redesignating section 302 as section 301;

(3) by striking section 303;

(4) in section 401 (7 U.S.C. 5661)—

(A) in subsection (a), by striking “section 201, 202, or 301” and inserting “section 201 or 202”; and

(B) in subsection (b), by striking “sections 201, 202, and 301” and inserting “sections 201 and 202”; and

(5) in section 402(a)(1) (7 U.S.C. 5662(a)(1)), by striking “sections 201, 202, 203, and 301” and inserting “sections 201, 202, and 203”.

SEC. 3105. VOLUNTARY CERTIFICATION OF CHILD LABOR STATUS OF AGRICULTURAL IMPORTS.

Section 414 of the Agricultural Trade Act of 1978 (7 U.S.C. 5674) is amended by adding at the end the following:

“(d) REDUCING CHILD LABOR AND FORCED LABOR.—

“(1) DEFINITIONS.—In this subsection:

“(A) CHILD LABOR.—The term ‘child labor’ means the worst forms of child labor as defined in International Labor Convention 182, the Convention Concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor, done at Geneva on June 17, 1999.

“(B) FORCED LABOR.—The term ‘forced labor’ means all work or service—

“(i) that is exacted from any individual under menace of any penalty for non-per-

formance of the work or service, and for which the individual does not offer himself or herself voluntarily, by coercion, debt bondage, involuntary servitude (as those terms are defined in section 103 of the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7102)); and

“(ii) by 1 or more individuals who, at the time of production, were being subjected to a severe form of trafficking in persons (as that term is defined in that section).

“(2) DEVELOPMENT OF STANDARD SET OF PRACTICES.—

“(A) IN GENERAL.—The Secretary, in coordination with the Secretary of Labor, shall develop a standard set of practices for the production of agricultural commodities that are imported, sold, or marketed in the United States in order to reduce the likelihood that the agricultural commodities are produced with the use of forced labor or child labor.

“(B) REQUIREMENT.—The standard set of practices shall be developed in accordance with the requirements of the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7101 et seq.).

“(3) REQUIREMENTS.—Not later than 3 years after the date of enactment of this subsection, the Secretary shall, with respect to the standard set of practices developed under paragraph (2), promulgate proposed regulations that shall, at a minimum, establish a voluntary certification program to enforce this subsection by—

“(A) requiring agricultural commodity traceability and inspection at all stages of the supply chain;

“(B) allowing for multistakeholder participation in the certification process;

“(C) providing for annual onsite inspection by a certifying agent, who shall be certified in accordance with the International Organization for Standardization Guide 65, of each affected worksite and handling operation;

“(D) incorporating a comprehensive conflict of interest policy for certifying agents, in accordance with section 2116(h) of the Organic Foods Production Act of 1990 (7 U.S.C. 6515(h)); and

“(E) providing an anonymous grievance procedure that—

“(i) is accessible by third parties to allow for the identification of new or continuing violations of the regulations; and

“(ii) provides protections for whistleblowers.

“(4) REPORTING REQUIREMENT.—Not later than 180 days after the date of enactment of this subsection, and annually 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 on the development and implementation of the standard set of practices under this subsection.”.

SEC. 3106. FOREIGN MARKET DEVELOPMENT CO-OPERATOR PROGRAM.

Section 703(a) of the Agricultural Trade Act of 1978 (7 U.S.C. 5723(a)) is amended by striking “amount of \$34,500,000 for each of fiscal years 2002 through 2007” and inserting “amount of—

“(1) \$39,500,000 for each of fiscal years 2008 and 2009;

“(2) \$44,500,000 for fiscal year 2010; and

“(3) \$34,500,000 for fiscal year 2011 and each subsequent fiscal year.”.

SEC. 3107. FOOD FOR PROGRESS ACT OF 1985.

The Food for Progress Act of 1985 (7 U.S.C. 1736) is amended—

(1) by striking “2007” each place it appears and inserting “2012”; and

(2) in subsection (b)(5)—

(A) by striking subparagraphs (A), (B), and (F);

(B) in subparagraph (D), by inserting “and” after the semicolon;

(C) in subparagraph (E), by striking “; and” and inserting a period; and

(D) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (A), (B), and (C), respectively; and

(3) in subsection (f), by striking paragraph (3) and inserting the following:

“(3) FUNDING LIMITATIONS.—With respect to eligible commodities made available under section 416(b) of the Agricultural Act of 1949 (42 U.S.C. 1431(b)), unless authorized in advance in appropriation Acts—

“(A) for each of fiscal years 2008 through 2010, no funds of the Corporation in excess of \$48,000,000 (exclusive of the cost of eligible commodities) may be used to carry out this section; and

“(B) for fiscal year 2011 and each fiscal year thereafter, no funds of the Corporation in excess of \$40,000,000 (exclusive of the cost of eligible commodities) may be used to carry out this section.”

SEC. 3108. MCGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM.

Section 3107 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o–1) is amended—

(1) in subsection (b), by inserting “in the Department of Agriculture” after “establish a program”;

(2) in subsections (c)(2)(B), (f)(1), (h), (i), and (l)(1) by striking “President” each place it appears and inserting “Secretary”;

(3) in subsection (d), by striking “The President shall designate 1 or more Federal agencies” and inserting “The Secretary shall”;

(4) in paragraph (f)(2), by striking “implementing agency” and inserting “Secretary”;

and

(5) in subsection (1)—

(A) by striking paragraphs (1) and (2) and inserting the following:

“(1) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the President shall use \$450,000,000 for each of fiscal years 2008 through 2012 to carry out this section.”;

and

(B) by redesignating paragraph (3) as paragraph (2).

Subtitle C—Miscellaneous

SEC. 3201. BILL EMERSON HUMANITARIAN TRUST.

Section 302 of the Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f–1) is amended—

(1) in subsection (a), by striking “a trust stock” and all that follows through the end of the subsection and inserting the following: “a trust of commodities, for use as described in subsection (c), to consist of—

“(1) quantities equivalent to not more than 4,000,000 metric tons of commodities; or

“(2) any combination of funds and commodities equivalent to not more than 4,000,000 metric tons of commodities.”;

(2) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (B)—

(I) by striking “replenish” each place it appears and inserting “reimburse”;

(II) by striking “replenished” and inserting “reimbursed”;

(ii) by striking subparagraph (D) and inserting the following:

“(D) funds made available—

“(i) under paragraph (2)(B);

“(ii) as a result of an exchange of any commodity held in the trust for an equivalent amount of funds from—

“(I) the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.);

“(II) the McGovern-Dole International Food for Education and Child Nutrition Pro-

gram established under section 3107 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o–1); or

“(III) the market, if the Secretary determines that such a sale of the commodity on the market will not unduly disrupt domestic markets; and

“(iii) in the course of management of the trust or to maximize the value of the trust, in accordance with subsection (d)(3).”;

(B) in paragraph (2)(B)—

(i) in the matter preceding clause (i), by striking “replenish” and inserting “reimburse”;

(ii) in clause (i)—

(I) by striking “2007” each place it appears and inserting “2012”;

(II) by striking “(c)(2)” and inserting “(c)(1)”;

(III) by striking “and” at the end;

(iii) in clause (ii), by striking the period at the end and inserting “; or”;

(iv) by adding at the end the following:

“(iii) from funds accrued through the management of the trust under subsection (d).”;

(3) in subsection (c)—

(A) by striking paragraphs (1) and (2) and inserting the following:

“(1) RELEASES FOR EMERGENCY ASSISTANCE.—

“(A) DEFINITION OF EMERGENCY.—

“(i) IN GENERAL.—In this paragraph, the term ‘emergency’ means an urgent situation—

“(I) in which there is clear evidence that an event or series of events described in clause (ii) has occurred—

“(aa) that causes human suffering or imminently threatens human lives or livelihoods; and

“(bb) for which a government concerned has not the means to remedy; or

“(II) created by a demonstrably abnormal event or series of events that produces dislocation in the lives of residents of a country or region of a country on an exceptional scale.

“(ii) EVENT OR SERIES OF EVENTS.—An event or series of events referred to in clause (i) includes 1 or more of—

“(I) a sudden calamity, such as an earthquake, flood, locust infestation, or similar unforeseen disaster;

“(II) a human-made emergency resulting in—

“(aa) a significant influx of refugees;

“(bb) the internal displacement of populations; or

“(cc) the suffering of otherwise affected populations;

“(III) food scarcity conditions caused by slow-onset events, such as drought, crop failure, pest infestation, and disease, that result in an erosion of the ability of communities and vulnerable populations to meet food needs; and

“(IV) severe food access or availability conditions resulting from sudden economic shocks, market failure, or economic collapse, that result in an erosion of the ability of communities and vulnerable populations to meet food needs.

“(B) RELEASES.—

“(i) IN GENERAL.—Any funds or commodities held in the trust may be released to provide assistance under title II of the Food for Peace Act (7 U.S.C. 1721 et seq.)—

“(I) to meet emergency needs, including during the period immediately preceding the emergency;

“(II) to respond to an emergency; or

“(III) for recovery and rehabilitation after an emergency.

“(ii) PROCEDURE.—Subject to subparagraph (B), a release under clause (i) shall be carried out in the same manner, and pursuant to the same authority as provided in title II of that Act.

“(C) INSUFFICIENCY OF OTHER FUNDS.—The funds and commodities held in the trust shall be made immediately available on a determination by the Administrator that funds available for emergency needs under title II of that Act (7 U.S.C. 1721 et seq.) for a fiscal year are insufficient to meet emergency needs during the fiscal year.”;

(B) by redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively;

(4) in subsection (d)—

(A) by redesignating paragraphs (1) through (3) as subparagraphs (A) through (C), respectively, and indenting the subparagraphs appropriately;

(B) by striking the subsection designation and heading and all that follows through “provide—” and inserting the following:

“(d) MANAGEMENT OF TRUST.—

“(1) IN GENERAL.—The Secretary shall provide for the management of eligible commodities and funds held in the trust in a manner that is consistent with maximizing the value of the trust, as determined by the Secretary.

“(2) ELIGIBLE COMMODITIES.—The Secretary shall provide—”;

(C) in paragraph (2) (as redesignated by subparagraph (B))—

(i) in subparagraph (B) (as redesignated by subparagraph (A)), by striking “and” at the end;

(ii) in subparagraph (C) (as redesignated by subparagraph (A)), by striking the period at the end and inserting “; and”;

(iii) by adding at the end the following:

“(D) for the management of price risks associated with commodities held or potentially held in the trust.”;

(D) by adding at the end the following:

“(3) FUNDS.—

“(A) REQUIREMENT.—The Secretary shall maximize the value of funds held in the trust, to the maximum extent practicable.

“(B) RELEASES ON EMERGENCY.—If any commodity is released from the trust in the case of an emergency under subsection (c), the Secretary shall transfer to the trust funds of the Commodity Credit Corporation in an amount equal to, as determined by the Secretary, the amount of storage charges that will be saved by Commodity Credit Corporation due to the emergency release.

“(C) EXCHANGES.—If any commodity held in the trust is exchanged for funds under subsection (b)(1)(D)(ii)—

“(i) the funds shall be held in the trust until the date on which the funds are released in the case of an emergency under subsection (c); and

“(ii) the Secretary shall transfer to the trust funds of the Commodity Credit Corporation in an amount equal to, as determined by the Secretary, the amount of storage charges that will be saved by Commodity Credit Corporation due to the exchange.

“(D) INVESTMENT.—The Secretary—

“(i) may invest funds held in the trust in any short-term obligation of the United States or any other low-risk short-term instrument or security insured by the Federal Government in which a regulated insurance company may invest under the laws of the District of Columbia; and

“(ii) shall not invest any funds held in the trust in real estate.”;

(5) in subsection (f)(2)(A), by striking “replenish” and inserting “reimburse”;

(6) in subsection (h)—

(A) in paragraph (1), by striking “replenish” and inserting “reimburse”;

(B) in each of paragraphs (1) and (2), by striking “2007” each place it appears and inserting “2012”.

SEC. 3202. EMERGING MARKETS AND FACILITY GUARANTEE LOAN PROGRAM.

Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5622 note; Public Law 101-624) is amended—

(1) in subsection (a), by striking “2007” and inserting “2012”;

(2) in subsection (b)—

(A) in the first sentence, by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and indenting appropriately;

(B) by striking “A portion” and inserting the following:

“(1) IN GENERAL.—A portion”;

(C) in the second sentence, by striking “The Commodity Credit Corporation” and inserting the following:

“(2) PRIORITY.—The Commodity Credit Corporation”;

(D) by adding at the end the following:

“(3) CONSTRUCTION WAIVER.—The Secretary may waive any applicable requirements relating to the use of United States goods in the construction of a proposed facility, if the Secretary determines that—

“(A) goods from the United States are not available; or

“(B) the use of goods from the United States is not practicable.

“(4) TERM OF GUARANTEE.—A facility payment guarantee under this subsection shall be for a term that is not more than the lesser of—

“(A) the term of the depreciation schedule of the facility assisted; or

“(B) 20 years.”; and

(3) in subsection (d)(1)(A)(i) by striking “2007” and inserting “2012”.

SEC. 3203. BIOTECHNOLOGY AND AGRICULTURAL TRADE PROGRAM.

Section 1543A(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5679(d)) is amended by striking “2007” and inserting “2012”.

SEC. 3204. TECHNICAL ASSISTANCE FOR THE RESOLUTION OF TRADE DISPUTES.

(a) IN GENERAL.—The Secretary may provide monitoring, analytic support, and other technical assistance to limited resource persons that are involved in trading agricultural commodities, as determined by the Secretary, to reduce trade barriers to the persons.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

TITLE IV—NUTRITION PROGRAMS**Subtitle A—Food and Nutrition Program****PART I—RENAMING OF FOOD STAMP PROGRAM****SEC. 4001. RENAMING OF FOOD STAMP PROGRAM.**

(a) SHORT TITLE.—The first section of the Food Stamp Act of 1977 (7 U.S.C. 2011 note; Public Law 88-525) is amended by striking “Food Stamp Act of 1977” and inserting “Food and Nutrition Act of 2007”.

(b) PROGRAM.—The Food and Nutrition Act of 2007 (7 U.S.C. 2011 et seq.) (as amended by subsection (a)) is amended by striking “food stamp program” each place it appears and inserting “food and nutrition program”.

PART II—IMPROVING PROGRAM BENEFITS**SEC. 4101. EXCLUSION OF CERTAIN MILITARY PAYMENTS FROM INCOME.**

Section 5(d) of the Food and Nutrition Act of 2007 (7 U.S.C. 2014(d)) is amended—

(1) by striking “(d) Household” and inserting “(d) EXCLUSIONS FROM INCOME.—Household”;

(2) by striking “only (1) any” and inserting “only—

“(1) any”;

(3) by indenting each of paragraphs (2) through (18) so as to align with the margin of paragraph (1) (as amended by paragraph (1));

(4) by striking the comma at the end of each of paragraphs (1) through (16) and inserting a semicolon;

(5) in paragraph (3)—

(A) by striking “like (A) awarded” and inserting “like—

“(A) awarded”;

(B) by striking “thereof, (B) to” and inserting “thereof;

“(B) to”; and

(C) by striking “program, and (C) to” and inserting “program; and

“(C) to”;

(6) in paragraph (11), by striking “), or (B) a” and inserting “); or

“(B) a”;

(7) in paragraph (17), by striking “, and” at the end and inserting a semicolon;

(8) in paragraph (18), by striking the period at the end and inserting “; and”; and

(9) by adding at the end the following:

“(19) any additional payment under chapter 5 of title 37, United States Code, or otherwise designated by the Secretary to be appropriate for exclusion under this paragraph, that is received by or from a member of the United States Armed Forces deployed to a designated combat zone, if the additional pay—

“(A) is the result of deployment to or service in a combat zone; and

“(B) was not received immediately prior to serving in a combat zone.”.

SEC. 4102. STRENGTHENING THE FOOD PURCHASING POWER OF LOW-INCOME AMERICANS.

Section 5(e)(1) of the Food and Nutrition Act of 2007 (7 U.S.C. 2014(e)(1)) is amended—

(1) in subparagraph (A)(ii), by striking “not less than \$134” and all that follows through the end of the clause and inserting the following: “not less than—

“(I) for fiscal year 2008, \$145, \$248, \$205, and \$128, respectively; and

“(II) for fiscal year 2009 and each fiscal year thereafter, an amount that is equal to the amount from the previous fiscal year adjusted to the nearest lower dollar increment to reflect changes for the 12-month period ending on the preceding June 30 in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor, for items other than food.”;

(2) in subparagraph (B)(ii), by striking “not less than \$269” and all that follows through the end of the clause and inserting the following: “not less than—

“(I) for fiscal year 2008, \$291; and

“(II) for fiscal year 2009 and each fiscal year thereafter, an amount that is equal to the amount from the previous fiscal year adjusted to the nearest lower dollar increment to reflect changes for the 12-month period ending on the preceding June 30 in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor, for items other than food.”; and

(3) by adding at the end the following:

“(C) REQUIREMENT.—Each adjustment under subparagraphs (A)(ii)(I) and (B)(ii)(I) shall be based on the unrounded amount for the prior 12-month period.”.

SEC. 4103. SUPPORTING WORKING FAMILIES WITH CHILD CARE EXPENSES.

Section 5(e)(3)(A) of the Food and Nutrition Act of 2007 (7 U.S.C. 2014(e)(3)(A)) is amended by striking “, the maximum allowable level of which shall be \$200 per month for each dependent child under 2 years of age and \$175 per month for each other dependent,”.

SEC. 4104. ENCOURAGING RETIREMENT AND EDUCATION SAVINGS AMONG FOOD STAMP RECIPIENTS.

(a) ALLOWABLE FINANCIAL RESOURCES.—Section 5(g) of the Food and Nutrition Act of 2007 (7 U.S.C. 2014(g)) is amended—

(1) by striking “(g)(1) The Secretary” and inserting the following:

“(g) ALLOWABLE FINANCIAL RESOURCES.—

“(1) TOTAL AMOUNT.—

“(A) IN GENERAL.—The Secretary”;

(2) in subparagraph (A) (as designated by paragraph (1))—

(A) by striking “\$2,000” and inserting “\$3,500 (as adjusted in accordance with subparagraph (B))”; and

(B) by striking “\$3,000” and inserting “\$4,500 (as adjusted in accordance with subparagraph (B))”; and

(3) by adding at the end the following:

“(B) ADJUSTMENT FOR INFLATION.—

“(i) IN GENERAL.—Beginning on October 1, 2007, and each October 1 thereafter, the amounts in subparagraph (A) shall be adjusted and rounded down to the nearest \$250 to reflect changes for the 12-month period ending the preceding June in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

“(ii) REQUIREMENT.—Each adjustment under clause (i) shall be based on the unrounded amount for the prior 12-month period.”.

(b) EXCLUSION OF RETIREMENT ACCOUNTS FROM ALLOWABLE FINANCIAL RESOURCES.—

(1) IN GENERAL.—Section 5(g)(2)(B)(v) of the Food and Nutrition Act of 2007 (7 U.S.C. 2014(g)(2)(B)(v)) is amended by striking “or retirement account (including an individual account)” and inserting “account”.

(2) MANDATORY AND DISCRETIONARY EXCLUSIONS.—Section 5(g) of the Food and Nutrition Act of 2007 (7 U.S.C. 2014(g)) is amended by adding at the end the following:

“(7) EXCLUSION OF RETIREMENT ACCOUNTS FROM ALLOWABLE FINANCIAL RESOURCES.—

“(A) MANDATORY EXCLUSIONS.—The Secretary shall exclude from financial resources under this subsection the value of—

“(i) any funds in a plan, contract, or account, described in sections 401(a), 403(a), 403(b), 408, 408A, 457(b), and 501(c)(18) of the Internal Revenue Code of 1986 and the value of funds in a Federal Thrift Savings Plan account as provided in section 8439 of title 5, United States Code; and

“(ii) any retirement program or account included in any successor or similar provision that may be enacted and determined to be exempt from tax under the Internal Revenue Code of 1986.

“(B) DISCRETIONARY EXCLUSIONS.—The Secretary may exclude from financial resources under this subsection the value of any other retirement plans, contracts, or accounts (as determined by the Secretary).”.

(c) EXCLUSION OF EDUCATION ACCOUNTS FROM ALLOWABLE FINANCIAL RESOURCES.—Section 5(g) of the Food and Nutrition Act of 2007 (7 U.S.C. 2014(g)) (as amended by subsection (b)) is amended by adding at the end the following:

“(8) EXCLUSION OF EDUCATION ACCOUNTS FROM ALLOWABLE FINANCIAL RESOURCES.—

“(A) MANDATORY EXCLUSIONS.—The Secretary shall exclude from financial resources under this subsection the value of any funds in a qualified tuition program described in section 529 of the Internal Revenue Code of 1986 or in a Coverdell education savings account under section 530 of that Code.

“(B) DISCRETIONARY EXCLUSIONS.—The Secretary may exclude from financial resources under this subsection the value of any other education programs, contracts, or accounts (as determined by the Secretary).”.

SEC. 4105. FACILITATING SIMPLIFIED REPORTING.

Section 6(c)(1)(A) of the Food and Nutrition Act of 2007 (7 U.S.C. 2015(c)(1)(A)) is amended—

(1) by striking “reporting by” and inserting “reporting”;

(2) in clause (i), by inserting “for periods shorter than 4 months by” before “migrant”;

(3) in clause (ii), by inserting “for periods shorter than 4 months by” before “households”; and

(4) in clause (iii), by inserting “for periods shorter than 1 year by” before “households”.

SEC. 4106. ACCRUAL OF BENEFITS.

Section 7(i) of the Food and Nutrition Act of 2007 (7 U.S.C. 2016(i)) is amended by adding at the end the following:

“(12) RECOVERING ELECTRONIC BENEFITS.—

“(A) IN GENERAL.—A State agency shall establish a procedure for recovering electronic benefits from the account of a household due to inactivity.

“(B) BENEFIT STORAGE.—A State agency may store recovered electronic benefits offline in accordance with subparagraph (D), if the household has not accessed the account after 6 months.

“(C) BENEFIT EXPUNGING.—A State agency shall expunge benefits that have not been accessed by a household after a period of 12 months.

“(D) NOTICE.—A State agency shall—

“(i) send notice to a household the benefits of which are stored under subparagraph (B); and

“(ii) not later than 48 hours after request by the household, make the stored benefits available to the household.”.

SEC. 4107. ELIGIBILITY FOR UNEMPLOYED ADULTS.

(a) IN GENERAL.—Section 6(o) of the Food and Nutrition Act of 2007 (7 U.S.C. 2015(o)) is amended—

(1) in paragraph (2), in the matter preceding subparagraph (A) by striking “3 months” and inserting “6 months”; and

(2) in paragraph (5), by striking subparagraph (C).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) take effect on October 1, 2008.

SEC. 4108. TRANSITIONAL BENEFITS OPTION.

Section 11(s)(1) of the Food and Nutrition Act of 2007 (7 U.S.C. 2020(s)(1)) is amended—

(1) by striking “benefits to a household”; and inserting “benefits—

“(A) to a household”;

(2) by striking the period at the end and inserting “; or”; and

(3) by adding at the end the following:

“(B) at the option of the State, to a household with children that ceases to receive cash assistance under a State-funded public assistance program.”.

SEC. 4109. MINIMUM BENEFIT.

(a) IN GENERAL.—Section 8(a) of the Food and Nutrition Act of 2007 (7 U.S.C. 2017(a)) is amended by striking “\$10 per month” and inserting “20 percent of the thrifty food plan for a household containing 1 member”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) takes effect on October 1, 2008.

SEC. 4110. AVAILABILITY OF COMMODITIES FOR THE EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) IN GENERAL.—Section 27(a) of the Food and Nutrition Act of 2007 (7 U.S.C. 2036(a)) is amended—

(1) by striking “(a) PURCHASE OF COMMODITIES” and all that follows through “through 2007” and inserting the following:

“(a) PURCHASE OF COMMODITIES.—

“(1) IN GENERAL.—Subject to paragraph (2), for fiscal year 2008 and each fiscal year thereafter”; and

(2) by adding at the end the following:

“(2) AMOUNTS.—In addition to the amounts made available under paragraph (1), from amounts made available to carry out this Act, the Secretary shall use to carry out this subsection—

“(A) for fiscal year 2008, \$110,000,000; and

“(B) for fiscal year 2009 and each fiscal year thereafter, an amount that is equal to the amount made available for the previous fiscal year adjusted to the nearest lower dollar increment to reflect changes for the 12-month period ending the preceding June 30 in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) take effect on the date of enactment of this Act.

PART III—IMPROVING PROGRAM OPERATIONS**SEC. 4201. TECHNICAL CLARIFICATION REGARDING ELIGIBILITY.**

Section 6(k) of the Food and Nutrition Act of 2007 (7 U.S.C. 2015(k)) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and indenting appropriately;

(2) by striking “No member” and inserting the following:

“(1) IN GENERAL.—No member”; and

(3) by adding at the end the following:

“(2) PROCEDURES.—The Secretary shall issue consistent procedures—

“(A) to define the terms ‘fleeing’ and ‘actively seeking’ for purposes of this subsection; and

“(B) to ensure that State agencies use consistent procedures that disqualify individuals whom law enforcement authorities are actively seeking for the purpose of holding criminal proceedings against the individual.”.

SEC. 4202. ISSUANCE AND USE OF PROGRAM BENEFITS.

(a) IN GENERAL.—Section 7 of the Food and Nutrition Act of 2007 (7 U.S.C. 2016) is amended—

(1) by striking the section designation and heading and all that follows through “subsection (j)) shall be” and inserting the following:

“SEC. 7. ISSUANCE AND USE OF PROGRAM BENEFITS.

“(a) IN GENERAL.—Except as provided in subsection (i), EBT cards shall be”;

(2) in subsection (b)—

(A) by striking “(b) Coupons” and inserting the following:

“(b) USE.—Benefits”; and

(B) by striking the second proviso;

(3) in subsection (c)—

(A) by striking “(c) Coupons” and inserting the following:

“(c) DESIGN.—

“(1) IN GENERAL.—EBT cards”;

(B) in the first sentence, by striking “and define their denomination”; and

(C) by striking the second sentence and inserting the following:

“(2) PROHIBITION.—The name of any public official shall not appear on any EBT card.”;

(4) by striking subsection (d);

(5) in subsection (e)—

(A) by striking “coupons” each place it appears and inserting “benefits”; and

(B) by striking “coupon issuers” each place it appears and inserting “benefit issuers”;

(6) in subsection (f)—

(A) by striking “coupons” each place it appears and inserting “benefits”;

(B) by striking “coupon issuer” and inserting “benefit issuers”;

(C) by striking “section 11(e)(20)” and inserting “section 11(e)(19).”; and

(D) by striking “and allotments”;

(7) by striking subsection (g) and inserting the following:

“(g) ALTERNATIVE BENEFIT DELIVERY.—

“(1) IN GENERAL.—If the Secretary determines, in consultation with the Inspector General of the Department of Agriculture, that it would improve the integrity of the food and nutrition program, the Secretary shall require a State agency to issue or deliver benefits using alternative methods.

“(2) NO IMPOSITION OF COSTS.—The cost of documents or systems that may be required by this subsection may not be imposed upon a retail food store participating in the food and nutrition program.

“(3) DEVALUATION AND TERMINATION OF ISSUANCE OF PAPER COUPONS.—

“(A) COUPON ISSUANCE.—Effective on the date of enactment of the Food and Energy Security Act of 2007, no State shall issue any coupon, stamp, certificate, or authorization card to a household that receives food and nutrition benefits under this Act.

“(B) EBT CARDS.—Effective beginning on the date that is 1 year after the date of enactment of the Food and Energy Security Act of 2007, only an EBT card issued under subsection (i) shall be eligible for exchange at any retail food store.

“(C) DE-OBLIGATION OF COUPONS.—Coupons not redeemed during the 1-year period beginning on the date of enactment of the Food and Energy Security Act of 2007 shall—

“(i) no longer be an obligation of the Federal Government; and

“(ii) not be redeemable.”;

(8) in subsection (h)(1), by striking “coupons” and inserting “benefits”;

(9) in subsection (j)—

(A) in paragraph (2)(A)(ii), by striking “printing, shipping, and redeeming coupons” and inserting “issuing and redeeming benefits”; and

(B) in paragraph (5), by striking “coupon” and inserting “benefit”;

(10) in subsection (k)—

(A) by striking “coupons in the form of” each place it appears and inserting “program benefits in the form of”;

(B) by striking “a coupon issued in the form of” each place it appears and inserting “program benefits in the form of”; and

(C) in subparagraph (A), by striking “subsection (i)(11)(A)” and inserting “subsection (h)(11)(A)”; and

(11) by redesignating subsections (e) through (k) as subsections (d) through (j), respectively.

(b) CONFORMING AMENDMENTS.—

(1) Section 3 of the Food and Nutrition Act of 2007 (7 U.S.C. 2012) is amended—

(A) in subsection (a), by striking “coupons” and inserting “benefits”;

(B) by striking subsection (b) and inserting the following:

“(b) BENEFIT.—The term ‘benefit’ means

the value of food and nutrition assistance provided to a household by means of—

“(1) an electronic benefit transfer under section 7(i); or

“(2) other means of providing assistance, as determined by the Secretary.”;

(C) in subsection (c), in the first sentence, by striking “authorization cards” and inserting “benefits”;

(D) in subsection (d), by striking “or access device” and all that follows through the end of the subsection and inserting a period;

(E) in subsection (e)—

(i) by striking “(e) ‘Coupon issuer’ means” and inserting the following:

“(e) BENEFIT ISSUER.—The term ‘benefit issuer’ means”; and

(ii) by striking “coupons” and inserting “benefits”;

(F) in subsection (g)(7), by striking “subsection (r)” and inserting “subsection (j)”;

(G) in subsection (i)(5)—

(i) in subparagraph (B), by striking “subsection (r)” and inserting “subsection (j)”;

and

(ii) in subparagraph (D), by striking “coupons” and inserting “benefits”;

(H) in subsection (j), by striking “(as that term is defined in subsection (p))”;

(I) in subsection (k)—

(i) in paragraph (1)(A), by striking “subsection (u)(1)” and inserting “subsection (r)(1)”;

(ii) in paragraph (2), by striking “subsections (g)(3), (4), (5), (7), (8), and (9) of this section” and inserting “paragraphs (3), (4), (5), (7), (8), and (9) of subsection (k)”;

(iii) in paragraph (3), by striking “subsection (g)(6) of this section” and inserting “subsection (k)(6)”;

(J) in subsection (t), by inserting “, including point of sale devices,” after “other means of access”;

(K) in subsection (u), by striking “(as defined in subsection (g))”; and

(L) by adding at the end the following:

“(v) **EBT CARD.**—The term ‘EBT card’ means an electronic benefit transfer card issued under section 7(i).”;

(M) by redesignating subsections (a) through (v) as subsections (b), (d), (f), (g), (e), (h), (k), (l), (n), (o), (p), (q), (s), (t), (u), (v), (c), (j), (m), (a), (r), and (i), respectively, and moving so as to appear in alphabetical order.

(2) Section 4(a) of the Food and Nutrition Act of 2007 (7 U.S.C. 2013(a)) is amended—

(A) by striking “coupons” each place it appears and inserting “benefits”;

(B) by striking “Coupons issued” and inserting “benefits issued”.

(3) Section 5 of the Food and Nutrition Act of 2007 (7 U.S.C. 2014) is amended—

(A) in subsection (a), by striking “section 3(i)(4)” and inserting “section 3(n)(4)”;

(B) in subsection (h)(3)(B), in the second sentence, by striking “section 7(i)” and inserting “section 7(h)”;

(C) in subsection (i)(2)(E), by striking “, as defined in section 3(i) of this Act.”;

(4) Section 6 of the Food and Nutrition Act of 2007 (7 U.S.C. 2015) is amended—

(A) in subsection (b)(1)—

(i) in subparagraph (B), by striking “coupons or authorization cards” and inserting “program benefits”;

(ii) by striking “coupons” each place it appears and inserting “benefits”;

(B) in subsection (d)(4)(L), by striking “section 11(e)(22)” and inserting “section 11(e)(19)”.

(5) Section 7(f) of the Food and Nutrition Act of 2007 (7 U.S.C. 2016(f)) is amended by striking “including any losses” and all that follows through “section 11(e)(20).”.

(6) Section 8 of the Food and Nutrition Act of 2007 (7 U.S.C. 2017) is amended—

(A) in subsection (b), by striking “, whether through coupons, access devices, or otherwise”; and

(B) in subsections (e)(1) and (f), by striking “section 3(i)(5)” each place it appears and inserting “section 3(n)(5)”.

(7) Section 9 of the Food and Nutrition Act of 2007 (7 U.S.C. 2018) is amended—

(A) by striking “coupons” each place it appears and inserting “benefits”;

(B) in subsection (a)—

(i) in paragraph (1), by striking “coupon business” and inserting “benefit transactions”;

(ii) by striking paragraph (3) and inserting the following:

“(3) **AUTHORIZATION PERIODS.**—The Secretary shall establish specific time periods during which authorization to accept and redeem benefits shall be valid under the food and nutrition program.”;

(C) in subsection (g), by striking “section 3(g)(9)” and inserting “section 3(k)(9)”.

(8) Section 10 of the Food and Nutrition Act of 2007 (7 U.S.C. 2019) is amended—

(A) by striking the section designation and heading and all that follows through “Regulations” and inserting the following:

“SEC. 10. REDEMPTION OF PROGRAM BENEFITS.

“Regulations”;

(B) by striking “section 3(k)(4) of this Act” and inserting “section 3(p)(4)”;

(C) by striking “section 7(i)” and inserting “section 7(h)”;

(D) by striking “coupons” each place it appears and inserting “benefits”.

(9) Section 11 of the Food and Nutrition Act of 2007 (7 U.S.C. 2020) is amended—

(A) in subsection (d)—

(i) by striking “section 3(n)(1) of this Act” each place it appears and inserting “section 3(t)(1)”;

(ii) by striking “section 3(n)(2) of this Act” each place it appears and inserting “section 3(t)(2)”;

(B) in subsection (e)—

(i) in paragraph (8)(E), by striking “paragraph (16) or (20)(B)” and inserting “paragraph (15) or (18)(B)”;

(ii) by striking paragraphs (15) and (19);

(iii) by redesignating paragraphs (16) through (18) and (20) through (25) as paragraphs (15) through (17) and (18) through (23), respectively; and

(iv) in paragraph (17) (as so redesignated), by striking “(described in section 3(n)(1) of this Act)” and inserting “described in section 3(t)(1)”;

(C) in subsection (h), by striking “coupon or coupons” and inserting “benefits”;

(D) by striking “coupon” each place it appears and inserting “benefit”;

(E) by striking “coupons” each place it appears and inserting “benefits”;

(F) in subsection (q), by striking “section 11(e)(20)(B)” and inserting “subsection (e)(18)(B)”.

(10) Section 13 of the Food and Nutrition Act of 2007 (7 U.S.C. 2022) is amended by striking “coupons” each place it appears and inserting “benefits”.

(11) Section 15 of the Food and Nutrition Act of 2007 (7 U.S.C. 2024) is amended—

(A) in subsection (a), by striking “coupons” and inserting “benefits”;

(B) in subsection (b)(1)—

(i) by striking “coupons, authorization cards, or access devices” each place it appears and inserting “benefits”;

(ii) by striking “coupons or authorization cards” and inserting “benefits”;

(iii) by striking “access device” each place it appears and inserting “benefit”;

(C) in subsection (c), by striking “coupons” each place it appears and inserting “benefits”;

(D) in subsection (d), by striking “Coupons” and inserting “Benefits”;

(E) by striking subsections (e) and (f);

(F) by redesignating subsections (g) and (h) as subsections (e) and (f), respectively; and

(G) in subsection (e) (as so redesignated), by striking “coupon, authorization cards or access devices” and inserting “benefits”.

(12) Section 16(a) of the Food and Nutrition Act of 2007 (7 U.S.C. 2025(a)) is amended by striking “coupons” each place it appears and inserting “benefits”.

(13) Section 17 of the Food and Nutrition Act of 2007 (7 U.S.C. 2026) is amended—

(A) in subsection (a)(2), by striking “coupon” and inserting “benefit”;

(B) in subsection (b)(1)—

(i) in subparagraph (B)—

(I) in clause (iv)—

(aa) in subclause (I), inserting “or otherwise providing benefits in a form not restricted to the purchase of food” after “of cash”;

(bb) in subclause (III)(aa), by striking “section 3(i)” and inserting “section 3(n)”;

(cc) in subclause (VII), by striking “section 7(j)” and inserting “section 7(i)”;

(II) in clause (v)—

(aa) by striking “countersigned food coupons or similar”;

(bb) by striking “food coupons” and inserting “EBT cards”;

(ii) in subparagraph (C)(i)(I), by striking “coupons” and inserting “EBT cards”;

(C) in subsection (f), by striking “section 7(g)(2)” and inserting “section 7(f)(2)”;

(D) in subsection (j), by striking “coupon” and inserting “benefit”.

(14) Section 19(a)(2)(A)(ii) of the Food and Nutrition Act of 2007 (7 U.S.C. 2028(a)(2)(A)(ii)) is amended by striking “section 3(o)(4)” and inserting “section 3(u)(4)”.

(15) Section 21 of the Food and Nutrition Act of 2007 (7 U.S.C. 2030) is amended—

(A) in subsection (b)(2)(G)(i), by striking “and (19)” and inserting “(and (17))”;

(B) in subsection (d)(3), by striking “food coupons” and inserting “EBT cards”;

(C) by striking “coupons” each place it appears and inserting “EBT cards”.

(16) Section 22 of the Food and Nutrition Act of 2007 (7 U.S.C. 2031) is amended—

(A) by striking “food coupons” each place it appears and inserting “benefits”;

(B) by striking “coupons” each place it appears and inserting “benefits”;

(C) in subsection (g)(1)(A), by striking “coupon” and inserting “benefits”.

(17) Section 26(f)(3) of the Food and Nutrition Act of 2007 (7 U.S.C. 2035(f)(3)) is amended—

(A) in subparagraph (A), by striking “subsections (a) through (g)” and inserting “subsections (a) through (f)”;

(B) in subparagraph (E), by striking “(16), (18), (20), (24), and (25)” and inserting “(15), (17), (18), (22), and (23)”.

(C) CONFORMING CROSS-REFERENCES.

(1) **IN GENERAL.**—

(A) **USE OF TERMS.**—Each provision of law described in subparagraph (B) is amended (as applicable)—

(i) by striking “coupons” each place it appears and inserting “benefits”;

(ii) by striking “coupon” each place it appears and inserting “benefit”;

(iii) by striking “food coupons” each place it appears and inserting “benefits”;

(iv) in each section heading, by striking “**FOOD COUPONS**” each place it appears and inserting “**BENEFITS**”;

(v) by striking “food stamp coupon” each place it appears and inserting “benefit”;

(vi) by striking “food stamps” each place it appears and inserting “benefits”.

(B) **PROVISIONS OF LAW.**—The provisions of law referred to in subparagraph (A) are the following:

(i) Section 2 of Public Law 103–205 (7 U.S.C. 2012 note; 107 Stat. 2418).

(ii) Section 1956(c)(7)(D) of title 18, United States Code.

(iii) Titles II through XIX of the Social Security Act (42 U.S.C. 401 et seq.).

(iv) Section 401(b)(3) of the Social Security Amendments of 1972 (42 U.S.C. 1382e note; Public Law 92–603).

(v) The Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

(vi) Section 802(d)(2)(A)(i)(II) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8011(d)(2)(A)(i)(II)).

(2) DEFINITION REFERENCES.

(A) Section 2 of Public Law 103–205 (7 U.S.C. 2012 note; 107 Stat. 2418) is amended by striking “section 3(k)(1)” and inserting “section 3(p)(1)”.

(B) Section 205 of the Food Stamp Program Improvements Act of 1994 (7 U.S.C. 2012 note; Public Law 103–225) is amended by striking

"section 3(k) of such Act (as amended by section 201)" and inserting "section 3(p) of that Act".

(C) Section 115 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (21 U.S.C. 862a) is amended—

(i) by striking "section 3(h)" each place it appears and inserting "section 3(l)"; and

(ii) in subsection (e)(2), by striking "section 3(m)" and inserting "section 3(s)".

(D) Section 402(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)) is amended—

(i) in paragraph (2)(F)(ii), by striking "section 3(r)" and inserting "section 3(j)"; and

(ii) in paragraph (3)(B), by striking "section 3(h)" and inserting "section 3(l)".

(E) Section 3803(c)(2)(C)(vii) of title 31, United States Code, is amended by striking "section 3(h)" and inserting "section 3(l)".

(F) Section 303(d)(4) of the Social Security Act (42 U.S.C. 503(d)(4)) is amended by striking "section 3(n)(1)" and inserting "section 3(t)(1)".

(G) Section 404 of the Social Security Act (42 U.S.C. 604) is amended by striking "section 3(h)" each place it appears and inserting "section 3(l)".

(H) Section 531 of the Social Security Act (42 U.S.C. 654) is amended by striking "section 3(h)" each place it appears and inserting "section 3(l)".

(I) Section 802(d)(2)(A)(i)(II) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8011(d)(2)(A)(i)(II)) is amended by striking "(as defined in section 3(e) of such Act)".

(d) REFERENCES.—Any reference in any Federal, State, tribal, or local law (including regulations) to a "coupon", "authorization card", or other access device provided under the Food and Nutrition Act of 2007 (7 U.S.C. 2011 et seq.) shall be considered to be a reference to a "benefit" provided under that Act.

SEC. 4203. CLARIFICATION OF SPLIT ISSUANCE.

Section 7(h) of the Food and Nutrition Act of 2007 (7 U.S.C. 2016(h)) is amended by striking paragraph (2) and inserting the following:

"(2) REQUIREMENTS.—

"(A) IN GENERAL.—Any procedure established under paragraph (1) shall—

"(i) not reduce the allotment of any household for any period; and

"(ii) ensure that no household experiences an interval between issuances of more than 40 days.

"(B) MULTIPLE ISSUANCES.—The procedure may include issuing benefits to a household in more than 1 issuance only when a benefit correction is necessary."

SEC. 4204. STATE OPTION FOR TELEPHONIC SIGNATURE.

Section 11(e)(2)(C) of the Food and Nutrition Act of 2007 (7 U.S.C. 2020(e)(2)(C)) is amended—

(1) by striking "Nothing in this Act" and inserting the following:

"(C) ELECTRONIC AND AUTOMATED SYSTEMS.—

"(i) IN GENERAL.—Nothing in this Act"; and

(2) by adding at the end the following:

"(ii) STATE OPTION FOR TELEPHONIC SIGNATURE.—A State agency may establish a system by which an applicant household may sign an application through a recorded verbal assent over the telephone.

"(iii) REQUIREMENTS.—A system established under clause (ii) shall—

"(I) record for future reference the verbal assent of the household member and the information to which assent was given;

"(II) include effective safeguards against impersonation, identity theft, and invasions of privacy;

"(III) not deny or interfere with the right of the household to apply in writing;

"(IV) promptly provide to the household member a written copy of the completed application, with instructions for a simple procedure for correcting any errors or omissions;

"(V) comply with paragraph (1)(B);

"(VI) satisfy all requirements for a signature on an application under this Act and other laws applicable to the food and nutrition program, with the date on which the household member provides verbal assent considered as the date of application for all purposes; and

"(VII) comply with such other standards as the Secretary may establish."

SEC. 4205. PRIVACY PROTECTIONS.

Section 11(e)(8) of the Food and Nutrition Act of 2007 (7 U.S.C. 2020(e)(8)) is amended—

(1) in the matter preceding subparagraph (A)—

(A) by striking "limit" and inserting "prohibit"; and

(B) by striking "to persons" and all that follows through "State programs";

(2) by redesignating subparagraphs (A) through (E) as subparagraphs (B) through (F), respectively;

(3) by inserting before subparagraph (B) (as so redesignated) the following:

"(A) the safeguards shall permit—

"(i) the disclosure of such information to persons directly connected with the administration or enforcement of the provisions of this Act, regulations issued pursuant to this Act, Federal assistance programs, or federally-assisted State programs; and

"(ii) the subsequent use of the information by persons described in clause (i) only for such administration or enforcement;"; and

(4) in subparagraph (F) (as so redesignated) by inserting "or subsection (u)" before the semicolon at the end.

SEC. 4206. STUDY ON COMPARABLE ACCESS TO FOOD AND NUTRITION ASSISTANCE FOR PUERTO RICO.

(a) IN GENERAL.—The Secretary shall carry out a study of the feasibility and effects of including the Commonwealth of Puerto Rico in the definition of the term "State" under section 3 of the Food and Nutrition Act of 2007 (7 U.S.C. 2012), in lieu of providing block grants under section 19 of that Act (7 U.S.C. 2028).

(b) INCLUSIONS.—The study shall include—

(1) an assessment of the administrative, financial management, and other changes that would be necessary for the Commonwealth to establish a comparable food and nutrition program, including compliance with appropriate program rules under the Food and Nutrition Act of 2007 (7 U.S.C. 2011 et seq.), such as—

(A) benefit levels under section 3(o) of that Act (7 U.S.C. 3012(o));

(B) income eligibility standards under sections 5(c) and 6 of that Act (7 U.S.C. 2014(c), 2015); and

(C) deduction levels under section 5(e) of that Act (7 U.S.C. 2014(e));

(2) an estimate of the impact on Federal and Commonwealth benefit and administrative costs;

(3) an assessment of the impact of the program on low-income Puerto Ricans, as compared to the program under section 19 of that Act (7 U.S.C. 2028);

(4) such other matters as the Secretary considers to be appropriate.

(c) REPORT.—Not later than 1 year 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 report that describes the results of the study conducted under this section.

(d) FUNDING.—

(1) IN GENERAL.—On October 1, 2008, 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 \$1,000,000, to remain available until expended.

(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.

SEC. 4207. CIVIL RIGHTS COMPLIANCE.

Section 11 of the Food and Nutrition Act of 2007 (7 U.S.C. 2020) is amended by striking subsection (c) and inserting the following:

"(c) CIVIL RIGHTS COMPLIANCE.—

"(1) IN GENERAL.—In the certification of applicant households for the food and nutrition program, there shall be no discrimination by reason of race, sex, religious creed, national origin, or political affiliation.

"(2) RELATION TO OTHER LAWS.—The administration of the program by a State agency shall be consistent with the rights of households under the following laws (including implementing regulations):

"(A) The Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.).

"(B) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

"(C) The Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.).

"(D) Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.)."

SEC. 4208. EMPLOYMENT, TRAINING, AND JOB RETENTION.

Section 6(d)(4) of the Food and Nutrition Act of 2007 (7 U.S.C. 2015(d)(4)) is amended—

(1) in subparagraph (B)—

(A) by redesignating clause (vii) as clause (viii); and

(B) by inserting after clause (vi) the following:

"(vii) Programs intended to ensure job retention by providing job retention services, if the job retention services are provided for a period of not more than 90 days after an individual who received employment and training services under this paragraph gains employment;"; and

(2) in subparagraph (F), by adding at the end the following:

"(iii) Any individual voluntarily electing to participate in a program under this paragraph shall not be subject to the limitations described in clauses (i) and (ii)."

SEC. 4209. CODIFICATION OF ACCESS RULES.

Section 11(e)(1) of the Food and Nutrition Act of 2007 (7 U.S.C. 2020(e)(1)) is amended—

(1) by striking "shall (A) at" and inserting "shall—

"(A) at"; and

(2) by striking "and (B) use" and inserting "and

"(B) comply with regulations of the Secretary requiring the use of".

SEC. 4210. EXPANDING THE USE OF EBT CARDS AT FARMERS' MARKETS.

(a) IN GENERAL.—For each of fiscal years 2008 through 2010, the Secretary shall make grants to pay 100 percent of the costs of eligible entities approved by the Secretary to carry out projects to expand the number of farmers' markets that accept EBT cards by—

(1) providing equipment and training necessary for farmers' markets to accept EBT cards;

(2) educating and providing technical assistance to farmers and farmers' market operators about the process and benefits of accepting EBT cards; or

(3) other activities considered to be appropriate by the Secretary.

(b) LIMITATION.—A grant under this section—

(1) may not be made for the ongoing cost of carrying out any project; and

(2) shall only be provided to eligible entities that demonstrate a plan to continue to provide EBT card access at 1 or more farmers' markets following the receipt of the grant.

(c) **ELIGIBLE ENTITIES.**—To be eligible to receive a grant under this section, an entity shall be—

(1) a State agency administering the food and nutrition program established under the Food and Nutrition Act of 2007 (7 U.S.C. 2011 et seq.);

(2) a State agency or local government; or

(3) a private nonprofit entity that coordinates farmers' markets in a State in cooperation with a State or local government.

(d) **SELECTION OF ELIGIBLE ENTITIES.**—The Secretary—

(1) shall develop criteria to select eligible entities to receive grants under this section; and

(2) may give preference to any eligible entity that consists of a partnership between a government entity and a nongovernmental entity.

(e) **MANDATORY FUNDING.**—

(1) **IN GENERAL.**—On October 1, 2007, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this section \$5,000,000, to remain available until expended.

(2) **RECEIPT AND ACCEPTANCE.**—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.

SEC. 4211. REVIEW OF MAJOR CHANGES IN PROGRAM DESIGN.

Section 11 of the Food and Nutrition Act of 2007 (7 U.S.C. 2020) is amended by striking subsection (a) and inserting the following:

“(a) **STATE RESPONSIBILITY.**—

“(1) **IN GENERAL.**—The State agency of each participating State shall have responsibility for certifying applicant households and issuing EBT cards.

“(2) **LOCAL ADMINISTRATION.**—The responsibility of the agency of the State government shall not be affected by whether the program is operated on a State-administered or county-administered basis, as provided under section 3(t)(1).

“(3) **RECORDS.**—

“(A) **IN GENERAL.**—Each State agency shall keep such records as may be necessary to determine whether the program is being conducted in compliance with this Act (including regulations issued under this Act).

“(B) **INSPECTION AND AUDIT.**—Records described in subparagraph (A) shall—

“(i) be available for inspection and audit at any reasonable time;

“(ii) subject to subsection (e)(8), be available for review in any action filed by a household to enforce any provision of this Act (including regulations issued under this Act); and

“(iii) be preserved for such period of not less than 3 years as may be specified in regulations.

“(4) **REVIEW OF MAJOR CHANGES IN PROGRAM DESIGN.**—

“(A) **IN GENERAL.**—The Secretary shall develop standards for identifying major changes in the operations of a State agency, including—

“(i) large or substantially-increased numbers of low-income households that do not live in reasonable proximity to an office performing the major functions described in subsection (e);

“(ii) substantial increases in reliance on automated systems for the performance of responsibilities previously performed by personnel described in subsection (e)(6)(B);

“(iii) changes that potentially increase the difficulty of reporting information under subsection (e) or section 6(c); and

“(iv) changes that may disproportionately increase the burdens on any of the types of households described in subsection (e)(2)(A).

“(B) **NOTIFICATION.**—If a State agency implements a major change in operations, the State agency shall—

“(i) notify the Secretary; and

“(ii) collect such information as the Secretary shall require to identify and correct any adverse effects on program integrity or access, including access by any of the types of households described in subsection (e)(2)(A).”.

SEC. 4212. PRESERVATION OF ACCESS AND PAYMENT ACCURACY.

Section 16 of the Food and Nutrition Act of 2007 (7 U.S.C. 2025) is amended by striking subsection (g) and inserting the following:

“(g) **COST SHARING FOR COMPUTERIZATION.**—

“(1) **IN GENERAL.**—Except as provided in paragraphs (2) and (3), the Secretary is authorized to pay to each State agency the amount provided under subsection (a)(6) for the costs incurred by the State agency in the planning, design, development, or installation of 1 or more automatic data processing and information retrieval systems that the Secretary determines—

“(A) would assist in meeting the requirements of this Act;

“(B) meet such conditions as the Secretary prescribes;

“(C) are likely to provide more efficient and effective administration of the food and nutrition program;

“(D) would be compatible with other systems used in the administration of State programs, including the program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

“(E) would be tested adequately before and after implementation, including through pilot projects in limited areas for major systems changes as determined under rules promulgated by the Secretary, data from which shall be thoroughly evaluated before the Secretary approves the system to be implemented more broadly; and

“(F) would be operated in accordance with an adequate plan for—

“(i) continuous updating to reflect changed policy and circumstances; and

“(ii) testing the effect of the system on access for eligible households and on payment accuracy.

“(2) **LIMITATION.**—The Secretary shall not make payments to a State agency under paragraph (1) to the extent that the State agency—

“(A) is reimbursed for the costs under any other Federal program; or

“(B) uses the systems for purposes not connected with the food and nutrition program.”.

SEC. 4213. NUTRITION EDUCATION.

(a) **AUTHORITY TO PROVIDE NUTRITION EDUCATION.**—Section 4(a) of the Food and Nutrition Act of 2007 (7 U.S.C. 2013(a)) is amended in the first sentence by inserting “and through an approved State plan, nutrition education” after “an allotment”.

(b) **IMPLEMENTATION.**—Section 11 of the Food and Nutrition Act of 2007 (7 U.S.C. 2020(f)) is amended by striking subsection (f) and inserting the following:

“(f) **NUTRITION EDUCATION.**—

“(1) **IN GENERAL.**—State agencies may implement a nutrition education program for individuals eligible for program benefits that promotes healthy food choices consistent with the most recent Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341).

“(2) **DELIVERY OF NUTRITION EDUCATION.**—State agencies may deliver nutrition education directly to eligible persons or through agreements with the Cooperative State Research, Education, and Extension Service, including through the expanded food and nutrition education under section 3(d) of the Act of May 8, 1914 (7 U.S.C. 343(d)), and other State and community health and nutrition providers and organizations.

“(3) **NUTRITION EDUCATION STATE PLANS.**—

“(A) **IN GENERAL.**—A State agency that elects to provide nutrition education under this subsection shall submit a nutrition education State plan to the Secretary for approval.

“(B) **REQUIREMENTS.**—The plan shall—

“(i) identify the uses of the funding for local projects; and

“(ii) conform to standards established by the Secretary through regulations or guidance.

“(C) **REIMBURSEMENT.**—State costs for providing nutrition education under this subsection shall be reimbursed pursuant to section 16(a).

“(4) **NOTIFICATION.**—To the maximum extent practicable, State agencies shall notify applicants, participants, and eligible program participants of the availability of nutrition education under this subsection.”.

PART IV—IMPROVING PROGRAM INTEGRITY

SEC. 4301. MAJOR SYSTEMS FAILURES.

(a) **IN GENERAL.**—Section 13(b) of the Food and Nutrition Act of 2007 (7 U.S.C. 2022(b)) is amended by adding at the end the following:

“(5) **OVER ISSUANCES CAUSED BY SYSTEMIC STATE ERRORS.**—

“(A) **IN GENERAL.**—If the Secretary determines that a State agency over issued benefits to a substantial number of households in a fiscal year as a result of a major systemic error by the State agency, as determined by the Secretary, the Secretary may prohibit the State agency from collecting these over issuances from some or all households.

“(B) **PROCEDURES.**—

“(i) **INFORMATION REPORTING BY STATES.**—Every State agency shall provide to the Secretary all information requested by the Secretary concerning the issuance of benefits to households by the State agency in the applicable fiscal year.

“(ii) **FINAL DETERMINATION.**—After reviewing relevant information provided by a State agency, the Secretary shall make a final determination—

“(I) whether the State agency over issued benefits to a substantial number of households as a result of a systemic error in the applicable fiscal year; and

“(II) as to the amount of the over issuance in the applicable fiscal year for which the State agency is liable.

“(iii) **ESTABLISHING A CLAIM.**—Upon determining under clause (ii) that a State agency has over issued benefits to households due to a major systemic error determined under subparagraph (A), the Secretary shall establish a claim against the State agency equal to the value of the over issuance caused by the systemic error.

“(iv) **ADMINISTRATIVE AND JUDICIAL REVIEW.**—Administrative and judicial review, as provided in section 14, shall apply to the final determinations by the Secretary under clause (ii).

“(v) **REMISSION TO THE SECRETARY.**—

“(I) **DETERMINATION NOT APPEALED.**—If the determination of the Secretary under clause (ii) is not appealed, the State agency shall, as soon as practicable, remit to the Secretary the dollar amount specified in the claim under clause (iii).

“(II) **DETERMINATION APPEALED.**—If the determination of the Secretary under clause

(ii) is appealed, upon completion of administrative and judicial review under clause (iv), and a finding of liability on the part of the State, the appealing State agency shall, as soon as practicable, remit to the Secretary a dollar amount subject to the finding of the administrative and judicial review.

“(vi) ALTERNATIVE METHOD OF COLLECTION.—

“(I) IN GENERAL.—If a State agency fails to make a payment under clause (v) within a reasonable period of time, as determined by the Secretary, the Secretary may reduce any amount due to the State agency under any other provision of this Act by the amount due.

“(II) ACCRUAL OF INTEREST.—During the period of time determined by the Secretary to be reasonable under subclause (I), interest in the amount owed shall not accrue.

“(vii) LIMITATION.—Any liability amount established under section 16(c)(1)(C) shall be reduced by the amount of the claim established under this subparagraph.”.

(b) CONFORMING AMENDMENT.—Section 14(a)(6) of the Food and Nutrition Act of 2007 (7 U.S.C. 2023(a)(6)) is amended by striking “pursuant to section” and inserting “pursuant to section 13(b)(5) and”.

SEC. 4302. PERFORMANCE STANDARDS FOR BIOMETRIC IDENTIFICATION TECHNOLOGY.

Section 16 of the Food and Nutrition Act of 2007 (7 U.S.C. 2025) is amended by adding at the end the following:

“(1) PERFORMANCE STANDARDS FOR BIOMETRIC IDENTIFICATION TECHNOLOGY.—

“(1) DEFINITION OF BIOMETRIC IDENTIFICATION TECHNOLOGY.—In this subsection, the term ‘biometric identification technology’ means a technology that provides an automated method to identify an individual based on physical characteristics, such as fingerprints or retinal scans.

“(2) ADMINISTRATIVE FUNDS.—The Secretary may not pay a State agency any amount for administrative costs for the development, purchase, administration, or other costs associated with the use of biometric identification technology unless the State agency has, under such terms and conditions as the Secretary considers appropriate—

“(A) provided to the Secretary an analysis of the cost-effectiveness of the use of the proposed biometric identification technology to detect fraud in carrying out the food and nutrition program;

“(B) demonstrated to the Secretary that the analysis is—

“(i) statistically valid; and

“(ii) based on appropriate and valid assumptions for the households served by the food and nutrition program;

“(C) demonstrated to the Secretary that—

“(i) the proposed biometric identification technology is cost-effective in reducing fraud; and

“(ii) there are no other technologies or fraud-detection methods that are at least as cost-effective in carrying out the purposes of the proposed biometric identification system; and

“(D) demonstrated to the Secretary that no information produced by or used in the biometric information technology system will be made available or used for any purpose other than a purpose allowed under section 11(e)(8).

“(3) STANDARDS.—The Secretary shall establish uniform standards for the evaluation of cost-effectiveness analyses submitted to the Secretary under paragraph (2).”.

SEC. 4303. CIVIL PENALTIES AND DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.

Section 12 of the Food and Nutrition Act of 2007 (7 U.S.C. 2021) is amended—

(1) by striking the section designation and heading and all that follows through the end of subsection (a) and inserting the following:

“SEC. 12. CIVIL PENALTIES AND DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.

“(a) DISQUALIFICATION.—

“(1) IN GENERAL.—An approved retail food store or wholesale food concern that violates a provision of this Act or a regulation under this Act may be—

“(A) disqualified for a specified period of time from further participation in the food and nutrition program; or

“(B) assessed a civil penalty of up to \$100,000 for each violation.

“(2) REGULATIONS.—Regulations promulgated under this Act shall provide criteria for the finding of a violation of, the suspension or disqualification of, and the assessment of a civil penalty against, a retail food store or wholesale food concern on the basis of evidence that may include facts established through on-site investigations, inconsistent redemption data, or evidence obtained through a transaction report under an electronic benefit transfer system.”;

(2) in subsection (b)—

(A) by striking “(b) Disqualification” and inserting the following:

“(b) PERIOD OF DISQUALIFICATION.—Subject to subsection (c), a disqualification”;

(B) in paragraph (1), by striking “of no less than six months nor more than five years” and inserting “not to exceed 5 years”;

(C) in paragraph (2), by striking “of no less than twelve months nor more than ten years” and inserting “not to exceed 10 years”;

(D) in paragraph (3)(B)—

(i) by inserting “or a finding of the unauthorized redemption, use, transfer, acquisition, alteration, or possession of EBT cards” after “concern” the first place it appears; and

(ii) by striking “civil money penalties” and inserting “civil penalties”; and

(E) by striking “civil money penalty” each place it appears and inserting “civil penalty”;

(3) in subsection (c)—

(A) by striking “(c) The action” and inserting the following:

“(c) CIVIL PENALTY AND REVIEW OF DISQUALIFICATION AND PENALTY DETERMINATIONS.—

“(1) CIVIL PENALTY.—In addition to a disqualification under this section, the Secretary may assess a civil penalty in an amount not to exceed \$100,000 for each violation.

“(2) REVIEW.—The action”; and

(B) in paragraph (2) (as designated by subparagraph (A)), by striking “civil money penalty” and inserting “civil penalty”;

(4) in subsection (d)—

(A) by striking “(d)” and all that follows through “. The Secretary shall” and inserting the following:

“(d) CONDITIONS OF AUTHORIZATION.—

“(1) IN GENERAL.—As a condition of authorization to accept and redeem benefits, the Secretary may require a retail food store or wholesale food concern that, pursuant to subsection (a), has been disqualified for more than 180 days, or has been subjected to a civil penalty in lieu of a disqualification period of more than 180 days, to furnish a collateral bond or irrevocable letter of credit for a period of not more than 5 years to cover the value of benefits that the store or concern may in the future accept and redeem in violation of this Act.

“(2) COLLATERAL.—The Secretary also may require a retail food store or wholesale food concern that has been sanctioned for a violation and incurs a subsequent sanction regardless of the length of the disqualification

period to submit a collateral bond or irrevocable letter of credit.

“(3) BOND REQUIREMENTS.—The Secretary shall”;

(B) by striking “If the Secretary finds” and inserting the following:

“(4) FORFEITURE.—If the Secretary finds”; and

(C) by striking “Such store or concern” and inserting the following:

“(5) HEARING.—A store or concern described in paragraph (4)”;

(5) in subsection (e), by striking “civil money penalty” each place it appears and inserting “civil penalty”; and

(6) by adding at the end the following:

“(h) FLAGRANT VIOLATIONS.—

“(1) IN GENERAL.—The Secretary, in consultation with the Inspector General of the Department of Agriculture, shall establish procedures under which the processing of program benefit redemptions for a retail food store or wholesale food concern may be immediately suspended pending administrative action to disqualify the retail food store or wholesale food concern.

“(2) REQUIREMENTS.—Under the procedures described in paragraph (1), if the Secretary, in consultation with the Inspector General, determines that a retail food store or wholesale food concern is engaged in flagrant violations of this Act (including regulations promulgated under this Act), unsettled program benefits that have been redeemed by the retail food store or wholesale food concern—

“(A) may be suspended; and

“(B)(i) if the program disqualification is upheld, may be subject to forfeiture pursuant to subsection (g); or

“(ii) if the program disqualification is not upheld, shall be released to the retail food store or wholesale food concern.

“(3) NO LIABILITY FOR INTEREST.—The Secretary shall not be liable for the value of any interest on funds suspended under this subsection.”.

SEC. 4304. FUNDING OF EMPLOYMENT AND TRAINING PROGRAMS.

(a) IN GENERAL.—Section 16(h)(1)(A) of the Food and Nutrition Act of 2007 (7 U.S.C. 2025(h)(1)(A)) is amended in subparagraph (A), by striking “to remain available until expended” and inserting “to remain available for 2 fiscal years”.

(b) RESCISSION OF FUNDS.—Notwithstanding any other provision of law, funds provided under section 16(h)(1)(A) of the Food and Nutrition Act of 2007 (7 U.S.C. 2025(h)(1)(A)) for any fiscal year before the fiscal year beginning October 1, 2007, shall be rescinded on the date of enactment of this Act, unless obligated by a State agency before that date.

SEC. 4305. ELIGIBILITY DISQUALIFICATION.

Section 6 of the Food and Nutrition Assistance Act of 2007 (7 U.S.C. 2015) is amended by adding at the end the following:

“(p) DISQUALIFICATION FOR OBTAINING CASH BY DESTROYING FOOD AND COLLECTING DEPOSITS.—Any person who has been found by a State or Federal court or administrative agency or in a hearing under subsection (b) to have intentionally obtained cash by purchasing products with food and nutrition benefits that have containers that require return deposits, discarding the product, and returning the container for the deposit amount shall be ineligible for benefits under this Act for such period of time as the Secretary shall prescribe by regulation.

“(q) DISQUALIFICATION FOR SALE OF FOOD PURCHASED WITH FOOD AND NUTRITION BENEFITS.—Subject to any requirements established by the Secretary, any person who has been found by a State or Federal court or administrative agency or in a hearing under

subsection (b) to have intentionally sold any food that was purchased using food and nutrition benefits shall be ineligible for benefits under this Act for such period of time as the Secretary shall prescribe by regulation.”.

PART V—MISCELLANEOUS

SEC. 4401. DEFINITION OF STAPLE FOODS.

Subsection (r) of section 3 of the Food and Nutrition Act of 2007 (7 U.S.C. 2012) (as redesignated by section 4202(b)(1)(M)) is amended—

(1) by striking “(r)(1) Except” and inserting the following:

“(r) STAPLE FOODS.—

“(1) IN GENERAL.—Except”; and

(2) by striking paragraph (2) and inserting the following:

“(2) EXCEPTIONS.—The term ‘staple foods’ does not include accessory food items, such as coffee, tea, cocoa, carbonate and uncarbonated drinks, candy, condiments, and spices, or dietary supplements.

“(3) DEPTH OF STOCK.—The Secretary may issue regulations to define depth of stock to ensure that stocks of staple foods are available on a continuous basis.”.

SEC. 4402. ACCESSORY FOOD ITEMS.

Section 9(a) of the Food and Nutrition Act of 2007 (7 U.S.C. 2018(a)) is amended by adding at the end the following:

“(4) ACCESSORY FOOD ITEMS.—

“(A) IN GENERAL.—Not later than 1 year after the date of enactment of this paragraph, the Secretary shall promulgate proposed regulations providing that a dietary supplement shall not be considered an accessory food item unless the dietary supplement—

“(i) contains folic acid or calcium in accordance with sections 101.72 and 101.79 of title 21, Code of Federal Regulations (as in effect on the date of enactment of this paragraph); and

“(ii) is a multivitamin-mineral supplement that—

“(I) provides at least ⅔ of the essential vitamins and minerals at 100 percent of the daily value levels, as determined by the Food and Drug Administration; and

“(II) does not exceed the daily upper limit for those nutrients for which an established daily upper limit has been determined by the Institute of Medicine of the National Academy of Sciences.

“(B) FINAL REGULATIONS.—Not later than 2 years after the date of enactment of this paragraph, the Secretary shall promulgate final regulations in accordance with subparagraph (A).

“(C) PURCHASE OF DIETARY SUPPLEMENTS.—No dietary supplements may be purchased using benefits under this Act until the earlier of—

“(i) the date on which the Secretary promulgates final regulations under subparagraph (B); or

“(ii) the date on which the Secretary certifies a voluntary system of labeling for the ready and accurate identification of eligible dietary supplements, as developed by the Secretary in consultation with the dietary supplement industry and dietary supplement retailers.”.

SEC. 4403. PILOT PROJECTS TO EVALUATE HEALTH AND NUTRITION PROMOTION IN THE FOOD AND NUTRITION PROGRAM.

Section 17 of the Food and Nutrition Act of 2007 (7 U.S.C. 2026) is amended by adding at the end the following:

“(k) PILOT PROJECTS TO EVALUATE HEALTH AND NUTRITION PROMOTION IN THE FOOD AND NUTRITION PROGRAM.—

“(1) IN GENERAL.—The Secretary shall carry out, under such terms and conditions as the Secretary considers to be appropriate, pilot projects to develop and test methods—

“(A) of using the food and nutrition program to improve the dietary and health status of households participating in the food and nutrition program; and

“(B) to reduce overweight, obesity, and associated co-morbidities in the United States.

“(2) PROJECTS.—Pilot projects carried out under paragraph (1) may include projects to determine whether healthier food purchases by and healthier diets among households participating in the food and nutrition program result from projects that—

“(A) increase the food and nutrition assistance purchasing power of the participating households by providing increased food and nutrition assistance benefit allotments to the participating households;

“(B) increase access to farmers markets by participating households through the electronic redemption of food and nutrition assistance at the farmers markets;

“(C) provide incentives to authorized food and nutrition program vendors to increase the availability of healthy foods to participating households;

“(D) subject authorized food and nutrition program vendors to stricter vendor requirements with respect to carrying and stocking healthy foods;

“(E) provide incentives at the point of purchase to encourage participating households to purchase fruits, vegetables, or other healthy foods; or

“(F) provide to participating households integrated communication and education programs, including the provision of funding for a portion of a school based nutrition coordinator to implement a broad nutrition action plan and parent nutrition education programs in elementary schools, separately or in combination with pilot projects carried out under subparagraphs (A) through (E).

“(3) DURATION.—A pilot project carried out under this subsection shall have a term of not more than 5 years.

“(4) EVALUATIONS AND REPORTS.—

“(A) EVALUATIONS.—

“(i) INDEPENDENT EVALUATION.—

“(I) IN GENERAL.—The Secretary shall provide for an independent evaluation of each pilot project under this subsection that measures the impact of the pilot program on health and nutrition as described in paragraph (1).

“(II) REQUIREMENT.—The independent evaluation under subclause (I) shall use rigorous methodologies, particularly random assignment or other methods that are capable of producing scientifically-valid information regarding which activities are effective.

“(ii) COSTS.—The Secretary may use funds provided to carry out this section to pay costs associated with monitoring and evaluating each pilot project.

“(B) REPORTS.—Not later than 90 days after the last day of fiscal year 2008 and each fiscal year thereafter until the completion of the last evaluation under subparagraph (A), 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 includes a description of—

“(i) the status of each pilot project;

“(ii) the results of the evaluation completed during the previous fiscal year; and

“(iii) to the maximum extent practicable—

“(I) the impact of the pilot project on appropriate health, nutrition, and associated behavioral outcomes among households participating in the pilot project;

“(II) baseline information relevant to the stated goals and desired outcomes of the pilot project; and

“(III) equivalent information about similar or identical measures among control or comparison groups that did not participate in the pilot project.

“(5) FUNDING.—

“(A) IN GENERAL.—Out of any funds made available under section 18, the Secretary shall use \$50,000,000 to carry out this section, to remain available until expended.

“(B) USE OF FUNDS.—Of funds made available under subparagraph (A), the Secretary shall use not more than \$25,000,000 to carry out a pilot project described in paragraph (2)(E).”.

SEC. 4404. BILL EMERSON NATIONAL HUNGER FELLOWS AND MICKEY LELAND INTERNATIONAL HUNGER FELLOWS.

(a) IN GENERAL.—The Food and Nutrition Act of 2007 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

“SEC. 28. BILL EMERSON NATIONAL HUNGER FELLOWS AND MICKEY LELAND INTERNATIONAL HUNGER FELLOWS.

“(a) SHORT TITLE.—This section may be cited as the ‘Bill Emerson National Hunger Fellows and Mickey Leland International Hunger Fellows Program Act of 2007’.

“(b) FINDINGS.—Congress finds that—

“(1) there is a critical need for compassionate individuals who are committed to assisting people who suffer from hunger to initiate and administer solutions to the hunger problem;

“(2) Bill Emerson, the distinguished late Representative from the 8th District of Missouri, demonstrated—

“(A) his commitment to solving the problem of hunger in a bipartisan manner;

“(B) his commitment to public service; and

“(C) his great affection for the institution and ideals of the United States Congress;

“(3) George T. (Mickey) Leland, the distinguished late Representative from the 18th District of Texas, demonstrated—

“(A) his compassion for those in need;

“(B) his high regard for public service; and

“(C) his lively exercise of political talents;

“(4) the special concern that Mr. Emerson and Mr. Leland demonstrated during their lives for the hungry and poor was an inspiration for others to work toward the goals of equality and justice for all;

“(5) these 2 outstanding leaders maintained a special bond of friendship regardless of political affiliation and worked together to encourage future leaders to recognize and provide service to others; and

“(6) it is especially appropriate to honor the memory of Mr. Emerson and Mr. Leland by creating a fellowship program to develop and train the future leaders of the United States to pursue careers in humanitarian service.

“(c) DEFINITIONS.—In this subsection:

“(1) DIRECTOR.—The term ‘Director’ means the head of the Congressional Hunger Center.

“(2) FELLOW.—The term ‘fellow’ means—

“(A) a Bill Emerson Hunger Fellow; or

“(B) Mickey Leland Hunger Fellow

“(3) FELLOWSHIP PROGRAMS.—The term ‘Fellowship Programs’ means the Bill Emerson National Hunger Fellowship Program and the Mickey Leland International Hunger Fellowship Program established under subsection (d)(1).

“(d) FELLOWSHIP PROGRAMS.—

“(1) IN GENERAL.—There is established the Bill Emerson National Hunger Fellowship Program and the Mickey Leland International Hunger Fellowship Program.

“(2) PURPOSES.—

“(A) IN GENERAL.—The purposes of the Fellowship Programs are—

“(i) to encourage future leaders of the United States—

“(I) to pursue careers in humanitarian and public service;

“(II) to recognize the needs of low-income people and hungry people;

“(III) to provide assistance to people in need; and

“(IV) to seek public policy solutions to the challenges of hunger and poverty;

“(ii) to provide training and development opportunities for such leaders through placement in programs operated by appropriate organizations or entities; and

“(iii) to increase awareness of the importance of public service.

“(B) **BILL EMERSON HUNGER FELLOWSHIP PROGRAM.**—The purpose of the Bill Emerson Hunger Fellowship Program is to address hunger and poverty in the United States.

“(C) **MICKEY LELAND HUNGER FELLOWSHIP PROGRAM.**—The purpose of the Mickey Leland Hunger Fellowship Program is to address international hunger and other humanitarian needs.

“(3) **ADMINISTRATION.**—

“(A) **IN GENERAL.**—Subject to subparagraph (B), the Secretary shall offer to enter into a contract with the Congressional Hunger Center to administer the Fellowship Programs.

“(B) **TERMS OF CONTRACT.**—The terms of the contract entered into under subparagraph (A), including the length of the contract and provisions for the alteration or termination of the contract, shall be determined by the Secretary in accordance with this section.

“(e) **FELLOWSHIPS.**—

“(1) **IN GENERAL.**—The Director shall make available Bill Emerson Hunger Fellowships and Mickey Leland Hunger Fellowships in accordance with this subsection.

“(2) **CURRICULUM.**—

“(A) **IN GENERAL.**—The Fellowship Programs shall provide experience and training to develop the skills necessary to train fellows to carry out the purposes described in subsection (d)(2), including—

“(i) training in direct service programs for the hungry and other anti-hunger programs in conjunction with community-based organizations through a program of field placement; and

“(ii) providing experience in policy development through placement in a governmental entity or nongovernmental, nonprofit, or private sector organization.

“(B) **WORK PLAN.**—To carry out subparagraph (A) and assist in the evaluation of the fellowships under paragraph (6), the Director shall, for each fellow, approve a work plan that identifies the target objectives for the fellow in the fellowship, including specific duties and responsibilities relating to those objectives.

“(3) **PERIOD OF FELLOWSHIP.**—

“(A) **BILL EMERSON HUNGER FELLOW.**—A Bill Emerson Hunger Fellowship awarded under this section shall be for not more than 15 months.

“(B) **MICKEY LELAND HUNGER FELLOW.**—A Mickey Leland Hunger Fellowship awarded under this section shall be for not more than 2 years.

“(4) **SELECTION OF FELLOWS.**—

“(A) **IN GENERAL.**—Fellowships shall be awarded pursuant to a nationwide competition established by the Director.

“(B) **QUALIFICATIONS.**—A successful program applicant shall be an individual who has demonstrated—

“(i) an intent to pursue a career in humanitarian services and outstanding potential for such a career;

“(ii) leadership potential or actual leadership experience;

“(iii) diverse life experience;

“(iv) proficient writing and speaking skills;

“(v) an ability to live in poor or diverse communities; and

“(vi) such other attributes as are considered to be appropriate by the Director.

“(5) **AMOUNT OF AWARD.**—

“(A) **IN GENERAL.**—A fellow shall receive—

“(i) a living allowance during the term of the Fellowship; and

“(ii) subject to subparagraph (B), an end-of-service award.

“(B) **REQUIREMENT FOR SUCCESSFUL COMPLETION OF FELLOWSHIP.**—Each fellow shall be entitled to receive an end-of-service award at an appropriate rate for each month of satisfactory service completed, as determined by the Director.

“(C) **TERMS OF FELLOWSHIP.**—A fellow shall not be considered an employee of—

“(i) the Department of Agriculture;

“(ii) the Congressional Hunger Center; or

“(iii) a host agency in the field or policy placement of the fellow.

“(D) **RECOGNITION OF FELLOWSHIP AWARD.**—

“(i) **EMERSON FELLOW.**—An individual awarded a fellowship from the Bill Emerson Hunger Fellowship shall be known as an ‘Emerson Fellow’.

“(ii) **LELAND FELLOW.**—An individual awarded a fellowship from the Mickey Leland Hunger Fellowship shall be known as a ‘Leland Fellow’.

“(6) **EVALUATIONS AND AUDITS.**—Under terms stipulated in the contract entered into under subsection (d)(3), the Director shall—

“(A) conduct periodic evaluations of the Fellowship Programs; and

“(B) arrange for annual independent financial audits of expenditures under the Fellowship Programs.

“(f) **AUTHORITY.**—

“(1) **IN GENERAL.**—Subject to paragraph (2), in carrying out this section, the Director may solicit, accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of facilitating the work of the Fellowship Programs.

“(2) **LIMITATION.**—Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be used exclusively for the purposes of the Fellowship Programs.

“(g) **REPORT.**—The Director shall annually submit to the Secretary of Agriculture, 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 activities and expenditures of the Fellowship Programs during the preceding fiscal year, including expenditures made from funds made available under subsection (h); and

“(2) includes the results of evaluations and audits required by subsection (f).

“(h) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Secretary such sums as are necessary to carry out this section, to remain available until expended.”.

(b) **REPEAL.**—Section 4404 of the Farm Security and Rural Investment Act of 2002 (2 U.S.C. 1161) is repealed.

SEC. 4405. HUNGER-FREE COMMUNITIES.

(a) **DEFINITIONS.**—In this section:

(1) **DOMESTIC HUNGER GOAL.**—The term “domestic hunger goal” means—

(A) the goal of reducing hunger in the United States to at or below 2 percent by 2010; or

(B) the goal of reducing food insecurity in the United States to at or below 6 percent by 2010.

(2) **EMERGENCY FEEDING ORGANIZATION.**—The term “emergency feeding organization” has the meaning given the term in section 201A of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7501).

(3) **FOOD SECURITY.**—The term “food security” means the state in which an individual has access to enough food for an active, healthy life.

(4) **HUNGER-FREE COMMUNITIES GOAL.**—The term “hunger-free communities goal” means any of the 14 goals described in the H. Con. Res. 302 (102nd Congress).

(b) **HUNGER REPORTS.**—

(1) **STUDY.**—

(A) **TIMELINE.**—

(i) **IN GENERAL.**—Not later than 1 year after the date of enactment of this Act, the Secretary shall conduct a study of major matters relating to the problem of hunger in the United States, as determined by the Secretary.

(ii) **UPDATE.**—Not later than 5 years after the date on which the study under clause (i) is conducted, the Secretary shall update the study.

(B) **MATTERS TO BE ASSESSED.**—The matters to be assessed by the Secretary in the study and update under this paragraph shall include—

(i) data on hunger and food insecurity in the United States;

(ii) measures carried out during the previous year by Federal, State, and local governments to achieve domestic hunger goals and hunger-free communities goals; and

(iii) measures that could be carried out by Federal, State, and local governments to achieve domestic hunger goals and hunger-free communities goals.

(2) **RECOMMENDATIONS.**—The Secretary shall develop recommendations on—

(A) removing obstacles to achieving domestic hunger goals and hunger-free communities goals; and

(B) otherwise reducing domestic hunger.

(3) **REPORT.**—The Secretary shall submit to the President and Congress—

(A) not later than 1 year after the date of enactment of this Act, a report that contains—

(i) a detailed statement of the results of the study, or the most recent update to the study, conducted under paragraph (1)(A); and

(ii) the most recent recommendations of the Secretary under paragraph (2); and

(B) not later than 5 years after the date of submission of the report under subparagraph (A), an update of the report.

(c) **HUNGER-FREE COMMUNITIES COLLABORATIVE GRANTS.**—

(1) **DEFINITION OF ELIGIBLE ENTITY.**—In this subsection, the term “eligible entity” means a public food program service provider or a nonprofit organization, including but not limited to an emergency feeding organization, that demonstrates the organization has collaborated, or will collaborate, with 1 or more local partner organizations to achieve at least 1 hunger-free communities goal.

(2) **PROGRAM AUTHORIZED.**—

(A) **IN GENERAL.**—The Secretary shall use not more than 55 percent of any funds made available under subsection (f) to make grants to eligible entities to pay the Federal share of the costs of an activity described in paragraph (4).

(B) **FEDERAL SHARE.**—The Federal share of the cost of carrying out an activity under this subsection shall not exceed 80 percent.

(C) **NON-FEDERAL SHARE.**—

(i) **CALCULATION.**—The non-Federal share of the cost of an activity under this subsection may be provided in cash or in kind, fairly evaluated, including facilities, equipment, or services.

(ii) **SOURCES.**—Any entity may provide the non-Federal share of the cost of an activity under this subsection through a State government, a local government, or a private source.

(3) **APPLICATION.**—

(A) **IN GENERAL.**—To receive a grant under this subsection, an eligible entity shall submit an application to the Secretary at the time and in the manner and accompanied by any information the Secretary may require.

(B) **CONTENTS.**—Each application submitted under subparagraph (A) shall—

(i) identify any activity described in paragraph (4) that the grant will be used to fund;

(ii) describe the means by which an activity identified under clause (i) will reduce hunger in the community of the eligible entity;

(iii) list any partner organizations of the eligible entity that will participate in an activity funded by the grant;

(iv) describe any agreement between a partner organization and the eligible entity necessary to carry out an activity funded by the grant; and

(v) if an assessment described in paragraph (4)(A) has been performed, include—

(I) a summary of that assessment; and

(II) information regarding the means by which the grant will help reduce hunger in the community of the eligible entity.

(C) PRIORITY.—In making grants under this subsection, the Secretary shall give priority to eligible entities that—

(i) demonstrate in the application of the eligible entity that the eligible entity makes collaborative efforts to reduce hunger in the community of the eligible entity; and

(ii) (I) serve communities in which the rates of food insecurity, hunger, poverty, or unemployment are demonstrably higher than national average rates;

(II) provide evidence of long-term efforts to reduce hunger in the community;

(III) provide evidence of public support for the efforts of the eligible entity; or

(IV) demonstrate in the application of the eligible entity a commitment to achieving more than 1 hunger-free communities goal.

(4) USE OF FUNDS.—

(A) ASSESSMENT OF HUNGER IN THE COMMUNITY.—

(i) IN GENERAL.—An eligible entity in a community that has not performed an assessment described in clause (ii) may use a grant received under this subsection to perform the assessment for the community.

(ii) ASSESSMENT.—The assessment referred to in clause (ii) shall include—

(I) an analysis of the problem of hunger in the community served by the eligible entity;

(II) an evaluation of any facility and any equipment used to achieve a hunger-free communities goal in the community;

(III) an analysis of the effectiveness and extent of service of existing nutrition programs and emergency feeding organizations; and

(IV) a plan to achieve any other hunger-free communities goal in the community.

(B) ACTIVITIES.—An eligible entity in a community that has submitted an assessment to the Secretary shall use a grant received under this subsection for any fiscal year for activities of the eligible entity, including—

(i) meeting the immediate needs of people in the community served by the eligible entity who experience hunger by—

(I) distributing food;

(II) providing community outreach; or

(III) improving access to food as part of a comprehensive service;

(ii) developing new resources and strategies to help reduce hunger in the community;

(iii) establishing a program to achieve a hunger-free communities goal in the community, including—

(I) a program to prevent, monitor, and treat children in the community experiencing hunger or poor nutrition; or

(II) a program to provide information to people in the community on hunger, domestic hunger goals, and hunger-free communities goals; and

(iv) establishing a program to provide food and nutrition services as part of a coordinated community-based comprehensive service.

(d) HUNGER-FREE COMMUNITIES INFRASTRUCTURE GRANTS.—

(1) DEFINITION OF ELIGIBLE ENTITY.—In this subsection, the term “eligible entity” means an emergency feeding organization (as defined in section 201A(4) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7501(4))).

(2) PROGRAM AUTHORIZED.—

(A) IN GENERAL.—The Secretary shall use not more than 45 percent of any funds made available under subsection (f) to make grants to eligible entities to pay the Federal share of the costs of an activity described in paragraph (4).

(B) FEDERAL SHARE.—The Federal share of the cost of carrying out an activity under this subsection shall not exceed 80 percent.

(3) APPLICATION.—

(A) IN GENERAL.—To receive a grant under this subsection, an eligible entity shall submit an application to the Secretary at the time and in the manner and accompanied by any information the Secretary may require.

(B) CONTENTS.—Each application submitted under subparagraph (A) shall—

(i) identify any activity described in paragraph (4) that the grant will be used to fund; and

(ii) describe the means by which an activity identified under clause (i) will reduce hunger in the community of the eligible entity.

(C) PRIORITY.—In making grants under this subsection, the Secretary shall give priority to eligible entities the applications of which demonstrate 2 or more of the following:

(i) The eligible entity serves a community in which the rates of food insecurity, hunger, poverty, or unemployment are demonstrably higher than national average rates.

(ii) The eligible entity serves a community that has carried out long-term efforts to reduce hunger in the community.

(iii) The eligible entity serves a community that provides public support for the efforts of the eligible entity.

(iv) The eligible entity is committed to achieving more than 1 hunger-free communities goal.

(4) USE OF FUNDS.—An eligible entity shall use a grant received under this subsection for any fiscal year to carry out activities of the eligible entity, including—

(A) constructing, expanding, or repairing a facility or equipment to support hunger relief agencies in the community;

(B) assisting an emergency feeding organization in the community in obtaining locally-produced produce and protein products; and

(C) assisting an emergency feeding organization in the community to process and serve wild game.

(e) REPORT.—If funds are made available under subsection (f), not later than September 30, 2012, the Secretary shall submit to Congress a report describing—

(1) each grant made under this section, including—

(A) a description of any activity funded by such a grant; and

(B) the degree of success of each activity funded by such a grant in achieving hunger-free communities goals; and

(2) the degree of success of all activities funded by grants under this section in achieving domestic hunger goals.

(f) 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. 4406. STATE PERFORMANCE ON ENROLLING CHILDREN RECEIVING PROGRAM BENEFITS FOR FREE SCHOOL MEALS.

(a) IN GENERAL.—Not later than June 30 of each year, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agri-

culture, Nutrition, and Forestry of the Senate a report that assesses the effectiveness of each State in enrolling school-aged children in households receiving program benefits under the Food and Nutrition Act of 2007 (7 U.S.C. 2011 et seq.) (referred to in this section as “program benefits”) for free school meals using direct certification.

(b) SPECIFIC MEASURES.—The assessment of the Secretary of the performance of each State shall include—

(1) an estimate of the number of school-aged children, by State, who were members of a household receiving program benefits at any time in July, August, or September of the prior year;

(2) an estimate of the number of school-aged children, by State, who were directly certified as eligible for free lunches under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.), based on receipt of program benefits, as of October 1 of the prior year; and

(3) an estimate of the number of school-aged children, by State, who were members of a household receiving program benefits at any time in July, August, or September of the prior year who were not candidates for direct certification because on October 1 of the prior year the children attended a school operating under the special assistance provisions of section 11(a)(1) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1759a) that is not operating in a base year.

(c) PERFORMANCE INNOVATIONS.—The report of the Secretary shall describe best practices from States with the best performance or the most improved performance from the previous year.

Subtitle B—Food Distribution Program on Indian Reservations

SEC. 4501. ASSESSING THE NUTRITIONAL VALUE OF THE FDBIP FOOD PACKAGE.

(a) IN GENERAL.—Section 4 of the Food and Nutrition Act of 2007 (7 U.S.C. 2013) is amended by striking subsection (b) and inserting the following:

“(b) FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS.—

“(1) IN GENERAL.—Distribution of commodities, with or without the food and nutrition program, shall be made whenever a request for concurrent or separate food program operations, respectively, is made by a tribal organization.

“(2) ADMINISTRATION.—

“(A) IN GENERAL.—Subject to subparagraphs (B) and (C), in the event of distribution on all or part of an Indian reservation, the appropriate agency of the State government in the area involved shall be responsible for the distribution.

“(B) ADMINISTRATION BY TRIBAL ORGANIZATION.—If the Secretary determines that a tribal organization is capable of effectively and efficiently administering a distribution described in paragraph (1), then the tribal organization shall administer the distribution.

“(C) PROHIBITION.—The Secretary shall not approve any plan for a distribution described in paragraph (1) that permits any household on any Indian reservation to participate simultaneously in the food and nutrition program and the distribution of federally donated foods.

“(3) DISQUALIFIED PARTICIPANTS.—An individual who is disqualified from participation in the food distribution program on Indian reservations under this subsection is not eligible to participate in the food and nutrition program under this Act.

“(4) ADMINISTRATIVE COSTS.—The Secretary is authorized to pay such amounts for administrative costs and distribution costs on Indian reservations as the Secretary finds necessary for effective administration of such distribution by a State agency or tribal organization.

“(5) BISON MEAT.—Subject to the availability of appropriations, the Secretary may purchase bison meat for recipients of food distributed under this subsection, including bison meat from—

“(A) Native American bison producers; and

“(B) producer-owned cooperatives of bison ranchers.

“(6) TRADITIONAL FOOD FUND.—

“(A) IN GENERAL.—Subject to the availability of appropriations, the Secretary shall establish a fund for use in purchasing traditional foods for recipients of food distributed under this subsection.

“(B) SURVEY.—In carrying out this paragraph, the Secretary shall—

“(i) survey participants of the food distribution program on Indian reservations established under this subsection to determine which traditional foods are most desired by those participants; and

“(ii) purchase or offer to purchase those traditional foods that may be procured cost-effectively.

“(C) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this paragraph \$5,000,000 for each of fiscal years 2008 through 2012.”

(b) FDIPIR FOOD PACKAGE.—Not later than 180 days after the date of enactment of this Act, the Secretary of Agriculture 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—

(1) how the Secretary derives the process for determining the food package under the food distribution program on Indian reservations established under section 4(b) of the Food and Nutrition Act of 2007 (7 U.S.C. 2013(b)) (referred to in this subsection as the “food package”);

(2) the extent to which the food package—

(A) addresses the nutritional needs of low-income Americans compared to the food and nutrition program, particularly for very low-income households;

(B) conforms (or fails to conform) to the 2005 Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341);

(C) addresses (or fails to address) the nutritional and health challenges that are specific to Native Americans; and

(D) is limited by distribution costs or challenges of infrastructure;

(3) any plans of the Secretary to revise and update the food package to conform with the most recent Dietary Guidelines for Americans, including any costs associated with the planned changes; and

(4) if the Secretary does not plan changes to the food package, the rationale of the Secretary for retaining the food package.

Subtitle C—Administration of Emergency Food Assistance Program and Commodity Supplemental Food Program

SEC. 4601. EMERGENCY FOOD ASSISTANCE.

(a) STATE PLAN.—Section 202A of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7503) is amended by striking subsection (a) and inserting the following:

“(a) PLANS.—To receive commodities under this Act, every 3 years, a State shall submit to the Secretary an operation and administration plan for the provision of assistance under this Act.”

(b) DONATED WILD GAME.—Section 204(a)(1) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)(1)) is amended in the first sentence by inserting “and donated wild game” before the period at the end.

SEC. 4602. COMMODITY SUPPLEMENTAL FOOD PROGRAM.

Section 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note;

Public Law 93-86) is amended by striking subsection (g) and inserting the following:

“(g) PROHIBITION.—Notwithstanding any other provision of law (including regulations), the Secretary may not require a State or local agency to prioritize assistance to a particular group of individuals that are—

“(1) low-income persons aged 60 and older; or

“(2) women, infants, and children.”

Subtitle D—Senior Farmers' Market Nutrition Program

SEC. 4701. EXCLUSION OF BENEFITS IN DETERMINING ELIGIBILITY FOR OTHER PROGRAMS.

(a) IN GENERAL.—Section 4402 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3007) is amended—

(1) in subsection (a), by striking “each of fiscal years 2003 through 2007” and inserting “fiscal year 2008 and each fiscal year thereafter”;

(2) by redesignating subsections (b) and (c) as subsections (c) and (e), respectively;

(3) by inserting after subsection (a) the following:

“(b) ADDITIONAL FUNDS.—In addition to the amounts made available under subsection (a), for fiscal year 2008 and each fiscal year thereafter, of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall use \$50,000,000 to expand the program established under this section.”; and

(4) by inserting after subsection (c) (as redesignated by paragraph (2)) the following:

“(d) EXCLUSION OF BENEFITS IN DETERMINING ELIGIBILITY FOR OTHER PROGRAMS.—The value of any benefit provided under the program under this section shall not be taken into consideration in determining the eligibility of an individual for any other Federal or State assistance program.”

(b) EFFECTIVE DATE.—The amendments made by subsection (a) take effect on the date of enactment of this Act.

SEC. 4702. PROHIBITION ON COLLECTION OF SALES TAX.

Section 4402 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3007) is amended by inserting after subsection (d) (as added by section 4701(a)(4)) the following:

“(e) PROHIBITION ON COLLECTION OF SALES TAX.—A State that collects any sales tax on the purchase of food using a benefit provided under the program under this section shall not be eligible to participate in the program.”

SEC. 4703. WIC FARMERS' MARKET NUTRITION PROGRAM.

Section 17(m)(9)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(m)(9)(A)) is amended—

(1) in clause (i), by striking “each of fiscal years 2004 through 2009” and inserting “each fiscal year”; and

(2) by striking clause (ii) and inserting the following:

“(ii) MANDATORY FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this subsection, \$40,000,000 for each fiscal year.”

Subtitle E—Reauthorization of Federal Food Assistance Programs

SEC. 4801. FOOD AND NUTRITION PROGRAM.

(a) GRANTS FOR SIMPLE APPLICATION AND ELIGIBILITY DETERMINATION SYSTEMS AND IMPROVED ACCESS TO BENEFITS.—Section 11(t)(1) of the Food and Nutrition Act of 2007 (7 U.S.C. 2020(t)(1)) is amended by striking “For each of fiscal years 2003 through 2007” and inserting “For fiscal year 2008 and each fiscal year thereafter”.

(b) FUNDING OF EMPLOYMENT AND TRAINING PROGRAMS.—Section 16(h)(1) of the Food and

Nutrition Act of 2007 (7 U.S.C. 2025(h)(1)) is amended—

(1) in subparagraph (A)(vii), by striking “for each of fiscal years 2002 through 2007” and inserting “for fiscal year 2008 and each fiscal year thereafter”; and

(2) in subparagraph (E)(i), by striking “for each of fiscal years 2002 through 2007” and inserting “for fiscal year 2008 and each fiscal year thereafter”.

(c) REDUCTIONS IN PAYMENTS FOR ADMINISTRATIVE COSTS.—Section 16(k)(3) of the Food and Nutrition Act of 2007 (7 U.S.C. 2025(k)(3)) is amended—

(1) in the first sentence of subparagraph (A), by striking “for each of fiscal years 1999 through 2007” and inserting “for fiscal year 2008 and each fiscal year thereafter”; and

(2) in subparagraph (B)(ii), by striking “through fiscal year 2007”.

(d) CASH PAYMENT PILOT PROJECTS.—Section 17(b)(1)(B)(vi) of the Food and Nutrition Act of 2007 (7 U.S.C. 2026(b)(1)(B)(vi)) is amended by striking “through October 1, 2007”.

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 18(a)(1) of the Food and Nutrition Act of 2007 (7 U.S.C. 2027(a)(1)) is amended in the first sentence by striking “for each of the fiscal years 2003 through 2007” and inserting “for fiscal year 2008 and each fiscal year thereafter”.

(f) CONSOLIDATED BLOCK GRANTS FOR PUERTO RICO AND AMERICAN SAMOA.—Section 19(a)(2)(A)(ii) of the Food and Nutrition Act of 2007 (7 U.S.C. 2028(a)(2)(A)(ii)) by striking “for each of fiscal years 2004 through 2007” and inserting “for fiscal year 2008 and each fiscal year thereafter”.

(g) ASSISTANCE FOR COMMUNITY FOOD PROJECTS.—Section 25 of the Food and Nutrition Act of 2007 (7 U.S.C. 2034) is amended—

(1) in subsection (b)(2), by striking subparagraph (B) and inserting the following:

“(B) \$10,000,000 for each of fiscal years 2008 through 2012.”; and

(2) in subsection (h)(4), by striking “2007” and inserting “2012”.

SEC. 4802. COMMODITY DISTRIBUTION.

(a) EMERGENCY FOOD ASSISTANCE.—Section 204(a)(1) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)(1)) is amended in the first sentence by striking “\$60,000,000 for each of the fiscal years 2003 through 2007” and inserting “\$100,000,000 for fiscal year 2008 and each fiscal year thereafter”.

(b) COMMODITY DISTRIBUTION PROGRAM.—Section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93-86) is amended in the first sentence by striking “years 1991 through 2007” and inserting “year 2008 and each fiscal year thereafter”.

(c) COMMODITY SUPPLEMENTAL FOOD PROGRAM.—Section 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93-86) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking “each of fiscal years 2003 through 2007” and inserting “fiscal year 2008 and each fiscal year thereafter”; and

(B) in paragraph (2)(B), by striking “(B) FISCAL YEARS 2004 THROUGH 2007.” and all that follows through “2007” and inserting the following:

“(B) SUBSEQUENT FISCAL YEARS.—For fiscal year 2004 and each subsequent fiscal year”; and

(2) in subsection (d)(2), by striking “each of the fiscal years 1991 through 2007” and inserting “fiscal year 2008 and each fiscal year thereafter”.

(d) DISTRIBUTION OF SURPLUS COMMODITIES TO SPECIAL NUTRITION PROJECTS.—Section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended in

the first sentence by striking “2007” and inserting “2012”.

SEC. 4803. NUTRITION INFORMATION AND AWARENESS PILOT PROGRAM.

Section 4403(f) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3171 note; Public Law 107-171) is amended by striking “2007” and inserting “2012”.

Subtitle F—Food Employment Empowerment and Development Program

SEC. 4851. SHORT TITLE.

This subtitle may be cited as the “Food Employment Empowerment and Development Program Act of 2007” or the “FEED Act of 2007”.

SEC. 4852. DEFINITIONS.

In this subtitle:

(1) **ELIGIBLE ENTITY.**—The term “eligible entity” means an entity that meets the requirements of section 4013(b).

(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)).

SEC. 4853. FOOD EMPLOYMENT EMPOWERMENT AND DEVELOPMENT PROGRAM.

(a) **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.

(b) **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:

(1) Recovery of donated food from area restaurants, caterers, hotels, cafeterias, farms, or other food service businesses.

(2) Distribution of meals or recovered food to—

(A) nonprofit organizations described in section 501(c)(3) of the Internal Revenue Code of 1986;

(B) entities that feed vulnerable subpopulations; and

(C) other agencies considered appropriate by the Secretary.

(3) Training of unemployed and underemployed adults for careers in the food service industry.

(4) Carrying out of a welfare-to-work job training program in combination with—

(A) 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

(B) 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))).

(c) **USE OF FUNDS.**—An eligible entity may use a grant awarded under this section for—

(1) capital investments related to the operation of the eligible entity;

(2) support services for clients, including staff, of the eligible entity and individuals enrolled in job training programs;

(3) purchase of equipment and supplies related to the operation of the eligible entity or that improve or directly affect service delivery;

(4) building and kitchen renovations that improve or directly affect service delivery;

(5) educational material and services;

(6) administrative costs, in accordance with guidelines established by the Secretary; and

(7) additional activities determined appropriate by the Secretary.

(d) **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:

(1) Carrying out food recovery programs that are integrated with—

(A) 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);

(B) school education programs; or

(C) programs of service-learning (as defined in section 101 of the National and Community Service Act of 1990 (42 U.S.C. 12511)).

(2) Providing job skills training, life skills training, and case management support to vulnerable subpopulations.

(3) Integrating recovery and distribution of food with a job training program.

(4) Maximizing the use of an established school, community, or private food service facility or resource in meal preparation and culinary skills training.

(5) Providing job skills training, life skills training, and case management support to vulnerable subpopulations.

(e) **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.

(f) **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.

(g) **TECHNICAL ASSISTANCE.**—

(1) **IN GENERAL.**—The Secretary shall provide technical assistance to eligible entities that receive grants under this section to assist the eligible entities in carrying out programs under this section using the grants.

(2) **FORM.**—Technical assistance for a program provided under this subsection includes—

(A) maintenance of a website, newsletters, email communications, and other tools to promote shared communications, expertise, and best practices;

(B) hosting of an annual meeting or other forums to provide education and outreach to all programs participants;

(C) collection of data for each program to ensure that the performance indicators and purposes of the program are met or exceeded;

(D) intervention (if necessary) to assist an eligible entity to carry out the program in a manner that meets or exceeds the performance indicators and purposes of the program;

(E) consultation and assistance to an eligible entity to assist the eligible entity in providing the best services practicable to the community served by the eligible entity, including consultation and assistance related to—

(i) strategic plans;

(ii) board development;

(iii) fund development;

(iv) mission development; and

(v) other activities considered appropriate by the Secretary;

(F) assistance considered appropriate by the Secretary regarding—

(i) the status of program participants;

(ii) the demographic characteristics of program participants that affect program services;

(iii) any new idea that could be integrated into the program; and

(iv) the review of grant proposals; and

(G) any other forms of technical assistance the Secretary considers appropriate.

(h) **RELATIONSHIP TO OTHER LAW.**—

(1) **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).

(2) **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.

(3) **INSPECTIONS.**—An eligible entity using a grant provided under this section shall be exempt from inspection under sections 303.1(d)(2)(iii) and 381.10(d)(2)(iii) of volume 9, Code of Federal Regulations (or a successor regulation), if the eligible entity—

(A) has a hazard analysis and critical control point (HACCP) plan;

(B) has a sanitation standard operating procedure (SSOP); and

(C) otherwise complies with the Federal Meat Inspection Act (21 U.S.C. 601 et seq.) and the Poultry Products Inspection Act (21 U.S.C. 451 et seq.).

(i) **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.

(j) **AUTHORIZATION OF APPROPRIATIONS.**—

(1) **IN GENERAL.**—There are authorized to be appropriated to carry out this section \$20,000,000 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 (g) 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.

Subtitle G—Miscellaneous

SEC. 4901. PURCHASES OF LOCALLY GROWN FRUITS AND VEGETABLES.

Section 9(j) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(j)) is amended to read as follows:

“(j) **PURCHASES OF LOCALLY GROWN FRUITS AND VEGETABLES.**—The Secretary shall—

“(1) encourage institutions receiving funds under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) to purchase locally grown fruits and vegetables, to the maximum extent practicable and appropriate;

“(2) advise institutions participating in a program described in paragraph (1) of the policy described in that paragraph and post information concerning the policy on the website maintained by the Secretary; and

“(3) allow institutions receiving funds under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), including the Department of Defense, to use a geographic preference for the procurement of locally grown fruits and vegetables.”.

SEC. 4902. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.

(a) PAYMENTS TO SERVICE INSTITUTIONS.—Section 13(b) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1761(b)) is amended—

(1) in paragraph (1)—

(A) by striking subparagraph (A);

(B) by redesignating subparagraphs (B) through (D) as subparagraphs (A) through (C), respectively;

(C) in subparagraph (A) (as redesignated by subparagraph (B)), by striking “(A)” and all that follows through “shall not exceed—” and inserting the following:

“(A) IN GENERAL.—Subject to subparagraph (B), in addition to amounts made available under paragraph (3), payments to service institutions shall be—”;

(D) in subparagraph (B) (as redesignated by subparagraph (B)), by striking “subparagraph (B)” and inserting “subparagraph (A)”;

(E) in subparagraph (C) (as redesignated by subparagraph (B)), by striking “(A), (B), and (C)” and inserting “(A) and (B)”;

(2) in the second sentence of paragraph (3), by striking “full amount of State approved” and all that follows through “maximum allowable”.

(b) CONFORMING AMENDMENTS.—Section 18 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769) is amended—

(1) by striking subsection (f); and

(2) by redesignating subsection (g) through (k) as subsections (f) through (j), respectively.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on January 1 of the first full calendar year following the date of enactment of this Act.

SEC. 4903. HEALTHY FOOD EDUCATION AND PROGRAM REPLICABILITY.

Section 18(i) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769(i)) is amended—

(1) in paragraph (1)(C), by inserting “promotes healthy food education in the school curriculum and” before “incorporates”;

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following:

“(2) ADMINISTRATION.—In providing grants under this subsection, the Secretary shall give priority to projects that can be replicated in schools.”.

SEC. 4904. FRESH FRUIT AND VEGETABLE PROGRAM.

(a) IN GENERAL.—The Richard B. Russell National School Lunch Act is amended by inserting after section 18 (42 U.S.C. 1769) the following:

“SEC. 19. FRESH FRUIT AND VEGETABLE PROGRAM.

“(a) IN GENERAL.—For the school year beginning July 2008 and each subsequent school year, the Secretary shall provide grants to States to carry out a program to make free fresh fruits and vegetables available in elementary schools (referred to in this section as the ‘program’).

“(b) PROGRAM.—A school participating in the program shall make free fresh fruits and vegetables available to students throughout the school day (or at such other times as are

considered appropriate by the Secretary) in 1 or more areas designated by the school.

“(c) FUNDING TO STATES.—

“(1) MINIMUM GRANT.—The Secretary shall provide to each of the 50 States and the District of Columbia an annual grant in an amount equal to 1 percent of the funds made available for a fiscal year to carry out the program.

“(2) ADDITIONAL FUNDING.—Of the funds remaining after grants are made under paragraph (1), the Secretary shall allocate additional funds to each State that is operating a school lunch program under section 4 based on the proportion that—

“(A) the population of the State; bears to

“(B) the population of the United States.

“(d) SELECTION OF SCHOOLS.—

“(1) IN GENERAL.—In selecting schools to participate in the program, each State shall—

“(A) ensure that each school chosen to participate in the program is a school—

“(i) except as provided in paragraph (2), in which not less than 50 percent of the students are eligible for free or reduced price meals under this Act; and

“(ii) that submits an application in accordance with subparagraph (C); and

“(B) to the maximum extent practicable, give the highest priority to schools with the highest proportion of children who are eligible for free or reduced price meals under this Act;

“(C) solicit applications from interested schools that include—

“(i) information pertaining to the percentage of students enrolled in the school submitting the application who are eligible for free or reduced price school lunches under this Act;

“(ii) 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

“(iii) such other information as may be requested by the Secretary;

“(D) give priority to schools that submit a plan for implementation of the program that includes a partnership with 1 or more entities that provide non-Federal resources (including entities representing the fruit and vegetable industry) for—

“(i) the acquisition, handling, promotion, or distribution of fresh and dried fruits and fresh vegetables; or

“(ii) other support that contributes to the purposes of the program;

“(E) give priority to schools that provide evidence of efforts to integrate activities carried out under this section with other efforts to promote sound health and nutrition, reduce overweight and obesity, or promote physical activity; and

“(F) ensure that each school selected is an elementary school.

“(2) EXCEPTION.—Clause (i) of paragraph (1)(A) shall not apply to a State if the State does not have a sufficient number of schools that meet the requirement of that clause.

“(3) CONSORTIA.—A consortia of schools may apply for funding under this section.

“(e) NOTICE OF AVAILABILITY.—To be eligible to participate in the program, a school shall widely publicize within the school the availability of free fresh fruits and vegetables under the program.

“(f) PER-STUDENT GRANT.—The per-student grant provided to a school under this section shall be—

“(1) determined by a State agency; and

“(2) not less than \$50, nor more than \$75, annually.

“(g) LIMITATION.—To the maximum extent practicable, each State agency shall ensure that in making available to students the fruits and vegetables provided under this sec-

tion, schools participating in the program offer the fruits and vegetables separately from meals otherwise provided at the school under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).

“(h) SCHOOLS ON INDIAN RESERVATIONS.—The Secretary shall ensure that not less than 100 of the schools chosen to participate in the program are schools operated on Indian reservations.

“(i) EVALUATION AND REPORTS.—

“(1) IN GENERAL.—The Secretary shall conduct an evaluation of the program, including a determination as to whether children experienced, as a result of participating in the program—

“(A) increased consumption of fruits and vegetables;

“(B) other dietary changes, such as decreased consumption of less nutritious foods; and

“(C) such other outcomes as are considered appropriate by the Secretary.

“(2) REPORT.—Not later than September 30, 2011, the Secretary 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 evaluation under paragraph (1).

“(j) FUNDING.—

“(1) IN GENERAL.—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—

“(A) on October 1, 2007, \$225,000,000; and

“(B) on October 1, 2008, and each October 1 thereafter, the amount made available for the preceding fiscal year, as adjusted to reflect changes for the 12-month period ending the preceding June 30 in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor, for items other than food.

“(2) EVALUATION FUNDING.—On October 1, 2007, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out the evaluation required under subsection (i), \$3,000,000, to remain available until expended.

“(3) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section any funds transferred for that purpose, without further appropriation.

“(4) AUTHORIZATION OF APPROPRIATIONS.—In addition to any other amounts made available to carry out this section, there are authorized to be appropriated such sums as are necessary to expand the program established under this section.

“(5) ADMINISTRATIVE COSTS.—Of funds made available to carry out this section for a fiscal year, the Secretary may use not more than \$500,000 for the administrative costs of carrying out the program.

“(6) REALLOCATION.—

“(A) AMONG STATES.—The Secretary may reallocate any amounts made available to carry out this section that are not obligated or expended by a date determined by the Secretary.

“(B) WITHIN STATES.—A State that receives a grant under this section may reallocate any amounts made available under the grant that are not obligated or expended by a date determined by the Secretary.”.

(b) CONFORMING AMENDMENTS.—Section 18 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769) is amended—

(1) by striking subsection (g); and

(2) by redesignating subsections (h) through (k) as subsections (g) through (j), respectively.

SEC. 4905. BUY AMERICAN REQUIREMENTS.

(a) FINDINGS.—Congress finds that—

(1) Federal law requires that commodities and products purchased with Federal funds be, to the maximum extent practicable, of domestic origin;

(2) Federal Buy American statutory requirements seek to ensure that purchases made with Federal funds benefit domestic producers; and

(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 school lunch program, including food products purchased with local funds.

(b) **BUY AMERICAN STATUTORY REQUIREMENTS.**—It is the sense of Congress that the Secretary should undertake training, guidance, and enforcement of the various Buy American statutory requirements and regulations in effect on the date of enactment of this Act, including requirements of—

(1) the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.); and

(2) the Department of Defense fresh fruit and vegetable distribution program.

SEC. 4906. MINIMUM PURCHASES OF FRUITS, VEGETABLES, AND NUTS THROUGH SECTION 32 TO SUPPORT DOMESTIC NUTRITION ASSISTANCE PROGRAMS.

(a) **MINIMUM FUNDING FOR PURCHASES OF FRUITS, VEGETABLES, AND NUTS.**—In lieu of the purchases of fruits, vegetables, and nuts required by section 10603 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 612c–4), the Secretary shall purchase fruits, vegetables, and nuts for the purpose of providing nutritious foods for use in domestic nutrition assistance programs, using, of the funds made available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), the following amounts:

(1) \$390,000,000 for fiscal year 2008.

(2) \$393,000,000 for fiscal year 2009.

(3) \$399,000,000 for fiscal year 2010.

(4) \$403,000,000 for fiscal year 2011.

(5) \$406,000,000 for fiscal year 2012 and each fiscal year thereafter.

(b) **FORM OF PURCHASES.**—Fruits, vegetables, and nuts may be purchased under this section in frozen, canned, dried, or fresh form.

(c) **VALUE-ADDED PRODUCTS.**—The Secretary may offer value-added products containing fruits, vegetables, or nuts under this section, taking into consideration—

(1) whether demand exists for the value-added product; and

(2) the interests of entities that receive fruits, vegetables, and nuts under this section.

SEC. 4907. CONFORMING AMENDMENTS TO RENAMING OF FOOD STAMP PROGRAM.

(a) **IN GENERAL.**—

(1) Section 4 of the Food and Nutrition Act of 2007 (7 U.S.C. 2013) is amended in the section heading by striking “FOOD STAMP PROGRAM” and inserting “FOOD AND NUTRITION PROGRAM”.

(2) Section 5(h)(2)(A) of the Food and Nutrition Act of 2007 (7 U.S.C. 2014(h)(2)(A)) is amended by striking “Food Stamp Disaster Task Force” and inserting “Food and Nutrition Disaster Task Force”.

(3) Section 6 of the Food and Nutrition Act of 2007 (7 U.S.C. 2015) is amended—

(A) in subsection (d)(3), by striking “eligible for food stamps” and inserting “eligible to receive food and nutrition assistance”;

(B) in subsection (g), by striking “food stamps” and inserting “food and nutrition assistance”;

(C) in subsection (j), in the subsection heading, by striking “FOOD STAMP” and inserting “FOOD AND NUTRITION”; and

(D) in subsection (o)—

(i) in paragraph (2), by striking “food stamp benefits” and inserting “food and nutrition assistance”; and

(ii) in paragraph (6)—

(I) in subparagraph (A)—

(aa) in clause (i), by striking “food stamps” and inserting “food and nutrition assistance”; and

(bb) in clause (ii)—

(AA) in the matter preceding subclause (I), by striking “a food stamp recipient” and inserting “a member of a household that receives food and nutrition assistance”; and

(BB) by striking “food stamp benefits” each place it appears and inserting “food and nutrition assistance”; and

(II) in subparagraphs (D) and (E), by striking “food stamp recipients” each place it appears and inserting “members of households that receive food and nutrition assistance”.

(4) Section 7 of the Food and Nutrition Act of 2007 (7 U.S.C. 2016) (as amended by section 4202(a)(11)) is amended—

(A) in subsection (h)—

(i) in paragraph (3)(B)(ii), by striking “food stamp households” and inserting “households receiving food and nutrition assistance”; and

(ii) in paragraph (7), by striking “food stamp issuance” and inserting “food and nutrition assistance issuance”; and

(B) in subsection (j)—

(i) in paragraph (2), by striking “food stamp benefits” and inserting “food and nutrition assistance benefits”; and

(ii) in paragraph (3), by striking “food stamp retail” and inserting “food and nutrition assistance retail”.

(5) Section 9(b)(1) of that Food and Nutrition Act of 2007 (7 U.S.C. 2018(b)(1)) is amended by striking “food stamp households” and inserting “households that receive food and nutrition assistance”.

(6) Section 11 of the Food and Nutrition Act of 2007 (7 U.S.C. 2020) (as amended by section 4202(b)(9)(B)(III)) is amended—

(A) in subsection (e)—

(i) in paragraph (2)—

(I) in subparagraph (A), by striking “food stamp offices” and inserting “food and nutrition assistance offices”; and

(II) in subparagraph (B)—

(aa) in clause (iii), by striking “food stamp office” and inserting “food and nutrition assistance office”; and

(bb) in clause (v)(II), by striking “food stamps” and inserting “food and nutrition assistance”; and

(cc) in clause (vii), by striking “food stamp offices” and inserting “food and nutrition assistance offices”;

(ii) in paragraph (14), by striking “food stamps” and inserting “food and nutrition assistance”;

(iii) in paragraph (15), by striking “food stamps” and inserting “food and nutrition assistance”; and

(iv) in paragraph (23)—

(I) in the matter preceding subparagraph (A), by striking “Simplified Food Stamp Program” and inserting “Simplified Food and Nutrition Assistance Program”; and

(II) in subparagraph (A), by striking “food stamp benefits” and inserting “food and nutrition assistance”;

(B) in subsection (k), by striking “may issue, upon request by the State agency, food stamps” and inserting “may provide, on request by the State agency, food and nutrition assistance”;

(C) in subsection (l), by striking “food stamp participation” and inserting “food and nutrition program participation”;

(D) in subsections (q) and (r), in the subsection headings, by striking “FOOD STAMPS” each place it appears and inserting “FOOD AND NUTRITION ASSISTANCE”;

(E) in subsection (s), by striking “food stamp benefits” each place it appears and inserting “food and nutrition assistance”; and

(F) in subsection (t)(1)—

(i) in subparagraph (A), by striking “food stamp application” and inserting “food and nutrition assistance application”; and

(ii) in subparagraph (B), by striking “food stamp benefits” and inserting “food and nutrition assistance”.

(7) Section 14(b) of the Food and Nutrition Act of 2007 (7 U.S.C. 2023(b)) is amended by striking “food stamp allotments” and inserting “food and nutrition assistance”.

(8) Section 16 of the Food and Nutrition Act of 2007 (7 U.S.C. 2025) is amended—

(A) in subsection (a)(4), by striking “food stamp informational activities” and inserting “informational activities relating to the food and nutrition program”; and

(B) in subsection (c)(9)(C), by striking “food stamp caseload” and inserting “the caseload under the food and nutrition program”; and

(C) in subsection (h)(1)(E)(i), by striking “food stamp recipients” and inserting “households receiving food and nutrition assistance”.

(9) Section 17 of the Food and Nutrition Act of 2007 (7 U.S.C. 2026) is amended—

(A) in subsection (a)(2), by striking “food stamp benefits” each place it appears and inserting “food and nutrition assistance benefits”;

(B) in subsection (b)—

(i) in paragraph (1)—

(I) in subparagraph (A), by striking “food stamp benefits” and inserting “food and nutrition assistance”; and

(II) in subparagraph (B)—

(aa) in clause (ii)(II), by striking “food stamp recipients” and inserting “food and nutrition assistance recipients”;

(bb) in clause (iii)(I), by striking “the State’s food stamp households” and inserting “the number of households in the State receiving food and nutrition assistance”; and

(cc) in clause (iv)(IV)(bb), by striking “food stamp deductions” and inserting “food and nutrition assistance deductions”;

(ii) in paragraph (2), by striking “food stamp benefits” and inserting “food and nutrition assistance”; and

(iii) in paragraph (3)—

(I) in subparagraph (A), by striking “food stamp employment” and inserting “food and nutrition program employment”;

(II) in subparagraph (B), by striking “food stamp recipients” and inserting “food and nutrition assistance recipients”;

(III) in subparagraph (C), by striking “food stamps” and inserting “food and nutrition assistance”; and

(IV) in subparagraph (D), by striking “food stamp benefits” and inserting “food and nutrition assistance benefits”;

(C) in subsection (c), by striking “food stamps” and inserting “food and nutrition assistance”;

(D) in subsection (d)—

(i) in paragraph (1)(B), by striking “food stamp benefits” and inserting “food and nutrition assistance”;

(ii) in paragraph (2)—

(I) in subparagraph (A), by striking “food stamp allotments” each place it appears and inserting “food and nutrition assistance”; and

(II) in subparagraph (C)(ii), by striking “food stamp benefit” and inserting “food and nutrition assistance”; and

(iii) in paragraph (3)(E), by striking “food stamp benefits” and inserting “food and nutrition assistance”;

(E) in subsections (e) and (f), by striking “food stamp benefits” each place it appears and inserting “food and nutrition assistance”;

(F) in subsection (g), in the first sentence, by striking “receipt of food stamp” and inserting “receipt of food and nutrition assistance”; and

(G) in subsection (j), by striking “food stamp agencies” and inserting “food and nutrition program agencies”.

(10) Section 18(a)(3)(A)(ii) of the Food and Nutrition Act of 2007 (7 U.S.C. 2027(a)(3)(A)(ii)) is amended by striking “food stamps” and inserting “food and nutrition assistance”.

(11) Section 21(d)(3) of the Food and Nutrition Act of 2007 (7 U.S.C. 2030(d)(3)) is amended by striking “food stamp benefits” and inserting “food and nutrition assistance”.

(12) Section 22 of the Food and Nutrition Act of 2007 (7 U.S.C. 2031) is amended—

(A) in the section heading, by striking “FOOD STAMP PORTION OF MINNESOTA FAMILY INVESTMENT PLAN” and inserting “FOOD AND NUTRITION ASSISTANCE PORTION OF MINNESOTA FAMILY INVESTMENT PROJECT”;

(B) in subsections (b)(12) and (d)(3), by striking “the Food Stamp Act, as amended,” each place it appears and inserting “this Act”; and

(C) in subsection (g)(1), by striking “the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.)” and inserting “this Act”.

(13) Section 26 of the Food and Nutrition Act of 2007 (7 U.S.C. 2035) is amended—

(A) in the section heading, by striking “SIMPLIFIED FOOD STAMP PROGRAM” and inserting “SIMPLIFIED FOOD AND NUTRITION PROGRAM”; and

(B) in subsection (b), by striking “simplified food stamp program” and inserting “simplified food and nutrition program”.

(b) CONFORMING CROSS-REFERENCES.—

(1) IN GENERAL.—Each provision of law described in paragraph (2) is amended (as applicable)—

(A) by striking “food stamp program” each place it appears and inserting “food and nutrition program”;

(B) by striking “Food Stamp Act of 1977” each place it appears and inserting “Food and Nutrition Act of 2007”;

(C) by striking “Food Stamp Act” each place it appears and inserting “Food and Nutrition Act of 2007”;

(D) by striking “food stamp” each place it appears and inserting “food and nutrition assistance”;

(E) by striking “food stamps” each place it appears and inserting “food and nutrition assistance”;

(F) in each applicable title, subtitle, chapter, subchapter, and section heading, by striking “**FOOD STAMP**” each place it appears and inserting “**FOOD AND NUTRITION ASSISTANCE**”;

(G) in each applicable subsection and appropriations heading, by striking “FOOD STAMP” each place it appears and inserting “FOOD AND NUTRITION ASSISTANCE”;

(H) in each applicable heading other than a title, subtitle, chapter, subchapter, section, subsection, or appropriations heading, by striking “FOOD STAMP” each place it appears and inserting “FOOD AND NUTRITION ASSISTANCE”;

(I) in each applicable title, subtitle, chapter, subchapter, and section heading, by striking “**FOOD STAMPS**” each place it appears and inserting “**FOOD AND NUTRITION ASSISTANCE**”;

(J) in each applicable subsection and appropriations heading, by striking “FOOD STAMPS” each place it appears and inserting “FOOD AND NUTRITION ASSISTANCE”;

(K) in each applicable heading other than a title, subtitle, chapter, subchapter, section, subsection, or appropriations heading, by striking “FOOD STAMPS” each place it appears and inserting “FOOD AND NUTRITION ASSISTANCE”.

(2) PROVISIONS OF LAW.—The provisions of law referred to in paragraph (1) are the following:

(A) The Hunger Prevention Act of 1988 (Public Law 100-435; 102 Stat. 1645).

(B) The Food Stamp Program Improvements Act of 1994 (Public Law 103-225; 108 Stat. 106).

(C) Title IV of the Farm Security and Rural Investment Act of 2002 (Public Law 107-171; 116 Stat. 305).

(D) Section 2 of Public Law 103-205 (7 U.S.C. 2012 note).

(E) Section 807(b) of the Stewart B. McKinney Homeless Assistance Act (7 U.S.C. 2014 note; Public Law 100-77).

(F) The Electronic Benefit Transfer Interoperability and Portability Act of 2000 (Public Law 106-171; 114 Stat. 3).

(G) Section 502(b) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 2025 note; Public Law 105-185).

(H) The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.).

(I) The Emergency Food Assistance Act of 1983 (7 U.S.C. 7501 et seq.).

(J) The Immigration and Nationality Act (8 U.S.C. 1101 et seq.).

(K) Section 8119 of the Department of Defense Appropriations Act, 1999 (10 U.S.C. 113 note; Public Law 105-262).

(L) The Armored Car Industry Reciprocity Act of 1993 (15 U.S.C. 5901 et seq.).

(M) Title 18, United States Code.

(N) The Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

(O) The Internal Revenue Code of 1986.

(P) Section 650 of the Treasury and General Government Appropriations Act, 2000 (26 U.S.C. 7801 note; Public Law 106-58).

(Q) The Wagner-Peyser Act (29 U.S.C. 49 et seq.).

(R) The Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.).

(S) Title 31, United States Code.

(T) Title 37, United States Code.

(U) The Public Health Service Act (42 U.S.C. 201 et seq.).

(V) Titles II through XIX of the Social Security Act (42 U.S.C. 401 et seq.).

(W) Section 406 of the Family Support Act of 1988 (Public Law 100-485; 102 Stat. 2400).

(X) Section 232 of the Social Security Act Amendments of 1994 (42 U.S.C. 1314a).

(Y) The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.).

(Z) The Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.).

(AA) The Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).

(BB) The Older Americans Act of 1965 (42 U.S.C. 3001 et seq.).

(CC) Section 208 of the Intergovernmental Personnel Act of 1970 (42 U.S.C. 4728).

(DD) The Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

(EE) The Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.).

(FF) Section 658K of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858i).

(GG) The Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.).

(HH) Public Law 95-348 (92 Stat. 487).

(II) The Agriculture and Food Act of 1981 (Public Law 97-98; 95 Stat. 1213).

(JJ) The Disaster Assistance Act of 1988 (Public Law 100-387; 102 Stat. 924).

(KK) The Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 104 Stat. 3359).

(LL) The Cranston-Gonzalez National Affordable Housing Act (Public Law 101-625; 104 Stat. 4079).

(MM) Section 388 of the Persian Gulf Conflict Supplemental Authorization and Personnel Benefits Act of 1991 (Public Law 102-25; 105 Stat. 98).

(NN) The Food, Agriculture, Conservation, and Trade Act Amendments of 1991 (Public Law 102-237; 105 Stat. 1818).

(OO) The Act of March 26, 1992 (Public Law 102-265; 106 Stat. 90).

(PP) Public Law 105-379 (112 Stat. 3399).

(QQ) Section 101(c) of the Emergency Supplemental Act, 2000 (Public Law 106-246; 114 Stat. 528).

(c) REFERENCES.—Any reference in any Federal, State, tribal, or local law (including regulations) to the “food stamp program” established under the Food and Nutrition Act of 2007 (7 U.S.C. 2011 et seq.) shall be considered to be a reference to the “food and nutrition program” established under that Act.

SEC. 4908. EFFECTIVE AND IMPLEMENTATION DATES.

(a) GENERAL EFFECTIVE DATE.—Except as otherwise provided in this title, this title and the amendments made by this title take effect on April 1, 2008.

(b) IMPLEMENTATION OF IMPROVEMENTS TO PROGRAM BENEFITS.—

(1) IN GENERAL.—A State agency may implement the amendments made by part II of subtitle A beginning on a date (as determined by the State agency) during the period beginning on April 1, 2008, and ending on October 1, 2008.

(2) CERTIFICATION PERIOD.—At the option of a State agency, the State agency may implement 1 or more of the amendments made by sections 4103 and 4104 for a certification period that begins not earlier than the implementation date determined by the State under paragraph (1).

TITLE V—CREDIT

Subtitle A—Farm Ownership Loans

SEC. 5001. DIRECT LOANS.

Section 302 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922) is amended—

(1) by striking the section designation and heading and all that follows through “(a) The Secretary is authorized to” and inserting the following:

“SEC. 302. PERSONS ELIGIBLE FOR REAL ESTATE LOANS.

“(a) IN GENERAL.—The Secretary may”;

and

(2) in subsection (a)(2), by inserting “, taking into consideration all farming experience of the applicant, without regard to any lapse between farming experiences” after “farming operations”.

SEC. 5002. PURPOSES OF LOANS.

Section 303(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1923(a)(1)) is amended—

(1) in subparagraph (D), by striking “or” at the end;

(2) in subparagraph (E), by striking the period at the end and inserting “; or”; and

(3) by adding at the end the following:

“(F) refinancing guaranteed farm ownership loans of qualified beginning farmers and ranchers under this subtitle that were used to carry out purposes described in subparagraphs (A) through (E).”.

SEC. 5003. SOIL AND WATER CONSERVATION AND PROTECTION.

Section 304 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1924) is amended—

(1) in subsection (a)—

(A) in paragraph (4), by inserting “or conversion to a certified organic farm in accordance with the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.)” after “systems”;

(B) in paragraph (5), by striking “and” at the end;

(C) by redesignating paragraph (6) as paragraph (7); and

(D) by inserting after paragraph (5) the following:

“(6) the implementation of 1 or more practices under the environmental quality section of the comprehensive stewardship incentives program established under subchapter A of chapter 6 of subtitle D of title XII of the Food Security Act of 1985; and”;

(2) by striking subsections (b) and (c) and inserting the following:

“(b) PRIORITY.—In making or guaranteeing loans under this section, the Secretary shall give priority to—

“(1) qualified beginning farmers or ranchers and socially disadvantaged farmers or ranchers;

“(2) owners or tenants who use the loans to convert to sustainable or organic agricultural production systems;

“(3) producers who use the loans to build conservation structures or establish conservation practices to comply with section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812); and

“(4) producers who have a certification from the Natural Resources Conservation Service issued pursuant to section 1240B(d) of the Food Security Act of 1985.”.

SEC. 5004. LIMITATIONS ON AMOUNT OF FARM OWNERSHIP LOANS.

Section 305(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1925(a)(2)) is amended by striking “\$200,000” and inserting “\$300,000”.

SEC. 5005. DOWN PAYMENT LOAN PROGRAM.

Section 310E of the Consolidated Farm and Rural Development Act (7 U.S.C. 1935) is amended—

(1) in subsection (a)(1), by inserting “and socially disadvantaged farmers and ranchers” after “ranchers”;

(2) in subsection (b)—

(A) by striking paragraph (1) and inserting the following:

“(1) PRINCIPAL.—

“(A) PURCHASE PRICE OF \$500,000 OR LESS.—Each loan made under this section for a purchase price that is \$500,000 or less, shall be in an amount that does not exceed 45 percent of the lesser of—

“(i) the purchase price; or

“(ii) the appraised value of the farm or ranch to be acquired.

“(B) PURCHASE PRICE GREATER THAN \$500,000.—Each loan made under this section for a purchase price that is greater than \$500,000, shall be in an amount that does not exceed 45 percent of the lesser of—

“(i) \$500,000; or

“(ii) the appraised value of the farm or ranch to be acquired.”;

(B) by striking paragraph (2) and inserting the following:

“(2) INTEREST RATE.—The interest rate on any loan made by the Secretary under this section shall be a rate equal to the greater of—

“(A) the difference obtained by subtracting 400 basis points from the interest rate for regular farm ownership loans under this subtitle; or

“(B) 2 percent.”; and

(C) in paragraph (3), by striking “15” and inserting “20”;

(3) in subsection (c)—

(A) in paragraph (1), by striking “10 percent” and inserting “5 percent”;

(B) by striking paragraph (2);

(C) by redesignating paragraph (3) as paragraph (2); and

(D) in subparagraph (B) of paragraph (2) (as so redesignated), by striking “15-year” and inserting “20-year”; and

(4) in subsection (d)—

(A) in paragraph (3), by striking the “and” at the end;

(B) in paragraph (4), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:

“(5) establish annual performance goals to promote the use of the down payment loan program and other joint financing participation loans as the preferred choice for direct real estate loans made by any lender to a qualified beginning farmer or rancher or socially disadvantaged farmer or rancher.”.

SEC. 5006. BEGINNING FARMER OR RANCHER CONTRACT LAND SALES PROGRAM.

Section 310F of the Consolidated Farm and Rural Development Act (7 U.S.C. 1936) is amended to read as follows:

“SEC. 310F. BEGINNING FARMER OR RANCHER CONTRACT LAND SALES PROGRAM.

“(a) IN GENERAL.—Subject to subsection (c), the Secretary shall, in accordance with each condition described in subsection (b), provide a prompt payment guarantee for any loan made by a private seller of farmland or ranch land to a qualified beginning farmer or rancher on a contract land sale basis.

“(b) CONDITIONS FOR GUARANTEE.—To receive a guarantee for a loan by the Secretary under subsection (a)—

“(1) the qualified beginning farmer or rancher shall—

“(A) on the date on which the contract land sale that is the subject of the loan is complete, own and operate the farmland or ranch land that is the subject of the contract land sale;

“(B) on the date on which the contract land sale that is the subject of the loan is commenced—

“(i) have a credit history that—

“(I) includes a record of satisfactory debt repayment, as determined by the Secretary; and

“(II) is acceptable to the Secretary; and

“(ii) demonstrate to the Secretary that the qualified beginning farmer or rancher is unable to obtain sufficient credit without a guarantee to finance any actual need of the qualified beginning farmer or rancher at a reasonable rate or term;

“(2) the loan made by the private seller of farmland or ranch land to the qualified beginning farmer or rancher on a contract land sale basis shall meet applicable underwriting criteria, as determined by the Secretary; and

“(3) to carry out the loan—

“(A) a commercial lending institution shall agree to serve as an escrow agent; or

“(B) the private seller of farmland or ranch land, in cooperation with the qualified beginning farmer or rancher, shall use an appropriate alternate arrangement, as determined by the Secretary.

“(c) LIMITATIONS.—

“(1) DOWN PAYMENT.—The Secretary shall not guarantee a loan made by a private seller of farmland or ranch land to a qualified beginning farmer or rancher under subsection (a) if the contribution of the qualified beginning farmer or rancher to the down payment for the farmland or ranch land that is the subject of the contract land sale would be an amount less than 5 percent of the purchase price of the farmland or ranch land.

“(2) MAXIMUM PURCHASE PRICE.—The Secretary shall not guarantee a loan made by a private seller of farmland or ranch land to a qualified beginning farmer or rancher under subsection (a) if the purchase price or the appraisal value of the farmland or ranch land that is the subject of the contract land sale is an amount greater than \$500,000.

“(d) PERIOD OF GUARANTEE.—The Secretary shall guarantee a loan made by a private seller of farmland or ranch land to a qualified beginning farmer or rancher under subsection (a) for a 10-year period beginning on the date on which the Secretary guarantees the loan.

“(e) PROMPT PAYMENT GUARANTEE.—The Secretary shall provide to a private seller of farmland or ranch land who makes a loan to

a qualified beginning farmer or rancher that is guaranteed by the Secretary, a prompt payment guarantee, which shall cover—

“(1) 3 amortized annual installments; or

“(2) an amount equal to 3 annual installments (including an amount equal to the total cost of any tax and insurance incurred during the period covered by the annual installments).”.

Subtitle B—Operating Loans

SEC. 5101. FARMING EXPERIENCE AS ELIGIBILITY REQUIREMENT.

Section 311 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941) is amended—

(1) by striking the section designation and all that follows through “(a) The Secretary is authorized to” and inserting the following: “SEC. 311. PERSONS ELIGIBLE FOR LOANS.

“(a) IN GENERAL.—The Secretary may”;

(2) in subsection (a)(2), by inserting “, taking into consideration all farming experience of the applicant, without regard to any lapse between farming experiences” after “farming operations”; and

(3) in subsection (c)(1)(C), by striking “6” and inserting “7”.

SEC. 5102. LIMITATIONS ON AMOUNT OF OPERATING LOANS.

Section 313(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1943(a)(1)) is amended by striking “\$200,000” and inserting “\$300,000”.

SEC. 5103. LIMITATION ON PERIOD BORROWERS ARE ELIGIBLE FOR GUARANTEED ASSISTANCE.

Section 319 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1949) is repealed.

Subtitle C—Administrative Provisions

SEC. 5201. BEGINNING FARMER AND RANCHER INDIVIDUAL DEVELOPMENT ACCOUNTS PILOT PROGRAM.

The Consolidated Farm and Rural Development Act is amended by adding after section 333A (7 U.S.C. 1983a) the following:

“SEC. 333B. BEGINNING FARMER AND RANCHER INDIVIDUAL DEVELOPMENT ACCOUNTS PILOT PROGRAM.

“(a) DEFINITIONS.—In this section:

“(1) DEMONSTRATION PROGRAM.—The term ‘demonstration program’ means a demonstration program carried out by a qualified entity under the pilot program established in subsection (b)(1).

“(2) ELIGIBLE PARTICIPANT.—The term ‘eligible participant’ means a qualified beginning farmer or rancher that—

“(A) lacks significant financial resources or assets; and

“(B) has an income that is less than—

“(i) 80 percent of the median income of the area in which the eligible participant is located; or

“(ii) 200 percent of the most recent annual Federal Poverty Income Guidelines published by the Department of Health and Human Services for that area.

“(3) INDIVIDUAL DEVELOPMENT ACCOUNT.—The term ‘individual development account’ means a savings account described in subsection (b)(4)(A).

“(4) QUALIFIED ENTITY.—

“(A) IN GENERAL.—The term ‘qualified entity’ means—

“(i) 1 or more organizations—

“(I) described in section 501(c)(3) of the Internal Revenue Code of 1986; and

“(II) exempt from taxation under section 501(a) of such Code; or

“(ii) a State, local, or tribal government submitting an application jointly with an organization described in clause (i).

“(B) NO PROHIBITION ON COLLABORATION.—An organization described in subparagraph (A)(i) may collaborate with a financial institution or for-profit community development

corporation to carry out the purposes of this section.

“(b) PILOT PROGRAM.—

“(1) IN GENERAL.—The Secretary shall establish a pilot program to be known as the ‘New Farmer Individual Development Accounts Pilot Program’ under which the Secretary shall work through qualified entities to establish demonstration programs—

“(A) of at least 5 years in duration; and

“(B) in at least 15 States.

“(2) COORDINATION.—The Secretary shall operate the pilot program through, and in coordination with the farm loan programs of, the Farm Service Agency.

“(3) RESERVE FUNDS.—

“(A) IN GENERAL.—Each demonstration program shall establish a reserve fund consisting of a non-Federal match of 25 percent of the total amount of the grant awarded to the demonstration program under this section.

“(B) FEDERAL FUNDS.—After a demonstration program has deposited in the reserve fund the non-Federal matching funds described in subparagraph (A), the Secretary shall provide to the demonstration program for deposit in the reserve fund the total amount of the grant awarded under this section.

“(C) USE OF FUNDS.—Of funds deposited in a reserve fund under subparagraphs (A) and (B), a demonstration program—

“(i) may use up to 20 percent for administrative expenses; and

“(ii) shall use the remainder to make matching awards described in paragraph (4)(B)(ii)(I).

“(D) INTEREST.—Any interest earned on amounts in a reserve fund established under subparagraph (A) may be used as additional matching funds for, or to administer, the demonstration program.

“(E) GUIDANCE.—The Secretary shall implement guidance regarding the investment requirements of reserve funds established under this paragraph.

“(4) INDIVIDUAL DEVELOPMENT ACCOUNTS.—

“(A) IN GENERAL.—A qualified entity receiving a grant under this section shall establish and administer an individual development account for each eligible participant.

“(B) CONTRACT REQUIREMENTS.—To be eligible to receive funds under this section from a qualified entity, each eligible participant shall enter into a contract with a qualified entity under which—

“(i) the eligible participant shall agree—

“(I) to deposit a certain amount of funds of the eligible participant in a personal savings account, as prescribed by the contractual agreement between the eligible participant and the qualified entity; and

“(II) to use the funds described in subclause (I) only for 1 or more eligible expenditures described in paragraph (5)(A); and

“(ii) the qualified entity shall agree—

“(I) to deposit not later than 1 month after a deposit described in clause (i)(I) at least a 100-percent, and up to a 300-percent, match of that amount into the individual development account established for the eligible participant;

“(II) with uses of funds proposed by the eligible participant; and

“(III) to complete qualified financial training.

“(C) LIMITATION.—

“(i) IN GENERAL.—A qualified entity administering a demonstration program may provide not more than \$9,000 for each fiscal year in matching funds to any eligible participant.

“(ii) TREATMENT OF AMOUNT.—An amount provided under clause (i) shall not be considered to be a gift or loan for mortgage purposes.

“(D) INTEREST.—Any interest earned on amounts in an individual development account shall be compounded with amounts otherwise deposited in the individual development account.

“(5) ELIGIBLE EXPENDITURES.—

“(A) IN GENERAL.—An eligible expenditure described in this subparagraph is an expenditure—

“(i) to purchase farmland or make a down payment on an accepted purchase offer for farmland;

“(ii) to make mortgage payments for up to 180 days after the date of purchase of farmland;

“(iii) to purchase farm equipment or production, storage, or marketing infrastructure or buy into an existing value-added business;

“(iv) to purchase breeding stock or fruit or nut trees or trees to harvest for timber;

“(v) to pay training or mentorship expenses to facilitate specific entrepreneurial agricultural activities; and

“(vi) for other similar expenditures, as determined by the Secretary.

“(B) TIMING.—

“(i) IN GENERAL.—An eligible expenditure may be made at any time during the 2-year period beginning on the date on which the last matching funds are provided under paragraph (4)(B)(ii)(I).

“(ii) UNEXPENDED FUNDS.—Funds remaining in an individual development account after the period described in clause (i) shall revert to the reserve fund of the demonstration program.

“(C) PROHIBITION.—An eligible participant that uses funds in an individual development account for an eligible expenditure described in subparagraph (A)(viii) shall not be eligible to receive funds for a substantially similar purpose (as determined by the Secretary) under the national organic program established under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.).

“(c) APPLICATIONS.—

“(1) ANNOUNCEMENT OF DEMONSTRATION PROGRAMS.—Not later than 180 days after the date of enactment of this section, the Secretary shall—

“(A) publicly announce the availability of funding under this section for demonstration programs; and

“(B) ensure that applications to carry out demonstration programs are widely available to qualified entities.

“(2) SUBMISSION.—Not later than 270 days after the date of enactment of this section, a qualified entity may submit to the Secretary an application to carry out a demonstration program.

“(3) CRITERIA.—In considering whether to approve an application to carry out a demonstration program, the Secretary shall assess—

“(A) the degree to which the demonstration program described in the application is likely to aid eligible participants in successfully pursuing new farming opportunities;

“(B) the experience and ability of the qualified entity to responsibly administer the project;

“(C) the experience and ability of the qualified entity in recruiting, educating, and assisting eligible participants to increase economic independence and pursue or advance farming opportunities;

“(D) the aggregate amount of direct funds from non-Federal public sector and private sources that are formally committed to the demonstration program as matching contributions;

“(E) the adequacy of the plan for providing information relevant to an evaluation of the demonstration program; and

“(F) such other factors as the Secretary considers to be appropriate.

“(4) PREFERENCES.—In considering an application to conduct a demonstration program under this part, the Secretary shall give preference to an application from a qualified entity that demonstrates—

“(A) a track record of serving clients targeted by the program, including, as appropriate, socially disadvantaged farmers and ranchers; and

“(B) expertise in dealing with financial management aspects of farming.

“(5) APPROVAL.—

“(A) IN GENERAL.—Not later than 1 year after the date of enactment of this section, in accordance with this section, the Secretary shall, on a competitive basis, approve such applications to conduct demonstration programs as the Secretary considers appropriate.

“(B) DIVERSITY.—The Secretary shall ensure, to the maximum extent practicable, that approved applications involve demonstration programs for a range of geographic areas and diverse populations.

“(6) TERM OF AUTHORITY.—If the Secretary approves an application to carry out a demonstration program, the Secretary shall authorize the applying qualified entity to carry out the project for a period of 5 years, plus an additional 2 years for the making of eligible expenditures in accordance with subsection (b)(5)(B).

“(d) GRANT AUTHORITY.—

“(1) IN GENERAL.—For each year during which a demonstration program is carried out under this section, the Secretary shall make a grant to the qualified entity authorized to carry out the demonstration program.

“(2) MAXIMUM AMOUNT OF GRANTS.—The aggregate amount of grant funds provided to a demonstration program carried out under this section shall not exceed \$300,000.

“(e) REPORTS.—

“(1) ANNUAL PROGRESS REPORTS.—

“(A) IN GENERAL.—Not later than 60 days after the end of the calendar year in which the Secretary authorizes a qualified entity to carry out a demonstration program, and annually thereafter until the conclusion of the demonstration program, the qualified entity shall prepare an annual report that includes, for the period covered by the report—

“(i) an evaluation of the progress of the demonstration program;

“(ii) information about the demonstration program and eligible participants;

“(iii) the number and characteristics of individuals that have made 1 or more deposits into an individual development account;

“(iv) the amounts in the reserve fund established with respect to the program;

“(v) the amounts deposited in the individual development accounts;

“(vi) the amounts withdrawn from the individual development accounts and the purposes for which the amounts were withdrawn;

“(vii) the balances remaining in the individual development accounts;

“(viii) such other information as the Secretary may require.

“(B) SUBMISSION OF REPORTS.—A qualified entity shall submit each report required under subparagraph (A) to the Secretary.

“(2) REPORTS BY THE SECRETARY.—Not later than 1 year after the date on which all demonstration programs under this section are concluded, the Secretary shall submit to Congress a final report that describes the results and findings of all reports and evaluations carried out under this section.

“(f) REGULATIONS.—In carrying out this section, the Secretary may promulgate regulations to ensure that the program includes provisions for—

“(1) the termination of demonstration programs;

“(2) control of the reserve funds in the case of such a termination;

“(3) transfer of demonstration programs to other qualified entities; and

“(4) remissions from a reserve fund to the Secretary in a case in which a demonstration program is terminated without transfer to a new qualified entity.

“(g) FUNDING.—

“(1) 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.

“(2) ADMINISTRATION AND TRAINING.—Of the total funds made available under paragraph (1) and in addition to any other available funds, not more than 10 percent may be used by the Secretary—

“(A) to administer the pilot program; and

“(B) to provide training, or hire 1 or more consultants to provide training, to instruct qualified entities in carrying out demonstration programs, including payment of reasonable costs incurred with respect to that training for—

“(i) staff or consultant travel;

“(ii) lodging;

“(iii) meals; and

“(iv) materials.”.

SEC. 5202. INVENTORY SALES PREFERENCES; LOAN FUND SET-ASIDES.

(a) INVENTORY SALES PREFERENCES.—Section 335(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985(c)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B)—

(i) in the subparagraph heading, by inserting “; SOCIALLY DISADVANTAGED FARMER OR RANCHER” after “OR RANCHER”; and

(ii) in clause (i), by inserting “ or a socially disadvantaged farmer or rancher” after “or rancher”; and

(iii) in clause (ii), by inserting “or socially disadvantaged farmer or rancher” after “or rancher”; and

(iv) in clause (iii), by inserting “or a socially disadvantaged farmer or rancher” after “or rancher”; and

(v) in clause (iv), by inserting “and socially disadvantaged farmers and ranchers” after “and ranchers”; and

(B) in subparagraph (C), by inserting “or a socially disadvantaged farmer or rancher” after “or rancher”; and

(2) in paragraph (5)(B)—

(A) in clause (i)—

(i) in the clause heading, by inserting “; SOCIALLY DISADVANTAGED FARMER OR RANCHER” after “OR RANCHER”; and

(ii) by inserting “or a socially disadvantaged farmer or rancher” after “a beginning farmer or rancher”; and

(iii) by inserting “or the socially disadvantaged farmer or rancher” after “the beginning farmer or rancher”; and

(B) in clause (ii)—

(i) in the matter preceding subclause (I), by inserting “or a socially disadvantaged farmer or rancher” after “or rancher”; and

(ii) in subclause (II), by inserting “or the socially disadvantaged farmer or rancher” after “or rancher”; and

(3) in paragraph (6)—

(A) in subparagraph (A), by inserting “or a socially disadvantaged farmer or rancher” after “or rancher”; and

(B) in subparagraph (C)—

(i) in clause (i)(I), by inserting “and socially disadvantaged farmers and ranchers” after “and ranchers”; and

(ii) in clause (ii), by inserting “or socially disadvantaged farmers or ranchers” after “or ranchers”.

(b) LOAN FUND SET-ASIDES.—Section 346(b)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994(b)(2)) is amended—

(1) in subparagraph (A)—

(A) in clause (i)—

(i) in subclause (I), by striking “70 percent” and inserting “an amount that is not less than 75 percent of the total amount”; and

(ii) in subclause (II)—

(I) in the subclause heading, by inserting “; JOINT FINANCING ARRANGEMENTS” after “PAYMENT LOANS”; and

(II) by striking “60 percent” and inserting “an amount not less than ¾ of the amount”; and

(III) by inserting “and joint financing arrangements under section 307(a)(3)(D)” after “section 310E”; and

(B) in clause (ii)(III), by striking “2003 through 2007, 35 percent” and inserting “2008 through 2012, an amount that is not less than 50 percent of the total amount”; and

(2) in subparagraph (B)(i), by striking “25 percent” and inserting “an amount that is not less than 40 percent of the total amount”.

SEC. 5203. TRANSITION TO PRIVATE COMMERCIAL OR OTHER SOURCES OF CREDIT.

Subtitle D of the Consolidated Farm and Rural Development Act is amended by inserting after section 344 (7 U.S.C. 1992) the following:

“SEC. 345. TRANSITION TO PRIVATE COMMERCIAL OR OTHER SOURCES OF CREDIT.

“(a) IN GENERAL.—In making or insuring a farm loan under subtitle A or B, the Secretary shall establish a plan and promulgate regulations (including performance criteria) that promote the goal of transitioning borrowers to private commercial credit and other sources of credit in the shortest practicable period of time.

“(b) COORDINATION.—In carrying out this section, the Secretary shall integrate and coordinate the transition policy described in subsection (a) with—

“(1) the borrower training program established by section 359;

“(2) the loan assessment process established by section 360;

“(3) the supervised credit requirement established by section 361;

“(4) the market placement program established by section 362; and

“(5) other appropriate programs and authorities, as determined by the Secretary.”.

SEC. 5204. LOAN AUTHORIZATION LEVELS.

Section 346(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994(b)(1)) is amended—

(1) in the matter preceding subparagraph (A), by striking “\$3,796,000,000 for each of fiscal years 2003 through 2007” and inserting “\$4,226,000,000 for each of fiscal years 2008 through 2012”; and

(2) in subparagraph (A)—

(A) in the matter preceding clause (i), by striking “\$770,000,000” and inserting “\$1,200,000,000”; and

(B) in clause (i), by striking “\$205,000,000” and inserting “\$350,000,000”; and

(C) in clause (ii), by striking “\$565,000,000” and inserting “\$850,000,000”.

SEC. 5205. INTEREST RATE REDUCTION PROGRAM.

Section 351(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999(a)) is amended—

(1) in the subsection heading, by inserting “AND AVAILABILITY” after “ESTABLISHMENT”; and

(2) by striking “The Secretary” and inserting the following:

“(1) ESTABLISHMENT.—The Secretary”; and

(3) by adding at the end the following:

“(2) AVAILABILITY.—The program established under paragraph (1) shall be available with respect to new guaranteed operating

loans or guaranteed operating loans restructured under this title after the date of enactment of this paragraph that meet the requirements of subsection (b).”.

SEC. 5206. DEFERRAL OF SHARED APPRECIATION RECAPTURE AMORTIZATION.

Section 353(e)(7)(D) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001(e)(7)(D)) is amended—

(1) in the subparagraph heading, by inserting “AND DEFERRAL” after “REAMORTIZATION”; and

(2) in clause (ii)—

(A) by redesignating subclause (II) as subclause (III); and

(B) by inserting after subclause (I) the following:

“(II) TERM OF DEFERRAL.—The term of a deferral under this subparagraph shall not exceed 1 year.”.

SEC. 5207. RURAL DEVELOPMENT, HOUSING, AND FARM LOAN PROGRAM ACTIVITIES.

Subtitle D of the Consolidated Farm and Rural Development Act is amended by inserting after section 364 (7 U.S.C. 2006f) the following:

“SEC. 365. RURAL DEVELOPMENT, HOUSING, AND FARM LOAN PROGRAM ACTIVITIES.

“The Secretary may not complete a study of, or enter into a contract with a private party to carry out, without specific authorization in a subsequent Act of Congress, a competitive sourcing activity of the Secretary, including support personnel of the Department of Agriculture, relating to rural development, housing, or farm loan programs.”.

Subtitle D—Farm Credit

SEC. 5301. AUTHORITY TO PASS ALONG COST OF INSURANCE PREMIUMS.

(a) IN GENERAL.—Section 1.12(b) of the Farm Credit Act of 1971 (12 U.S.C. 2020(b)) is amended—

(1) in the first sentence, by striking “Each Farm” and inserting the following:

“(1) IN GENERAL.—Each Farm”; and

(2) by striking the second sentence and inserting the following:

“(2) COMPUTATION.—The assessment on any association or other financing institution described in paragraph (1) for any period shall be computed in an equitable manner, as determined by the Corporation.”.

(b) RULES AND REGULATIONS.—Section 5.58(10) of the Farm Credit Act of 1971 (12 U.S.C. 2277a-7(10)) is amended by inserting “and section 1.12(b)” after “part”.

SEC. 5302. TECHNICAL CORRECTION.

Section 3.3(b) of the Farm Credit Act of 1971 (12 U.S.C. 2124(b)) is amended in the first sentence by striking “per” and inserting “par”.

SEC. 5303. CONFIRMATION OF CHAIRMAN.

Section 5.8(a) of the Farm Credit Act of 1971 (12 U.S.C. 2242(a)) is amended in the fifth sentence by inserting “by and with the advice and consent of the Senate,” after “designated by the President.”.

SEC. 5304. PREMIUMS.

(a) AMOUNT IN FUND NOT EXCEEDING SECURE BASE AMOUNT.—Section 5.55(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a-4(a)) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A)—

(i) by striking “paragraph (2)” and inserting “paragraph (3)”; and

(ii) by striking “annual”; and

(B) by striking subparagraphs (A) through (D) and inserting the following:

“(A) the average outstanding insured obligations issued by the bank for the calendar year, after deducting from the obligations the percentages of the guaranteed portions of loans and investments described in paragraph (2), multiplied by 0.0020; and

“(B) the product obtained by multiplying—
“(i) the sum of—

“(I) the average principal outstanding for the calendar year on loans made by the bank that are in nonaccrual status; and

“(II) the average amount outstanding for the calendar year of other-than-temporarily impaired investments made by the bank; by
“(i) 0.0010.”;

(2) by striking paragraph (4);

(3) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively;

(4) by inserting after paragraph (1) the following:

“(2) DEDUCTIONS FROM AVERAGE OUTSTANDING INSURED OBLIGATIONS.—The average outstanding insured obligations issued by the bank for the calendar year referred to in paragraph (1)(A) shall be reduced by deducting from the obligations the sum of (as determined by the Corporation)—

“(A) 90 percent of each of—

“(i) the average principal outstanding for the calendar year on the guaranteed portions of Federal government-guaranteed loans made by the bank that are in accrual status; and

“(ii) the average amount outstanding for the calendar year of the guaranteed portions of Federal government-guaranteed investments made by the bank that are not permanently impaired; and

“(B) 80 percent of each of—

“(i) the average principal outstanding for the calendar year on the guaranteed portions of State government-guaranteed loans made by the bank that are in accrual status; and

“(ii) the average amount outstanding for the calendar year of the guaranteed portions of State government-guaranteed investments made by the bank that are not permanently impaired.”;

(5) in paragraph (3) (as redesignated by paragraph (3)), by striking “annual”; and

(6) in paragraph (4) (as redesignated by paragraph (3))—

(A) in the paragraph heading, by inserting “OR INVESTMENTS” after “LOANS”; and

(B) in the matter preceding subparagraph (A), by striking “As used” and all that follows through “guaranteed—” and inserting “In this section, the term “government-guaranteed”, when applied to a loan or an investment, means a loan, credit, or investment, or portion of a loan, credit, or investment, that is guaranteed—”.

(b) AMOUNT IN FUND EXCEEDING SECURE BASE AMOUNT.—Section 5.55(b) of the Farm Credit Act of 1971 (12 U.S.C. 2277a-4(b)) is amended by striking “annual”.

(c) SECURE BASE AMOUNT.—Section 5.55(c) of the Farm Credit Act of 1971 (12 U.S.C. 2277a-4(c)) is amended—

(1) by striking “For purposes” and inserting the following:

“(1) IN GENERAL.—For purposes”;

(2) by striking “(adjusted downward” and all that follows through “by the Corporation)” and inserting “(as adjusted under paragraph (2))”; and

(3) by adding at the end the following:

“(2) ADJUSTMENT.—The aggregate outstanding insured obligations of all insured System banks under paragraph (1) shall be adjusted downward to exclude an amount equal to the sum of (as determined by the Corporation)—

“(A) 90 percent of each of—

“(i) the guaranteed portions of principal outstanding on Federal government-guaranteed loans in accrual status made by the banks; and

“(ii) the guaranteed portions of the amount of Federal government-guaranteed investments made by the banks that are not permanently impaired; and

“(B) 80 percent of each of—

“(i) the guaranteed portions of principal outstanding on State government-guaranteed loans in accrual status made by the banks; and

“(ii) the guaranteed portions of the amount of State government-guaranteed investments made by the banks that are not permanently impaired.”.

(d) DETERMINATION OF LOAN AND INVESTMENT AMOUNTS.—Section 5.55(d) of the Farm Credit Act of 1971 (12 U.S.C. 2277a-4(d)) is amended—

(1) in the paragraph heading, by striking “PRINCIPAL OUTSTANDING” and inserting “LOAN AND INVESTMENT AMOUNTS”;

(2) in the matter preceding paragraph (1), by striking “For the purpose” and all that follows through “made—” and inserting “For the purpose of subsections (a) and (c), the principal outstanding on all loans made by an insured System bank, and the amount outstanding on all investments made by an insured System bank, shall be determined based on—”;

(3) by inserting “all loans or investments made” before “by” the first place it appears in each of paragraph (1), (2), and (3); and

(4) in paragraphs (1) and (2), by inserting “or investments” after “that is able to make such loans” each place it appears.

(e) ALLOCATION TO SYSTEM INSTITUTIONS OF EXCESS RESERVES.—Section 5.55(e) of the Farm Credit Act of 1971 (12 U.S.C. 2277a-4(e)) is amended—

(1) in paragraph (3), by striking “the average secure base amount for the calendar year (as calculated on an average daily balance basis)” and inserting “the secure base amount”;

(2) in paragraph (4), by striking subparagraph (B) and inserting the following:

“(B) there shall be credited to the Allocated Insurance Reserves Account of each insured System bank an amount that bears the same ratio to the total amount (less any amount credited under subparagraph (A)) as—

“(i) the average principal outstanding for the calendar year on insured obligations issued by the bank (after deducting from the principal the percentages of the guaranteed portions of loans and investments described in subsection (a)(2)); bears to

“(ii) the average principal outstanding for the calendar year on insured obligations issued by all insured System banks (after deducting from the principal the percentages of the guaranteed portions of loans and investments described in subsection (a)(2)).”;

(3) in paragraph (6)—

(A) in subparagraph (A)—

(i) in the matter preceding clause (i), by striking “beginning more” and all that follows through “January 1, 2005”;

(ii) by striking clause (i) and inserting the following:

“(i) subject to subparagraph (D), pay to each insured System bank, in a manner determined by the Corporation, an amount equal to the balance in the Allocated Insurance Reserves Account of the System bank; and

(iii) in clause (ii)—

(I) by striking “subparagraphs (C), (E), and (F)” and inserting “subparagraphs (C) and (E)”; and

(II) by striking “, of the lesser of—” and all that follows through the end of subclause (II) and inserting “at the time of the termination of the Financial Assistance Corporation, of the balance in the Allocated Insurance Reserves Account established under paragraph (1)(B).”;

(B) in subparagraph (C)—

(i) in clause (i), by striking “(in addition to the amounts described in subparagraph (F)(ii))”; and

(ii) by striking clause (ii) and inserting the following:

“(iii) TERMINATION OF ACCOUNT.—On disbursement of amount equal to \$56,000,000, the Corporation shall—

“(I) close the Account established under paragraph (1)(B); and

“(II) transfer any remaining funds in the Account to the remaining Allocated Insurance Reserves Accounts in accordance with paragraph (4)(B) for the calendar year in which the transfer occurs.”.

(C) by striking subparagraph (F).

SEC. 5305. CERTIFICATION OF PREMIUMS.

(a) FILING CERTIFIED STATEMENT.—Section 5.56 of the Farm Credit Act of 1971 (12 U.S.C. 2277a-5) is amended by striking subsection (a) and inserting the following:

“(a) FILING CERTIFIED STATEMENT.—On a date to be determined in the sole discretion of the Board of Directors of the Corporation, each insured System bank that became insured before the beginning of the period for which premiums are being assessed (referred to in this section as the ‘period’) shall file with the Corporation a certified statement showing—

“(1) the average outstanding insured obligations for the period issued by the bank;

“(2)(A) the average principal outstanding for the period on the guaranteed portion of Federal government-guaranteed loans that are in accrual status; and

“(B) the average amount outstanding for the period of Federal government-guaranteed investments that are not permanently impaired (as defined in section 5.55(a)(4));

“(3)(A) the average principal outstanding for the period on State government-guaranteed loans that are in accrual status; and

“(B) the average amount outstanding for the period of State government-guaranteed investments that are not permanently impaired (as defined in section 5.55(a)(4));

“(4)(A) the average principal outstanding for the period on loans that are in nonaccrual status; and

“(B) the average amount outstanding for the period of other-than-temporarily impaired investments; and

“(5) the amount of the premium due the Corporation from the bank for the period.”.

(b) PREMIUM PAYMENTS.—Section 5.56 of the Farm Credit Act of 1971 (12 U.S.C. 2277a-5(c)) is amended by striking subsection (c) and inserting the following:

“(c) PREMIUM PAYMENTS.—

“(1) IN GENERAL.—Except as provided in paragraph (2), each insured System bank shall pay to the Corporation the premium payments required under subsection (a), not more frequently than once in each calendar quarter, in such manner and at such 1 or more times as the Board of Directors shall prescribe.

“(2) PREMIUM AMOUNT.—The amount of the premium shall be established not later than 60 days after filing the certified statement specifying the amount of the premium.”.

(c) SUBSEQUENT PREMIUM PAYMENTS.—Section 5.56 of the Farm Credit Act of 1971 (12 U.S.C. 2277a-5) is amended—

(1) by striking subsection (d); and

(2) by redesignating subsection (e) as subsection (d).

SEC. 5306. RURAL UTILITY LOANS.

(a) DEFINITION OF QUALIFIED LOAN.—Section 8.0(9) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(9)) is amended—

(1) in subparagraph (A)(iii), by striking “or” at the end;

(2) in subparagraph (B)(ii), by striking the period at the end and inserting “; or”; and

(3) by adding at the end the following:

“(C) that is a loan, or an interest in a loan, for an electric or telephone facility by a cooperative lender to a borrower that has received, or is eligible to receive, a loan under

the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.).”

(b) **GUARANTEE OF QUALIFIED LOANS.**—Section 8.6(a)(1) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-6(a)(1)) is amended by inserting “applicable” before “standards” each place it appears in subparagraphs (A) and (B)(i).

(c) **STANDARDS FOR QUALIFIED LOANS.**—Section 8.8 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-8) is amended—

(1) in subsection (a)—

(A) by striking the first sentence and inserting the following:

“(1) IN GENERAL.—The Corporation shall establish underwriting, security appraisal, and repayment standards for qualified loans taking into account the nature, risk profile, and other differences between different categories of qualified loans.

“(2) SUPERVISION, EXAMINATION, AND REPORT OF CONDITION.—The standards shall be subject to the authorities of the Farm Credit Administration under section 8.11.”; and

(B) in the last sentence, by striking “In establishing” and inserting the following:

“(3) MORTGAGE LOANS.—In establishing”;

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by inserting “with respect to loans secured by agricultural real estate” after “subsection (a)”;

(B) in paragraph (5)—

(i) by striking “borrower” the first place it appears and inserting “farmer or rancher”; and

(ii) by striking “site” and inserting “farm or ranch”;

(3) in subsection (c)(1), by inserting “secured by agricultural real estate” after “A loan”;

(4) by striking subsection (d); and

(5) by redesignating subsection (e) as subsection (d).

(d) **RISK-BASED CAPITAL LEVELS.**—Section 8.32(a)(1) of the Farm Credit Act of 1971 (12 U.S.C. 2279bb-1(a)(1)) is amended—

(1) by striking “With respect” and inserting the following:

“(A) IN GENERAL.—With respect”;

(2) by adding at the end the following:

“(B) **RURAL UTILITY LOANS.**—With respect to securities representing an interest in, or obligation backed by, a pool of qualified loans described in section 8.0(9)(C) owned or guaranteed by the Corporation, losses occur at a rate of default and severity reasonably related to risks in electric and telephone facility loans (as applicable), as determined by the Director.”.

SEC. 5307. EQUALIZATION OF LOAN-MAKING POWERS OF CERTAIN DISTRICT ASSOCIATIONS.

(a) IN GENERAL.—The Farm Credit Act of 1971 is amended by inserting after section 7.6 (12 U.S.C. 2279b) 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 OR CREDIT ASSOCIATION.**—Subject to paragraph (2), any association that under its charter has title II lending authority and that owns, is owned by, or is under common ownership with, a Federal land bank association authorized as of January 1, 2007, to make long-term loans under title I in 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 in the geographic area.

“(B) **PRODUCTION CREDIT ASSOCIATIONS.**—Subject to paragraph (2), any association that under its charter has title I lending authority and that owns, is owned by, or is

under common ownership with, 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 as a Federal land bank association or Federal land credit association under title I in the geographic area.

“(C) **FARM CREDIT BANK.**—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 that owns, is owned by, or is under common ownership with, the association.

“(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.

“(b) **APPLICABILITY.**—This section applies only to associations the chartered territory of which is in the geographic area served by the Federal intermediate credit bank that merged 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).”.

(b) **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 on the date on which the Farm Credit Administration receives all approvals required by section 7.7(a)(2).”.

(c) **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)”;

(B) by striking subparagraphs (B) and (C).

(2) 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 “(other than section 7.7 of that Act)” after “(12 U.S.C. 2001 et seq.)”.

(3) 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 “(other than 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.

(d) **EFFECTIVE DATE.**—The amendments made by this section take effect on January 1, 2009.

Subtitle E—Miscellaneous

SEC. 5401. LOANS TO PURCHASERS OF HIGHLY FRACTIONED LAND.

The first section of Public Law 91-229 (25 U.S.C. 488) is amended—

(1) by striking “That the Secretary” and inserting the following:

“SECTION 1. LOANS TO PURCHASERS OF HIGHLY FRACTIONED LAND.

“(a) IN GENERAL.—The Secretary”; and

(2) by adding at the end the following:

“(b) **HIGHLY FRACTIONATED LAND.**—

“(1) IN GENERAL.—Subject to paragraph (2), the Secretary of Agriculture may make and insure loans in accordance with section 309 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929) to eligible purchasers of highly fractionated land pursuant to section 205(c) of the Indian Land Consolidation Act (25 U.S.C. 2204(c)).

“(2) **EXCLUSION.**—Section 4 shall not apply to trust land, restricted tribal land, or tribal corporation land that is mortgaged in accordance with paragraph (1).”.

SEC. 5402. DETERMINATION ON MERITS OF PIGFORD CLAIMS.

(a) **DEFINITIONS.**—In this section:

(1) **CONSENT DECREE.**—The term “consent decree” means the consent decree in the case of *Pigford v. Glickman*, approved by the United States District Court for the District of Columbia on April 14, 1999.

(2) **PIGFORD CLAIM.**—The term “Pigford claim” means a discrimination complaint, as defined by section 1(h) of the consent decree and documented under section 5(b) of the consent decree.

(3) **PIGFORD CLAIMANT.**—The term “Pigford claimant” means an individual who previously submitted a late-filing request under section 5(g) of the consent decree.

(b) **DETERMINATION ON MERITS.**—Any Pigford claimant who has not previously obtained a determination on the merits of a Pigford claim may, in a civil action brought in the United States District Court for the District of Columbia, obtain that determination.

(c) **LIMITATION.**—

(1) IN GENERAL.—Subject to paragraph (2), all payments or debt relief (including any limitation on foreclosure under subsection (g)) shall be made exclusively from funds made available under subsection (h).

(2) **MAXIMUM AMOUNT.**—The total amount of payments and debt relief pursuant to an action commenced under subsection (b) shall not exceed \$100,000,000.

(d) **INTENT OF CONGRESS AS TO REMEDIAL NATURE OF SECTION.**—It is the intent of Congress that this section be liberally construed so as to effectuate its remedial purpose of giving a full determination on the merits for each Pigford claim denied that determination.

(e) **LOAN DATA.**—

(1) **REPORT TO PERSON SUBMITTING PETITION.**—Not later than 60 days after the Secretary receives notice of a complaint filed by a claimant under subsection (b), the Secretary shall provide to the claimant a report on farm credit loans made within the claimant's county or adjacent county by the Department during the period beginning on January 1 of the year preceding the year or years covered by the complaint and ending on December 31 of year following such year or years. Such report shall contain information on all persons whose application for a loan was accepted, including—

(A) the race of the applicant;

(B) the date of application;

(C) the date of the loan decision;

(D) the location of the office making the loan decision; and

(E) all data relevant to the process of deciding on the loan.

(2) **NO PERSONALLY IDENTIFIABLE INFORMATION.**—The reports provided pursuant to paragraph (1) shall not contain any information that would identify any person that applied for a loan from the Department of Agriculture.

(f) **EXPEDITED RESOLUTIONS AUTHORIZED.**—Any person filing a complaint under this Act

for discrimination in the application for, or making or servicing of, a farm loan, at his or her discretion, may seek liquidated damages of \$50,000, discharge of the debt that was incurred under, or affected by, the discrimination that is the subject of the person's complaint, and a tax payment in the amount equal to 25 percent of the liquidated damages and loan principal discharged, in which case—

(1) if only such damages, debt discharge, and tax payment are sought, the complainant shall be able to prove his or her case by substantial evidence (as defined in section 1(l) of the consent decree); and

(2) the court shall decide the case based on a review of documents submitted by the complainant and defendant relevant to the issues of liability and damages.

(g) **LIMITATION ON FORECLOSURES.**—Notwithstanding any other provision of law, the Secretary may not begin acceleration on or foreclosure of a loan if the borrower is a Pigford claimant and, in an appropriate administrative proceeding, makes a prima facie case that the foreclosure is related to a Pigford claim.

(h) **FUNDING.**—

(1) **IN GENERAL.**—Of the funds of the Commodity Credit Corporation, the Secretary shall make available for payments and debt relief in satisfaction of claims against the United States under subsection (b) and for any actions under subsection (g) \$100,000,000 for fiscal year 2008, to remain available until expended.

(2) **AUTHORIZATION OF APPROPRIATIONS.**—In addition to funds made available under paragraph (1), there are authorized to be appropriated such sums as are necessary to carry out this section.

SEC. 5403. SENSE OF THE SENATE RELATING TO CLAIMS BROUGHT BY SOCIALLY DISADVANTAGED FARMERS OR RANCHERS.

It is the sense of the Senate that the Secretary should resolve all claims and class actions brought against the Department of Agriculture by 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)), including Native American, Hispanic, and female farmers or ranchers, based on racial, ethnic, or gender discrimination in farm program participation in an expeditious and just manner.

SEC. 5404. ELIGIBILITY OF EQUINE FARMERS AND RANCHERS FOR EMERGENCY LOANS.

Section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended—

(1) in paragraph (1), by striking “farmers, ranchers” and inserting “farmers or ranchers (including equine farmers or ranchers)”; and

(2) in paragraph (2)(A), by striking “farming, ranching,” and inserting “farming or ranching (including equine farming or ranching)”.

TITLE VI—RURAL DEVELOPMENT AND INVESTMENT

Subtitle A—Consolidated Farm and Rural Development Act

SEC. 6001. WATER, WASTE DISPOSAL, AND WASTE-WATER FACILITY GRANTS.

Section 306(a)(2)(B)(vii) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)(B)(vii)) is amended, by striking “2007” and inserting “2012”.

SEC. 6002. RURAL BUSINESS OPPORTUNITY GRANTS.

Section 306(a)(11)(D) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is amended by striking “2007” and inserting “2012”.

SEC. 6003. CHILD DAY CARE FACILITY GRANTS, LOANS, AND LOAN GUARANTEES.

Section 306(a)(19) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(19)) is amended by striking subparagraph (C) and inserting the following:

“(C) **CHILD DAY CARE FACILITIES.**—

“(i) **IN GENERAL.**—Of the funds of the Commodity Credit Corporation, the Secretary shall use for the costs of grants, loans, and loan guarantees to pay the Federal share of the cost of developing and constructing day care facilities for children in rural areas, as determined by the Secretary, \$40,000,000 for fiscal year 2008, to remain available until expended.

“(ii) **RELATIONSHIP TO OTHER FUNDING AND AUTHORITIES.**—The funds and authorities made available under this subparagraph shall be in addition to other funds and authorities relating to development and construction of rural day care facilities.”.

SEC. 6004. RURAL WATER AND WASTEWATER CIRCUIT RIDER PROGRAM.

Section 306(a)(22) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(22)) is amended—

(1) in subparagraph (B), by striking “2002 (115 Stat. 719)” and inserting “2008”; and

(2) in subparagraph (C), by striking “\$15,000,000 for fiscal year 2003” and inserting “\$20,000,000 for fiscal year 2008”.

SEC. 6005. MULTIJURISDICTIONAL REGIONAL PLANNING ORGANIZATIONS.

Section 306(a)(23)(E) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(23)(E)) is amended by striking “2007” and inserting “2012”.

SEC. 6006. RURAL HOSPITAL LOANS AND LOAN GUARANTEES.

Section 306(a)(24) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(24)) is amended by adding at the end the following:

“(C) **RURAL HOSPITALS.**—

“(i) **IN GENERAL.**—Of the funds of the Commodity Credit Corporation, the Secretary shall use for the costs of loans and loan guarantees to pay the Federal share of the cost of rehabilitating or improving hospitals that have not more than 100 acute beds in rural areas, as determined by the Secretary, \$50,000,000 for fiscal year 2008, to remain available until expended.

“(ii) **PRIORITY.**—In making loans and loan guarantees under this subparagraph, the Secretary shall give priority to hospitals for—

“(I) the provision of facilities to improve and install patient care, health quality outcomes, and health information technology, including computer hardware and software, equipment for electronic medical records, handheld computer technology, and equipment that improves interoperability; or

“(II) the acquisition of equipment and software purchased collectively in a cost effective manner to address technology needs.

“(iii) **RELATIONSHIP TO OTHER FUNDING AND AUTHORITIES.**—The funds and authorities made available under this subparagraph shall be in addition to other funds and authorities relating to rehabilitation and improvement of hospitals described in clause (i).”.

SEC. 6007. TRIBAL COLLEGE AND UNIVERSITY ESSENTIAL COMMUNITY FACILITIES.

Section 306(a)(25) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(25)) is amended—

(1) in subparagraph (B)(ii), by striking “75 percent” and inserting “95 percent”; and

(2) in subparagraph (C), by striking “2007” and inserting “2012”.

SEC. 6008. COMMUNITY FACILITY LOANS AND GRANTS FOR FREELY ASSOCIATED STATES AND OUTLYING AREAS.

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a))

is amended by adding at the end the following:

“(26) **COMMUNITY FACILITY LOANS AND GRANTS FOR FREELY ASSOCIATED STATES AND OUTLYING AREAS.**—

“(A) **IN GENERAL.**—Subject to subparagraph (B), of the amount that is made available for each fiscal year for each of the community facility loan and grant programs established under paragraphs (1), (19), (20), (21), and (25), the Secretary shall allocate 0.5 percent of the amount for making loans or grants (as applicable) under the program to eligible entities that are located in freely associated States or outlying areas (as those terms are defined in section 1121(c) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6331(c)) that are subject to the jurisdiction of the United States and are otherwise covered by this Act.

“(B) **REALLOCATION.**—If the Secretary determines that a sufficient number of applications for loans or grants for a program described in subparagraph (A) have not been received from eligible entities for a fiscal year during the 180-day period beginning on October 1 of the fiscal year, the Secretary shall reallocate any unused funds to make loans or grants (as applicable) under the program to eligible entities that are located in States.”.

SEC. 6009. PRIORITY FOR COMMUNITY FACILITY LOAN AND GRANT PROJECTS WITH HIGH NON-FEDERAL SHARE.

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) (as amended by section 6008) is amended by adding at the end the following:

“(27) **PRIORITY FOR COMMUNITY FACILITY LOAN AND GRANT PROJECTS WITH HIGH NON-FEDERAL SHARE.**—In carrying out the community facility loan and grant programs established under paragraphs (1), (19), (20), (21), and (25), the Secretary shall give priority to projects that will be carried out with a non-Federal share of funds that is substantially greater than the minimum requirement, as determined by the Secretary by regulation.”.

SEC. 6010. SEARCH GRANTS.

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) (as amended by section 6009) is amended by adding at the end the following:

“(28) **APPLICATIONS FILED BY ELIGIBLE COMMUNITIES.**—

“(A) **ELIGIBLE COMMUNITY.**—In this paragraph, the term ‘eligible community’ means a community that, as determined by the Secretary—

“(i) has a population of 2,500 or fewer inhabitants; and

“(ii) is financially distressed.

“(B) **APPLICATIONS.**—In the case of water and waste disposal and wastewater facilities grant programs authorized under this title, the Secretary may accept applications from eligible communities for grants for feasibility study, design, and technical assistance.

“(C) **TERMS.**—

“(i) **IN GENERAL.**—Except as provided in clause (ii), the terms of the grant programs described in subparagraph (B) shall apply to the applications described in that subparagraph.

“(ii) **EXCEPTIONS.**—Grants made pursuant to applications described in subparagraph (B)—

“(I) shall fund up to 100 percent of eligible project costs; and

“(II) shall be subject to the least documentation requirements practicable.

“(iii) **PROCESSING.**—The Secretary shall process applications received under subparagraph (B) in the same manner as other similar grant applications.

“(D) FUNDING.—In addition to any other funds made available for technical assistance, the Secretary may use to carry out this paragraph not more than 4 percent of the total amount of funds made available for a fiscal year for water, waste disposal, and essential community facilities.”.

SEC. 6011. EMERGENCY AND IMMINENT COMMUNITY WATER ASSISTANCE GRANT PROGRAM.

Section 306A(i)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a(i)(2)) is amended by striking “2007” and inserting “2012”.

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”;
 - (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 (b), by striking “the State of Alaska” and inserting “a grantee”;
- (3) 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)”;
 - (4) in subsection (d)(1), by striking “2007” and inserting “2012”.

SEC. 6013. GRANTS TO DEVELOP WELLS IN RURAL AREAS.

(a) GRANTS TO NONPROFIT ORGANIZATIONS TO FINANCE THE CONSTRUCTION, REFINISHING, AND SERVICING OF INDIVIDUALLY-OWNED HOUSEHOLD WATER WELL SYSTEMS IN RURAL AREAS FOR INDIVIDUALS WITH LOW OR MODERATE INCOMES.—Section 306E(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926e(d)) is amended by striking “2007” and inserting “2012”.

(b) GRANTS TO DEVELOP AREA WELLS IN ISOLATED AREAS.—Subtitle A of the Consolidated Farm and Rural Development Act is amended by inserting after section 306E (7 U.S.C. 1926e) the following:

“**SEC. 306F. GRANTS TO DEVELOP AREA WELLS IN ISOLATED AREAS.**

“(a) DEFINITION OF ISOLATED AREA.—In this section, the term ‘isolated area’ means an area—

- “(1) in which the development of a traditional water system is not financially practical due to—
- “(A) the distances or geography of the area; and
- “(B) the limited number of households present to be served; and
- “(2) that is not part of a city of more than 1,000 inhabitants.

“(b) GRANTS.—The Secretary may make grants to nonprofit organizations to develop and construct household, shared, and community water wells in isolated rural areas.

“(c) PRIORITY IN AWARDED GRANTS.—In awarding grants under this section, the Secretary shall give priority to applicants that have demonstrated experience in developing safe and similar projects including household, shared, and community wells in rural areas.

“(d) REQUIREMENTS.—

“(1) IN GENERAL.—As a condition on receipt of a grant under this section, the water from wells funded under this section shall be tested annually for water quality, as determined by the Secretary.

“(2) RESULTS.—The results of tests under paragraph (1) shall be made available to—

- “(A) the users of the wells; and
 - “(B) the appropriate State agency.
- “(e) LIMITATION.—The amount of a grant under this section shall not exceed the lesser of—

- “(1) \$50,000; or
 - “(2) the amount that is 75 percent of the cost of a single well and associated system.
- “(f) PROHIBITION.—The Secretary may not award grants under this section in any area in which a majority of the users of a proposed well have a household income that is greater than the nonmetropolitan median household income of the State or territory, as determined by the Secretary.

“(g) ADMINISTRATIVE EXPENSES.—Not more than 10 percent of the amount of a grant made under this section may be used to pay administrative expenses associated with providing project assistance, as determined by the Secretary.

“(h) 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.”.

SEC. 6014. COOPERATIVE EQUITY SECURITY GUARANTEE.

Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended—

- (1) in the first sentence of subsection (a), by inserting “and private investment funds that invest primarily in cooperative organizations” after “or nonprofit”; and
- (2) in subsection (g)—

(A) in paragraph (1), by inserting “, including guarantees described in paragraph (3)(A)(ii)” before the period at the end;

(B) in paragraph (3)(A)—

- (i) by striking “(A) IN GENERAL.—The Secretary” and inserting the following:
 - “(A) ELIGIBILITY.—
 - “(i) IN GENERAL.—The Secretary”; and
 - (ii) by adding at the end the following:
 - “(ii) EQUITY.—The Secretary may guarantee a loan made for the purchase of preferred stock or similar equity issued by a cooperative organization or a fund that invests primarily in cooperative organizations, if the guarantee significantly benefits 1 or more entities eligible for assistance under subsection (a)(1), as determined by the Secretary.”;

(C) in paragraph (8)(A)(ii), by striking “a project—” and all that follows through the end of subclause (II) and inserting “a project that—

- “(I)(aa) is in a rural area; and
- “(bb) provides for the value-added processing of agricultural commodities; or
- “(II) significantly benefits 1 or more entities eligible for assistance under subsection (a)(1), as determined by the Secretary.”.

SEC. 6015. RURAL COOPERATIVE DEVELOPMENT GRANTS.

(a) ELIGIBILITY.—Section 310B(e)(5) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)(5)) is amended—

- (1) in subparagraph (A), by striking “a nationally coordinated, regionally or Statewide operated project” and inserting “activities to promote and assist the development of cooperatively- and mutually-owned businesses”;
- (2) in subparagraph (B), by inserting “to promote and assist the development of cooperatively- and mutually-owned businesses” before the semicolon;
- (3) by striking subparagraph (D);
- (4) by redesignating subparagraph (E) as subparagraph (D);
- (5) in subparagraph (D) (as so redesignated), by striking “and” at the end;
- (6) by inserting after subparagraph (D) (as so redesignated) the following:

“(E) demonstrate a commitment to—

- “(i) networking with and sharing the results of the efforts of the center with other cooperative development centers and other organizations involved in rural economic development efforts; and
- “(ii) developing multiorganization and multistate approaches to addressing the cooperative and economic development needs of rural areas; and”;

“(E) demonstrate a commitment to—

“(i) networking with and sharing the results of the efforts of the center with other cooperative development centers and other organizations involved in rural economic development efforts; and

“(ii) developing multiorganization and multistate approaches to addressing the cooperative and economic development needs of rural areas; and”;

(7) in subparagraph (F), by striking “providing greater than” and inserting “providing”.

(b) AUTHORITY TO AWARD MULTIYEAR GRANTS.—Section 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)) is amended by striking paragraph (6) and inserting the following:

“(6) GRANT PERIOD.—

“(A) IN GENERAL.—A grant awarded to a center that has received no prior funding under this subsection shall be made for a period of 1 year.

“(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 goals described in paragraph (3) in providing services under this subsection, as determined by the Secretary.”.

(c) AUTHORITY TO EXTEND GRANT PERIOD.—Section 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)) is amended—

- (1) by redesignating paragraphs (7), (8), and (9) as paragraphs (8), (9), and (12), respectively; and
- (2) inserting after paragraph (6) the following:

“(7) AUTHORITY TO EXTEND GRANT PERIOD.—The Secretary may extend for 1 additional 12-month period the period in which a grantee may use a grant made under this subsection.”.

(d) COOPERATIVE RESEARCH PROGRAM.—Section 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)) is amended by inserting after paragraph (9) (as redesignated by subsection (c)(1)) the following:

“(10) COOPERATIVE RESEARCH PROGRAM.—The Secretary shall enter into a cooperative research agreement with 1 or more qualified academic institutions in each fiscal year to conduct research on the national economic effects of all types of cooperatives.”.

(e) ADDRESSING NEEDS OF MINORITY COMMUNITIES.—Section 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)) is amended by inserting after paragraph (10) (as added by subsection (d)) the following:

“(11) ADDRESSING NEEDS OF MINORITY COMMUNITIES.—

“(A) DEFINITION OF SOCIALLY DISADVANTAGED.—In this paragraph, the term ‘socially disadvantaged’ has the meaning given the term in section 355(e).

“(B) RESERVATION OF FUNDS.—

“(i) IN GENERAL.—If the total amount appropriated under paragraph (12) for a fiscal year exceeds \$7,500,000, the Secretary shall reserve an amount equal to 20 percent of the total amount appropriated for grants for cooperative development centers, individual cooperatives, or groups of cooperatives that serve socially disadvantaged communities, a majority of the boards of directors or governing boards of which are comprised of socially disadvantaged individuals.

“(ii) INSUFFICIENT APPLICATIONS.—To the extent that the Secretary determines that funds reserved under clause (i) would not be used for grants described in that clause due to insufficient applications for the grants,

the Secretary shall use the funds as otherwise authorized by this subsection.”.

(f) **AUTHORIZATION OF APPROPRIATIONS.**—Paragraph (12) of section 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)) (as redesignated by subsection (c)(1)) is amended by striking “2007” and inserting “2012”.

SEC. 6016. GRANTS TO BROADCASTING SYSTEMS.

Section 310B(f)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(f)(3)) is amended by striking “2007” and inserting “2012”.

SEC. 6017. LOCALLY-PRODUCED AGRICULTURAL FOOD PRODUCTS.

Section 310B(g) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(g)) is amended by adding at the end the following:

“(9) **LOCALLY-PRODUCED AGRICULTURAL FOOD PRODUCTS.**—

“(A) **DEFINITIONS.**—In this paragraph:

“(i) **LOCALLY-PRODUCED AGRICULTURAL FOOD PRODUCT.**—The term ‘locally-produced agricultural food product’ means any agricultural product raised, produced, and distributed in—

“(I) the locality or region in which the final agricultural product is marketed, so that the total distance that the agricultural product is transported is less than 300 miles from the origin of the agricultural product; or

“(II) the State in which the agricultural product is produced.

“(ii) **UNDERSERVED COMMUNITY.**—The term ‘underserved community’ means a community (including an urban or rural community and an Indian tribal community) that has, as determined by the Secretary—

“(I) limited access to affordable, healthy foods, including fresh fruits and vegetables, in grocery retail stores or farmer-to-consumer direct markets or a high incidence of a diet-related disease as compared to the national average, including obesity; and

“(II) a high rate of hunger or food insecurity or a high poverty rate.

“(B) **LOAN AND LOAN GUARANTEE PROGRAM.**—

“(i) **IN GENERAL.**—The Secretary, acting through the Administrator of the Rural Business-Cooperative Service in coordination with the Administration of the Agricultural Marketing Service, shall make or guarantee loans to individuals, cooperatives, businesses, and other entities to establish and facilitate enterprises that process, distribute, aggregate, store, and market locally-produced agricultural food products.

“(ii) **REQUIREMENT.**—The recipient of a loan or loan guarantee under clause (i) shall agree to make a reasonable effort, as determined by the Secretary, to work with retail and institutional facilities to which the recipient sells locally-produced agricultural food products to inform the consumers of the retail or institutional facilities that the consumers are purchasing or consuming locally-produced agricultural food products.

“(iii) **PRIORITY.**—In making or guaranteeing a loan under clause (i), the Secretary shall give priority to—

“(I) projects that support community development and farm and ranch income by marketing, distributing, storing, aggregating, or processing a locally-produced agricultural food product; and

“(II) projects that have components benefiting underserved communities.

“(iv) **RETAIL OR INSTITUTIONAL FACILITIES.**—The Secretary may allow recipients of loans or loan guarantees under clause (i) to provide up to \$250,000 in loan or loan guarantee funds per retail or institutional facility for an underserved community in a rural or nonrural area to help retail facilities—

“(I) to modify and update the facilities to accommodate locally-produced agricultural food products; and

“(II) to provide outreach to consumers about the sale of locally-produced agricultural food products.

“(v) **REPORTS.**—Not later than 1 year after the date of enactment of this paragraph and annually 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 that describes projects carried out using loans or loan guarantees made under clause (i), including—

“(I) the characteristics of the communities served by the projects; and

“(II) benefits of the projects.

“(vi) **RESERVATION OF FUNDS.**—

“(I) **IN GENERAL.**—For each of fiscal years 2008 through 2012, the Secretary shall reserve not less than 5 percent of the funds made available to carry out this subsection to carry out this subparagraph.

“(II) **AVAILABILITY OF FUNDS.**—Funds reserved under subclause (I) for a fiscal year shall be reserved until April 1 of the fiscal year.”.

SEC. 6018. CENTER FOR HEALTHY FOOD ACCESS AND ENTERPRISE DEVELOPMENT.

Paragraph (9) of section 310B(g) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(g)) (as added by section 6017) is amended by adding at the end the following:

“(C) **CENTER FOR HEALTHY FOOD ACCESS AND ENTERPRISE DEVELOPMENT.**—

“(i) **IN GENERAL.**—The Secretary, acting through the Agricultural Marketing Service, shall establish and support a Center for Healthy Food Access and Enterprise Development.

“(ii) **DUTIES.**—The Center established under clause (i) shall contract with 1 or more nonprofit entities to provide technical assistance and disseminate information to food wholesalers and retailers concerning best practices for the aggregating, storage, processing, and marketing of locally-produced agricultural food products.

“(iii) **DEADLINE.**—The Secretary shall establish the Center not later than 180 days after the date on which funds are made available under clause (iv).

“(iv) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this subparagraph \$1,000,000 for each of fiscal years 2008 through 2012.”.

SEC. 6019. APPROPRIATE TECHNOLOGY TRANSFER FOR RURAL AREAS.

Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended by adding at the end the following:

“(i) **APPROPRIATE TECHNOLOGY TRANSFER FOR RURAL AREAS PROGRAM.**—

“(1) **DEFINITION OF NATIONAL NONPROFIT AGRICULTURAL ASSISTANCE INSTITUTION.**—In this subsection, the term ‘national nonprofit agricultural assistance institution’ means an organization that—

“(A) is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under 501(a) of that Code;

“(B) has staff and offices in multiple regions of the United States;

“(C) has experience and expertise in operating national sustainable agriculture technical assistance programs; and

“(D) provides the technical assistance through toll-free hotlines, 1 or more websites, publications, and workshops.

“(2) **ESTABLISHMENT.**—The Secretary shall establish a national appropriate technology transfer for rural areas program to assist agricultural producers that are seeking information to help the agricultural producers—

“(A) reduce input costs;

“(B) conserve energy resources;

“(C) diversify operations through new energy crops and energy generation facilities; and

“(D) expand markets for the agricultural commodities produced by the producers through use of practices involving sustainable agriculture.

“(3) **IMPLEMENTATION.**—

“(A) **IN GENERAL.**—The Secretary shall carry out the program under this subsection by making a grant to, or offering to enter into a cooperative agreement with, a national nonprofit agricultural assistance organization.

“(B) **GRANT AMOUNT.**—A grant made, or cooperative agreement entered into, under subparagraph (A) shall provide 100 percent of the cost of providing information described in paragraph (2).

“(4) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to carry out this subsection \$5,000,000 for each of fiscal years 2008 through 2012.”.

SEC. 6020. RURAL ECONOMIC AREA PARTNERSHIP ZONES.

Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) (as amended by section 6019) is amended by adding at the end the following:

“(j) **RURAL ECONOMIC AREA PARTNERSHIP ZONES.**—For the period beginning on the date of enactment of this subsection and ending on September 30, 2012, the Secretary shall carry out rural economic area partnership zones in the States of New York, North Dakota, and Vermont, in accordance with the terms and conditions contained in the memorandums of agreement entered into by the Secretary for the rural economic area partnership zones, except as otherwise provided in this subsection.”.

SEC. 6021. DEFINITIONS.

(a) **RURAL AREA.**—Section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)) is amended by striking paragraph (13) and inserting the following:

“(13) **RURAL AND RURAL AREA.**—

“(A) **IN GENERAL.**—Subject to subparagraphs (B) and (C), the terms ‘rural’ and ‘rural area’ mean any area other than—

“(i) a city or town that has a population of greater than 50,000 inhabitants, except that, for all activities under programs in the rural development mission area within the areas of the County of Honolulu, Hawaii, and the Commonwealth of Puerto Rico, the Secretary may designate any portion of the areas as a rural area or eligible rural community that the Secretary determines is not urban in character, other than any area included in the Honolulu Census Designated Place or the San Juan Census Designated Place;

“(ii) any urbanized area (as defined by the Bureau of the Census) contiguous and adjacent to a city or town described in clause (i); and

“(iii) any collection of census blocks contiguous to each other (as defined by the Bureau of the Census) that—

“(I) is adjacent to a city or town described in clause (i) or an urbanized area described in clause (ii); and

“(II) has a housing density that the Secretary estimates is greater than 200 housing units per square mile, except that an applicant may appeal the estimate based on actual data for the area.

“(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 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 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.”.

(b) ADDITIONAL TERMS.—Section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)) is amended by adding at the end the following:

“(14) SUSTAINABLE AGRICULTURE.—The term ‘sustainable agriculture’ means an integrated system of plant and animal production practices having a site-specific application that will, over the long-term—

“(A) satisfy human food and fiber needs;

“(B) enhance environmental quality and the natural resource base upon which the agriculture economy depends;

“(C) make the most efficient use of non-renewable resources and on-farm resources and integrate, where appropriate, natural biological cycles and controls;

“(D) sustain the economic viability of farm operations; and

“(E) enhance the quality of life for farmers and society as a whole.

“(15) TECHNICAL ASSISTANCE.—The term ‘technical assistance’ means managerial, financial, operational, and scientific analysis and consultation to assist an individual or entity (including a borrower or potential borrower under this title)—

“(A) to identify and evaluate practices, approaches, problems, opportunities, or solutions; and

“(B) to assist in the planning, implementation, management, operation, marketing, or maintenance of projects authorized under this title.”.

SEC. 6022. RURAL MICROENTERPRISE ASSISTANCE PROGRAM.

Subtitle D of the Consolidated Farm and Rural Development Act (as amended by section 5207) is amended by inserting after section 365 the following:

“SEC. 366. RURAL MICROENTERPRISE ASSISTANCE PROGRAM.

“(a) DEFINITIONS.—In this section:

“(1) INDIAN TRIBE.—The term ‘Indian tribe’ has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

“(2) LOW- OR MODERATE-INCOME INDIVIDUAL.—The term ‘low- or moderate-income individual’ means an individual with an income (adjusted for family size) of not more than 80 percent of the national median income.

“(3) MICROCREDIT.—The term ‘microcredit’ means a business loan or loan guarantee of not more than \$50,000 that is provided to a rural microenterprise.

“(4) MICROENTERPRISE DEVELOPMENT ORGANIZATION.—The term ‘microenterprise development organization’ means an organization that—

“(A) is—

“(i) a nonprofit entity;

“(ii) an Indian tribe, the tribal government of which certifies to the Secretary that no microenterprise development organization or microenterprise development program exists under the jurisdiction of the Indian tribe; or

“(iii) for the purpose of subsection (b), a public institution of higher education;

“(B) provides training and technical assistance to rural microenterprises;

“(C) facilitates access to capital or another service described in subsection (b) for rural microenterprises; and

“(D) has a demonstrated record of delivering services to economically disadvantaged microenterprises, or an effective plan to develop a program to deliver microenterprise services to rural microenterprises effectively, as determined by the Secretary.

“(5) RURAL CAPACITY BUILDING SERVICE.—The term ‘rural capacity building service’ means a service provided to an organization that—

“(A) is, or is in the process of becoming, a microenterprise development organization; and

“(B) serves rural areas for the purpose of enhancing the ability of the organization to provide training, technical assistance, and other services relating to rural development.

“(6) RURAL MICROENTERPRISE.—

“(A) IN GENERAL.—The term ‘rural microenterprise’ means an individual described in subparagraph (B) who is unable to obtain sufficient training, technical assistance, or microcredit other than under this section, as determined by the Secretary.

“(B) DESCRIPTION.—An individual described in this subparagraph is—

“(i) a self-employed individual located in a rural area; or

“(ii) an owner and operator, or prospective owner and operator, of a business entity located in a rural area with not more than 10 full-time-equivalent employees.

“(7) SECRETARY.—The term ‘Secretary’ means the Secretary of Agriculture, acting through the Rural Business-Cooperative Service.

“(b) RURAL MICROENTERPRISE PROGRAM.—

“(1) ESTABLISHMENT.—The Secretary shall establish a rural microenterprise program.

“(2) PURPOSE.—The purpose of the rural microenterprise program shall be to provide low- or moderate-income individuals with—

“(A) the skills necessary to establish new rural microenterprises; and

“(B) continuing technical and financial assistance as individuals and business starting or operating rural microenterprises.

“(3) GRANTS.—

“(A) IN GENERAL.—The Secretary may make a grant under the rural microenterprise program to microenterprise development organizations—

“(i) to provide training, operational support, business planning assistance, market development assistance, and other related services to rural microenterprises, with an emphasis on rural microenterprises that —

“(I) are composed of low- or moderate-income individuals; or

“(II) are in areas that have lost population;

“(ii) to assist in researching and developing the best practices in delivering training, technical assistance, and microcredit to rural microenterprises; and

“(iii) to carry out such other projects and activities as the Secretary determines to be consistent with the purposes of this section.

“(B) DIVERSITY.—In making grants under this paragraph, the Secretary shall ensure, to the maximum extent practicable, that grant recipients include microenterprise development organizations—

“(i) of varying sizes; and

“(ii) that serve racially- and ethnically-diverse populations.

“(C) COST SHARING.—

“(i) FEDERAL SHARE.—The Federal share of the cost of a project carried out using funds from a grant made under this paragraph shall be 75 percent.

“(ii) FORM OF NON-FEDERAL SHARE.—The non-Federal share of the cost of a project described in clause (i) may be provided—

“(I) in cash (including through fees, grants (including community development block grants), and gifts); or

“(II) as in-kind contributions.

“(4) RURAL MICROLOAN PROGRAM.—

“(A) ESTABLISHMENT.—In carrying out the rural microenterprise program, the Secretary may carry out a rural microloan program.

“(B) PURPOSE.—The purpose of the rural microloan program shall be to provide technical and financial assistance to rural microenterprises that—

“(i) are composed of low- or moderate-income individuals; or

“(ii) are in areas that have lost population.

“(C) AUTHORITY OF SECRETARY.—In carrying out the rural microloan program, the Secretary may—

“(i) make direct loans to microenterprise development organizations for the purpose of making fixed interest rate microloans to startup, newly established, and growing rural microenterprises; and

“(ii) in conjunction with those loans, provide technical assistance grants in accordance with subparagraph (E) to those microenterprise development organizations.

“(D) LOAN DURATION; INTEREST RATES; CONDITIONS.—

“(i) LOAN DURATION.—A direct loan made by the Secretary under this paragraph shall be for a term not to exceed 20 years.

“(ii) APPLICABLE INTEREST RATE.—A direct loan made by the Secretary under this paragraph shall bear an annual interest rate of 1 percent.

“(iii) LOAN LOSS RESERVE FUND.—The Secretary shall require each microenterprise development organization that receives a direct loan under this paragraph to—

“(I) establish a loan loss reserve fund; and

“(II) maintain the reserve fund in an amount equal to at least 5 percent of the outstanding balance of such loans owed by the microenterprise development organization, until all obligations owed to the Secretary under this paragraph are repaid.

“(iv) DEFERRAL OF INTEREST AND PRINCIPAL.—The Secretary shall permit the deferral of payments on principal and interest due on a loan made under this paragraph during the 2-year period beginning on the date on which the loan is made.

“(E) TECHNICAL ASSISTANCE GRANT AMOUNTS.—

“(i) IN GENERAL.—Except as otherwise provided in this section, each microenterprise development organization that receives a direct loan under this paragraph shall be eligible to receive a technical assistance grant to provide marketing, management, and technical assistance to rural microenterprises that are borrowers or potential borrowers under this subsection.

“(ii) MAXIMUM AMOUNT OF TECHNICAL ASSISTANCE GRANT FOR MICROENTERPRISE DEVELOPMENT ORGANIZATIONS.—Each microenterprise development organization that receives a direct loan under this paragraph shall receive an annual technical assistance grant in an amount equal to not more than 25 percent of the total outstanding balance of microloans made by the microenterprise development organization under this paragraph, as of the date of provision of the technical assistance grant.

“(iii) MATCHING REQUIREMENT.—

“(I) IN GENERAL.—As a condition of any grant made to a microenterprise development organization under this subparagraph, the Secretary shall require the microenterprise development organization to match not less than 15 percent of the total amount of the grant.

“(II) FORM OF NON-FEDERAL SHARE.—The non-Federal share of the cost of a project described in subclause (I) may be provided—

“(aa) in cash; or

“(bb) as indirect costs or in-kind contributions.

“(c) ADMINISTRATIVE EXPENSES.—Not more than 10 percent of a grant received by a microenterprise development organization for a fiscal year under this section may be used to pay administrative expenses.

“(d) FUNDING.—

“(1) MANDATORY FUNDING.—

“(A) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section \$40,000,000 for fiscal year 2008, to remain available until expended.

“(B) ALLOCATION OF FUNDS.—Of the amount made available by subparagraph (A) for fiscal year 2008—

“(i) not less than \$25,000,000 shall be available for use in carrying out subsection (b)(3); and

“(ii) not less than \$15,000,000 shall be available for use in carrying out subsection (b)(4), of which not more than \$7,000,000 shall be used for the cost of direct loans.

“(2) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts made available under paragraph (1), there are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2009 through 2012.”

SEC. 6023. ARTISANAL CHEESE CENTERS.

Subtitle D of the Consolidated Farm and Rural Development Act is amended by inserting after section 366 (as added by section 6022) the following:

“SEC. 367. ARTISANAL CHEESE CENTERS.

“(a) IN GENERAL.—The Secretary shall establish artisanal cheese centers to provide educational and technical assistance relating to the manufacture and marketing of artisanal cheese by small- and medium-sized producers and businesses.

“(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2008 through 2012.”

SEC. 6024. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.

Section 378 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008m) is amended—

(1) in subsection (g)(1), by striking “2007” and inserting “2012”; and

(2) in subsection (h), by striking “the date that is 5 years after the date of enactment of this section” and inserting “September 30, 2012”.

SEC. 6025. HISTORIC BARN PRESERVATION.

Section 379A(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008o(c)) is amended—

(1) by striking paragraph (2) and inserting the following:

“(2) ELIGIBLE PROJECTS.—

“(A) IN GENERAL.—A grant under this subsection may be made to an eligible applicant for a project—

“(i) to rehabilitate or repair a historic barn;

“(ii) to preserve a historic barn; and

“(iii) to identify, document, survey, and conduct research on a historic barn or historic farm structure to develop and evaluate appropriate techniques or best practices for protecting historic barns.

“(B) PRIORITY.—The Secretary shall give the highest funding priority to grants for projects described in subparagraph (A)(iii).”; and

(2) in paragraph (4), by striking “2007” and inserting “2012”.

SEC. 6026. GRANTS FOR NOAA WEATHER RADIO TRANSMITTERS.

Section 379B(d) of the Consolidated Farm and Rural Development Act (7 U.S.C.

2008p(d)) is amended by striking “2007” and inserting “2012”.

SEC. 6027. GRANTS TO TRAIN FARM WORKERS IN NEW TECHNOLOGIES AND TO TRAIN FARM WORKERS IN SPECIALIZED SKILLS NECESSARY FOR HIGHER VALUE CROPS.

Section 379C(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008q(c)) is amended by striking “2007” and inserting “2012”.

SEC. 6028. GRANTS FOR EXPANSION OF EMPLOYMENT OPPORTUNITIES FOR INDIVIDUALS WITH DISABILITIES IN RURAL AREAS.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) is amended by adding at the end the following:

“SEC. 379E. GRANTS FOR EXPANSION OF EMPLOYMENT OPPORTUNITIES FOR INDIVIDUALS WITH DISABILITIES IN RURAL AREAS.

“(a) DEFINITIONS.—In this section:

“(1) INDIVIDUAL WITH A DISABILITY.—The term ‘individual with a disability’ means an individual with a disability (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)).

“(2) INDIVIDUALS WITH DISABILITIES.—The term ‘individuals with disabilities’ means more than 1 individual with a disability.

“(b) GRANTS.—The Secretary shall make grants to nonprofit organizations, or to a consortium of nonprofit organizations, to expand and enhance employment opportunities for individuals with disabilities in rural areas.

“(c) ELIGIBILITY.—To be eligible to receive a grant under this section, a nonprofit organization or consortium of nonprofit organizations shall have—

“(1) a significant focus on serving the needs of individuals with disabilities;

“(2) demonstrated knowledge and expertise in—

“(A) employment of individuals with disabilities; and

“(B) advising private entities on accessibility issues involving individuals with disabilities;

“(3) expertise in removing barriers to employment for individuals with disabilities, including access to transportation, assistive technology, and other accommodations;

“(4) existing relationships with national organizations focused primarily on the needs of rural areas;

“(5) affiliates in a majority of the States; and

“(6) a close working relationship with the Department of Agriculture.

“(d) USES.—A grant received under this section may be used only to expand or enhance—

“(1) employment opportunities for individuals with disabilities in rural areas by developing national technical assistance and education resources to assist small businesses in a rural area to recruit, hire, accommodate, and employ individuals with disabilities; and

“(2) self-employment and entrepreneurship opportunities for individuals with disabilities in a rural area.

“(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$2,000,000 for each of fiscal years 2008 through 2012.”

SEC. 6029. DELTA REGIONAL AUTHORITY.

(a) HEALTH CARE SERVICES.—Section 382C of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa-2) is amended by adding at the end the following:

“(c) HEALTH CARE SERVICES.—

“(1) IN GENERAL.—Subject to the availability of appropriated funds, the Secretary may award a grant to the Delta Health Alliance for the development of health care serv-

ices, health education programs, and health care job training programs fields, and for the development and expansion of public health-related facilities, in the Mississippi Delta region to address longstanding and unmet health needs in the Mississippi Delta region.

“(2) USE.—As a condition of the receipt of the grant, the Delta Health Alliance shall use the grant to fund projects and activities described in paragraph (1), based on input solicited from local governments, public health care providers, and other entities in the Mississippi Delta region.

“(3) FEDERAL INTEREST IN PROPERTY.—Notwithstanding any other provision of law, with respect to the use of grant funds provided under this subsection for a project involving the construction or major alteration of property, the Federal interest in the property shall terminate on the earlier of—

“(A) the date that is 1 year after the date of the completion of the project; or

“(B) the date on which the Federal Government is compensated for the proportionate interest of the Federal Government in the property, if the use of the property changes or the property is transferred or sold.”

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 382M(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa-12(a)) is amended by striking “2007” and inserting “2012”.

(c) TERMINATION OF AUTHORITY.—Section 382N of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa-13) is amended by striking “2007” and inserting “2012”.

(d) DELTA REGION AGRICULTURAL ECONOMIC DEVELOPMENT.—Section 379D(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008r(b)) is amended by striking “2007” and inserting “2012”.

SEC. 6030. NORTHERN GREAT PLAINS REGIONAL AUTHORITY.

(a) ESTABLISHMENT.—Section 383B of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009bb-1) is amended—

(1) in subsection (a), by adding at the end the following:

“(4) FAILURE TO CONFIRM.—

“(A) FEDERAL MEMBER.—Notwithstanding any other provision of this section, if a Federal member described in paragraph (2)(A) has not been confirmed by the Senate by not later than 180 days after the date of enactment of this paragraph, the Authority may organize and operate without the Federal member.

“(B) INDIAN CHAIRPERSON.—Notwithstanding any other provision of this section, if a chairperson of an Indian Tribe described in paragraph (2)(C) has not been confirmed by the Senate by not later than 180 days after the date of enactment of this paragraph, the leaders of the Indian tribes in the region may select that member.”;

(2) in subsection (d)—

(A) in paragraph (1), by striking “to establish priorities and” and inserting “for multistate cooperation to advance the economic and social well-being of the region and to”

(B) in paragraph (3), by striking “local development districts,” and inserting “regional and local development districts or organizations, regional boards established under subtitle I.”;

(C) in paragraph (4), by striking “cooperation;” and inserting “cooperation for—

“(i) renewable energy development and transmission;

“(ii) transportation planning and economic development;

“(iii) information technology;

“(iv) movement of freight and individuals within the region;

“(v) federally-funded research at institutions of higher education; and

“(vi) conservation land management.”;

(D) by striking paragraph (6) and inserting the following:

“(6) enhance the capacity of, and provide support for, multistate development and research organizations, local development organizations and districts, and resource conservation districts in the region;”;

(E) in paragraph (7), by inserting “renewable energy,” after “commercial.”;

(3) in subsection (f)(2), by striking “the Federal cochairperson” and inserting “a cochairperson”;

(4) in subsection (g)(1), by striking subparagraphs (A) through (C) and inserting the following:

“(A) for each of fiscal years 2008 and 2009, 100 percent;

“(B) for fiscal year 2010, 75 percent; and

“(C) for fiscal year 2011 and each fiscal year thereafter, 50 percent.”;

(b) INTERSTATE COOPERATION FOR ECONOMIC OPPORTUNITY AND EFFICIENCY.—

(1) IN GENERAL.—Subtitle G of the Consolidated Farm and Rural Development Act is amended—

(A) by redesignating sections 383C through 383N (7 U.S.C. 2009bb–2 through 2009bb–13) as sections 383D through 383O, respectively; and

(B) by inserting after section 383B (7 U.S.C. 2009bb–1) the following:

“SEC. 383C. INTERSTATE COOPERATION FOR ECONOMIC OPPORTUNITY AND EFFICIENCY.

“(a) IN GENERAL.—The Authority shall provide assistance to States in developing regional plans to address multistate economic issues, including plans—

“(1) to develop a regional transmission system for movement of renewable energy to markets outside the region,

“(2) to assist in the harmonization of transportation policies and regulations that impact the interstate movement of goods and individuals, including the establishment of a Northern Great Plains Regional Transportation Working Group;

“(3) to encourage and support interstate collaboration on federally-funded research that is in the national interest; and

“(4) to establish a Regional Working Group on Agriculture Development and Transportation.

“(b) ECONOMIC ISSUES.—The multistate economic issues referred to in subsection (a) shall include—

“(1) renewable energy development and transmission;

“(2) transportation planning and economic development;

“(3) information technology;

“(4) movement of freight and individuals within the region;

“(5) federally-funded research at institutions of higher education; and

“(6) conservation land management.”;

(2) CONFORMING AMENDMENTS.—

(A) Section 383B(c)(3)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009bb–1(c)(3)(B)) is amended by striking “383I” and inserting “383J”.

(B) Section 383D(a) of the Consolidated Farm and Rural Development Act (as redesignated by paragraph (1)(A)) is amended by striking “383I” and inserting “383J”.

(C) Section 383E of the Consolidated Farm and Rural Development Act (as so redesignated) is amended—

(i) in subsection (b)(1), by striking “383F(b)” and inserting “383G(b)”;

(ii) in subsection (c)(2)(A), by striking “383I” and inserting “383J”.

(D) Section 383G of the Consolidated Farm and Rural Development Act (as so redesignated) is amended—

(i) in subsection (b)—

(I) in paragraph (1), by striking “383M” and inserting “383N”; and

(II) in paragraph (2), by striking “383D(b)” and inserting “383E(b)”;

(ii) in subsection (c)(2)(A), by striking “383E(b)” and inserting “383F(b)”;

(iii) in subsection (d)—

(I) by striking “383M” and inserting “383N”; and

(II) by striking “383C(a)” and inserting “383D(a)”.

(E) Section 383J(c)(2) of the Consolidated Farm and Rural Development Act (as so redesignated) is amended by striking “383H” and inserting “383I”.

(c) ECONOMIC AND COMMUNITY DEVELOPMENT GRANTS.—Section 383D of the Consolidated Farm and Rural Development Act (as redesignated by subsection (b)(1)(A)) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking “transportation and telecommunication” and inserting “transportation, renewable energy transmission, and telecommunication”; and

(B) by redesignating paragraphs (1) and (2) as paragraphs (2) and (1), respectively, and moving those paragraphs so as to appear in numerical order; and

(2) in subsection (b)(2), by striking “the activities in the following order or priority” and inserting “the following activities”.

(d) SUPPLEMENTS TO FEDERAL GRANT PROGRAMS.—Section 383E(a) of the Consolidated Farm and Rural Development Act (as redesignated by subsection (b)(1)(A)) is amended by striking “, including local development districts.”;

(e) MULTISTATE AND LOCAL DEVELOPMENT DISTRICTS AND ORGANIZATIONS AND NORTHERN GREAT PLAINS INC.—Section 383F of the Consolidated Farm and Rural Development Act (as redesignated by subsection (b)(1)(A)) is amended—

(1) by striking the section heading and inserting “MULTISTATE AND LOCAL DEVELOPMENT DISTRICTS AND ORGANIZATIONS AND NORTHERN GREAT PLAINS INC.”;

(2) by striking subsections (a) and (b) and inserting the following:

“(a) DEFINITION OF MULTISTATE AND LOCAL DEVELOPMENT DISTRICT OR ORGANIZATION.—In this section, the term ‘multistate and local development district or organization’ means an entity—

“(1) that—

“(A) is a planning district in existence on the date of enactment of this subtitle that is recognized by the Economic Development Administration of the Department of Commerce; or

“(B) is—

“(i) organized and operated in a manner that ensures broad-based community participation and an effective opportunity for other nonprofit groups to contribute to the development and implementation of programs in the region;

“(ii) a nonprofit incorporated body organized or chartered under the law of the State in which the entity is located;

“(iii) a nonprofit agency or instrumentality of a State or local government;

“(iv) a public organization established before the date of enactment of this subtitle under State law for creation of multijurisdictional, area-wide planning organizations;

“(v) a nonprofit agency or instrumentality of a State that was established for the purpose of assisting with multistate cooperation; or

“(vi) a nonprofit association or combination of bodies, agencies, and instrumentalities described in clauses (ii) through (v); and

“(2) that 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 Fed-

eral source, was an officer of the other entity.

“(b) GRANTS TO MULTISTATE, LOCAL, OR REGIONAL DEVELOPMENT DISTRICTS AND ORGANIZATIONS.—

“(1) IN GENERAL.—The Authority may make grants for administrative expenses under this section to multistate, local, and regional development districts and organizations.

“(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 regional or local development district or organization receiving the grant.

“(B) MAXIMUM PERIOD.—No grant described in paragraph (1) shall be awarded for a period greater than 3 years.

“(3) LOCAL SHARE.—The contributions of a regional or local development district or organization for administrative expenses may be in cash or in kind, fairly evaluated, including space, equipment, and services.”;

(3) in subsection (c)—

(A) by striking “DUTIES” and inserting “AUTHORITIES”; and

(B) in the matter preceding paragraph (1), by striking “shall” and inserting “may”.

(f) DISTRESSED COUNTIES AND AREAS AND NONDISTRESSED COUNTIES.—Section 383G of the Consolidated Farm and Rural Development Act (as redesignated by subsection (b)(1)(A)) is amended—

(1) in subsection (b)(1), by striking “75” and inserting “50”;

(2) by striking subsection (c);

(3) by redesignating subsection (d) as subsection (c); and

(4) in subsection (c) (as so redesignated)—

(A) in the subsection heading, by inserting “, RENEWABLE ENERGY,” after “TELECOMMUNICATION.”;

(B) by inserting “, renewable energy,” after “telecommunication.”;

(g) DEVELOPMENT PLANNING PROCESS.—Section 383H of the Consolidated Farm and Rural Development Act (as redesignated by subsection (b)(1)(A)) is amended—

(1) in subsection (c)(1), by striking subparagraph (A) and inserting the following:

“(A) multistate, regional, and local development districts and organizations; and”;

and

(2) in subsection (d)(1), by striking “State and local development districts” and inserting “multistate, regional, and local development districts and organizations”.

(h) PROGRAM DEVELOPMENT CRITERIA.—Section 383I(a)(1) of the Consolidated Farm and Rural Development Act (as redesignated by subsection (b)(1)(A)) is amended by inserting “multistate or” before “regional”.

(i) AUTHORIZATION OF APPROPRIATIONS.—Section 383N(a) of the Consolidated Farm and Rural Development Act (as redesignated by subsection (b)(1)(A)) is amended by striking “2002 through 2007” and inserting “2008 through 2012”.

(j) TERMINATION OF AUTHORITY.—Section 383O of the Consolidated Farm and Rural Development Act (as redesignated by subsection (b)(1)(A)) is amended by striking “2007” and inserting “2012”.

SEC. 6031. RURAL BUSINESS INVESTMENT PROGRAM.

(a) ISSUANCE AND GUARANTEE OF TRUST CERTIFICATES.—Section 384F of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009cc–5) is amended—

(1) in subsection (a)(1), by inserting “, including an investment pool created entirely by such bank or savings association” before the period at the end;

(2) in subsection (b)(3)(A), by striking “In the event” and inserting the following:

“(i) AUTHORITY TO PREPAY.—A debenture may be prepaid at any time without penalty.

“(ii) REDUCTION OF GUARANTEE.—Subject to clause (i), if”; and

(3) in subsection (e), by adding at the end the following:

“(6) DISTRIBUTIONS.—

“(A) IN GENERAL.—The Secretary shall authorize distributions to investors for unrealized income from a debenture.

“(B) TREATMENT.—Distributions made by a rural business investment company to an investor of private capital in the rural business investment company for the purpose of covering the tax liability of the investor resulting from unrealized income of the rural business investment company shall not require the repayment of a debenture.”.

(b) FEES.—Section 384G of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009cc-6) is amended—

(1) in subsection (a), by striking “such fees as the Secretary considers appropriate” and inserting “a fee that does not exceed \$500”; and

(2) in subsection (b), by striking “approved by the Secretary” and inserting “that does not exceed \$500”; and

(3) in subsection (c)—

(A) in paragraph (1), by striking “The” and inserting “Except as provided in paragraph (3), the”; and

(B) in paragraph (2)—

(i) in subparagraph (A), by striking “and” at the end;

(ii) in subparagraph (B), by striking the period at the end and inserting “; and”; and

(iii) by adding at the end the following:

“(C) shall not exceed \$500 for any fee collected under this subsection.”; and

(C) by adding at the end the following:

“(3) PROHIBITION ON COLLECTION OF CERTAIN FEES.—In the case of a license described in paragraph (1) that was approved before July 1, 2007, the Secretary shall not collect any fees due on or after the date of enactment of this paragraph.”.

(c) RURAL BUSINESS INVESTMENT COMPANIES.—Section 384I(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009cc-8(c)) is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following:

“(3) TIME FRAME.—Each rural business investment company shall have a period of 2 years to meet the capital requirements of this subsection.”.

(d) FINANCIAL INSTITUTION INVESTMENTS.—Section 384J of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009cc-9) is amended by striking subsection (c).

(e) CONTRACTING OF FUNCTIONS.—Section 384Q of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009cc-16) is repealed.

(f) FUNDING.—The Consolidated Farm and Rural Development Act is amended by striking section 384S (7 U.S.C. 2009cc-18) and inserting the following:

“SEC. 384S. AUTHORIZATION OF APPROPRIATIONS.

“There are authorized to be appropriated such sums as are necessary to carry out this subtitle.”.

SEC. 6032. RURAL COLLABORATIVE INVESTMENT PROGRAM.

Subtitle I of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009dd et seq.) is amended to read as follows:

“Subtitle I—Rural Collaborative Investment Program

“SEC. 385A. PURPOSE.

“The purpose of this subtitle is to establish a regional rural collaborative investment program—

“(1) to provide rural regions with a flexible investment vehicle, allowing for local control with Federal oversight, assistance, and accountability;

“(2) to provide rural regions with incentives and resources to develop and implement comprehensive strategies for achieving regional competitiveness, innovation, and prosperity;

“(3) to foster multisector community and economic development collaborations that will optimize the asset-based competitive advantages of rural regions with particular emphasis on innovation, entrepreneurship, and the creation of quality jobs;

“(4) to foster collaborations necessary to provide the professional technical expertise, institutional capacity, and economies of scale that are essential for the long-term competitiveness of rural regions; and

“(5) to better use Department of Agriculture and other Federal, State, and local governmental resources, and to leverage those resources with private, nonprofit, and philanthropic investments, to achieve measurable community and economic prosperity, growth, and sustainability.

“SEC. 385B. DEFINITIONS.

“In this subtitle:

“(1) BENCHMARK.—The term ‘benchmark’ means an annual set of goals and performance measures established for the purpose of assessing performance in meeting a regional investment strategy of a Regional Board.

“(2) INDIAN TRIBE.—The term ‘Indian tribe’ has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

“(3) NATIONAL BOARD.—The term ‘National Board’ means the National Rural Investment Board established under section 385C(c).

“(4) NATIONAL INSTITUTE.—The term ‘National Institute’ means the National Institute on Regional Rural Competitiveness and Entrepreneurship established under section 385C(b)(2).

“(5) REGIONAL BOARD.—The term ‘Regional Board’ means a Regional Rural Investment Board described in section 385D(a).

“(6) REGIONAL INNOVATION GRANT.—The term ‘regional innovation grant’ means a grant made by the Secretary to a certified Regional Board under section 385F.

“(7) REGIONAL INVESTMENT STRATEGY GRANT.—The term ‘regional investment strategy grant’ means a grant made by the Secretary to a certified Regional Board under section 385E.

“SEC. 385C. ESTABLISHMENT AND ADMINISTRATION OF RURAL COLLABORATIVE INVESTMENT PROGRAM.

“(a) ESTABLISHMENT.—The Secretary shall establish a Rural Collaborative Investment Program to support comprehensive regional investment strategies for achieving rural competitiveness.

“(b) DUTIES OF SECRETARY.—In carrying out this subtitle, the Secretary shall—

“(1) appoint and provide administrative and program support to the National Board;

“(2) establish a national institute, to be known as the ‘National Institute on Regional Rural Competitiveness and Entrepreneurship’, to provide technical assistance to the Secretary and the National Board regarding regional competitiveness and rural entrepreneurship, including technical assistance for—

“(A) the development of rigorous analytic programs to assist Regional Boards in determining the challenges and opportunities that need to be addressed to receive the greatest regional competitive advantage;

“(B) the provision of support for best practices developed by the Regional Boards;

“(C) the establishment of programs to support the development of appropriate governance and leadership skills in the applicable regions; and

“(D) the evaluation of the progress and performance of the Regional Boards in

achieving benchmarks established in a regional investment strategy;

“(3) work with the National Board to develop a national rural investment plan, which shall—

“(A) create a framework to encourage and support a more collaborative and targeted rural investment portfolio in the United States;

“(B) establish the Rural Philanthropic Initiative, to work with rural communities to create and enhance the pool of permanent philanthropic resources committed to rural community and economic development;

“(C) cooperate with the Regional Boards and State and local governments, organizations, and entities to ensure investment strategies are developed that take into consideration existing rural assets; and

“(D) encourage the organization of Regional Boards;

“(4) certify the eligibility of Regional Boards to receive regional investment strategy grants and regional innovation grants;

“(5) provide grants for Regional Boards to develop and implement regional investment strategies;

“(6) provide technical assistance to Regional Boards on issues, best practices, and emerging trends relating to rural development, in cooperation with the National Rural Investment Board; and

“(7) provide analytic and programmatic support for regional rural competitiveness through the National Institute, including—

“(A) programs to assist Regional Boards in determining the challenges and opportunities that must be addressed to receive the greatest regional competitive advantage;

“(B) support for best practices development by the regional investment boards;

“(C) programs to support the development of appropriate governance and leadership skills in the region; and

“(D) a review and annual evaluation of the performance of the Regional Boards (including progress in achieving benchmarks established in a regional investment strategy) in an annual report submitted to—

“(i) the Committee on Agriculture of the House of Representatives; and

“(ii) the Committee on Agriculture, Nutrition, and Forestry of the Senate.

“(c) NATIONAL RURAL INVESTMENT BOARD.—The Secretary shall establish within the Department of Agriculture a board to be known as the ‘National Rural Investment Board’.

“(d) DUTIES OF NATIONAL BOARD.—The National Board shall—

“(1) not later than 180 days after the date of establishment of the National Board, develop rules relating to the operation of the National Board;

“(2) provide advice to the Secretary and subsequently review the design, development, and execution of the National Rural Investment Plan;

“(3) provide advice to Regional Boards on issues, best practices, and emerging trends relating to rural development; and

“(4) provide advice to the Secretary and the National Institute on the development and execution of the program under this subtitle.

“(e) MEMBERSHIP.—

“(1) IN GENERAL.—The National Board shall consist of 14 members appointed by the Secretary not later than 180 days after the date of enactment of the Food and Energy Security Act of 2007.

“(2) SUPERVISION.—The National Board shall be subject to the general supervision and direction of the Secretary.

“(3) SECTORS REPRESENTED.—The National Board shall consist of representatives from each of—

“(A) nationally recognized entrepreneurship organizations;

“(B) regional strategy and development organizations;

“(C) community-based organizations;

“(D) elected members of county and municipal governments;

“(E) elected members of State legislatures;

“(F) primary, secondary, and higher education, job skills training, and workforce development institutions;

“(G) the rural philanthropic community;

“(H) financial, lending, venture capital, entrepreneurship, and other related institutions;

“(I) private sector business organizations, including chambers of commerce and other for-profit business interests;

“(J) Indian tribes; and

“(K) cooperative organizations.

“(4) SELECTION OF MEMBERS.—

“(A) IN GENERAL.—In selecting members of the National Board, the Secretary shall consider recommendations made by—

“(i) the chairman and ranking member of each of the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate;

“(ii) the Majority Leader and Minority Leader of the Senate; and

“(iii) the Speaker and Minority Leader of the House of Representatives.

“(B) EX-OFFICIO MEMBERS.—In consultation with the chairman and ranking member of each of the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, the Secretary may appoint not more than 3 other officers or employees of the Executive Branch to serve as ex-officio, non-voting members of the National Board.

“(5) TERM OF OFFICE.—

“(A) IN GENERAL.—Subject to subparagraph (B), the term of office of a member of the National Board appointed under paragraph (1)(A) shall be for a period of not more than 4 years.

“(B) STAGGERED TERMS.—The members of the National Board shall be appointed to serve staggered terms.

“(6) INITIAL APPOINTMENTS.—Not later than 120 days after the date of enactment of the Food and Energy Security Act of 2007, the Secretary shall appoint the initial members of the National Board.

“(7) VACANCIES.—A vacancy on the National Board shall be filled in the same manner as the original appointment.

“(8) COMPENSATION.—A member of the National Board shall receive no compensation for service on the National Board, but shall be reimbursed for related travel and other expenses incurred in carrying out the duties of the member of the National Board in accordance with section 5702 and 5703 of title 5, United States Code.

“(9) CHAIRPERSON.—The National Board shall select a chairperson from among the members of the National Board.

“(10) FEDERAL STATUS.—For purposes of Federal law, a member of the National Board shall be considered a special Government employee (as defined in section 202(a) of title 18, United States Code).

“(f) ADMINISTRATIVE SUPPORT.—The Secretary, on a reimbursable basis from funds made available under section 385H(b)(3), may provide such administrative support to the National Board as the Secretary determines is necessary to carry out the duties of the National Board.

“SEC. 385D. REGIONAL RURAL INVESTMENT BOARDS.

“(a) IN GENERAL.—A Regional Rural Investment Board shall be a multijurisdictional and multisectoral group that—

“(1) represents the long-term economic, community, and cultural interests of a region;

“(2) is certified by the Secretary to establish a rural investment strategy and compete for regional innovation grants;

“(3) is composed of residents of a region that are broadly representative of diverse public, nonprofit, and private sector interests in investment in the region, including (to the maximum extent practicable) representatives of—

“(A) units of local government (including multijurisdictional units of local government);

“(B) nonprofit community-based development organizations, including community development financial institutions and community development corporations;

“(C) agricultural, natural resource, and other asset-based related industries;

“(D) in the case of regions with federally recognized Indian tribes, Indian tribes;

“(E) regional development organizations;

“(F) private business organizations, including chambers of commerce;

“(G)(i) institutions of higher education (as defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)));

“(ii) tribally controlled colleges or universities (as defined in section 2(a) of Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1801(a))); and

“(iii) tribal technical institutions;

“(H) workforce and job training organizations;

“(I) other entities and organizations, as determined by the Regional Board;

“(J) cooperatives; and

“(K) consortia of entities and organizations described in subparagraphs (A) through (J);

“(4) represents a region inhabited by—

“(A) more than 25,000 individuals, as determined in the latest available decennial census conducted under section 141(a) of title 13, United States Code; or

“(B) in the case of a region with a population density of less than 2 individuals per square mile, at least 10,000 individuals, as determined in that latest available decennial census;

“(5) has a membership of which not less than 25 percent, nor more than 40 percent, represents—

“(A) units of local government and Indian tribes described in subparagraphs (A) and (D) of paragraph (3);

“(B) nonprofit community and economic development organizations and institutions of higher education described in subparagraphs (B) and (G) of paragraph (3); or

“(C) private business (including chambers of commerce and cooperatives) and agricultural, natural resource, and other asset-based related industries described in subparagraphs (C) and (F) of paragraph (3);

“(6) has a membership that may include an officer or employee of a Federal or State agency, serving as an ex-officio, nonvoting member of the Regional Board to represent the agency; and

“(7) has organizational documents that demonstrate that the Regional Board shall—

“(A) create a collaborative, inclusive public-private strategy process;

“(B) develop, and submit to the Secretary for approval, a regional investment strategy that meets the requirements of section 385E, with benchmarks—

“(i) to promote investment in rural areas through the use of grants made available under this subtitle; and

“(ii) to provide financial and technical assistance to promote a broad-based regional development program aimed at increasing and diversifying economic growth, improved community facilities, and improved quality of life;

“(C) implement the approved regional investment strategy;

“(D) provide annual reports to the Secretary and the National Board on progress made in achieving the benchmarks of the regional investment strategy, including an annual financial statement; and

“(E) select a non-Federal organization (such as a regional development organization) in the local area served by the Regional Board that has previous experience in the management of Federal funds to serve as fiscal manager of any funds of the Regional Board.

“(b) URBAN AREAS.—A resident of an urban area may serve as an ex-officio member of a Regional Board.

“(c) DUTIES.—A Regional Board shall—

“(1) create a collaborative and inclusive planning process for public-private investment within a region;

“(2) develop, and submit to the Secretary for approval, a regional investment strategy;

“(3) develop approaches that will create permanent resources for philanthropic giving in the region, to the maximum extent practicable;

“(4) implement an approved strategy; and

“(5) provide annual reports to the Secretary and the National Board on progress made in achieving the strategy, including an annual financial statement.

“SEC. 385E. REGIONAL INVESTMENT STRATEGY GRANTS.

“(a) IN GENERAL.—The Secretary shall make regional investment strategy grants available to Regional Boards for use in developing, implementing, and maintaining regional investment strategies.

“(b) REGIONAL INVESTMENT STRATEGY.—A regional investment strategy shall provide—

“(1) an assessment of the competitive advantage of a region, including—

“(A) an analysis of the economic conditions of the region;

“(B) an assessment of the current economic performance of the region;

“(C) a background overview of the population, geography, workforce, transportation system, resources, environment, and infrastructure needs of the region; and

“(D) such other pertinent information as the Secretary may request;

“(2) an analysis of regional economic and community development challenges and opportunities, including—

“(A) incorporation of relevant material from other government-sponsored or supported plans and consistency with applicable State, regional, and local workforce investment strategies or comprehensive economic development plans; and

“(B) an identification of past, present, and projected Federal and State economic and community development investments in the region;

“(3) a section describing goals and objectives necessary to solve regional competitiveness challenges and meet the potential of the region;

“(4) an overview of resources available in the region for use in—

“(A) establishing regional goals and objectives;

“(B) developing and implementing a regional action strategy;

“(C) identifying investment priorities and funding sources; and

“(D) identifying lead organizations to execute portions of the strategy;

“(5) an analysis of the current state of collaborative public, private, and nonprofit participation and investment, and of the strategic roles of public, private, and nonprofit entities in the development and implementation of the regional investment strategy;

“(6) a section identifying and prioritizing vital projects, programs, and activities for consideration by the Secretary, including—

“(A) other potential funding sources; and

“(B) recommendations for leveraging past and potential investments;

“(7) a plan of action to implement the goals and objectives of the regional investment strategy;

“(8) a list of performance measures to be used to evaluate the implementation of the regional investment strategy, including—

“(A) the number and quality of jobs, including self-employment, created during implementation of the regional rural investment strategy;

“(B) the number and types of investments made in the region;

“(C) the growth in public, private, and non-profit investment in the human, community, and economic assets of the region;

“(D) changes in per capita income and the rate of unemployment; and

“(E) other changes in the economic environment of the region;

“(9) a section outlining the methodology for use in integrating the regional investment strategy with the economic priorities of the State; and

“(10) such other information as the Secretary determines to be appropriate.

“(c) MAXIMUM AMOUNT OF GRANT.—A regional investment strategy grant shall not exceed \$150,000.

“(d) COST SHARING.—

“(1) IN GENERAL.—Subject to paragraph (2), of the share of the costs of developing, maintaining, evaluating, implementing, and reporting with respect to a regional investment strategy funded by a grant under this section—

“(A) not more than 40 percent may be paid using funds from the grant; and

“(B) the remaining share shall be provided by the applicable Regional Board or other eligible grantee.

“(2) FORM.—A Regional Board or other eligible grantee shall pay the share described in paragraph (1)(B) in the form of cash, services, materials, or other in-kind contributions, on the condition that not more than 50 percent of that share is provided in the form of services, materials, and other in-kind contributions.

“SEC. 385F. REGIONAL INNOVATION GRANTS PROGRAM.

“(a) GRANTS.—

“(1) IN GENERAL.—The Secretary shall provide, on a competitive basis, regional innovation grants to Regional Boards for use in implementing projects and initiatives that are identified in a regional rural investment strategy approved under section 385E.

“(2) TIMING.—After October 1, 2008, the Secretary shall provide awards under this section on a quarterly funding cycle.

“(b) ELIGIBILITY.—For a Regional Board to receive a regional innovation grant, the Secretary shall determine that—

“(1) the regional rural investment strategy of a Regional Board has been reviewed by the National Board prior to approval by the Secretary;

“(2) the management and organizational structure of the Regional Board is sufficient to oversee grant projects, including management of Federal funds; and

“(3) the Regional Board has a plan to achieve, to the maximum extent practicable, the performance-based benchmarks of the project in the regional rural investment strategy of the Regional Board.

“(c) LIMITATIONS.—

“(1) AMOUNT RECEIVED.—A Regional Board may not receive more than \$6,000,000 in regional innovation grants under this section during any 5-year period.

“(2) DETERMINATION OF AMOUNT.—The Secretary shall determine the amount of a regional innovation grant based on—

“(A) the needs of the region being addressed by the applicable regional rural in-

vestment strategy consistent with the purposes described in subsection (f)(2); and

“(B) the size of the geographical area of the region.

“(3) GEOGRAPHIC DIVERSITY.—The Secretary shall ensure that not more than 10 percent of funding made available under this section is provided to Regional Boards in any State.

“(d) COST-SHARING.—

“(1) LIMITATION.—Subject to paragraph (2), the amount of a grant made under this section shall not exceed 50 percent of the cost of the project.

“(2) WAIVER OF GRANTEE SHARE.—The Secretary may waive the limitation in paragraph (1) under special circumstances, as determined by the Secretary, including—

“(A) a sudden or severe economic dislocation;

“(B) significant chronic unemployment or poverty;

“(C) a natural disaster; or

“(D) other severe economic, social, or cultural duress.

“(3) OTHER FEDERAL ASSISTANCE.—For the purpose of determining cost-share limitations for any other Federal program, funds provided under this section shall be considered to be non-Federal funds.

“(e) PREFERENCES.—In providing regional innovation grants under this section, the Secretary shall give—

“(1) a high priority to strategies that demonstrate significant leverage of capital and quality job creation; and

“(2) a preference to an application proposing projects and initiatives that would—

“(A) advance the overall regional competitiveness of a region;

“(B) address the priorities of a regional rural investment strategy, including priorities that—

“(i) promote cross-sector collaboration, public-private partnerships, or the provision of collaborative gap financing or seed capital for program implementation;

“(ii) exhibit collaborative innovation and entrepreneurship, particularly within a public-private partnership; and

“(iii) represent a broad coalition of interests described in section 385D(a);

“(C) include a strategy to leverage public non-Federal and private funds and existing assets, including agricultural assets, natural assets, and public infrastructure, with substantial emphasis placed on the existence of real financial commitments to leverage the available funds;

“(D) create quality jobs;

“(E) enhance the role, relevance, and leveraging potential of community and regional foundations in support of regional investment strategies;

“(F) demonstrate a history, or involve organizations with a history, of successful leveraging of capital for economic development and public purposes;

“(G) address gaps in existing basic services, including technology, within a region;

“(H) address economic diversification, including agricultural and non-agriculturally based economies, within a regional framework;

“(I) improve the overall quality of life in the region (including with respect to education, health care, housing, recreation, and arts and culture);

“(J) enhance the potential to expand economic development successes across diverse stakeholder groups within the region;

“(K) include an effective working relationship with 1 or more institutions of higher education, tribally controlled colleges or universities, or tribal technical institutions; or

“(L) help to meet the other regional competitiveness needs identified by a Regional Board.

“(f) USES.—

“(1) LEVERAGE.—A Regional Board shall prioritize projects and initiatives carried out using funds from a regional innovation grant provided under this section, based in part on the degree to which members of the Regional Board are able to leverage additional funds for the implementation of the projects.

“(2) PURPOSES.—A Regional Board may use a regional innovation grant—

“(A) to support the development of critical infrastructure (including technology deployment and services) necessary to facilitate the competitiveness of a region;

“(B) to provide assistance to entities within the region that provide essential public and community services;

“(C) to enhance the value-added production, marketing, and use of agricultural and natural resources within the region, including activities relating to renewable and alternative energy production and usage;

“(D) to assist with entrepreneurship, job training, workforce development, housing, educational, or other quality of life services or needs, relating to the development and maintenance of strong local and regional economies;

“(E) to assist in the development of unique new collaborations that link public, private, and philanthropic resources, including community foundations;

“(F) to provide support for business and entrepreneurial investment, strategy, expansion, and development, including feasibility strategies, technical assistance, peer networks, and business development funds;

“(G) to carry out other broad activities relating to strengthening the economic competitiveness of the region; and

“(H) to provide matching funds to enable community foundations located within the region to build endowments which provide permanent philanthropic resources to implement a regional investment strategy.

“(3) AVAILABILITY OF FUNDS.—The funds made available to a Regional Board or any other eligible grantee through a regional innovation grant shall remain available for the 7-year period beginning on the date on which the award is provided, on the condition that the Regional Board or other grantee continues to be certified by the Secretary as making adequate progress toward achieving established benchmarks.

“(g) COST SHARING.—

“(1) WAIVER OF GRANTEE SHARE.—The Secretary may waive the share of a grantee of the costs of a project funded by a regional innovation grant under this section if the Secretary determines that such a waiver is appropriate, including with respect to special circumstances within tribal regions, in the event an area experiences—

“(A) a sudden or severe economic dislocation;

“(B) significant chronic unemployment or poverty;

“(C) a natural disaster; or

“(D) other severe economic, social, or cultural duress.

“(2) OTHER FEDERAL PROGRAMS.—For the purpose of determining cost-sharing requirements for any other Federal program, funds provided as a regional innovation grant under this section shall be considered to be non-Federal funds.

“(h) NONCOMPLIANCE.—If a Regional Board or other eligible grantee fails to comply with any requirement relating to the use of funds provided under this section, the Secretary may—

“(1) take such actions as are necessary to obtain reimbursement of unused grant funds; and

“(2) reprogram the recaptured funds for purposes relating to implementation of this subtitle.

“(i) PRIORITY TO AREAS WITH AWARDS AND APPROVED STRATEGIES.—

“(1) IN GENERAL.—Subject to paragraph (3), in providing rural development assistance under other programs, the Secretary shall give a high priority to areas that receive innovation grants under this section.

“(2) CONSULTATION.—The Secretary shall consult with the heads of other Federal agencies to promote the development of priorities similar to those described in paragraph (1).

“(3) EXCLUSION OF CERTAIN PROGRAMS.—Paragraph (1) shall not apply to the provision of rural development assistance under any program relating to basic health, safety, or infrastructure, including broadband deployment or minimum environmental needs.

“SEC. 385G. RURAL ENDOWMENT LOANS PROGRAM.

“(a) IN GENERAL.—The Secretary may provide long-term loans to eligible community foundations to assist in the implementation of regional investment strategies.

“(b) ELIGIBLE COMMUNITY FOUNDATIONS.—To be eligible to receive a loan under this section, a community foundation shall—

“(1) be located in an area that is covered by a regional investment strategy;

“(2) match the amount of the loan with an amount that is at least 250 percent of the amount of the loan; and

“(3) use the loan and the matching amount to carry out the regional investment strategy targeted to community and economic development, including through the development of community foundation endowments.

“(c) TERMS.—A loan made under this section shall—

“(1) have a term of not less than 10, nor more than 20, years;

“(2) bear an interest rate of 1 percent per annum; and

“(3) be subject to such other terms and conditions as are determined appropriate by the Secretary.

“SEC. 385H. FUNDING.

“(a) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary shall use \$135,000,000 to carry out this subtitle, to remain available until expended.

“(b) USE BY SECRETARY.—Of the amounts made available to the Secretary under subsection (a), the Secretary shall use—

“(1) \$15,000,000 to be provided for regional investment strategy grants to Regional Boards under section 385E;

“(2) \$110,000,000 to provide innovation grants to Regional Boards under section 385F and for the cost of rural endowment loans under section 385G;

“(3) \$5,000,000 for fiscal year 2008 to administer the duties of the National Board, to remain available until expended; and

“(4) \$5,000,000 for fiscal year 2008 to administer the National Institute, to remain available until expended.

“(c) AUTHORIZATION OF APPROPRIATIONS.—In addition to funds otherwise made available to carry out this subtitle, there are authorized to be appropriated to the Secretary such sums as are necessary to carry out this subtitle.”.

SEC. 6033. FUNDING OF PENDING RURAL DEVELOPMENT LOAN AND GRANT APPLICATIONS.

(a) DEFINITION OF APPLICATION.—In this section, the term “application” does not include an application for a loan or grant that, as of the date of enactment of this Act, is in the preapplication phase of consideration under regulations of the Secretary in effect on the date of enactment of this Act.

(b) USE OF FUNDS.—Subject to subsection (c), the Secretary shall use funds made avail-

able under subsection (d) to provide funds for applications that are pending on the date of enactment of this Act for—

(1) water or waste disposal grants or direct loans under paragraph (1) or (2) of section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)); and

(2) emergency community water assistance grants under section 306A of that Act (7 U.S.C. 1926a).

(c) LIMITATIONS.—

(1) APPROPRIATED AMOUNTS.—Funds made available under this section shall be available to the Secretary to provide funds for applications for loans and grants described in subsection (b) that are pending on the date of enactment of this Act only to the extent that funds for the loans and grants appropriated in the annual appropriations Act for fiscal year 2007 have been exhausted.

(2) PROGRAM REQUIREMENTS.—The Secretary may use funds made available under this section to provide funds for a pending application for a loan or grant described in subsection (b) only if the Secretary processes, reviews, and approves the application in accordance with regulations in effect on the date of enactment of this Act.

(3) PRIORITY.—In providing funding under this section for pending applications for loans or grants described in subsection (b), the Secretary shall provide funding in the following order of priority (until funds made available under this section are exhausted):

(A) Pending applications for water systems.

(B) Pending applications for waste disposal systems.

(4) INDIVIDUAL STATES.—In allocating funds made available under subsection (d), the Secretary shall use not more than 5 percent of the funds for pending applications for loans or grants described in subsection (b) that are made in any individual State.

(d) FUNDING.—Notwithstanding any other provision of law, of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section \$135,000,000, to remain available until expended.

Subtitle B—Rural Electrification Act of 1936

SEC. 6101. ENERGY EFFICIENCY PROGRAMS.

Sections 2(a) and 4 of the Rural Electrification Act of 1936 (7 U.S.C. 902(a), 904) are amended by inserting “efficiency and” before “conservation” each place it appears.

SEC. 6102. LOANS AND GRANTS FOR ELECTRIC GENERATION AND TRANSMISSION.

(a) IN GENERAL.—Section 4 of the Rural Electrification Act of 1936 (7 U.S.C. 904) is amended in the first sentence by striking “authorized and empowered, from the sums hereinbefore authorized, to” and inserting “shall”.

(b) RURAL COMMUNITIES WITH EXTREMELY HIGH ENERGY COSTS.—Section 19(a) of the Rural Electrification Act of 1936 (7 U.S.C. 918a(a)) is amended in the matter preceding paragraph (1) by striking “may” and inserting “shall”.

SEC. 6103. FEES FOR ELECTRIFICATION BASELOAD GENERATION LOAN GUARANTEES.

The Rural Electrification Act of 1936 is amended by inserting after section 4 (7 U.S.C. 904) the following:

“SEC. 5. FEES FOR ELECTRIFICATION BASELOAD GENERATION LOAN GUARANTEES.

“(a) IN GENERAL.—For electrification base-load generation loan guarantees, the Secretary shall, at the request of the borrower, charge an upfront fee to cover the costs of the loan guarantee.

“(b) FEE.—

“(1) IN GENERAL.—The fee described in subsection (a) for a loan guarantee shall be at least equal to the costs of the loan guarantee

(within the meaning of section 502(5)(C) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5)(C))).

“(2) SEPARATE FEE.—The Secretary may establish a separate fee for each loan.

“(c) ELIGIBILITY.—To be eligible for an electrification base-load generation loan guarantee under this section, a borrower shall—

“(1) provide a rating of the loan, exclusive of the Federal guarantee, by an organization identified by the Securities and Exchange Commission as a nationally recognized statistical rating organization that determines that the loan has at least a AA rating, or equivalent rating, as determined by the Secretary; or

“(2) obtain insurance or a guarantee for the full and timely repayment of principal and interest on the loan from an entity that has at least an AA or equivalent rating by a nationally recognized statistical rating organization.

“(d) LIMITATION.—Funds received from a borrower to pay for the fees described in this section shall not be derived from a loan or other debt obligation that is made or guaranteed by the Federal Government.”.

SEC. 6104. DEFERMENT OF PAYMENTS TO ALLOWS LOANS FOR IMPROVED ENERGY EFFICIENCY AND DEMAND REDUCTION.

Section 12 of the Rural Electrification Act of 1936 (7 U.S.C. 912) is amended by adding at the end the following:

“(c) DEFERMENT OF PAYMENTS TO ALLOWS LOANS FOR IMPROVED ENERGY EFFICIENCY AND DEMAND REDUCTION.—

“(1) IN GENERAL.—The Secretary shall allow borrowers to defer payment of principal and interest on any direct loan made under this Act to enable the borrower to make loans to residential, commercial, and industrial consumers to install energy efficient measures or devices that reduce the demand on electric systems.

“(2) AMOUNT.—The total amount of a deferment under this subsection shall not exceed the sum of the principal and interest on the loans made to a customer of the borrower, as determined by the Secretary.

“(3) TERM.—The term of a deferment under this subsection shall not exceed 60 months.”.

SEC. 6105. RURAL ELECTRIFICATION ASSISTANCE.

Section 13 of the Rural Electrification Act of 1936 (7 U.S.C. 913) is amended to read as follows:

“SEC. 13. DEFINITIONS.

“In this Act:

“(1) FARM.—The term ‘farm’ means a farm, as defined by the Bureau of the Census.

“(2) INDIAN TRIBE.—The term ‘Indian tribe’ has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

“(3) RURAL AREA.—

“(A) IN GENERAL.—Except as provided otherwise in this Act, the term ‘rural area’ means the farm and nonfarm population of—

“(i) any area described in section 343(a)(13)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(13)(A)); and

“(ii) any area within a service area of a borrower for which a borrower has an outstanding loan made under titles I through V as of the date of enactment of this paragraph.

“(B) RURAL BROADBAND ACCESS.—For the purpose of loans and loan guarantees made under section 601, the term ‘rural area’ has the meaning given the term in section 343(a)(13)(C) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(13)(C)).

“(4) TERRITORY.—The term ‘territory’ includes any insular possession of the United States.

“(5) SECRETARY.—The term ‘Secretary’ means the Secretary of Agriculture.”

SEC. 6106. GUARANTEES FOR BONDS AND NOTES ISSUED FOR ELECTRIFICATION OR TELEPHONE PURPOSES.

Section 313A of the Rural Electrification Act of 1936 (7 U.S.C. 940c-1) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking “for electrification” and all that follows through the end and inserting “for eligible electrification or telephone purposes consistent with this Act.”; and

(B) by striking paragraph (4) and inserting the following:

“(4) ANNUAL AMOUNT.—The total amount of guarantees provided by the Secretary under this section during a fiscal year shall not exceed \$1,000,000,000, subject to the availability of funds under subsection (e).”;

(2) in subsection (c), by striking paragraphs (2) and (3) and inserting the following:

“(2) AMOUNT.—

“(A) IN GENERAL.—The amount of the annual fee paid for the guarantee of a bond or note under this section shall be equal to 30 basis points of the amount of the unpaid principal of the bond or note guaranteed under this section.

“(B) PROHIBITION.—Except as otherwise provided in this subsection and subsection (e)(2), no other fees shall be assessed.

“(3) PAYMENT.—

“(A) IN GENERAL.—A lender shall pay the fees required under this subsection on a semiannual basis.

“(B) STRUCTURED SCHEDULE.—The Secretary shall, with the consent of the lender, structure the schedule for payment of the fee to ensure that sufficient funds are available to pay the subsidy costs for note or bond guarantees as provided for in subsection (e)(2).”;

(3) in subsection (f), by striking “2007” and inserting “2012”.

SEC. 6107. EXPANSION OF 911 ACCESS.

Section 315 of the Rural Electrification Act of 1936 (7 U.S.C. 940e) is amended to read as follows:

“SEC. 315. EXPANSION OF 911 ACCESS.

“(a) IN GENERAL.—Subject to such terms and conditions as the Secretary may prescribe, the Secretary may make loans under this title to entities eligible to borrow from the Rural Utilities Service, emergency communications equipment providers, State or local governments, Indian tribes (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), or other public entities for facilities and equipment to expand or improve—

“(1) 911 access;

“(2) integrated interoperable emergency communications, including multiuse networks that—

“(A) serve rural areas; and

“(B) provide commercial services or transportation information services in addition to emergency communications services;

“(3) homeland security communications;

“(4) transportation safety communications; or

“(5) location technologies used outside an urbanized area.

“(b) LOAN SECURITY.—Government-imposed fees related to emergency communications (including State or local 911 fees) may be considered to be security for a loan under this section.

“(c) REGULATIONS.—The Secretary shall—

“(1) not later than 90 days after the date of enactment of this subsection, promulgate proposed regulations to carry out this section; and

“(2) not later than 90 days after the publication of proposed rules to carry out this section, adopt final rules.

“(d) AUTHORIZATION OF APPROPRIATIONS.—The Secretary shall use to make loans under this section any funds otherwise made available for telephone or broadband loans for each of fiscal years 2007 through 2012.”.

SEC. 6108. ELECTRIC LOANS TO RURAL ELECTRIC COOPERATIVES.

Title III of the Rural Electrification Act of 1936 is amended by inserting after section 316 (7 U.S.C. 940f) the following:

“SEC. 317. ELECTRIC LOANS TO RURAL ELECTRIC COOPERATIVES.

“(a) DEFINITION OF RENEWABLE ENERGY SOURCE.—In this section, the term ‘renewable energy source’ has the meaning given the term ‘qualified energy resources’ in section 45(c)(1) of the Internal Revenue Code of 1986.

“(b) LOANS.—In addition to any other funds or authorities otherwise made available under this Act, the Secretary may make electric loans under this title for—

“(1) electric generation from renewable energy resources for resale to rural and nonrural residents; and

“(2) transmission lines principally for the purpose of wheeling power from 1 or more renewable energy sources.

“(c) RATE.—The rate of a loan under this section shall be equal to the average tax-exempt municipal bond rate of similar maturities.”.

SEC. 6109. AGENCY PROCEDURES.

Title III of the Rural Electrification Act of 1936 is amended by inserting after section 317 (as added by section 6108) the following:

“SEC. 318. AGENCY PROCEDURES.

“(a) CUSTOMER SERVICE.—The Secretary shall ensure that loan applicants under this Act are contacted at least once each month by the Rural Utilities Service regarding the status of any pending loan applications.

“(b) FINANCIAL NEED.—The Secretary shall ensure that—

“(1) an applicant for any grant program administered by the Rural Utilities Service has an opportunity to present special economic circumstances in support of the grant, such as the high cost of living, out migration, low levels of employment, weather damage, or environmental loss; and

“(2) the special economic circumstances presented by the applicant are considered in determining the financial need of the applicant.

“(c) MOBILE DIGITAL WIRELESS.—To facilitate the transition from analog wireless service to digital mobile wireless service, the Secretary may adjust population limitations under this Act related to digital mobile wireless service up to the level permitted under section 601.

“(d) BONDING REQUIREMENTS.—The Secretary shall review the bonding requirements for all programs administered by the Rural Utilities Service under this Act to ensure that bonds are not required if—

“(1) the interests of the Secretary are adequately protected by product warranties; or

“(2) the costs or conditions associated with a bond exceed the benefit of the bond to the Secretary.”.

SEC. 6110. ACCESS TO BROADBAND TELECOMMUNICATIONS SERVICES IN RURAL AREAS.

(a) IN GENERAL.—Section 601 of the Rural Electrification Act of 1936 (7 U.S.C. 950bb) is amended to read as follows:

“SEC. 601. ACCESS TO BROADBAND TELECOMMUNICATIONS SERVICES IN RURAL AREAS.

“(a) PURPOSE.—The purpose of this section is to provide loans and loan guarantees to provide funds for the costs of the construction, improvement, and acquisition of facilities and equipment for broadband service in rural areas.

“(b) DEFINITION OF BROADBAND SERVICE.—In this section:

“(1) IN GENERAL.—The term ‘broadband service’ means any technology identified by the Secretary as having the capacity to transmit data to enable a subscriber to the service to originate and receive high-quality voice, data, graphics, and video.

“(2) MOBILE BROADBAND.—The term ‘broadband service’ includes any service described in paragraph (1) that is provided over a licensed spectrum through the use of a mobile station or receiver communicating with a land station or other mobile stations communicating among themselves.

“(c) LOANS AND LOAN GUARANTEES.—

“(1) IN GENERAL.—The Secretary shall make or guarantee loans to eligible entities described in subsection (d) to provide funds for the construction, improvement, or acquisition of facilities and equipment for the provision of broadband service in rural areas.

“(2) PRIORITY.—In making or guaranteeing loans under paragraph (1), the Secretary shall give the highest priority to applicants that offer to provide broadband service to the greatest proportion of households that, prior to the provision of the service, had no terrestrial broadband service provider.

“(3) OFFER OF SERVICE.—For purposes of this section, a provider shall be considered to offer broadband service in a rural area if the provider makes the broadband service available to households in the rural area at not more than average prices as compared to the prices at which similar services are made available in the nearest urban area, as determined by the Secretary.

“(d) ELIGIBLE ENTITIES.—

“(1) REQUIREMENTS.—

“(A) IN GENERAL.—To be eligible to obtain a loan or loan guarantee under this section, an entity shall—

“(i) have the ability to furnish, improve, or extend a broadband service to a rural area;

“(ii) submit to the Secretary a proposal that meets the requirements of this section for a project to offer to provide service to at least 25 percent of households in a specified rural area that, as of the date on which the proposal is submitted, are not offered broadband service by a terrestrial broadband service provider; and

“(iii) agree to complete buildout of the broadband service described in the proposal not later than 3 years after the date on which a loan or loan guarantee under this section is received.

“(B) PROHIBITION.—In carrying out this section, the Secretary may not make a loan or loan guarantee for a project in any specific area in which broadband service is offered by 3 or more terrestrial service providers that offer services that are comparable to the services proposed by the applicant.

“(C) EQUITY AND MARKET SURVEY REQUIREMENTS.—

“(i) IN GENERAL.—The Secretary may require an entity to provide a cost share in an amount not to exceed 10 percent of the amount of the loan or loan guarantee requested in the application of the entity.

“(ii) CREDIT.—Recurring revenues of an entity, including broadband service client revenues, may be credited toward the cost share required under clause (i).

“(iii) MARKET SURVEY.—

“(I) IN GENERAL.—The Secretary may require an entity that proposes to have a subscriber projection of more than 20 percent of the broadband service market in a rural area to submit to the Secretary a market survey.

“(II) LESS THAN 20 PERCENT.—The Secretary may not require an entity that proposes to have a subscriber projection of less than 20 percent of the broadband service market in a

rural area to submit to the Secretary a market survey.

“(2) STATE AND LOCAL GOVERNMENTS AND INDIAN TRIBES.—Subject to paragraph (1), a State or local government (including any agency, subdivision, or instrumentality thereof (including consortia thereof)) and an Indian tribe shall be eligible for a loan or loan guarantee under this section to provide broadband services to a rural area.

“(3) ADEQUACY OF SECURITY.—The Secretary shall ensure that the type, amount, and method of security used to secure any loan or loan guarantee provided under this section is commensurate to the risk involved with the loan or loan guarantee, particularly if the loan or loan guarantee is issued to a financially healthy, strong, and stable entity.

“(4) LIMITATION.—No entity (including subsidiaries of an entity) may acquire more than 20 percent of the resources of the program under this section in any fiscal year, as determined by the Secretary.

“(5) NOTICE REQUIREMENT.—The Secretary shall include a notice of applications under this section on the website of the Secretary for a period of not less than 90 days.

“(6) PROPOSAL INFORMATION.—

“(A) PUBLIC ACCESS.—The Secretary shall make available on the website of the Secretary during the consideration of a loan by the Secretary—

“(i) the name of the applicant;

“(ii) a description and geographical representation of the proposed area of broadband service;

“(iii) a geographical representation and numerical estimate of the households that have no terrestrial broadband service offered in the proposed service area of the project; and

“(iv) such other relevant information that the Secretary determines to be appropriate.

“(B) PROPRIETARY INFORMATION.—In making information available relating to a loan proposal as described in subparagraph (A), the Secretary shall not make available information that is proprietary (within the meaning of section 552(b)(4) of title 5, United States Code) to the business interests of the loan applicant.

“(7) TIMELINE.—The Secretary shall establish a timeline on the website for the Secretary for tracking applications received under this section.

“(8) ADDITIONAL INFORMATION AND DETERMINATION.—

“(A) PROMPT PROCESSING OF APPLICATIONS.—

“(i) IN GENERAL.—The Secretary shall establish, by regulation, procedures to ensure prompt processing of loan and loan guarantee applications under this section.

“(ii) TIME LIMITS.—Subject to clause (iii), the regulations shall establish general time limits for action by the Secretary and applicant response.

“(iii) EXTENSIONS.—The Secretary may grant an extension for a time limit established under clause (ii).

“(iv) ANNUAL REPORTS.—The Secretary shall publish an annual report that—

“(I) describes processing times for loan and loan guarantee applications under this section; and

“(II) provides an explanation for any processing time extensions required by the Secretary.

“(B) ADDITIONAL INFORMATION.—Not later than 60 days after the date on which an applicant submits an application, the Secretary shall request any additional information required for the application to be complete.

“(C) DETERMINATION.—Not later than 180 days after the date on which an applicant submits a completed application, the Sec-

retary shall make a determination of whether to approve the application.

“(9) LOAN CLOSING.—Not later than 45 days after the date on which the Secretary approves an application, documents necessary for the closing of the loan or loan guarantee shall be provided to applicant.

“(10) FUND DISBURSEMENT.—Not later than 10 business days after the date of the receipt of valid documentation requesting disbursement of the approved, closed loan, the disbursement of loan funds shall occur.

“(11) PREAPPLICATION PROCESS.—The Secretary shall establish an optional preapplication process under which an applicant may apply to the Rural Utilities Service for a binding determination of area eligibility prior to preparing a full loan application.

“(12) PENDING APPLICATIONS.—An application for a loan or loan guarantee under this section, or a petition for reconsideration of a decision on such an application, that is pending on the date of enactment of this paragraph shall be considered under eligibility and feasibility criteria that are no less favorable to the applicant than the criteria in effect on the original date of submission of the application.

“(e) BROADBAND SERVICE.—

“(1) IN GENERAL.—The Secretary shall, from time to time as advances in technology warrant, review and recommend modifications of rate-of-data transmission criteria for purposes of the identification of broadband service technologies under subsection (b).

“(2) PROHIBITION.—The Secretary shall not establish requirements for bandwidth or speed that have the effect of precluding the use of evolving technologies appropriate for rural areas outside rural communities.

“(f) TECHNOLOGICAL NEUTRALITY.—For purposes of determining whether to make a loan or loan guarantee for a project under this section, the Secretary shall use criteria that are technologically neutral.

“(g) TERMS AND CONDITIONS FOR LOANS AND LOAN GUARANTEES.—

“(1) IN GENERAL.—Notwithstanding any other provision of law, a loan or loan guarantee under subsection (c) shall—

“(A) bear interest at an annual rate of, as determined by the Secretary—

“(i) in the case of a direct loan, the lower of—

“(I) the cost of borrowing to the Department of the Treasury for obligations of comparable maturity; or

“(II) 4 percent; and

“(ii) in the case of a guaranteed loan, the current applicable market rate for a loan of comparable maturity; and

“(B) except as provided in paragraph (2), have a term not to exceed the useful life of the assets constructed, improved, or acquired with the proceeds of the loan or extension of credit.

“(2) TERM OF LOAN EXCEPTION.—A loan or loan guarantee under subsection (c) may have a term not to exceed 30 years if the Secretary determines that the loan security is sufficient.

“(3) RECURRING REVENUE.—The Secretary shall consider the recurring revenues of the entity at the time of application in determining an adequate level of credit support.

“(h) USE OF LOAN PROCEEDS TO REFINANCE LOANS FOR DEPLOYMENT OF BROADBAND SERVICE.—Notwithstanding any other provision of this Act, the proceeds of any loan made or guaranteed by the Secretary under this Act may be used by the recipient of the loan for the purpose of refinancing an outstanding obligation of the recipient on another telecommunications-related loan made under this Act if the use of the proceeds for that purpose will further the construction, im-

provement, or acquisition of facilities and equipment for the provision of broadband service in rural areas.

“(i) REPORTS.—Not later than 1 year after the date of enactment of the Food and Energy Security Act of 2007, and biennially thereafter, the Administrator shall submit to Congress a report that—

“(1) describes the ways in which the Administrator determines under subsection (b)(1) that a service enables a subscriber to originate and receive high-quality voice, data, graphics, and video; and

“(2) provides a detailed list of services that have been granted assistance under this section.

“(j) FUNDING.—

“(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section \$25,000,000 for each of fiscal years 2008 through 2012.

“(2) ALLOCATION OF FUNDS.—

“(A) IN GENERAL.—From amounts made available for each fiscal year under this subsection, the Secretary shall—

“(i) establish a national reserve for loans and loan guarantees to eligible entities in States under this section; and

“(ii) allocate amounts in the reserve to each State for each fiscal year for loans and loan guarantees to eligible entities in the State.

“(B) AMOUNT.—Based on information available from the most recent decennial census, the amount of an allocation made to a State for a fiscal year under subparagraph (A) shall bear the same ratio to the amount of allocations made for all States for the fiscal year as—

“(i) the number of communities with a population of 2,500 inhabitants or less in the State; bears to

“(ii) the number of communities with a population of 2,500 inhabitants or less in all States.

“(C) UNOBLIGATED AMOUNTS.—Any amounts in the reserve established for a State for a fiscal year under subparagraph (B) that are not obligated by April 1 of the fiscal year shall be available to the Secretary to make loans and loan guarantees under this section to eligible entities in any State, as determined by the Secretary.

“(k) TERMINATION OF AUTHORITY.—No loan or loan guarantee may be made under this section after September 30, 2012.”

(b) NATIONAL CENTER FOR RURAL TELECOMMUNICATIONS ASSESSMENT.—Title VI of Rural Electrification Act of 1936 (7 U.S.C. 950bb et seq.) is amended by adding at the end the following:

“SEC. 602. NATIONAL CENTER FOR RURAL TELECOMMUNICATIONS ASSESSMENT.

“(a) ESTABLISHMENT OF CENTER.—The Secretary shall designate a National Center for Rural Telecommunications Assessment (referred to in this section as the ‘Center’).

“(b) CRITERIA.—In designating the Center, the Secretary shall ensure that—

“(1) the Center is an entity with a focus on rural policy research and a minimum of 5 years experience in rural telecommunications research and assessment;

“(2) the Center is capable of assessing broadband services in rural areas; and

“(3) the Center has significant experience with other rural economic development centers and organizations in the assessment of rural policies and formulation of policy solutions at the local, State, and Federal levels.

“(c) DUTIES.—The Center shall—

“(1) assess the effectiveness of programs under this section in increasing broadband availability and use in rural areas, especially in those rural communities identified by the Secretary as having no service before award of a broadband loan or loan guarantee under section 601(c);

“(2) develop assessments of broadband availability in rural areas, working with existing rural development centers selected by the Center;

“(3) identify policies and initiatives at the local, State, and Federal level that have increased broadband availability and use in rural areas;

“(4) conduct national studies of rural households and businesses focusing on the adoption of, barriers to, and use of broadband services, with specific attention addressing the economic, social and educational consequences of inaccessibility to affordable broadband services;

“(5) provide reports to the public on the activities carried out and funded under this section; and

“(6) conduct studies and provide recommendations to local, State, and Federal policymakers on effective strategies to bring affordable broadband services to rural citizens residing outside of the municipal boundaries of rural cities and towns.

“(d) REPORTING REQUIREMENTS.—Not later than December 1, 2008, and each year thereafter through December 1, 2012, the Center shall submit to the Secretary a report that—

“(1) describes the activities of the Center, the results of research carried out by the Center, and any additional information for the preceding fiscal year that the Secretary may request; and

“(2) includes—

“(A) assessments of the programs carried out under this section and section 601;

“(B) annual assessments on the effects of the policy initiatives identified under subsection (c)(3); and

“(C) results from the national studies of rural households and businesses conducted under subsection (c)(4).

“(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section \$1,000,000 for each of fiscal years 2008 through 2012.”

(c) REGULATIONS.—The Secretary may promulgate such regulations as are necessary to implement the amendments made by this section.

SEC. 6111. SUBSTANTIALLY UNDERSERVED TRUST AREAS.

The Rural Electrification Act of 1936 is amended by inserting after section 306E (7 U.S.C. 936e) the following:

“SEC. 306F. SUBSTANTIALLY UNDERSERVED TRUST AREAS.

“(a) DEFINITIONS.—In this section:

“(1) SUBSTANTIALLY UNDERSERVED TRUST AREA.—The term ‘substantially underserved trust area’ means a community in ‘trust land’ (as defined in section 3765 of title 38, United States Code) in which more than 20 percent of the residents do not have modern, affordable, or reliable utility services, as determined by the Secretary.

“(2) UTILITY SERVICE.—The term ‘utility service’ means electric, telecommunications, broadband, or water service.

“(b) INITIATIVE.—The Secretary, in consultation with local governments and Federal agencies, may implement an initiative to identify and improve the availability and quality of utility services in communities in substantially underserved trust areas.

“(c) AUTHORITY OF SECRETARY.—In carrying out subsection (b), the Secretary—

“(1) may make available from loan or loan guarantee programs administered by the Rural Utilities Service to qualified utilities or applicants financing with an interest rate as low as 2 percent, and extended repayment terms, for use in facilitating improved utility service in substantially underserved trust areas;

“(2) may waive nonduplication restrictions, matching fund requirements, credit

support requirements, or other regulations from any loan or grant program administered by the Rural Utilities Service to facilitate the construction, acquisition, or improvement of infrastructure used to deliver affordable utility services to substantially underserved trust areas;

“(3) may assign the highest funding priority to projects in substantially underserved trust areas;

“(4) shall make any loan or loan guarantee found to be financially feasible to provide service to substantially underserved trust areas; and

“(5) may conduct research and participate in regulatory proceedings to recommend policy changes to enhance utility service in substantially underserved trust areas.

“(d) REPORT.—Not later than 1 year after the date of enactment of this section and annually thereafter, the Secretary shall submit to Congress a report that describes—

“(1) the progress of the initiative implemented under subsection (b); and

“(2) recommendations for any regulatory or legislative changes that would be appropriate to improve services to substantially underserved trust areas.”

SEC. 6112. STUDY OF FEDERAL ASSISTANCE FOR BROADBAND INFRASTRUCTURE.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of—

(1) how the Rural Utilities Service takes into account economic factors in the decisionmaking process of the Service in allocating Federal broadband benefits;

(2) what other considerations the Rural Utilities Service takes into account in making benefit awards;

(3) what economic forces prompt Rural Utilities Service broadband loan applicants to seek Federal funding rather than relying on the private market alone;

(4) how awards made by the Rural Utilities Service of Federal benefits impact the expansion of broadband infrastructure by the private sector; and

(5) what changes to Federal policy are needed to further encourage technology expansion by private broadband service providers.

(b) REPORT.—Not later than 30 months after the date of enactment of this Act, 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 subsection (a), including any findings and recommendations.

Subtitle C—Connect the Nation Act

SEC. 6201. SHORT TITLE.

This subtitle may be cited as the “Connect the Nation Act”.

SEC. 6202. GRANTS TO ENCOURAGE STATE INITIATIVES TO IMPROVE BROADBAND SERVICE.

(a) DEFINITIONS.—In this section:

(1) BROADBAND SERVICE.—The term “broadband service” means any service that connects the public to the Internet with a data transmission-rate equivalent that is at least 200 kilobits per second or 200,000 bits per second, or any successor transmission-rate established by the Federal Communications Commission for broadband, in at least 1 direction.

(2) ELIGIBLE ENTITY.—The term “eligible entity” means a nonprofit organization that, in conjunction with State agencies and private sector partners, carries out an initiative under the section to identify and track the availability and adoption of broadband services within States.

(3) NONPROFIT ORGANIZATION.—The term “nonprofit organization” means an organization that—

(A) is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of that Code;

(B) has net earnings that do not inure to the benefit of any member, founder, contributor, or individual associated with the organization;

(C) has an established record of competence and working with public and private sectors to accomplish widescale deployment and adoption of broadband services and information technology; and

(D) has a board of directors that does not have a majority of individuals who are employed by, or otherwise associated with, any Federal, State, or local government or agency.

(4) SECRETARY.—The term “Secretary” means the Secretary of Commerce.

(b) PROGRAM.—The Secretary shall award grants to eligible entities to pay the Federal share of the cost of the development and implementation of statewide initiatives to identify and track the availability and adoption of broadband services within States.

(c) PURPOSES.—The purpose of a grant made this section shall be—

(1) to ensure, to the maximum extent practicable, that all citizens and businesses in States have access to affordable and reliable broadband service;

(2) to promote improved technology literacy, increased computer ownership, and home broadband use among those citizens and businesses;

(3) to establish and empower local grassroots technology teams in States to plan for improved technology use across multiple community sectors; and

(4) to establish and sustain an environment that supports broadband services and information technology investment.

(d) ELIGIBILITY.—To be eligible to receive a grant for an initiative under this section, an eligible entity shall—

(1) submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require; and

(2) provide matching non-Federal funds in an amount that is equal to not less than 20 percent of the total cost of the initiative.

(e) COMPETITIVE BASIS.—Grants under this section shall be awarded on a competitive basis.

(f) PEER REVIEW.—

(1) IN GENERAL.—The Secretary shall require technical and scientific peer review of applications for grants under this section.

(2) REVIEW PROCEDURES.—The Secretary shall require that any technical and scientific peer review group—

(A) be provided a written description of the grant to be reviewed;

(B) provide the results of any review by the group to the Secretary; and

(C) certify that the group will enter into such voluntary nondisclosure agreements as are necessary to prevent the unauthorized disclosure of confidential and proprietary information provided by broadband service providers in connection with projects funded by a grant under this section.

(g) USE OF FUNDS.—A grant awarded to an eligible entity under this section shall be used—

(1) to provide a baseline assessment of broadband service deployment in 1 or more participating States;

(2) to identify and track—

(A) areas in the participating States that have low levels of broadband service deployment;

(B) the rate at which individuals and businesses adopt broadband service and other related information technology services; and

(C) possible suppliers of the services;

(3) to identify barriers to the adoption by individuals and businesses of broadband service and related information technology services, including whether—

(A) the demand for the services is absent; and

(B) the supply for the services is capable of meeting the demand for the services;

(4) to create and facilitate in each county or designated region in the participating States a local technology planning team—

(A) with members representing a cross section of communities, including representatives of business, telecommunications labor organizations, K-12 education, health care, libraries, higher education, community-based organizations, local government, tourism, parks and recreation, and agriculture; and

(B) that shall—

(i) benchmark technology use across relevant community sectors;

(ii) set goals for improved technology use within each sector; and

(iii) develop a tactical business plan for achieving the goals of the team, with specific recommendations for online application development and demand creation;

(5) to work collaboratively with broadband service providers and information technology companies to encourage deployment and use, especially in unserved, underserved, and rural areas, through the use of local demand aggregation, mapping analysis, and the creation of market intelligence to improve the business case for providers to deploy;

(6) to establish programs to improve computer ownership and Internet access for unserved, underserved, and rural populations;

(7) to collect and analyze detailed market data concerning the use and demand for broadband service and related information technology services;

(8) to facilitate information exchange regarding the use and demand for broadband services between public and private sectors; and

(9) to create within the participating States a geographic inventory map of broadband service that shall—

(A) identify gaps in the service through a method of geographic information system mapping of service availability at the census block level; and

(B) provide a baseline assessment of statewide broadband deployment in terms of households with high-speed availability.

(h) **PARTICIPATION LIMITATION.**—For each participating State, an eligible entity may not receive a new grant under this section to carry out the activities described in subsection (g) within the participating State if the eligible entity obtained prior grant awards under this section to carry out the same activities in the participating State for each of the previous 4 fiscal years.

(i) **REPORT.**—Each recipient of a grant under this section shall submit to the Secretary a report describing the use of the funds provided by the grant.

(j) **NO REGULATORY AUTHORITY.**—Nothing in this section provides any public or private entity with any regulatory jurisdiction or oversight authority over providers of broadband services or information technology.

(k) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section \$40,000,000 for each of fiscal years 2008 through 2012.

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

SEC. 6301. RURAL ELECTRONIC COMMERCE EXTENSION PROGRAM.

Section 1670(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5923(e)) is amended by striking “2007” and inserting “2012”.

SEC. 6302. TELEMEDICINE, LIBRARY CONNECTIVITY, PUBLIC TELEVISION, AND DISTANCE LEARNING SERVICES IN RURAL AREAS.

(a) **IN GENERAL.**—Chapter 1 of subtitle D of title XXII of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa et seq.) is amended in the chapter heading by striking “**AND DISTANCE LEARNING**” and inserting “**, LIBRARY CONNECTIVITY, PUBLIC TELEVISION, AND DISTANCE LEARNING**”.

(b) **PURPOSE.**—Section 2331 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa) is amended by striking “telemedicine services and distance learning” and inserting “telemedicine services, library connectivity, and distance learning”.

(c) **DEFINITIONS.**—Section 2332 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa-1) is amended—

(1) by redesignating paragraphs (1) through (3) as paragraphs (2) through (4), respectively; and

(2) by inserting before paragraph (2) (as so redesignated) the following:

“(1) **CONNECTIVITY.**—The term ‘connectivity’ means the ability to use a range of high-speed digital services or networks.”

(d) **TELEMEDICINE, LIBRARY CONNECTIVITY, AND DISTANCE LEARNING SERVICES IN RURAL AREAS.**—Section 2333 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa-2) is amended—

(1) in the section heading, by striking “**AND DISTANCE LEARNING**” and inserting “**, LIBRARY CONNECTIVITY, PUBLIC TELEVISION, AND DISTANCE LEARNING**”;

(2) in subsection (a), by striking “construction of facilities and systems to provide telemedicine services and distance learning services” and inserting “construction and use of facilities and systems to provide telemedicine services, library connectivity, distance learning services, and public television station digital conversion”;

(3) in subsection (b), by striking paragraph (2) and inserting the following:

“(2) **FORM.**—The Secretary shall establish by notice the amount of the financial assistance available to applicants in the form of grants, costs of money loans, combinations of grants and loans, or other financial assistance so as to—

“(A)(i) further the purposes of this chapter; and

“(ii) in the case of loans, result in the maximum feasible repayment to the Federal Government of the loan; and

“(B) to ensure that funds made available to carry out this chapter are used to the maximum extent practicable to assist useful and needed projects.”;

(4) in subsection (c)—

(A) in paragraph (1)—

(i) in the matter preceding subparagraph (A), by striking “financial assistance” and inserting “assistance in the form of grants”;

(ii) in subparagraph (A), by striking “and” at the end;

(iii) in subparagraph (B)—

(I) by striking “service or distance” and inserting “services, library connectivity services, public television station digital conversion, or distance”;

(II) by striking the period at the end and inserting a semicolon; and

(III) by adding at the end the following:

“(C) libraries or library support organizations;

“(D) public television stations and the parent organizations of public television stations; and

“(E) schools, libraries, and other facilities operated by the Bureau of Indian Affairs or the Indian Health Service.”;

(B) in paragraph (4), by striking “services or distance” and inserting “service, library connectivity, public television station digital conversion, or distance”; and

(C) by adding at the end the following:

“(5) **PUBLIC TELEVISION GRANTS.**—The Secretary shall establish a separate competitive process to determine the allocation of grants under this chapter to public television stations.”;

(5) in subsection (d)—

(A) in the matter preceding paragraph (1), by inserting “1 or more of” after “considering”;

(B) in paragraph (12), by striking “and” at the end;

(C) by redesignating paragraph (13) as paragraph (14); and

(D) by inserting after paragraph (12) the following:

“(13) the cost and availability of high-speed network access; and”;

(6) by striking subsection (f) and inserting the following:

“(f) **USE OF FUNDS.**—Financial assistance provided under this chapter shall be used for—

“(1) the development, acquisition, and digital distribution of instructional programming to rural users;

“(2) the development and acquisition, through lease or purchase, of computer hardware and software, audio and visual equipment, computer network components, telecommunications terminal equipment, telecommunications transmission facilities, data terminal equipment, or interactive video equipment, teleconferencing equipment, or other facilities that would further telemedicine services, library connectivity, or distance learning services;

“(3) the provision of technical assistance and instruction for the development or use of the programming, equipment, or facilities referred to in paragraphs (1) and (2);

“(4) the acquisition of high-speed network transmission equipment or services that would not otherwise be available or affordable to the applicant;

“(5) costs relating to the coordination and collaboration among and between libraries on connectivity and universal service initiatives, or the development of multi-library connectivity plans that benefit rural users; or

“(6) other uses that are consistent with this chapter, as determined by the Secretary.”; and

(7) in subsection (i)—

(A) in paragraph (1), by striking “telemedicine or distance” and inserting “telemedicine, library connectivity, public television station digital conversion, or distance”; and

(B) in paragraph (2)—

(i) in subparagraph (A), by striking “telemedicine or distance” and inserting “telemedicine, library connectivity, or distance”; and

(ii) in subparagraph (B), by inserting “nonproprietary information contained in” before “the applications”.

(e) **ADMINISTRATION.**—Section 2334 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa-3) is amended—

(1) in subsection (a), by striking “services or distance” and inserting “services, library connectivity, or distance”; and

(2) in subsection (d), by striking “or distance learning” and all that follows through the end of the subsection and inserting “, library connectivity, or distance learning

services through telecommunications in rural areas.”.

(f) **AUTHORIZATION OF APPROPRIATIONS.**—Section 2335A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa-5) is amended by striking “2007” and inserting “2012”.

(g) **CONFORMING AMENDMENT.**—Section 1(b) of Public Law 102-551 (7 U.S.C. 950aaa note; Public Law 102-551) is amended by striking “2007” and inserting “2012”.

Subtitle E—Miscellaneous

SEC. 6401. VALUE-ADDED AGRICULTURAL PRODUCT MARKET DEVELOPMENT GRANTS.

(a) **DEFINITIONS.**—Section 231 of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note; Public Law 106-224) is amended by striking subsection (a) and inserting the following:

“(a) **DEFINITIONS.**—In this section:

“(1) **ASSISTING ORGANIZATION.**—The term ‘assisting organization’ means a nonprofit organization, institution of higher education, or units of government with expertise, as determined by the Secretary, to assist eligible producers and entities described in subsection (b)(1) through—

“(A) the provision of market research, training, or technical assistance; or

“(B) the development of supply networks for value-added products that strengthen the profitability of small and mid-sized family farms.

“(2) **TECHNICAL ASSISTANCE.**—The term ‘technical assistance’ means managerial, financial, operational, and scientific analysis and consultation to assist an individual or entity (including a recipient or potential recipient of a grant under this section)—

“(A) to identify and evaluate practices, approaches, problems, opportunities, or solutions; and

“(B) to assist in the planning, implementation, management, operation, marketing, or maintenance of projects authorized under this section.

“(3) **VALUE-ADDED AGRICULTURAL PRODUCT.**—

“(A) **IN GENERAL.**—The term ‘value-added agricultural product’ means any agricultural commodity or product that—

“(i)(I) has undergone a change in physical state;

“(II) was produced in a manner that enhances the value of the agricultural commodity or product, as demonstrated through a business plan that shows the enhanced value, as determined by the Secretary; or

“(III) is physically segregated in a manner that results in the enhancement of the value of the agricultural commodity or product; and

“(ii) as a result of the change in physical state or the manner in which the agricultural commodity or product was produced, marketed, or segregated—

“(I) the customer base for the agricultural commodity or product has been expanded; and

“(II) a greater portion of the revenue derived from the marketing, processing, or physical segregation of the agricultural commodity or product is available to the producer of the commodity or product.

“(B) **INCLUSION.**—The term ‘value-added agricultural products’ includes—

“(i) farm- or ranch-based renewable energy, including the sale of E-85 fuel; and

“(ii) the aggregation and marketing of locally-produced agricultural food products.”.

(b) **GRANT PROGRAM.**—Section 231(b) of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note; Public Law 106-224) is amended—

(1) in paragraph (2)—

(A) in subparagraph (A), by striking “exceed \$500,000” and inserting “exceed—

“(i) \$300,000 in the case of grants including working capital; and

“(ii) \$100,000 in the case of all other grants.”; and

(B) by adding at the end the following:

“(C) **RESEARCH, TRAINING, TECHNICAL ASSISTANCE, AND OUTREACH.**—The amount of grant funds provided to an assisting organization for a fiscal year may not exceed 10 percent of the total amount of funds that are used to make grants for the fiscal year under this subsection.”;

(2) in paragraph (3)—

(A) in subparagraph (A), by striking “or” at the end;

(B) in subparagraph (B), by striking the period at the end and inserting “; or”; and

(C) by adding at the end the following:

“(C) to conduct market research, provide training and technical assistance, develop supply networks, or provide program outreach.”; and

(3) by striking paragraph (4) and inserting the following:

“(4) **TERM.**—A grant under this section shall have a term that does not exceed 3 years.

“(5) **SIMPLIFIED APPLICATION.**—The Secretary shall offer a simplified application form and process for project proposals requesting less than \$50,000.

“(6) **PRIORITY.**—

“(A) **IN GENERAL.**—In awarding grants, the Secretary shall give the priority to projects that—

“(i) contribute to increasing opportunities for beginning farmers or ranchers, socially disadvantaged farmers or ranchers, and operators of small- and medium-sized farms and ranches that are not larger than family farms; and

“(ii) support new ventures that do not have well-established markets or product development staffs and budgets, including the development of local food systems and the development of infrastructure to support local food systems.

“(B) **PARTICIPATION.**—To the maximum extent practicable, the Secretary shall provide grants to projects that provide training and outreach activities in areas that have, as determined by the Secretary, received relatively fewer grants than other areas.

“(7) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated such sums as are necessary to carry out this subsection for each of fiscal years 2008 through 2012.”.

SEC. 6402. STUDY OF RAILROAD ISSUES.

(a) **IN GENERAL.**—The Secretary, in coordination with the Secretary of Transportation, shall conduct a study of railroad issues regarding the movement of agricultural products, domestically-produced renewable fuels, and domestically-produced resources for the production of electricity in rural areas of the United States and for economic development in rural areas of the United States.

(b) **ISSUE.**—In conducting the study, the Secretary shall include an examination of—

(1) the importance of freight railroads to—

(A) the delivery of equipment, seed, fertilizer, and other products that are important to the development of agricultural commodities and products;

(B) the movement of agricultural commodities and products to market; and

(C) the delivery of ethanol and other renewable fuels;

(2) the sufficiency in rural areas of the United States of—

(A) railroad capacity;

(B) competition in the railroad system; and

(C) the reliability of rail service; and

(3) the accessibility to rail customers in rural areas of the United States to Federal processes for the resolution of rail customer grievances with the railroads.

(c) **REPORT.**—Not later than 270 days after the date of enactment of this Act, the Secretary shall submit to Congress a report that describes—

(1) the results of the study conducted under this section; and

(2) the recommendations of the Secretary for new Federal policies to address any problems identified by the study.

SEC. 6403. INSURANCE OF LOANS FOR HOUSING AND RELATED FACILITIES FOR DOMESTIC FARM LABOR.

Section 514(f)(3) of the Housing Act of 1949 (42 U.S.C. 1484(f)(3)) is amended by striking “or the handling of such commodities in the unprocessed stage” and inserting “, the handling of agricultural or aquacultural commodities in the unprocessed stage, or the processing of agricultural or aquacultural commodities”.

TITLE VII—RESEARCH AND RELATED MATTERS

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

SEC. 7001. DEFINITIONS.

Section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) is amended—

(1) in paragraph (4)—

(A) by redesignating subparagraphs (A) through (E) as clauses (i) through (v), respectively;

(B) by striking “(4) The terms” and inserting the following:

“(4) **COLLEGE AND UNIVERSITY.**—

“(A) **IN GENERAL.**—The terms”;

(C) by adding at the end the following:

“(B) **INCLUSIONS.**—The terms ‘college’ and ‘university’ include a research foundation maintained by a college or university described in subparagraph (A).”;

(2) by redesignating paragraphs (6) through (8), (9) through (14), (15), and (16) as paragraphs (7) through (9), (11) through (16), (19), and (6), respectively, and moving the paragraphs so as to appear in alphabetical order;

(3) by inserting after paragraph (9) (as redesignated by paragraph (2)) the following:

“(10) **HISPANIC-SERVING AGRICULTURAL COLLEGES AND UNIVERSITIES.**—The term ‘Hispanic-serving agricultural colleges and universities’ means a college or university that—

“(A) qualifies as a Hispanic-serving institution; and

“(B) offers associate, bachelor’s, or other accredited degree programs in agriculture-related fields.”; and

(4) by striking paragraph (11) (as so redesignated) and inserting the following:

“(11) **HISPANIC-SERVING INSTITUTION.**—The term ‘Hispanic-serving institution’ has the meaning given the term in section 502(a) of the Higher Education Act of 1965 (20 U.S.C. 1101a(a)).”.

SEC. 7002. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.

Section 1408(h) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(h)) is amended by striking “2007” and inserting “2012”.

SEC. 7003. VETERINARY MEDICINE LOAN REPAYMENT.

Section 1415A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3151a) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following:

“(d) **REGULATIONS.**—Not later than 270 days after the date of enactment of the Food and Energy Security Act of 2007, the Secretary shall promulgate regulations to carry out this section.”.

SEC. 7004. ELIGIBILITY OF UNIVERSITY OF THE DISTRICT OF COLUMBIA FOR GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION.

Section 1417 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152) is amended—

(1) in the matter preceding paragraph (1) of subsection (b), by inserting “(including the University of the District of Columbia)” after “land-grant colleges and universities”; and

(2) in subsection (d)(2), by inserting “(including the University of the District of Columbia)” after “universities”.

SEC. 7005. GRANTS TO 1890 INSTITUTIONS TO EXPAND EXTENSION CAPACITY.

Section 1417(b)(4) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(b)(4)) is amended by striking “teaching and research” and inserting “teaching, research, and extension”.

SEC. 7006. EXPANSION OF FOOD AND AGRICULTURAL SCIENCES AWARDS.

Section 1417(i) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(i)) is amended—

(1) in the subsection heading, by striking “TEACHING AWARDS” and “TEACHING, EXTENSION, AND RESEARCH AWARDS”; and

(2) by striking paragraph (1) and inserting the following:

“(1) ESTABLISHMENT.—

“(A) IN GENERAL.—The Secretary shall establish a National Food and Agricultural Sciences Teaching, Extension, and Research Awards program to recognize and promote excellence in teaching, extension, and research in the food and agricultural sciences at a college or university.

“(B) MINIMUM REQUIREMENT.—The Secretary shall make at least 1 cash award in each fiscal year to a nominee selected by the Secretary for excellence in each of the areas of teaching, extension, and research of food and agricultural science at a college or university.”.

SEC. 7007. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION.

(a) EDUCATION TEACHING PROGRAMS.—Section 1417(j) of the National Agricultural Research, Extension and Teaching Policy Act of 1977 (7 U.S.C. 3152(j)) is amended—

(1) in the subsection heading, by striking “AND 2-YEAR POSTSECONDARY EDUCATION TEACHING PROGRAMS” and inserting “, 2-YEAR POSTSECONDARY EDUCATION, AND AGRICULTURE IN THE K–12 CLASSROOM”; and

(2) in paragraph (3)—

(A) in the matter preceding subparagraph (A), by striking “and institutions of higher education that award an associate’s degree” and inserting “, institutions of higher education that award an associate’s degree, other institutions of higher education, and nonprofit organizations”; and

(B) in subparagraph (E), by striking “and” at the end;

(C) in subparagraph (F), by striking the period at the end and inserting “; and”; and

(D) by adding at the end the following:

“(G) to support current agriculture in the classroom programs for grades K–12.”.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 1417(l) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(l)) is amended by striking “2007” and inserting “2012”.

(c) REPORT.—Section 1417 of the National Agricultural Research, Extension and Teaching Policy Act of 1977 (7 U.S.C. 3152) is amended—

(1) by redesignating subsection (1) as subsection (m); and

(2) by inserting after subsection (k) the following:

“(1) REPORT.—The Secretary shall submit an annual report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate describing the distribution of funds used to implement teaching programs under subsection (j).”.

SEC. 7008. GRANTS FOR RESEARCH ON PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.

Section 1419(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154(d)) is amended by striking “2007” and inserting “2012”.

SEC. 7009. POLICY RESEARCH CENTERS.

Section 1419A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3155) is amended—

(1) in subsection (b), by inserting “(including the Food Agricultural Policy Research Institute, the Agricultural and Food Policy Center, the Rural Policy Research Institute, and the Community Vitality Center)” after “research institutions and organizations”; and

(2) in subsection (d), by striking “2007” and inserting “2012”.

SEC. 7010. HUMAN NUTRITION INTERVENTION AND HEALTH PROMOTION RESEARCH PROGRAM.

Section 1424(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174(d)) is amended by striking “2007” and inserting “2012”.

SEC. 7011. PILOT RESEARCH PROGRAM TO COMBINE MEDICAL AND AGRICULTURAL RESEARCH.

Section 1424A(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174a(d)) is amended by striking “2007” and inserting “2012”.

SEC. 7012. NUTRITION EDUCATION PROGRAM.

(a) DEFINITIONS.—Section 1425 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175) is amended—

(1) by redesignating subsections (a) through (c) as subsections (b) through (d), respectively;

(2) by striking the section heading and “SEC. 1425.” and inserting the following:

“SEC. 1425. NUTRITION EDUCATION PROGRAM.

“(a) DEFINITIONS.—In this section, the terms ‘1862 Institution’ and ‘1890 Institution’ have the meaning given those terms in section 2 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7601).”;

(3) in subsection (b) (as redesignated by paragraph (1)), by striking “The Secretary” and inserting the following:

“(b) ESTABLISHMENT.—The Secretary”; and

(4) in subsection (c) (as so redesignated), by striking “In order to enable” and inserting the following:

“(c) EMPLOYMENT AND TRAINING.—To enable”.

(b) FUNDING TO 1862, 1890, AND INSULAR AREA INSTITUTIONS.—Subsection (d) of section 1425 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175) (as redesignated by subsection (a)(1)) is amended—

(1) in the matter preceding paragraph (1), by striking “Beginning” and inserting the following:

“(d) ALLOCATION OF FUNDING.—Beginning”; and

(2) in paragraph (2), by striking subparagraph (B) and inserting the following:

“(B) Notwithstanding section 3(d)(2) of the Act of May 8, 1914 (7 U.S.C. 343(d)(2)), the remainder shall be allocated among the States as follows:

“(i) \$100,000 shall be distributed to each 1862 and 1890 land-grant college and university.

“(ii)(I) Subject to subclause (II), of the remainder, 10 percent for fiscal year 2008, 11 percent for fiscal year 2009, 12 percent for fiscal year 2010, 13 percent for fiscal year 2011, 14 percent for fiscal year 2012, and 15 percent for each fiscal year thereafter, shall be distributed among the 1890 Institutions, to be allocated to each 1890 Institution in an amount that bears the same ratio to the total amount to be allocated under this clause as—

“(aa) the population living at or below 125 percent of the income poverty guidelines (as prescribed by the Office of Management and Budget and as adjusted pursuant to section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) in the State in which the 1890 Institution is located; bears to

“(bb) the total population living at or below 125 percent of the income poverty guidelines in all States that have 1890 Institutions, as determined by the last preceding decennial census at the time each such additional amount is first appropriated.

“(II) The total amount allocated under this clause shall not exceed the amount of the funds appropriated for the conduct of the expanded food and nutrition education program for the fiscal year that are in excess of the amount appropriated for the conduct of the program for fiscal year 2007.

“(iii)(I) Subject to subclauses (II) and (III), the remainder shall be allocated to the 1860 institution in each State (including the appropriate insular area institution and the University of the District of Columbia) in an amount that bears the same ratio to the total amount to be allocated under this subparagraph as—

“(aa) the population of the State living at or below 125 percent of the income poverty guidelines prescribed by the Office of Management and Budget (adjusted pursuant to section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902(2))); bears to

“(bb) the total population of all the States living at or below 125 percent of the income poverty guidelines, as determined by the last preceding decennial census at the time each such additional amount is first appropriated.

“(II) The total amount allocated under this clause to the University of the District of Columbia shall not exceed the amount described in clause (ii)(II), reduced by the amount allocated to the University of the District of Columbia under clause (ii).

“(III) Nothing in this clause precludes the Secretary from developing educational materials and programs for persons in income ranges above the level designated in this clause.”.

(c) AUTHORIZATION OF APPROPRIATIONS.—Subsection (d)(3) of section 1425 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175) (as redesignated by subsection (a)(1)) is amended—

(1) by striking “There is” and inserting the following:

“(3) AUTHORIZATION OF APPROPRIATIONS.—There is”; and

(2) by striking “\$83,000,000 for each of fiscal years 1996 through 2007” and inserting “\$90,000,000 for each of fiscal years 2008 through 2012”.

(d) CONFORMING AMENDMENT.—Section 1588(b) of the Food Security Act of 1985 (7 U.S.C. 3175e(b)) is amended by striking “section 1425(c)(2)” and inserting “section 1425(d)(2)”.

(e) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2007.

SEC. 7013. CONTINUING ANIMAL HEALTH AND DISEASE RESEARCH PROGRAMS.

Section 1433(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195(a)) is amended in the first sentence by striking “2007” and inserting “2012”.

SEC. 7014. APPROPRIATIONS FOR RESEARCH ON NATIONAL OR REGIONAL PROBLEMS.

Section 1434(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196(a)) is amended by striking “2007” and inserting “2012”.

SEC. 7015. ANIMAL HEALTH AND DISEASE RESEARCH PROGRAM.

Section 1434(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196(b)) is amended by inserting after “universities” the following: “(including 1890 Institutions (as defined in section 2 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7601)))”.

SEC. 7016. AUTHORIZATION LEVEL FOR EXTENSION AT 1890 LAND-GRANT COLLEGES.

Section 1444(a)(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221(a)(2)) is amended by striking “15 percent” and inserting “20 percent”.

SEC. 7017. AUTHORIZATION LEVEL FOR AGRICULTURAL RESEARCH AT 1890 LAND-GRANT COLLEGES.

Section 1445(a)(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222(a)(2)) is amended by striking “25 percent” and inserting “30 percent”.

SEC. 7018. GRANTS TO UPGRADE AGRICULTURAL AND FOOD SCIENCES FACILITIES AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY.

Section 1447(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b(b)) is amended by striking “2007” and inserting “2012”.

SEC. 7019. GRANTS TO UPGRADE AGRICULTURE AND FOOD SCIENCES FACILITIES AT THE DISTRICT OF COLUMBIA LAND GRANT UNIVERSITY.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by inserting after section 1447 (7 U.S.C. 3222b) the following:

“SEC. 1447A. GRANTS TO UPGRADE AGRICULTURE AND FOOD SCIENCES FACILITIES AT THE DISTRICT OF COLUMBIA LAND GRANT UNIVERSITY.

“(a) PURPOSE.—It is the intent of Congress to assist the land grant university in the District of Columbia established under section 208 of the District of Columbia Public Postsecondary Education Reorganization Act (Public Law 93-471; 88 Stat. 1428) in efforts to acquire, alter, or repair facilities or relevant equipment necessary for conducting agricultural research.

“(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section \$750,000 for each of fiscal years 2008 through 2012.”.

SEC. 7020. NATIONAL RESEARCH AND TRAINING VIRTUAL CENTERS.

Section 1448 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222c) is amended by striking “2007” each place it appears in subsections (a)(1) and (f) and inserting “2012”.

SEC. 7021. MATCHING FUNDS REQUIREMENT FOR RESEARCH AND EXTENSION ACTIVITIES OF 1890 INSTITUTIONS.

Section 1449(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222d(c)) is amended in the first sentence by striking “2007” and inserting “2012”.

SEC. 7022. HISPANIC-SERVING INSTITUTIONS.

Section 1455 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3241) is amended—

(1) in subsection (a) by striking “(or grants without regard to any requirement for competition)”;

(2) in subsection (b)—

(A) in paragraph (1), by striking “of consortia”;

(B) in paragraph (3), by striking “, beginning with the mentoring of students” and all that follows through “doctoral degree”; and

(C) in paragraph (4)—

(i) by striking “2 or more”; and

(ii) by striking “, or between Hispanic-serving” and all that follows through “the private sector.”; and

(3) in subsection (c)—

(A) by striking “\$20,000,000” and inserting “\$40,000,000”; and

(B) by striking “2007” and inserting “2012”.

SEC. 7023. HISPANIC-SERVING AGRICULTURAL COLLEGES AND UNIVERSITIES.

(a) IN GENERAL.—The National Agricultural Research, Extension and Teaching Policy Act of 1977 is amended by inserting after section 1455 (7 U.S.C. 3241) the following:

“SEC. 1456. HISPANIC-SERVING AGRICULTURAL COLLEGES AND UNIVERSITIES.

“(a) DEFINITION OF ENDOWMENT FUND.—In this section, the term ‘endowment fund’ means the Hispanic-Serving Agricultural Colleges and Universities Fund established under subsection (b).

“(b) ENDOWMENT.—

“(1) IN GENERAL.—The Secretary of the Treasury shall establish in accordance with this subsection a Hispanic-Serving Agricultural Colleges and Universities Fund.

“(2) AGREEMENTS.—The Secretary of the Treasury may enter into such agreements as are necessary to carry out this subsection.

“(3) DEPOSIT TO THE ENDOWMENT FUND.—The Secretary of the Treasury shall deposit in the endowment fund any—

“(A) amounts made available through Acts of appropriations, which shall be the endowment fund corpus; and

“(B) interest earned on the endowment fund corpus.

“(4) INVESTMENTS.—The Secretary of the Treasury shall invest the endowment fund corpus and income in interest-bearing obligations of the United States.

“(5) WITHDRAWALS AND EXPENDITURES.—

“(A) CORPUS.—The Secretary of the Treasury may not make a withdrawal or expenditure from the endowment fund corpus.

“(B) WITHDRAWALS.—On September 30, 2008, and each September 30 thereafter, the Secretary of the Treasury shall withdraw the amount of the income from the endowment fund for the fiscal year and warrant the funds to the Secretary of Agriculture who, after making adjustments for the cost of administering the endowment fund, shall distribute the adjusted income as follows:

“(i) 60 percent shall be distributed among the Hispanic-serving agricultural colleges and universities on a pro rata basis based on the Hispanic enrollment count of each institution.

“(ii) 40 percent shall be distributed in equal shares to the Hispanic-serving agricultural colleges and universities.

“(6) ENDOWMENTS.—Amounts made available under this subsection shall be held and considered to be granted to Hispanic-serving agricultural colleges and universities to establish an endowment in accordance with this subsection.

“(7) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary such sums as are necessary to carry out this subsection for fiscal year 2008 and each fiscal year thereafter.

“(c) AUTHORIZATION FOR ANNUAL PAYMENTS.—

“(1) IN GENERAL.—For fiscal year 2008 and each fiscal year thereafter, there are authorized to be appropriated to the Department of Agriculture to carry out this subsection an amount equal to the product obtained by multiplying—

“(A) \$80,000; by

“(B) the number of Hispanic-serving agricultural colleges and universities.

“(2) PAYMENTS.—For fiscal year 2008 and each fiscal year thereafter, the Secretary of the Treasury shall pay to the treasurer of each Hispanic-Serving agricultural college and university an amount equal to—

“(A) the total amount made available by appropriations under subparagraph (A); divided by

“(B) the number of Hispanic-serving agricultural colleges and universities.

“(3) USE OF FUNDS.—

“(A) IN GENERAL.—Amounts authorized to be appropriated under this subsection shall be used in the same manner as is prescribed for colleges under the Act of August 30, 1890 (commonly known as the ‘Second Morrill Act’) (7 U.S.C. 321 et seq.).

“(B) RELATIONSHIP TO OTHER LAW.—Except as otherwise provided in this subsection, the requirements of that Act shall apply to Hispanic-serving agricultural colleges and universities under this section.

“(d) INSTITUTIONAL CAPACITY-BUILDING GRANTS.—

“(1) IN GENERAL.—For fiscal year 2008 and each fiscal year thereafter, the Secretary shall make grants to assist Hispanic-serving agricultural colleges and universities in institutional capacity building (not including alteration, repair, renovation, or construction of buildings).

“(2) CRITERIA FOR INSTITUTIONAL CAPACITY-BUILDING GRANTS.—

“(A) REQUIREMENTS FOR GRANTS.—The Secretary shall make grants under this subsection on the basis of a competitive application process under which Hispanic-serving agricultural colleges and universities may submit applications to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

“(B) DEMONSTRATION OF NEED.—

“(i) IN GENERAL.—As part of an application for a grant under this subsection, the Secretary shall require the applicant to demonstrate need for the grant, as determined by the Secretary.

“(ii) OTHER SOURCES OF FUNDING.—The Secretary may award a grant under this subsection only to an applicant that demonstrates a failure to obtain funding for a project after making a reasonable effort to otherwise obtain the funding.

“(C) PAYMENT OF NON-FEDERAL SHARE.—A grant awarded under this subsection shall be made only if the recipient of the grant pays a non-Federal share in an amount that is specified by the Secretary and based on assessed institutional needs.

“(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary such sums as are necessary to carry out this subsection for fiscal year 2008 and each fiscal year thereafter.

“(e) COMPETITIVE GRANTS PROGRAM.—

“(1) IN GENERAL.—The Secretary shall establish a competitive grants program to fund fundamental and applied research at Hispanic-serving agricultural colleges and universities in agriculture, human nutrition, food science, bioenergy, and environmental science.

“(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary such sums as are necessary to carry out this subsection for fiscal year 2008 and each fiscal year thereafter.”.

(b) EXTENSION.—Section 3 of the Smith-Lever Act (7 U.S.C. 343) is amended—

(1) in subsection (b), by adding at the end the following:

“(4) ANNUAL APPROPRIATION FOR HISPANIC-SERVING AGRICULTURAL COLLEGES AND UNIVERSITIES.—

“(A) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary such sums as are necessary to carry out this paragraph for fiscal year 2008 and each fiscal year thereafter.

“(B) ADDITIONAL AMOUNT.—Amounts made available under this paragraph shall be in addition to any other amounts made available under this section to States, the Commonwealth of Puerto Rico, or any other territory or possession of the United States.

“(C) ADMINISTRATION.—Amounts made available under this paragraph shall be—

“(i) distributed on the basis of a competitive application process to be developed and implemented by the Secretary and paid by the Secretary to the State institutions established in accordance with the Act of July 2, 1862 (commonly known as the ‘First Morrill Act’) (7 U.S.C. 301 et seq.); and

“(ii) administered by State institutions through cooperative agreements with the Hispanic-serving agricultural colleges and universities (as defined in section 1456 of the National Agricultural Research, Extension and Teaching Policy Act of 1977) in the State in accordance with regulations promulgated by the Secretary.”; and

(2) in subsection (f)—

(A) in the subsection heading, by inserting “AND HISPANIC-SERVING AGRICULTURAL COLLEGES AND UNIVERSITIES” after “1994 INSTITUTIONS”; and

(B) by striking “pursuant to subsection (b)(3)” and inserting “or Hispanic-serving agricultural colleges and universities in accordance with paragraphs (3) and (4) of subsection (b)”.

SEC. 7024. INTERNATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION.

Section 1458(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3291(a)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking “and” after the semicolon;

(B) in subparagraph (B), by adding “and” at the end; and

(C) by adding at the end the following:

“(C) giving priority to those institutions with existing memoranda of understanding, agreements, or other formal ties to United States institutions, or Federal or State agencies;”;

(2) in paragraph (3), by inserting “Hispanic-serving agricultural colleges and universities,” after “universities,”;

(3) in paragraph (7)(A), by striking “and land-grant colleges and universities” and inserting “, land-grant colleges and universities, and Hispanic-serving agricultural colleges and universities”;

(4) in paragraph (9)—

(A) in subparagraph (A), by striking “or other colleges and universities” and inserting “, Hispanic-serving agricultural colleges and universities, or other colleges and universities”; and

(B) in subparagraph (D), by striking “and” at the end;

(5) in paragraph (10), by striking the period at the end and inserting “; and”; and

(6) by adding at the end the following:

“(11) establish a program for the purpose of providing fellowships to United States or foreign students to study at foreign agricultural colleges and universities working under agreements provided for under paragraph (3).”.

SEC. 7025. COMPETITIVE GRANTS FOR INTERNATIONAL AGRICULTURAL SCIENCE AND EDUCATION PROGRAMS.

Section 1459A(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292b(c)) is amended by striking “2007” and inserting “2012”.

SEC. 7026. INDIRECT COSTS.

Section 1462(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3310(a)) is amended by striking “shall not exceed 19 percent” and inserting “shall be the negotiated indirect rate of cost established for an institution by the appropriate Federal audit agency for the institution, not to exceed 30 percent”.

SEC. 7027. RESEARCH EQUIPMENT GRANTS.

Section 1462A(e) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3310a(e)) is amended by striking “2007” and inserting “2012”.

SEC. 7028. UNIVERSITY RESEARCH.

Section 1463 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311) is amended by striking “2007” each place it appears in subsections (a) and (b) and inserting “2012”.

SEC. 7029. EXTENSION SERVICE.

Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended by striking “2007” and inserting “2012”.

SEC. 7030. SUPPLEMENTAL AND ALTERNATIVE CROPS.

Section 1473D(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d(a)) is amended by striking “2007” and inserting “2012”.

SEC. 7031. AQUACULTURE RESEARCH FACILITIES.

(a) FISH DISEASE PROGRAM.—Section 1475(f) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3322(f)) is amended—

(1) by striking “The Secretary” and inserting the following:

“(1) IN GENERAL.—The Secretary”; and

(2) by adding at the end the following:

“(2) VIRAL HEMORRHAGIC SEPTICEMIA.—

“(A) IN GENERAL.—The study of viral hemorrhagic septicemia (referred to in this paragraph as “VHS”) and VHS management shall be considered an area of priority research under this subsection.

“(B) CONSULTATION.—

“(i) IN GENERAL.—The Secretary shall consult with appropriate directors of State natural resource management and agriculture agencies in areas that are VHS positive as of the date of enactment of this paragraph to develop and implement a comprehensive set of priorities for managing VHS, including providing funds for research into the spread and control of the disease, surveillance, monitoring, risk evaluation, enforcement, screening, education and outreach, and management.

“(ii) CONSIDERATION.—The Secretary shall provide special consideration to the recommendations of the directors described in clause (i) in the development of the VHS priorities.”.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 1477 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3324) is amended by striking “2007” and inserting “2012”.

SEC. 7032. RANGELAND RESEARCH.

(a) GRANTS.—Section 1480(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3333(a)) is amended—

(1) in paragraph (1), by striking “; and” and inserting a semicolon;

(2) in paragraph (2), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:

“(3) pilot programs to coordinate and conduct collaborative projects to address natural resources management issues and facilitate the collection of information and analysis to provide Federal and State agencies, private landowners, and the public with information to allow for improved management of public and private rangeland.”.

(b) MATCHING REQUIREMENTS.—Section 1480(b)(2) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3333(b)(2)) is amended by striking “subsection (a)(2)” and inserting “paragraph (2) or (3) of subsection (a)”.

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 1483(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3336(a)) is amended by striking “2007” and inserting “2012”.

SEC. 7033. SPECIAL AUTHORIZATION FOR BIOSECURITY PLANNING AND RESPONSE.

Section 1484(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3351(a)) is amended by striking “2007” and inserting “2012”.

SEC. 7034. RESIDENT INSTRUCTION AND DISTANCE EDUCATION GRANTS PROGRAM FOR INSULAR AREA INSTITUTIONS OF HIGHER EDUCATION.

(a) DISTANCE EDUCATION GRANTS FOR INSULAR AREAS.—Section 1490(f) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3362(f)) is amended by striking “2007” and inserting “2012”.

(b) RESIDENT INSTRUCTION GRANTS FOR INSULAR AREAS.—Section 1491 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3363) is amended—

(1) by redesignating subsection (e) as subsection (c); and

(2) in subsection (c) (as so redesignated), by striking “2007” and inserting “2012”.

SEC. 7035. FARM MANAGEMENT TRAINING AND PUBLIC FARM BENCHMARKING DATABASE.

Subtitle K of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by inserting after section 1467 (7 U.S.C. 3313) the following:

“SEC. 1468. FARM MANAGEMENT TRAINING AND PUBLIC FARM BENCHMARKING DATABASE.

“(a) DEFINITIONS.—In this section:

“(1) BENCHMARK, BENCHMARKING.—The term ‘benchmark’ or ‘benchmarking’ means the process of comparing the performance of an agricultural enterprise against the performance of other similar enterprises, through the use of comparable and reliable data, in order to identify business management strengths, weaknesses, and steps necessary to improve management performance and business profitability.

“(2) FARM MANAGEMENT ASSOCIATION.—The term ‘farm management association’ means a public or nonprofit organization or educational program—

“(A) the purpose of which is to assist farmers, ranchers, and other agricultural operators to improve financial management and business profitability by providing training on farm financial planning and analysis, record keeping, and other farm management topics; and

“(B) that is affiliated with a land-grant college or university, other institution of higher education, or nonprofit entity.

“(3) NATIONAL FARM MANAGEMENT CENTER.—The term ‘National Farm Management Center’ means a land-grant college or university that, as determined by the Secretary—

“(A) has collaborative partnerships with more than 5 farm management associations

that are representative of agricultural diversity in multiple regions of the United States;

“(B) has maintained and continues to maintain farm financial analysis software applicable to the production and management of a wide range of crop and livestock agricultural commodities (including some organic commodities);

“(C) has established procedures that enable producers—

“(i) to benchmark the farms of the producers against peer groups; and

“(ii) to query the benchmarking database by location, farm type, farm size, and commodity at the overall business and individual enterprise levels; and

“(D) has provided and continues to provide public online access to farm and ranch financial benchmarking databases.

“(b) ESTABLISHMENT.—

“(1) IN GENERAL.—The Secretary shall establish a National Farm Management Center to improve the farm management knowledge and skills of individuals directly involved in production agriculture through—

“(A) participation in a farm management education and training program; and

“(B) direct access to a public farm benchmarking database.

“(2) PROPOSALS.—The Secretary shall request proposals from appropriate land-grant colleges and universities for the establishment of a National Farm Management Center in accordance with this section.

“(3) REQUIREMENTS.—The National Farm Management Center established under paragraph (1) shall—

“(A) coordinate standardized financial analysis methodologies for use by farmers, ranchers, other agricultural operators, and farm management associations;

“(B) provide the software tools necessary for farm management associations, farmers, ranchers, and other agricultural operators to perform the necessary financial analyses, including the benchmarking of individual enterprises; and

“(C) develop and maintain a national farm financial database to facilitate those financial analyses and benchmarking that is available online to farmers, ranchers, other agricultural operators, farm management associations, and the public.

“(c) 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.

“(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.”.

SEC. 7036. TROPICAL AND SUBTROPICAL AGRICULTURAL RESEARCH.

Subtitle K of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3310 et seq.) is amended by adding at the end the following:

“SEC. 1473E. TROPICAL AND SUBTROPICAL AGRICULTURAL RESEARCH.

“(a) DEFINITION OF CARIBBEAN AND PACIFIC BASINS.—In this section, the term ‘Caribbean and Pacific basins’, means—

“(1) the States of Florida and Hawaii;

“(2) the Commonwealth of Puerto Rico;

“(3) the United States Virgin Islands;

“(4) Guam;

“(5) American Samoa;

“(6) the Commonwealth of the Northern Mariana Islands;

“(7) the Federated States of Micronesia;

“(8) the Republic of the Marshall Islands; and

“(9) the Republic of Palau.

“(b) ESTABLISHMENT.—The Secretary shall establish a program, to be known as the

‘Tropical and Subtropical Agricultural Research Program’, to sustain the agriculture and environment of the Caribbean and Pacific basins, by supporting the full range of research relating to food and agricultural sciences in the Caribbean and Pacific basins, with an emphasis on—

“(1) pest management;

“(2) deterring introduction and establishment of invasive species;

“(3) enhancing existing and developing new tropical and subtropical agricultural products; and

“(4) expanding value-added agriculture in tropical and subtropical ecosystems.

“(c) GRANTS.—

“(1) IN GENERAL.—In carrying out this section, the Secretary shall provide grants to be awarded competitively to support tropical and subtropical agricultural research in the Caribbean and Pacific basins.

“(2) ELIGIBLE ENTITIES.—To be eligible to receive a grant, an entity shall be a land-grant college or university, or affiliated with a land-grant college or university, that is located in any region of the Caribbean and Pacific basin.

“(3) REQUIREMENTS.—

“(A) EQUAL AMOUNTS.—The total amount of grants provided under this subsection shall be equally divided between the Caribbean and Pacific basins, as determined by the Secretary.

“(B) RESEARCH INFRASTRUCTURE AND CAPABILITY PRIORITY.—In providing grants under this subsection, the Secretary shall give priority to projects of eligible entities that—

“(i) expand the infrastructure and capability of the region of the eligible entity;

“(ii) scientifically and culturally address regional agricultural and environmental challenges; and

“(iii) sustain agriculture in the region of the eligible entity.

“(C) TERM.—The term of a grant provided under this subsection shall not exceed 5 years.

“(D) PROHIBITIONS.—A grant provided under this subsection shall not be used for the planning, repair, rehabilitation, acquisition, or construction of any building or facility.

“(d) FUNDING.—

“(1) SET-ASIDE.—Not less than 25 percent of the funds made available to carry out this section during a fiscal year shall be used to support programs and services that—

“(A) address the pest management needs of a region in the Caribbean and Pacific basins; or

“(B) minimize the impact to a region in the Caribbean and Pacific basins of invasive species.

“(2) ADMINISTRATIVE COSTS.—The Secretary shall use not more than 4 percent of the funds made available under subsection (e) for administrative costs incurred by the Secretary in carrying out this section.

“(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out this section such sums as are necessary for each of fiscal years 2008 through 2012.”.

SEC. 7037. REGIONAL CENTERS OF EXCELLENCE.

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 7036) is amended by adding at the end the following:

“SEC. 1473F. REGIONAL CENTERS OF EXCELLENCE.

“(a) PURPOSES.—The purposes of this section are—

“(1) to authorize regional centers of excellence for specific agricultural commodities; and

“(2) to develop a national, coordinated program of research, teaching, and extension for commodities that will—

“(A) be cost effective by reducing duplicate efforts regarding research, teaching, and extension;

“(B) leverage available resources by using public/private partnerships among industry groups, institutions of higher education, and the Federal Government;

“(C) increase the economic returns to agricultural commodity industries by identifying, attracting, and directing funds to high-priority industry issues; and

“(D) more effectively disseminate industry issue solutions to target audiences through web-based extension information, instructional courses, and educational or training modules.

“(b) DEFINITIONS.—In this section:

“(1) AGRICULTURAL COMMODITY.—The term ‘agricultural commodity’ has the meaning given the term in section 513 of the Commodity Promotion, Research, and Information Act of 1996 (7 U.S.C. 7412).

“(2) LAND-GRANT COLLEGES AND UNIVERSITIES.—The term ‘land-grant colleges and universities’ means—

“(A) 1862 Institutions (as defined in section 2 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7601));

“(B) 1890 Institutions (as defined in section 2 of that Act); and

“(C) 1994 Institutions (as defined in section 2 of that Act).

“(c) ESTABLISHMENT.—

“(1) ORIGINAL COMPOSITION.—The Secretary shall establish regional centers of excellence for specific agricultural commodities that are each comprised of—

“(A) a lead land-grant college or university; and

“(B) 1 or more member land-grant colleges and universities that provide financial support to the regional center of excellence.

“(2) BOARD OF DIRECTORS.—Each regional center of excellence shall be administered by a board of directors consisting of 15 members, as determined by the lead and member land-grant colleges and universities of the center.

“(3) ADDITIONAL DIRECTORS AND INSTITUTIONS.—Each board of directors of a regional center of excellence may—

“(A) designate additional land-grant colleges and universities as members of the center; and

“(B) designate representatives of the additional land-grant colleges and universities and agriculture industry groups to be additional members of the board of directors.

“(d) PROGRAMS.—Each regional center of excellence shall achieve the purposes of this section through—

“(1) research initiatives focused on issues pertaining to the specific agricultural commodity;

“(2) teaching initiatives at lead and member land-grant colleges and universities to provide intensive education relating to the specific agricultural commodity; and

“(3) extension initiatives focusing on an internet-based information gateway to provide for relevant information development, warehousing, and delivery.

“(e) FUNDING.—

“(1) IN GENERAL.—Each regional center of excellence shall be funded through the use of—

“(A) grants made by the Secretary; and

“(B) matching funds provided by land-grant colleges and universities and agriculture industry groups.

“(2) PROCESS.—The board of directors of each regional center of excellence shall have

the responsibility for submitting grant proposals to the Secretary to carry out the research, education, and extension program activities described in subsection (d).

“(3) TERM OF GRANT.—The term of a grant under this subsection may not exceed 5 years.

“(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as are necessary for each of fiscal years 2008 through 2012.”.

SEC. 7038. NATIONAL DROUGHT MITIGATION CENTER.

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 7037) is amended by adding at the end the following:

“SEC. 1473G. NATIONAL DROUGHT MITIGATION CENTER.

“(a) IN GENERAL.—The Secretary shall offer to enter into an agreement with the National Drought Mitigation Center, under which the Center shall—

“(1) continue to produce the United States Drought Monitor;

“(2) maintain a clearinghouse and internet portal on drought; and

“(3) develop new drought mitigation and preparedness strategies, responses, models, and methodologies for the agricultural community.

“(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$5,000,000 for each fiscal year.”.

SEC. 7039. AGRICULTURAL DEVELOPMENT IN THE AMERICAN-PACIFIC REGION.

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 7038) is amended by adding at the end the following:

“SEC. 1473H. AGRICULTURAL DEVELOPMENT IN THE AMERICAN-PACIFIC REGION.

“(a) DEFINITIONS.—In this section:

“(1) AMERICAN-PACIFIC REGION.—The term ‘American-Pacific region’ means the region encompassing—

“(A) American Samoa;

“(B) Guam;

“(C) the Commonwealth of the Northern Mariana Islands;

“(D) the Federated States of Micronesia;

“(E) the Republic of the Marshall Islands;

“(F) the Republic of Palau;

“(G) the State of Hawaii; and

“(H) the State of Alaska.

“(2) CONSORTIUM.—The term ‘consortium’ means a collaborative group that—

“(A) is composed of each eligible institution; and

“(B) submits to the Secretary an application for a grant under subsection (b)(2).

“(3) ELIGIBLE INSTITUTION.—The term ‘eligible institution’ means a land-grant college or university that is located in the American-Pacific region.

“(b) AGRICULTURAL DEVELOPMENT IN THE AMERICAN PACIFIC GRANTS.—

“(1) IN GENERAL.—The Secretary may make grants to a consortium of eligible institutions to carry out integrated research, extension, and instruction programs in support of food and agricultural sciences.

“(2) APPLICATION.—To receive a grant under paragraph (1), a consortium of eligible institutions shall submit to the Secretary an application that includes—

“(A) for each eligible institution, a description of each objective, procedure, and proposed use of funds relating to any funds provided by the Secretary to the consortium under paragraph (1); and

“(B) the method of allocation proposed by the consortium to distribute to each eligible

institution any funds provided by the Secretary to the consortium under paragraph (1).

“(3) USE OF FUNDS.—

“(A) IN GENERAL.—An eligible institution that receives funds through a grant under paragraph (1) shall use the funds—

“(i) to acquire the equipment, instrumentation, networking capability, hardware and software, digital network technology, and infrastructure required to integrate research, extension, and instruction programs in the American-Pacific region;

“(ii) to develop and provide support for conducting research, extension, and instruction programs in support of food and agricultural sciences relevant to the American-Pacific region, with special emphasis on—

“(I) the management of pests; and

“(II) the control of the spread of invasive alien species; and

“(iii) to provide leadership development to administrators, faculty, and staff of the eligible institution with responsibility for programs relating to agricultural research, extension, and instruction.

“(B) PROHIBITED USES.—An eligible institution that receives funds through a grant under paragraph (1) may not use the funds for any cost relating to the planning, acquisition, construction, rehabilitation, or repair of any building or facility of the eligible institution.

“(4) GRANT TERM.—A grant under paragraph (1) shall have a term of not more than 5 years.

“(5) ADMINISTRATION.—

“(A) AUTHORITY OF SECRETARY.—The Secretary may carry out this section in a manner that recognizes the different needs of, and opportunities for, each eligible institution.

“(B) ADMINISTRATIVE COSTS.—The Secretary shall use not more than 4 percent of the amount appropriated under subsection (d) for a fiscal year to pay administrative costs incurred in carrying out this section.

“(c) NO EFFECT ON DISTRIBUTION OF FUNDS.—Nothing in this section affects any basis for distribution of funds by a formula in existence on the date of enactment of this section relating to—

“(1) the Federated States of Micronesia;

“(2) the Republic of the Marshall Islands;

or

“(3) the Republic of Palau.

“(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.”.

SEC. 7040. BORLAUG INTERNATIONAL AGRICULTURAL SCIENCE AND TECHNOLOGY FELLOWSHIP PROGRAM.

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 7039) is amended by adding at the end the following:

“SEC. 1473I. BORLAUG INTERNATIONAL AGRICULTURAL SCIENCE AND TECHNOLOGY FELLOWSHIP PROGRAM.

“(a) FELLOWSHIP PROGRAM.—

“(1) IN GENERAL.—The Secretary shall establish a fellowship program, to be known as the ‘Borlaug International Agricultural Science and Technology Fellowship Program,’ to provide fellowships for scientific training and study in the United States to individuals from eligible countries (as described in subsection (b)) who specialize in agricultural education, research, and extension.

“(2) PROGRAMS.—The Secretary shall carry out the fellowship program by implementing 3 programs designed to assist individual fellowship recipients, including—

“(A) a graduate studies program in agriculture to assist individuals who participate

in graduate agricultural degree training at a United States institution;

“(B) an individual career improvement program to assist agricultural scientists from developing countries in upgrading skills and understanding in agricultural science and technology; and

“(C) a Borlaug agricultural policy executive leadership course to assist senior agricultural policy makers from eligible countries, with an initial focus on individuals from sub-Saharan Africa and the newly independent states of the former Soviet Union.

“(b) ELIGIBLE COUNTRIES.—An eligible country is a developing country, as determined by the Secretary using a gross national income per capita test selected by the Secretary.

“(c) PURPOSE OF FELLOWSHIPS.—A fellowship provided under this section shall—

“(1) promote food security and economic growth in eligible countries by—

“(A) educating a new generation of agricultural scientists;

“(B) increasing scientific knowledge and collaborative research to improve agricultural productivity; and

“(C) extending that knowledge to users and intermediaries in the marketplace; and

“(2) shall support—

“(A) training and collaborative research opportunities through exchanges for entry level international agricultural research scientists, faculty, and policymakers from eligible countries;

“(B) collaborative research to improve agricultural productivity;

“(C) the transfer of new science and agricultural technologies to strengthen agricultural practice; and

“(D) the reduction of barriers to technology adoption.

“(d) FELLOWSHIP RECIPIENTS.—

“(1) ELIGIBLE CANDIDATES.—The Secretary may provide fellowships under this section to individuals from eligible countries who specialize in or have experience in agricultural education, research, extension, or related fields, including—

“(A) individuals from the public and private sectors; and

“(B) private agricultural producers.

“(2) CANDIDATE IDENTIFICATION.—The Secretary shall use the expertise of United States land grant colleges and universities and similar universities, international organizations working in agricultural research and outreach, and national agricultural research organizations to help identify program candidates for fellowships under this section from the public and private sectors of eligible countries.

“(e) USE OF FELLOWSHIPS.—A fellowship provided under this section shall be used—

“(1) to promote collaborative programs among agricultural professionals of eligible countries, agricultural professionals of the United States, the international agricultural research system, and, as appropriate, United States entities conducting research; and

“(2) to support fellowship recipients through programs described in subsection (a)(2).

“(f) PROGRAM IMPLEMENTATION.—The Secretary shall provide for the management, coordination, evaluation, and monitoring of the overall Borlaug International Agricultural Science and Technology Fellowship Program and for the individual programs described in subsection (a)(2), except that the Secretary may contract out to 1 or more collaborating universities the management of 1 or more of the fellowship programs.

“(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section, to remain available until expended.”.

SEC. 7041. NEW ERA RURAL TECHNOLOGY PROGRAM.

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 7040) is amended by adding at the end the following:

“SEC. 1473J. NEW ERA RURAL TECHNOLOGY PROGRAM.

“(a) **DEFINITION OF RURAL COMMUNITY COLLEGE.**—In this section, the term ‘rural community college’ means an institution of higher education that—

“(1) admits as regular students individuals who—

“(A) are beyond the age of compulsory school attendance in the State in which the institution is located; and

“(B) have the ability to benefit from the training offered by the institution, in accordance with criteria established by the Secretary;

“(2) does not provide an educational program for which it awards a bachelor’s degree or an equivalent degree;

“(3)(A) provides an educational program of not less than 2 years that is acceptable for full credit toward such a degree; or

“(B) offers a 2-year program in engineering, technology, mathematics, or the physical, chemical or biological sciences that is designed to prepare a student to work as a technician or at the semiprofessional level in engineering, scientific, or other technological fields requiring the understanding and application of basic engineering, scientific, or mathematical principles of knowledge; and

“(4) is located in a rural area (as defined in section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a))).

“(b) **PROGRAM.**—

“(1) **IN GENERAL.**—The Secretary shall establish a program, to be known as the ‘New Era Rural Technology Program’, under which the Secretary shall make grants available for technology development, applied research, and training to aid in the development of an agriculture-based renewable energy workforce.

“(2) **FIELDS.**—In making grants under the program, the Secretary shall support the fields of—

“(A) bioenergy;

“(B) pulp and paper manufacturing; and

“(C) agriculture-based renewable energy resources.

“(c) **ELIGIBILITY.**—To be eligible to receive a grant under this section, an entity shall—

“(1) be a rural community college or advanced technological center (as determined by the Secretary), in existence on the date of the enactment of this section, that participates in agricultural or bioenergy research and applied research;

“(2) have a proven record of development and implementation of programs to meet the needs of students, educators, business, and industry to supply the agriculture-based, renewable energy, or pulp and paper manufacturing fields with certified technicians, as determined by the Secretary; and

“(3) have the ability to leverage existing partnerships and occupational outreach and training programs for secondary schools, 4-year institutions, and relevant nonprofit organizations.

“(d) **GRANT PRIORITY.**—In making grants under this section, the Secretary shall give preference to rural community colleges working in partnership—

“(1) to improve information sharing capacity; and

“(2) to maximize the ability of eligible recipients to meet the purposes of this section.

“(e) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated such sums as are necessary to carry out this sec-

tion for each of fiscal years 2008 through 2012.”.

SEC. 7042. FARM AND RANCH STRESS ASSISTANCE NETWORK.

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 7041) is amended by adding at the end the following:

“SEC. 1473K. FARM AND RANCH STRESS ASSISTANCE NETWORK.

“(a) **IN GENERAL.**—The Secretary, in cooperation with the Secretary of Health and Human Services, shall establish a network, to be known as the ‘Farm and Ranch Stress Assistance Network’ (referred to in this section as the ‘Network’).

“(b) **PURPOSE.**—The purpose the network shall be to provide behavioral health programs to participants in the agricultural sector in the United States.

“(c) **GRANTS.**—The Secretary, in collaboration with the extension service at the National Institute of Food and Agriculture, shall provide grants on a competitive basis to States and nonprofit organizations for use in carrying out pilot projects to achieve the purpose of the Network.

“(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.”.

SEC. 7043. RURAL ENTREPRENEURSHIP AND ENTERPRISE FACILITATION PROGRAM.

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 7042) is amended by adding at the end the following:

“SEC. 1473L. RURAL ENTREPRENEURSHIP AND ENTERPRISE FACILITATION PROGRAM.

“(a) **DEFINITION OF REGIONAL RURAL DEVELOPMENT CENTER.**—In this section, the term ‘regional rural development center’ means—

“(1) the North Central Regional Center for Rural Development (or a designee);

“(2) the Northeast Regional Center for Rural Development (or a designee);

“(3) the Southern Rural Development Center (or a designee); and

“(4) the Western Rural Development Center (or a designee).

“(b) **PROJECTS.**—The Secretary shall carry out research, extension, and education projects to obtain data, convey knowledge, and develop skills through projects that—

“(1) transfer practical, reliable, and timely information to rural entrepreneurs and rural entrepreneurial development organizations concerning business management, business planning, microenterprise, marketing, entrepreneurial education and training, and the development of local and regional entrepreneurial systems in rural areas and rural communities;

“(2) provide education, training, and technical assistance to newly-operational and growing rural businesses;

“(3) improve access to diverse sources of capital, such as microenterprise loans and venture capital;

“(4) determine the best methods to train entrepreneurs with respect to preparing business plans, recordkeeping, tax rules, financial management, and general business practices;

“(5) promote entrepreneurship among—

“(A) rural youth, minority, and immigrant populations;

“(B) women; and

“(C) low- and moderate-income rural residents;

“(6) create networks of entrepreneurial support through partnerships among rural entrepreneurs, local business communities,

all levels of government, nonprofit organizations, colleges and universities, and other sectors;

“(7) study and facilitate entrepreneurial development systems that best align with the unique needs and strengths of particular rural areas and communities; and

“(8) explore promising strategies for building an integrated system of program delivery to rural entrepreneurs.

“(c) **AGREEMENTS.**—To carry out projects under subsection (b), the Secretary shall provide grants to—

“(1) land-grant colleges and universities, including cooperative extension services, agricultural experiment stations, and regional rural development centers;

“(2) other colleges and universities;

“(3) community, junior, technical, and vocational colleges and other 2-year institutions of higher education, and post-secondary business and commerce schools;

“(4) elementary schools and secondary schools;

“(5) nonprofit organizations; and

“(6) Federal, State, local, and tribal governmental entities.

“(d) **SELECTION AND PRIORITY OF PROJECTS.**—

“(1) **IN GENERAL.**—In selecting projects to be carried out under this section, the Secretary shall take into consideration—

“(A) the relevance of the project to the purposes of this section;

“(B) the appropriateness of the design of the project;

“(C) the likelihood of achieving the objectives of the project; and

“(D) the national or regional applicability of the findings and outcomes of the project.

“(2) **PRIORITY.**—In carrying out projects under this section, the Secretary shall give priority to projects that—

“(A) enhance widespread access to entrepreneurial education, including access to such education in community-based settings for low- and moderate-income entrepreneurs and potential entrepreneurs;

“(B) closely coordinate research and education activities, including outreach education efforts;

“(C) indicate the manner in which the findings of the project will be made readily usable to rural entrepreneurs and to rural community leaders;

“(D) maximize the involvement and cooperation of rural entrepreneurs; and

“(E) involve cooperation and partnerships between rural entrepreneurs, nonprofit organizations, entrepreneurial development organizations, educational institutions at all levels, and government agencies at all levels.

“(e) **COMPETITIVE BASIS.**—Grants under this section shall be awarded on a competitive basis, in accordance with such criteria as the national administrative council established under subsection (j)(1) may establish.

“(f) **TERM.**—The term of a grant provided under this section shall be not more than 5 years.

“(g) **LIMITATION.**—Not more than 20 percent of the total amount of grants provided under this section shall be provided to projects in which cooperative extension services are involved as the sole or lead entity of the project.

“(h) **DIVERSIFICATION OF RESEARCH, EXTENSION, AND EDUCATION PROJECTS.**—The Secretary shall carry out projects under this section in areas that the Secretary determines to be broadly representative of the diversity of the rural areas of the United States, and of rural entrepreneurship in the United States, including entrepreneurship involving youth, minority populations, microenterprise, and women, with a focus on nonagricultural businesses or food and agriculturally-based businesses, but not direct agriculture production.

“(i) ADMINISTRATION.—The Secretary shall administer projects carried out under this section acting through the Administrator of the National Institute of Food and Agriculture.

“(j) NATIONAL ADMINISTRATIVE COUNCIL.—

“(1) ESTABLISHMENT.—The Secretary shall establish, in accordance with this subsection, a national administrative council to assist the Secretary in carrying out this section.

“(2) MEMBERSHIP.—The membership of the national administrative council shall include—

“(A) qualified representatives of entities with demonstrable expertise relating to rural entrepreneurship, including representatives of—

“(i) the Cooperative State Research, Education, and Extension Service;

“(ii) the Rural Business-Cooperative Service;

“(iii) the Small Business Administration;

“(iv) regional rural development centers;

“(v) nonprofit organizations;

“(vi) regional and State agencies;

“(vii) cooperative extension services;

“(viii) colleges and universities;

“(ix) philanthropic organizations; and

“(x) Indian tribal governments;

“(B) self-employed rural entrepreneurs and owners of rural small businesses;

“(C) elementary and secondary educators that demonstrate experience in rural entrepreneurship; and

“(D) other persons with experience relating to rural entrepreneurship and the impact of rural entrepreneurship on rural communities.

“(3) RESPONSIBILITIES.—In collaboration with the Secretary, the national administrative council established under this subsection shall—

“(A) promote the projects carried out under this section;

“(B) establish goals and criteria for the selection of projects under this section;

“(C)(i) appoint a technical committee to evaluate project proposals to be considered by the council; and

“(ii) make recommendations of the technical committee to the Secretary; and

“(D) prepare and make publicly available an annual report relating to each applicable project carried out under this section, including a review of projects carried out during the preceding year.

“(4) CONFLICT OF INTEREST.—A member of the national administrative council or a technical committee shall not participate in any determination relating to, or recommendation of, a project proposed to be carried out under this section if the member has had any business interest (including the provision of consulting services) in the project or the organization submitting the application.

“(k) AUTHORIZATION FOR APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of the fiscal years 2008 through 2012.”.

SEC. 7044. SEED DISTRIBUTION.

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 7043) is amended by adding at the end the following:

“SEC. 1473M. SEED DISTRIBUTION.

“(a) ESTABLISHMENT.—The Secretary shall establish a program, to be known as the ‘seed distribution program’, under which the Secretary shall provide a grant to a nonprofit organization selected under subsection (c) to carry out a seed distribution program to administer and maintain the distribution of vegetable seeds donated by commercial seed companies.

“(b) PURPOSE.—The purpose of the seed distribution program under this section shall be to distribute vegetable seeds donated by commercial seed companies.

“(c) SELECTION OF NONPROFIT ORGANIZATIONS.—

“(1) IN GENERAL.—The nonprofit organization selected to receive a grant under subsection (a) shall demonstrate to the satisfaction of the Secretary that the organization—

“(A) has expertise regarding distribution of vegetable seeds donated by commercial seed companies; and

“(B) has the ability to achieve the purpose of the seed distribution program.

“(2) PRIORITY.—In selecting a nonprofit organization for purposes of this section, the Secretary shall give priority to a nonprofit organization that, as of the date of selection, carries out an activity to benefit underserved communities, such as communities that experience—

“(A) limited access to affordable fresh vegetables;

“(B) a high rate of hunger or food insecurity; or

“(C) severe or persistent poverty.

“(d) REQUIREMENT.—The nonprofit organization selected under this section shall ensure that seeds donated by commercial seed companies are distributed free-of-charge to appropriate—

“(1) individuals;

“(2) groups;

“(3) institutions;

“(4) governmental and nongovernmental organizations; and

“(5) such other entities as the Secretary may designate.

“(e) 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.”.

SEC. 7045. FARM AND RANCH SAFETY.

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 7044) is amended by adding at the end the following:

“SEC. 1473N. FARM AND RANCH SAFETY.

“(a) IN GENERAL.—The Secretary shall establish a program, to be known as the ‘agricultural safety program’, under which the Secretary shall provide grants to eligible entities to carry out projects to decrease the incidence of injury and death on farms and ranches.

“(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under this section, an entity shall be—

“(1) a nonprofit organization;

“(2) a land-grant college or university (including a cooperative extension service);

“(3) a minority-serving institution;

“(4) a 2-year or 4-year institution of higher education; or

“(5) such other entity as the Secretary may designate.

“(c) ELIGIBLE PROJECTS.—An eligible entity shall use a grant received under this section only to carry out—

“(1) a project at least 1 component of which emphasizes—

“(A) preventative service through on-site farm or ranch safety reviews;

“(B) outreach and dissemination of farm safety research and interventions to agricultural employers, employees, youth, farm and ranch families, seasonal workers, or other individuals; or

“(C) agricultural safety education and training; and

“(2) other appropriate activities, as determined by the Secretary;

“(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.”.

SEC. 7046. WOMEN AND MINORITIES IN STEM FIELDS.

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 7045) is amended by adding at the end the following:

“SEC. 1473O. WOMEN AND MINORITIES IN STEM FIELDS.

“(a) ESTABLISHMENT.—The Secretary shall establish a program under which the Secretary, in coordination with applicable Federal, State, and local programs, shall provide grants to eligible institutions to increase, to the maximum extent practicable, participation by women and underrepresented minorities from rural areas (as defined in section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a))), in science, technology, engineering, and mathematics fields (referred to in this section as ‘STEM fields’).

“(b) ACTIVITIES.—In carrying out the program established under subsection (a), the Secretary shall—

“(1) implement multitrack technology career advancement training programs and provide related services to engage, and encourage participation by, women and underrepresented minorities in STEM fields;

“(2) develop and administer training programs for educators, career counselors, and industry representatives in recruitment and retention strategies to increase and retain women and underrepresented minority students and job entrants into STEM fields; and

“(3) support education-to-workforce programs for women and underrepresented minorities to provide counseling, job shadowing, mentoring, and internship opportunities to guide participants in the academic, training, and work experience needed for STEM careers.

“(c) INSTITUTIONS.—

“(1) GRANTS.—The Secretary shall carry out the program under this section at such institutions as the Secretary determines to be appropriate by providing grants, on a competitive basis, to the institutions.

“(2) PRIORITY.—In providing grants under paragraph (1), the Secretary shall give priority, to the maximum extent practicable, to institutions carrying out continuing programs funded by the Secretary.

“(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.”.

SEC. 7047. NATURAL PRODUCTS RESEARCH PROGRAM.

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 7046) is amended by adding at the end the following:

“SEC. 1473P. NATURAL PRODUCTS RESEARCH PROGRAM.

“(a) IN GENERAL.—The Secretary shall establish a natural products research program.

“(b) DUTIES.—In carrying out the program established under subsection (a), the Secretary shall coordinate research relating to natural products, including—

“(1) research to improve human health and agricultural productivity through the discovery, development, and commercialization of pharmaceuticals and agrichemicals from bioactive natural products, including products from plant, marine, and microbial sources;

“(2) research to characterize the botanical sources, production, chemistry, and biological properties of plant-derived natural products important for agriculture and medicine; and

“(3) other research priorities identified by the Secretary.

“(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as are necessary for each of fiscal years 2008 through 2012.”.

SEC. 7048. INTERNATIONAL ANTI-HUNGER AND NUTRITION PROGRAM.

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 7047) is amended by adding at the end the following:

“SEC. 1473Q. INTERNATIONAL ANTI-HUNGER AND NUTRITION.

“(a) IN GENERAL.—The Secretary shall provide support to established nonprofit organizations that focus on promoting research concerning—

“(1) anti-hunger and improved nutrition efforts internationally; and

“(2) increased quantity, quality, and availability of food.

“(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$1,000,000 for each of fiscal years 2008 through 2012.”.

SEC. 7049. CONSORTIUM FOR AGRICULTURAL AND RURAL TRANSPORTATION RESEARCH AND EDUCATION.

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 7048) is amended by adding at the end the following:

“SEC. 1473R. CONSORTIUM FOR AGRICULTURAL AND RURAL TRANSPORTATION RESEARCH AND EDUCATION.

“(a) IN GENERAL.—Subject to the availability of appropriations to carry out this section, the Secretary, acting through the Agricultural Marketing Service, shall award grants to the Consortium for Agricultural and Rural Transportation Research and Education for the purpose of funding prospective, independent research, education, and technology transfer activities.

“(b) ACTIVITIES.—Activities funded with grants made under subsection (a) shall focus on critical rural and agricultural transportation and logistics issues facing agricultural producers and other rural businesses, including—

“(1) issues relating to the relationship between renewable fuels and transportation;

“(2) export promotion issues based on transportation strategies for rural areas;

“(3) transportation and rural business facility planning and location issues;

“(4) transportation management and supply chain management support issues;

“(5) rural road planning and finance issues;

“(6) advanced transportation technology applications in a rural area; and

“(7) creation of a national agricultural marketing and rural business transportation database.

“(c) REPORT.—Not later than September 30, 2011, 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 activities of Consortium for Agricultural and Rural Transportation Research and Education that have been funded through grants made under this section; and

“(2) contains recommendations about the grant program.

“(d) AUTHORIZATION OF APPROPRIATIONS.—

“(1) IN GENERAL.—There is authorized to be appropriated to carry out this section \$19,000,000 for each of fiscal years 2008 through 2012.

“(2) ADMINISTRATIVE EXPENSES.—Of the total amount made available under para-

graph (1), not more than \$1,000,000 may be used by the Agricultural Marketing Service for administrative expenses incurred in carrying out this section.”.

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

SEC. 7101. NATIONAL GENETIC RESOURCES PROGRAM.

(a) IN GENERAL.—Section 1632 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5841) is amended—

(1) by striking subsection (b) and inserting the following:

“(b) PURPOSE.—The program is established for the purpose of—

“(1) maintaining and enhancing a program providing for the collection, preservation, and dissemination of plant, animal, and microbial genetic material of importance to food and agriculture production in the United States; and

“(2) undertaking long-term research on plant and animal breeding and disease resistance.”; and

(2) in subsection (d)—

(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) in conjunction with national programs for plant and animal genetic resources, undertake long-term research on plant and animal breeding, including the development of varieties adapted to sustainable and organic farming systems, and disease resistance; and”.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 1635(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amended by striking “2007” and inserting “2012”.

SEC. 7102. HIGH-PRIORITY RESEARCH AND EXTENSION INITIATIVES.

Section 1672 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925) is amended—

(1) in subsection (e), by adding at the end the following:

“(46) COLONY COLLAPSE DISORDER AND POLLINATOR RESEARCH PROGRAM.—Research and extension grants may be made to—

“(A) survey and collect data on bee colony production and health;

“(B) investigate pollinator biology, immunology, ecology, genomics, and bioinformatics;

“(C) conduct research on various factors that may be contributing to or associated with colony collapse disorder, and other serious threats to the health of honey bees and other pollinators, including—

“(i) parasites and pathogens of pollinators; and

“(ii) the sublethal effects of insecticides, herbicides, and fungicides on honey bees and native and managed pollinators;

“(D) develop mitigative and preventative measures to improve native and managed pollinator health; and

“(E) promote the health of honey bees and native pollinators through habitat conservation and best management practices.

“(47) MARINE SHRIMP FARMING PROGRAM.—Research and extension grants may be made to establish a research program to advance and maintain a domestic shrimp farming industry in the United States.

“(48) CRANBERRY RESEARCH PROGRAM.—Research and extension grants may be made to study new technologies to assist cranberry growers in complying with Federal and State environmental regulations, increase cranberry production, develop new growing techniques, establish more efficient growing methodologies, and educate farmers about sustainable growth practices.

“(49) TURFGRASS RESEARCH INITIATIVE.—Research and extension grants may be made to study the production of turfgrass (including the use of water, fertilizer, pesticides, fossil fuels, and machinery for turf establishment and maintenance) and environmental protection and enhancement relating to turfgrass production.

“(50) PESTICIDE SAFETY RESEARCH INITIATIVE.—Research grants may be made to study pesticide safety for migrant and seasonal agricultural workers, including research on increased risks of cancer or birth defects among migrant or seasonal farmworkers and their children, identification of objective biological indicators, and development of inexpensive clinical tests to enable clinicians to diagnose overexposure to pesticides, and development of field-level tests to determine when pesticide-treated fields are safe to reenter to perform hand labor activities.

“(51) SWINE GENOME PROJECT.—Research grants may be made under this section to conduct swine genome research and to map the swine genome.

“(52) HIGH PLAINS AQUIFER REGION.—Research and extension grants may be made to carry out interdisciplinary research relating to diminishing water levels and increased demand for water in the High Plains aquifer region encompassing the States of Colorado, Kansas, Nebraska, New Mexico, Oklahoma, South Dakota, Texas, and Wyoming.

“(53) CELLULOSIC FEEDSTOCK TRANSPORTATION AND DELIVERY INITIATIVE.—Research and extension grants may be made to study new technologies for the economic post-harvest densification, handling, transportation, and delivery of cellulosic feedstocks for bioenergy conversion.

“(54) DEER INITIATIVE.—Research and extension grants may be made to support collaborative research focusing on the development of viable strategies for the prevention, diagnosis, and treatment of infectious, parasitic, and toxic diseases of farmed deer and the mapping of the deer genome.

“(55) PASTURE-BASED BEEF SYSTEMS FOR APALACHIA RESEARCH INITIATIVE.—Research and extension grants may be made to land-grant institutions—

“(A) to study the development of forage sequences and combinations for cow-calf, heifer development, stocker, and finishing systems;

“(B) to deliver optimal nutritive value for efficient production of cattle for pasture finishing;

“(C) to optimize forage systems to produce pasture finished beef that is acceptable to consumers;

“(D) to develop a 12-month production and marketing model cycle for forage-fed beef; and

“(E) to assess the effect of forage quality on reproductive fitness and related measures.”; and

(2) in subsection (h), by striking “2007” and inserting “2012, of which \$20,000,000 shall be used for each fiscal year to make grants described in subsection (e)(46)”.

SEC. 7103. NUTRIENT MANAGEMENT RESEARCH AND EXTENSION INITIATIVE.

Section 1672A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925a) is amended—

(1) by redesignating subsection (g) as subsection (f); and

(2) in subsection (f) (as so redesignated), by striking “2007” and inserting “2012”.

SEC. 7104. ORGANIC AGRICULTURE RESEARCH AND EXTENSION INITIATIVE.

Section 1672B of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b) is amended by striking subsection (e) and inserting the following:

“(e) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section \$16,000,000 for each of fiscal years 2008 through 2012, to remain available until expended.”.

SEC. 7105. AGRICULTURAL TELECOMMUNICATIONS PROGRAM.

Section 1673(h) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5926(h)) is amended by striking “2007” and inserting “2012”.

SEC. 7106. ASSISTIVE TECHNOLOGY PROGRAM FOR FARMERS WITH DISABILITIES.

Section 1680(c)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933(c)(1)) is amended by striking “2007” and inserting “2012”.

SEC. 7107. NATIONAL RURAL INFORMATION CENTER CLEARINGHOUSE.

Section 2381(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125b(e)) is amended by striking “2007” and inserting “2012”.

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

SEC. 7201. INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.

(a) FUNDING.—Section 401(b) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(b)) is amended by striking paragraph (3) and inserting the following:

“(3) OTHER FUNDING.—

“(A) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$200,000,000 for each of fiscal years 2008 through 2012.

“(B) SHORTAGE OF FUNDS.—Notwithstanding any other provision of law, during any year for which funds are not made available under this subsection, the Secretary shall use not less than 80 percent of the funds made available for competitive mission-linked systems research grants under section 2(b)(10)(B) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(10)(B)) to carry out a competitive grant program under the same terms and conditions as are provided under this section.”.

(b) PURPOSES.—Section 401(c) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(c)) is amended—

(1) in paragraph (1)(D), by striking “policy”; and

(2) in paragraph (2)—

(A) by striking subparagraphs (A) and (D);

(B) by redesignating subparagraphs (B), (C), (E), and (F) as subparagraphs (A), (B), (F), and (G), respectively;

(C) by inserting after subparagraph (B) the following:

“(C) sustainable and renewable agriculture-based energy production options and policies;

“(D) environmental services and outcome-based conservation programs and markets;

“(E) agricultural and rural entrepreneurship and business and community development, including farming and ranching opportunities for beginning farmers or ranchers;”; and

(D) in subparagraph (F) (as redesignated by subparagraph (B))—

(i) by inserting “and environmental” after “natural resource”; and

(ii) by inserting “agro-ecosystems and” after “including”; and

(E) in subparagraph (G) (as redesignated by subparagraph (B))—

(i) by striking “including the viability” and inserting the following: “including—

“(i) the viability”; and

(ii) by striking “operations.” and inserting the following: “operations;

“(ii) farm transition options for retiring farmers or ranchers; and

“(iii) farm transfer and entry alternatives for beginning or socially-disadvantaged farmers or ranchers.”.

SEC. 7202. PARTNERSHIPS FOR HIGH-VALUE AGRICULTURAL PRODUCT QUALITY RESEARCH.

Section 402(g) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7622(g)) is amended by striking “2007” and inserting “2012”.

SEC. 7203. PRECISION AGRICULTURE.

Section 403(i)(1) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7623(i)(1)) is amended by striking “2007” and inserting “2012”.

SEC. 7204. BIOBASED PRODUCTS.

(a) PILOT PROJECT.—Section 404(e)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7624(e)(2)) is amended by striking “2007” and inserting “2012”.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 404(h) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7624(h)) is amended by striking “2007” and inserting “2012”.

SEC. 7205. THOMAS JEFFERSON INITIATIVE FOR CROP DIVERSIFICATION.

Section 405(h) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7625(h)) is amended by striking “2007” and inserting “2012”.

SEC. 7206. INTEGRATED RESEARCH, EDUCATION, AND EXTENSION COMPETITIVE GRANTS PROGRAM.

Section 406(f) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626(f)) is amended by striking “2007” and inserting “2012”.

SEC. 7207. SUPPORT FOR RESEARCH REGARDING DISEASES OF WHEAT, TRITICALE, AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM OR BY TILLETIA INDICA.

Section 408(e) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7628(e)) is amended by striking “2007” and inserting “2012”.

SEC. 7208. BOVINE JOHNE'S DISEASE CONTROL PROGRAM.

Section 409(b) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7629(b)) is amended by striking “2007” and inserting “2012”.

SEC. 7209. GRANTS FOR YOUTH ORGANIZATIONS.

Section 410(c) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7630(c)) is amended by striking “2007” and inserting “2012”.

SEC. 7210. AGRICULTURAL BIOTECHNOLOGY RESEARCH AND DEVELOPMENT FOR DEVELOPING COUNTRIES.

Section 411(c) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7631(c)) is amended by striking “2007” and inserting “2012”.

SEC. 7211. SPECIALTY CROP RESEARCH INITIATIVE.

Title IV of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621 et seq.) is amended by adding at the end the following:

“SEC. 412. SPECIALTY CROP RESEARCH INITIATIVE.

“(a) DEFINITIONS.—In this section:

“(1) INITIATIVE.—The term ‘Initiative’ means the specialty crop research initiative established by subsection (b).

“(2) SPECIALTY CROP.—The term ‘specialty crop’ has the meaning given the term in section 3 of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note; Public Law 108-465).

“(b) ESTABLISHMENT.—There is established within the Department a specialty crop research initiative.

“(c) PURPOSE.—The purpose of the Initiative shall be to address the critical needs of

the specialty crop industry by providing science-based tools to address needs of specific crops and regions, including—

“(1) fundamental and applied work in plant breeding, genetics, and genomics to improve crop characteristics, such as—

“(A) product appearance, quality, taste, yield, and shelf life;

“(B) environmental responses and tolerances;

“(C) plant-nutrient uptake efficiency resulting in improved nutrient management;

“(D) pest and disease management, including resilience to pests and diseases resulting in reduced application management strategies; and

“(E) enhanced phytonutrient content;

“(2) efforts to prevent, identify, control, or eradicate invasive species;

“(3) methods of improving agricultural production by developing more technologically-efficient and effective applications of water, nutrients, and pesticides to reduce energy use;

“(4) new innovations and technology to enhance mechanization and reduce reliance on labor;

“(5) methods of improving production efficiency, productivity, sustainability, and profitability over the long term;

“(6) methods to prevent, control, and respond to human pathogen contamination of specialty crops, including fresh-cut produce; and

“(7) efforts relating to optimizing the production of organic specialty crops.

“(d) ELIGIBLE ENTITIES.—The Secretary may carry out the Initiative through—

“(1) Federal agencies;

“(2) national laboratories;

“(3) institutions of higher education;

“(4) research institutions and organizations;

“(5) private organizations and corporations;

“(6) State agricultural experiment stations; and

“(7) individuals.

“(e) RESEARCH PROJECTS.—In carrying out this section, the Secretary may—

“(1) carry out research; and

“(2) award grants on a competitive basis.

“(f) PRIORITIES.—In making grants under this section, the Secretary shall provide a higher priority to projects that—

“(1) are multistate, multi-institutional, or multidisciplinary; and

“(2) include explicit mechanisms to communicate usable results to producers and the public.

“(g) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section \$30,000,000 for each of fiscal years 2008 through 2012, to remain available until expended.”.

SEC. 7212. OFFICE OF PEST MANAGEMENT POLICY.

(a) IN GENERAL.—Section 614(b) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7653(b)) is amended—

(1) in the matter preceding paragraph (1), by striking “Department” and inserting “Office of the Chief Economist”; and

(2) in paragraph (1), by striking “the development and coordination” and inserting “the development, coordination, and representation”; and

(3) in paragraph (3), by striking “assisting other agencies of the Department in fulfilling their” and inserting “enabling the Secretary to fulfill the statutory”.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 614(f) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7653(f)) is amended by striking “2007” and inserting “2012”.

SEC. 7213. FOOD ANIMAL RESIDUE AVOIDANCE DATABASE PROGRAM.

Section 604 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7642) is amended by adding at the end the following:

“(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$2,500,000 for each of fiscal years 2008 through 2012.”.

Subtitle D—Other Laws**SEC. 7301. CRITICAL AGRICULTURAL MATERIALS ACT.**

Section 16(a) of the Critical Agricultural Materials Act (7 U.S.C. 178n(a)) is amended by striking “2007” and inserting “2012”.

SEC. 7302. EQUITY IN EDUCATIONAL LAND-GRANT STATUS ACT OF 1994.

(a) DEFINITION OF 1994 INSTITUTIONS.—Section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103-382) is amended by adding at the end the following:

“(34) Ilisagvik College.”.

(b) ENDOWMENT FOR 1994 INSTITUTIONS.—Section 533(b) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103-382) is amended in the first sentence by striking “2007” and inserting “2012”.

(c) INSTITUTIONAL CAPACITY BUILDING GRANTS.—Section 535 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103-382) is amended by striking “2007” each place it appears and inserting “2012”.

(d) RESEARCH GRANTS.—Section 536(c) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103-382) is amended in the first sentence by striking “2007” and inserting “2012”.

SEC. 7303. SMITH-LEVER ACT.

(a) CHILDREN, YOUTH, AND FAMILIES EDUCATION AND RESEARCH NETWORK PROGRAM.—Section 3 of the Smith-Lever Act (7 U.S.C. 343) is amended by adding at the end the following:

“(k) CHILDREN, YOUTH, AND FAMILIES EDUCATION AND RESEARCH NETWORK PROGRAM.—Notwithstanding section 3(d)(2) of the Act of May 8, 1914 (7 U.S.C. 343(d)(2)), in carrying out the children, youth, and families education and research network program using amounts made available under subsection (d), the Secretary shall include 1890 Institutions (as defined in section 2 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7601)) as eligible program applicants and participants.”.

(b) ELIMINATION OF THE GOVERNOR'S REPORT REQUIREMENT FOR EXTENSION ACTIVITIES.—Section 5 of the Smith-Lever Act (7 U.S.C. 345) is amended by striking the third sentence.

SEC. 7304. HATCH ACT OF 1887.

(a) DISTRICT OF COLUMBIA.—Section 3(d)(4) of the Hatch Act of 1887 (7 U.S.C. 361c(d)(4)) is amended—

(1) in the paragraph heading, by inserting “AND THE DISTRICT OF COLUMBIA” after “AREAS”;

(2) in subparagraph (A)—

(A) by inserting “and the District of Columbia” after “United States”; and

(B) by inserting “and the District of Columbia” after “respectively,”; and

(3) in subparagraph (B), by inserting “or the District of Columbia” after “area”.

(b) ELIMINATION OF PENALTY MAIL AUTHORITIES.—

(1) IN GENERAL.—Section 6 of the Hatch Act of 1887 (7 U.S.C. 361f) is amended in the first sentence by striking “under penalty indicia:” and all that follows through the end of the sentence and inserting a period.

(2) CONFORMING AMENDMENTS IN OTHER LAWS.—

(A) NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977.—

(i) Section 1444(f) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221(f)) is amended by striking “under penalty indicia:” and all that follows through the end of the sentence and inserting a period.

(ii) Section 1445(e) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222(e)) is amended by striking “under penalty indicia:” and all that follows through the end of the sentence and inserting a period.

(B) OTHER PROVISIONS.—Section 3202(a) of title 39, United States Code, is amended—

(i) in paragraph (1)—

(I) in subparagraph (D), by adding “and” at the end;

(II) in subparagraph (E), by striking “sections; and” and inserting “sections.”; and

(III) by striking subparagraph (F);

(ii) in paragraph (2), by adding “and” at the end;

(iii) in paragraph (3) by striking “thereof; and” and inserting “thereof.”; and

(iv) by striking paragraph (4).

SEC. 7305. RESEARCH FACILITIES ACT.

Section 6(a) of the Research Facilities Act (7 U.S.C. 390d(a)) is amended by striking “2007” and inserting “2012”.

SEC. 7306. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT AMENDMENTS OF 1985.

Section 1431 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99-198; 99 Stat. 1556) is amended by striking “2007” and inserting “2012”.

SEC. 7307. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANT ACT.

The Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i) is amended in subsection (b)—

(1) in paragraph (2)—

(A) in the matter preceding subparagraph (A)—

(i) by striking “in the areas” and all that follows through “needs shall be” and inserting “, as”; and

(ii) by striking “year.” and inserting “year, relating to—”;

(B) in subparagraph (E), by striking “and” at the end and inserting “; agricultural genomics and biotechnology, including the application of genomics and bioinformatics tools to develop traits in plants and animals (translational genomics);”;

(C) in subparagraph (F), by striking the period at the end and inserting “, including areas of concern to beginning farmers or ranchers; and”;

(D) by adding at the end the following:

“(G) classical plant and animal breeding, including cultivar and breed development, selection theory, applied quantitative genetics, breeding for organic and sustainable systems, breeding for improved nutritional and eating quality, breeding for improved local adaptation to biotic stress, abiotic stress, and climate change, and participatory breeding with farmers and end users.”;

(2) in paragraph (4)—

(A) by striking “The” and inserting the following:

“(A) IN GENERAL.—Subject to subparagraph (B), the”; and

(B) by adding at the end the following:

“(B) CLASSICAL PLANT AND ANIMAL BREEDING.—

“(i) TERM.—The term of a competitive grant relating to classical plant and animal breeding under paragraph (2)(G) shall not exceed 10 years.

“(ii) AVAILABILITY.—Funds made available for a fiscal year for a competitive grant relating to classical plant and animal breeding

under paragraph (2)(G) shall remain available until expended to pay for obligations incurred in that fiscal year.”; and

(3) in paragraph (10), by striking “2007” and inserting “2012”.

SEC. 7308. EDUCATION GRANTS TO ALASKA NATIVE SERVING INSTITUTIONS AND NATIVE HAWAIIAN SERVING INSTITUTIONS.

Section 759 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2000 (7 U.S.C. 3242) is amended—

(1) in subsection (a)(3), by striking “2006” and inserting “2012”; and

(2) in subsection (b)—

(A) in paragraph (2)(A), by inserting before the semicolon at the end the following: “, including permitting consortia to designate fiscal agents for the members of the consortia and to allocate among the members funds made available under this section”; and

(B) in paragraph (3), by striking “2006” and inserting “2012”.

SEC. 7309. BEGINNING FARMER AND RANCHER DEVELOPMENT PROGRAM.

(a) GRANTS.—Section 7405(c) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f(c)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (I), by inserting “, including energy conservation and efficiency” after “assistance”; and

(B) in subparagraph (K), by inserting “, including transition to organic and other source-verified and value-added alternative production and marketing systems” after “strategies”;

(2) by striking paragraph (3) and inserting the following:

“(3) MAXIMUM TERM AND SIZE OF GRANT.—

“(A) IN GENERAL.—A grant under this subsection shall—

“(i) have a term that is not more than 3 years; and

“(ii) be in an amount that is not more than \$250,000 a year.

“(B) CONSECUTIVE GRANTS.—An eligible recipient may receive consecutive grants under this subsection.”;

(3) by redesignating paragraphs (5) through (7) as paragraphs (9) through (11), respectively;

(4) by inserting after paragraph (4) the following:

“(5) EVALUATION CRITERIA.—In making grants under this subsection, the Secretary shall evaluate—

“(A) relevancy;

“(B) technical merit;

“(C) achievability;

“(D) the expertise and track record of 1 or more applicants;

“(E) the adequacy of plans for the participatory evaluation process, outcome-based reporting, and the communication of findings and results beyond the immediate target audience; and

“(F) other appropriate factors, as determined by the Secretary.

“(6) REGIONAL BALANCE.—In making grants under this subsection, the Secretary shall, to the maximum extent practicable, ensure geographic diversity.

“(7) ORGANIC CONVERSION.—The Secretary may make grants under this subsection to support projects that provide comprehensive technical assistance to beginning farmers or ranchers who are in the process of converting to certified organic production.

“(8) PRIORITY.—In making grants under this subsection, the Secretary shall give priority to partnerships and collaborations that are led by or include non-governmental and community-based organizations with expertise in new farmer training and outreach.”; and

(5) in paragraph (9) (as redesignated by paragraph (3))—

(A) in subparagraph (B), by striking “and” at the end;

(B) in subparagraph (C), by striking the period and adding “; and”; and

(C) by adding at the end the following:

“(D) refugee or immigrant beginning farmers or ranchers”.

(b) **EDUCATION TEAMS.**—Section 7405(d)(2) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f(d)(2)) is amended by inserting “, including sustainable and organic farming production and marketing methods” before the period at the end.

(c) **STAKEHOLDER INPUT.**—Section 7405(f) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f(f)) is amended—

(1) by redesignating paragraphs (1) through (3) as subparagraphs (A) through (C), respectively, and indenting appropriately;

(2) by striking “In carrying out” and inserting the following:

“(1) **IN GENERAL.**—In carrying out”; and

(3) by adding at the end the following:

“(2) **REVIEW PANELS.**—In forming review panels to evaluate proposals submitted under this section, the Secretary shall include individuals from the categories described in paragraph (1).”.

(d) **FUNDING.**—Section 7405 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f) is amended by striking subsection (h) and inserting the following:

“(h) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section \$30,000,000 for each of fiscal years 2002 through 2012.”.

SEC. 7310. MCINTIRE-STENNIS COOPERATIVE FORESTRY ACT.

Section 2 of Public Law 87-788 (commonly known as the “McIntire-Stennis Cooperative Forestry Act”) (16 U.S.C. 582a-1) is amended by inserting “and 1890 Institutions (as defined in section 2 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7601)),” before “and (b)”.

SEC. 7311. NATIONAL AQUACULTURE ACT OF 1980.

Section 10 of the National Aquaculture Act of 1980 (16 U.S.C. 2809) is amended by striking “2007” each place it appears and inserting “2012”.

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 Chinese Garden may be constructed at the National Arboretum established under this Act with—

“(1) funds accepted under section 5;

“(2) authorities provided to the Secretary of Agriculture under section 6; and

“(3) appropriations made for this purpose.”.

SEC. 7313. ELIGIBILITY OF UNIVERSITY OF THE DISTRICT OF COLUMBIA FOR CERTAIN LAND-GRANT UNIVERSITY ASSISTANCE.

Section 208 of the District of Columbia Public Postsecondary Education Reorganization Act (Public Law 93-471; 88 Stat. 1428) is amended—

(1) in subsection (b)(2), by striking “, except” and all that follows through the period and inserting a period; and

(2) in subsection (c)—

(A) by striking “section 3” each place it appears and inserting “section 3(c)”; and

(B) by striking “Such sums may be used to pay” and all that follows through “work.”.

SEC. 7314. EXCHANGE OR SALE AUTHORITY.

Title III of the Department of Agriculture Reorganization Act of 1994 is amended by adding after section 307 (7 U.S.C. 2204 note; Public Law 103-354) (as amended by section 2602) the following:

“SEC. 308. EXCHANGE OR SALE AUTHORITY.

“(a) **DEFINITION OF QUALIFIED ITEMS OF PERSONAL PROPERTY.**—In this section, the term ‘qualified items of personal property’ means—

“(1) animals;

“(2) animal products;

“(3) plants; and

“(4) plant products.”.

“(b) **GENERAL AUTHORITY.**—Except as provided in subsection (c), notwithstanding chapter 5 of subtitle I of title 40, United States Code, the Secretary of Agriculture, acting through the Under Secretary for Research, Education, and Economics, in managing personal property for the purpose of carrying out the research functions of the Department of Agriculture, may exchange, sell, or otherwise dispose of any qualified items of personal property, including by way of public auction, and may retain and apply the sale or other proceeds, without further appropriation, in whole or in partial payment—

“(1) to acquire any qualified items of personal property; or

“(2) to offset costs related to the maintenance, care, or feeding of any qualified items of personal property.”.

“(c) **EXCEPTION.**—Subsection (b) does not apply to the free dissemination of new varieties of seeds and germ plasm in accordance with section 520 of the Revised Statutes (commonly known as the ‘Department of Agriculture Organic Act of 1862’) (7 U.S.C. 2201).”.

SEC. 7315. CARBON CYCLE RESEARCH.

(a) **IN GENERAL.**—To the extent funds are made available, the Secretary shall provide a grant to the Consortium for Agricultural Soils Mitigation of Greenhouse Gases, acting through Kansas State University, to develop, analyze, and implement, through the land grant universities described in subsection (b), carbon cycle and greenhouse gas management research at the national, regional, and local levels.

(b) **LAND GRANT UNIVERSITIES.**—The land grant universities referred to in subsection (a) are—

(1) Colorado State University;

(2) Iowa State University;

(3) Kansas State University;

(4) Michigan State University;

(5) Montana State University;

(6) Purdue University;

(7) Ohio State University;

(8) Texas A&M University; and

(9) University of Nebraska.

(c) **USE.**—Land grant universities described in subsection (b) shall use funds made available under this section—

(1) to conduct research to improve the scientific basis of using land management practices to increase soil carbon sequestration, including research on the use of new technologies to increase carbon cycle effectiveness, such as biotechnology and nanotechnology;

(2) to conduct research on management of other greenhouse gases in the agricultural sector;

(3) to enter into partnerships to identify, develop, and evaluate agricultural best practices, including partnerships between—

(A) Federal, State, or private entities; and

(B) the Department of Agriculture;

(4) to develop necessary computer models to predict and assess the carbon cycle;

(5) to estimate and develop mechanisms to measure carbon levels made available as a result of—

(A) voluntary Federal conservation programs;

(B) private and Federal forests; and

(C) other land uses;

(6) to develop outreach programs, in coordination with Extension Services, to share

information on carbon cycle and agricultural best practices that is useful to agricultural producers; and

(7) to collaborate with the Great Plains Regional Earth Science Application Center to develop a space-based carbon cycle remote sensing technology program—

(A) to provide, on a near-continual basis, a real-time and comprehensive view of vegetation conditions;

(B) to assess and model agricultural carbon sequestration; and

(C) to develop commercial products.

(d) **COOPERATIVE RESEARCH.**—

(1) **IN GENERAL.**—Subject to the availability of appropriations, the Secretary, in cooperation with departments and agencies participating in the U.S. Global Change Research Program and eligible entities, may carry out research to promote understanding of—

(A) the flux of carbon in soils and plants (including trees); and

(B) the exchange of other greenhouse gases from agriculture.

(2) **ELIGIBLE ENTITIES.**—Research under this subsection may be carried out through the competitive awarding of grants and cooperative agreements to colleges and universities (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)).

(3) **COOPERATIVE RESEARCH PURPOSES.**—Research conducted under this subsection shall encourage collaboration among scientists with expertise in the areas of soil science, agronomy, agricultural economics, forestry, and other agricultural sciences to focus on—

(A) developing data addressing carbon losses and gains in soils and plants (including trees) and the exchange of methane and nitrous oxide from agriculture;

(B) understanding how agricultural and forestry practices affect the sequestration of carbon in soils and plants (including trees) and the exchange of other greenhouse gases, including the effects of new technologies such as biotechnology and nanotechnology;

(C) developing cost-effective means of measuring and monitoring changes in carbon pools in soils and plants (including trees), including computer models;

(D) evaluating the linkage between Federal conservation programs and carbon sequestration;

(E) developing methods, including remote sensing, to measure the exchange of carbon and other greenhouse gases sequestered, and to evaluate leakage, performance, and permanence issues; and

(F) assessing the applicability of the results of research conducted under this subsection for developing methods to account for the impact of agricultural activities (including forestry) on the exchange of greenhouse gases.

(e) **EXTENSION PROJECTS.**—

(1) **IN GENERAL.**—The Secretary, in cooperation with departments and agencies participating in the U.S. Global Change Research Program and local extension agents, experts from institutions of higher education that offer a curriculum in agricultural and biological sciences, and other local agricultural or conservation organizations, may implement extension projects (including on-farm projects with direct involvement of agricultural producers) that combine measurement tools and modeling techniques into integrated packages to monitor the carbon sequestering benefits of conservation practices and the exchange of greenhouse gas emissions from agriculture that demonstrate the feasibility of methods of measuring and monitoring—

(A) changes in carbon content and other carbon pools in soils and plants (including trees); and

(B) the exchange of other greenhouse gases.

(2) EDUCATION AND OUTREACH.—The Secretary shall make available to agricultural producers, private forest landowners, and appropriate State agencies in each State information concerning—

(A) the results of projects under this subsection;

(B) the manner in which the methods used in the projects might be applicable to the operations of the agricultural producers, private forest landowners, and State agencies; and

(C) information on how agricultural producers and private forest landowners can participate in carbon credit and greenhouse gas trading system.

(f) REPEAL.—Section 221 of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 6711) is repealed.

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$15,000,000 for each of fiscal years 2008 through 2012.

Subtitle E—National Institute of Food and Agriculture

SEC. 7401. NATIONAL INSTITUTE OF FOOD AND AGRICULTURE.

(a) IN GENERAL.—Subtitle F of the Department of Agriculture Reorganization Act of 1994 is amended by adding after section 252 (7 U.S.C. 6972) the following:

“SEC. 253. NATIONAL INSTITUTE OF FOOD AND AGRICULTURE.

“(a) DEFINITIONS.—In this section:

“(1) ADVISORY BOARD.—The term ‘Advisory Board’ means the National Agricultural Research, Extension, Education, and Economics Advisory Board established under section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123).

“(2) COMPETITIVE PROGRAM.—The term ‘competitive program’ means each of the following agricultural research, extension, education, and related programs for which the Secretary has administrative or other authority as of the day before the date of enactment of this section:

“(A) The competitive grant program established under section 2(b) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)), commonly known as the ‘National Research Initiative Competitive Grants Program’.

“(B) The program providing competitive grants for risk management education established under section 524(a)(3) of the Federal Crop Insurance Act (7 U.S.C. 1524(a)(3)).

“(C) The program providing community food project competitive grants established under section 25 of the Food Stamp Act of 1977 (7 U.S.C. 2034).

“(D) Each grant program established under section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279) providing outreach and assistance for socially disadvantaged farmers and ranchers.

“(E) The program providing grants under section 1417(b)(1) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(b)(1)), commonly known as ‘Higher Education Challenge Grants’.

“(F) The program providing grants and related assistance established under section 1417(b)(5) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(b)(5)) commonly known as the ‘Higher Education Multicultural Scholars Program’.

“(G) The program providing food and agricultural sciences national needs graduate and postgraduate fellowship grants established under section 1417(b)(6) of the National Agricultural Research, Extension, and

Teaching Policy Act of 1977 (7 U.S.C. 3152(b)(6)).

“(H) The program providing grants under section 1417(j) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(j)), commonly known as ‘Institution Challenge Grants’.

“(I) The program providing grants for Hispanic-serving institutions established under section 1455 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3241).

“(J) The program providing competitive grants for international agricultural science and education programs under section 1459A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292b).

“(K) The program of agricultural development in the American-Pacific region established under section 1473H of the National Agricultural Research, Extension, and Teaching Policy Act of 1977.

“(L) The research and extension projects carried out under section 1621 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5811), commonly known as the ‘Sustainable Agriculture Research and Education program’.

“(M) The biotechnology risk assessment research program established under section 1668 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5921).

“(N) The organic agriculture research and extension initiative established under section 1672B of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b).

“(O) The Initiative for Future Agriculture and Food Systems established under section 401 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621).

“(P) The integrated research, education, and extension competitive grants program established under section 406 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626).

“(Q) The Small Business Innovation Research Program established under section 9 of the Small Business Act (15 U.S.C. 638).

“(R) The specialty crop research initiative under section 412 of the Agricultural Research, Extension, and Education Reform Act of 1998.

“(S) The administration and management of the regional bioenergy crop research program carried out under section 9012 of the Farm Security and Rural Investment Act of 2002.

“(T) Other programs, including any programs added by amendments made by title VII of the Food and Energy Security Act of 2007 that are competitive programs, as determined by the Secretary.

“(3) DIRECTOR.—The term ‘Director’ means the Director of the Institute.

“(4) INFRASTRUCTURE PROGRAM.—The term ‘infrastructure program’ means each of the following agricultural research, extension, education, and related programs for which the Secretary has administrative or other authority as of the day before the date of enactment of this section:

“(A) Each program providing funding to any of the 1994 Institutions under sections 533, 534(a), and 535 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103-382) (commonly known as ‘financial assistance, technical assistance, and endowments to tribal colleges and Navajo Community College’).

“(B) The program established under section 536 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103-382) providing research grants for 1994 institutions.

“(C) Each program established under subsections (b), (c), and (d) of section 3 of the Smith-Lever Act (7 U.S.C. 343).

“(D) Each program established under the Hatch Act of 1887 (7 U.S.C. 361a et seq.).

“(E) Each program established under section 1417(b)(4) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(b)(4)), including grant programs under that section (commonly known as the ‘1890 Institution Teaching and Research Capacity Building Grants Program’).

“(F) The animal health and disease research program established under subtitle E of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3191 et seq.).

“(G) Each extension program available to 1890 Institutions established under sections 1444 and 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221, 3312).

“(H) The program established under section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222) (commonly known as the ‘Evans-Allen Program’).

“(I) The program providing grants to upgrade agricultural and food sciences facilities at 1890 Institutions established under section 1447 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b).

“(J) The program providing distance education grants for insular areas established under section 1490 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3362).

“(K) The program providing resident instruction grants for insular areas established under section 1491 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3363).

“(L) Each program available to 1890 Institutions established under section 406 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626).

“(M) The program providing competitive extension grants to eligible 1994 Institutions under section 1464 of National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) and the Equity in Educational Land-Grant Status Act of 1994 (Public Law 103-382; 7 U.S.C. 301 note) established under section 406 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626).

“(N) Each research and development and related program established under Public Law 87-788 (commonly known as the ‘McIntire-Stennis Cooperative Forestry Act’) (16 U.S.C. 582a et seq.).

“(O) Each program established under the Renewable Resources Extension Act of 1978 (16 U.S.C. 1671 et seq.).

“(P) Each program providing funding to Hispanic-serving agricultural colleges under section 1456 of the National Agricultural Research, Extension and Teaching Policy Act of 1977.

“(Q) The administration and management of the farm energy education and technical assistance program carried out under section 9005 of the Farm Security and Rural Investment Act of 2002.

“(R) Other programs, including any programs added by amendments made by title VII of the Food and Energy Security Act of 2007 that are infrastructure programs, as determined by the Secretary.

“(5) INSTITUTE.—The term ‘Institute’ means the National Institute of Food and Agriculture established by subsection (b)(1)(A).

“(b) ESTABLISHMENT OF NATIONAL INSTITUTE FOR FOOD AND AGRICULTURE.—

“(1) ESTABLISHMENT.—

“(A) IN GENERAL.—There is established within the Department an agency to be known as the ‘National Institute of Food and Agriculture’.

“(B) LOCATION.—The location of the Institute shall be in Washington, District of Columbia, as determined by the Secretary.

“(C) MEMBERS.—The Institute shall consist of—

“(i) the Director;

“(ii) the individual offices established under subsection (e); and

“(iii) the staff and employees of National Institute for Food and Agriculture.

“(2) TRANSFER OF AUTHORITIES.—There are transferred to the Institute the authorities (including all budget authorities and personnel), duties, obligations, and related legal and administrative functions prescribed by law or otherwise granted to the Secretary, the Department, or any other agency or official of the Department under—

“(A) the infrastructure programs;

“(B) the competitive programs;

“(C) the research, education, economic, cooperative State research programs, cooperative extension and education programs, international programs, and other functions and authorities delegated by the Secretary to the Administrator of the Cooperative State Research, Education, and Extension Service pursuant to section 2.66 of title 7, Code of Federal Regulations (or successor regulations); and

“(D) any and all other authorities administered by the Administrator of the Cooperative State Research, Education, and Extension Service.

“(3) CONSOLIDATION OF AUTHORITIES.—To carry out this Act, in accordance with the transfer and continuation of the authorities, budgetary functions, and personnel resources under this subsection, the administrative entity within the Department known as the Cooperative State Research, Education, and Extension Service shall terminate on the earlier of—

“(A) October 1, 2008; or

“(B) such earlier date as the Director determines to be appropriate.

“(c) DIRECTOR.—

“(1) IN GENERAL.—The Institute shall be headed by a Director, who shall be an individual who is—

“(A) a distinguished scientist; and

“(B) appointed by the President, by and with the advice and consent of the Senate.

“(2) TERM.—The Director shall serve for a single, 6-year term.

“(3) SUPERVISION.—The Director shall report directly to the Secretary.

“(4) COMPENSATION.—The Director shall receive basic pay at the rate provided for level II of the Executive Schedule under section 5513 of title 5, United States Code.

“(5) AUTHORITY AND RESPONSIBILITIES OF DIRECTOR.—

“(A) IN GENERAL.—Except as otherwise specifically provided in this section, the Director shall—

“(i) exercise all of the authority provided to the Institute by this section;

“(ii) formulate programs in accordance with policies adopted by the Institute;

“(iii) establish offices within the Institute;

“(iv) establish procedures for the peer review of research funded by the Institute;

“(v) establish procedures for the provision and administration of grants by the Institute in accordance with this section;

“(vi) assess the personnel needs of agricultural research in the areas supported by the Institute, and, if determined to be appropriate by the Director, for other areas of food and agricultural research;

“(vii) plan programs that will help meet agricultural personnel needs in the future, including portable fellowship and training

programs in fundamental agricultural research and fundamental science; and

“(viii) consult regularly with the National Agricultural Research, Extension, Education, and Economics Advisory Board.

“(B) FINALITY OF ACTIONS.—An action taken by the Director in accordance with this section shall be final and binding upon the Institute.

“(C) DELEGATION AND REDELEGATION OF FUNCTIONS.—

“(i) IN GENERAL.—Except as provided in clause (ii), the Director may, from time to time and as the Director considers to be appropriate, authorize the performance by any other officer, agency, or employee of the Institute of any of the functions of the Director under this section.

“(ii) CONTRACTS, GRANTS, AND OTHER ARRANGEMENTS.—The Director may enter into contracts and other arrangements, and provide grants, in accordance with this section.

“(iii) FORMULATION OF PROGRAMS.—The formulation of programs in accordance with the policies of the Institute shall be carried out by the Director.

“(6) STAFF.—The Director shall recruit and hire such senior staff and other personnel as are necessary to assist the Director in carrying out this section.

“(7) REPORTING AND CONSULTATION.—The Director shall—

“(A) periodically report to the Secretary with respect to activities carried out by the Institute; and

“(B) consult regularly with the Secretary to ensure, to the maximum extent practicable, that—

“(i) research of the Institute is relevant to agriculture in the United States and otherwise serves the national interest; and

“(ii) the research of the Institute supplements and enhances, and does not replace, research conducted or funded by—

“(I) other agencies of the Department;

“(II) the National Science Foundation; or

“(III) the National Institutes of Health.

“(d) POWERS.—

“(1) IN GENERAL.—The Institute shall have such authority as is necessary to carry out this section, including the authority—

“(A) to promulgate such regulations as the Institute considers to be necessary for governance of operations, organization, and personnel;

“(B) to make such expenditures as are necessary to carry out this section;

“(C) to enter into contracts or other arrangements, or modifications of contracts or other arrangements—

“(i) to provide for the conduct, by organizations or individuals in the United States (including other agencies of the Department, Federal agencies, and agencies of foreign countries), of such agricultural research or related activities as the Institute considers to be necessary to carry out this section; and

“(ii) for the conduct of such specific agricultural research as is in the national interest or is otherwise of critical importance, as determined by the Secretary, with the concurrence of the Institute;

“(D) to make advance, progress, and other payments relating to research and scientific activities without regard to subsections (a) and (b) of section 3324 of title 31, United States Code;

“(E) to receive and use donated funds, if the funds are donated without restriction other than that the funds be used in furtherance of 1 or more of the purposes of the Institute;

“(F) to publish or arrange for the publication of research and scientific information to further the full dissemination of information of scientific value consistent with the national interest, without regard to section 501 of title 44, United States Code;

“(G)(i) to accept and use the services of voluntary and uncompensated personnel; and

“(ii) to provide such transportation and subsistence as are authorized by section 5703 of title 5, United States Code, for individuals serving without compensation;

“(H) to prescribe, with the approval of the Comptroller General of the United States, the extent to which vouchers for funds expended under contracts for scientific or engineering research shall be subject to itemization or substantiation prior to payment, without regard to the limitations of other laws relating to the expenditure and accounting of public funds;

“(I) to reimburse the Secretary, and the heads of other Federal agencies, for the performance of any activity that the Institute is authorized to conduct; and

“(J) to enter into contracts, at the request of the Secretary, for the carrying out of such specific agricultural research as is in the national interest or otherwise of critical importance, as determined by the Secretary, with the consent of the Institute.

“(2) TRANSFER OF RESEARCH FUNDS OF OTHER DEPARTMENTS OR AGENCIES.—Funds available to the Secretary, or any other department or agency of the Federal Government, for agricultural or scientific research shall be—

“(A) available for transfer, with the approval of the Secretary or the head of the other appropriate department or agency involved, in whole or in part, to the Institute for use in providing grants in accordance with the purposes for which the funds were made available; and

“(B) if so transferred, expendable by the Institute for those purposes.

“(e) OFFICES.—

“(1) ESTABLISHMENT OF OFFICES.—

“(A) OFFICE OF THE AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION NETWORK.—

“(i) ESTABLISHMENT.—The Director shall establish within the Institute an Office of the Agricultural Research, Extension, and Education Network (referred to in this subparagraph as the ‘Office’).

“(ii) DUTIES.—At the discretion of the Director, the Office shall have responsibility for all infrastructure programs.

“(B) OFFICE OF COMPETITIVE PROGRAMS FOR FUNDAMENTAL RESEARCH.—

“(i) DEFINITION OF FUNDAMENTAL RESEARCH.—In this subparagraph, the term ‘fundamental research’ means research that—

“(I) is directed toward greater knowledge or understanding of the fundamental aspects of phenomena and has the potential for broad, rather than specific, application; and

“(II) has an effect on agriculture, food, nutrition, human health, or another purpose of this section.

“(ii) ESTABLISHMENT.—The Director shall establish within the Institute an Office of Competitive Programs for Fundamental Research (referred to in this subparagraph as the ‘Office’).

“(iii) DUTIES.—At the discretion of the Director, the Office shall have responsibility for all competitive programs relating to fundamental research.

“(C) OFFICE OF COMPETITIVE PROGRAMS FOR APPLIED RESEARCH.—

“(i) DEFINITION OF APPLIED RESEARCH.—In this subparagraph, the term ‘applied research’ means research that expands on the findings of fundamental research to uncover practical ways in which new knowledge can be advanced to benefit individuals and society.

“(ii) ESTABLISHMENT.—The Director shall establish within the Institute an Office of Competitive Programs for Applied Research

(referred to in this subparagraph as the ‘Office’).

“(iii) DUTIES.—At the discretion of the Director, the Office shall have responsibility for all competitive programs relating to applied research.

“(D) OFFICE OF COMPETITIVE PROGRAMS FOR EDUCATION AND OTHER PURPOSES.—

“(i) ESTABLISHMENT.—The Director shall establish within the Institute an Office of Competitive Programs for Education and Other Purposes (referred to in this subparagraph as the ‘Office’)

“(ii) DUTIES.—At the discretion of the Director, the Office shall have responsibility for all competitive programs that provide education fellowships and other education-related grants.

“(2) COMPETITIVE PROGRAMS FOR FUNDAMENTAL AND APPLIED RESEARCH.—

“(A) DEFINITION OF A COMPETITIVE PROGRAM FOR FUNDAMENTAL AND APPLIED RESEARCH.—In this paragraph, the term ‘competitive program for fundamental and applied research’ means—

“(i) the competitive grant program established under section 2 of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i), commonly known as the ‘National Research Initiative Competitive Grants Program’; and

“(ii) any other competitive program within the Institute that funds both fundamental and applied research, as determined by the Director.

“(B) PROGRAM ALLOCATIONS.—For purposes of determining which Office established under paragraph (1) should have primary responsibility for administering grants under a competitive program for fundamental and applied research, the Director shall—

“(i) determine whether the grant under the competitive program for fundamental and applied research is principally related to fundamental or applied research; and

“(ii) assign the grant to the appropriate Office.

“(3) RESPONSIBILITY OF THE DIRECTOR.—The Director shall ensure that the Offices established under paragraph (1) coordinate with each other Office for maximum efficiency.

“(f) REPORTING.—The Director shall submit to the Secretary, the Committee on Agriculture and the Committee on Appropriations of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry and the Committee on Appropriations of the Senate—

“(1) not later than 1 year after the date of establishment of the Institute, and biennially thereafter, a comprehensive report that—

“(A) describes the research funded and other activities carried out by the Institute during the period covered by the report; and

“(B) describes each contract or other arrangement that the Institute has entered into, each grant awarded to the Institute, and each other action of the Director taken, under subsection (c)(5)(C)(ii); and

“(2) not later than 1 year after the date of establishment of the Institute, and annually thereafter, a report that describes the allocation and use of funds under subsection (g)(2) of section 401 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621).

“(g) FUNDING.—

“(1) IN GENERAL.—In addition to funds otherwise appropriated to carry out each program administered by the Institute, there are authorized to be appropriated such sums as are necessary to carry out this section for each fiscal year.

“(2) ALLOCATION.—Funding made available under paragraph (1) shall be allocated according to recommendations contained in

the roadmap described in section 309(c)(1)(A).”

(b) NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977.—Section 1408(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(b)) is amended—

(1) in paragraph (1), by striking “31 members” and inserting “24 members”;

(2) by striking paragraph (3) and inserting the following:

“(3) MEMBERSHIP CATEGORIES.—The Advisory Board shall consist of members from each of the following categories:

“(A) 1 member representing a national farm organization.

“(B) 1 member representing farm cooperatives.

“(C) 1 member actively engaged in the production of a food animal commodity.

“(D) 1 member actively engaged in the production of a plant commodity.

“(E) 1 member actively engaged in aquaculture.

“(F) 1 member representing a national food animal science society.

“(G) 1 member representing a national crop, soil, agronomy, horticulture, plant pathology, or weed science society.

“(H) 1 member representing a national food science organization.

“(I) 1 member representing a national human health association.

“(J) 1 member representing a national nutritional science society.

“(K) 1 member representing the land-grant colleges and universities eligible to receive funds under the Act of July 2, 1862 (7 U.S.C. 301 et seq.).

“(L) 1 member representing the land-grant colleges and universities eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University.

“(M) 1 member representing the 1994 Institutions (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (Public Law 103-382; 7 U.S.C. 301 note)).

“(N) 1 member representing Hispanic-serving institutions.

“(O) 1 member representing the American Colleges of Veterinary Medicine.

“(P) 1 member engaged in the transportation of food and agricultural products to domestic and foreign markets.

“(Q) 1 member representing food retailing and marketing interests.

“(R) 1 member representing food and fiber processors.

“(S) 1 member actively engaged in rural economic development.

“(T) 1 member representing a national consumer interest group.

“(U) 1 member representing a national forestry group.

“(V) 1 member representing a national conservation or natural resource group.

“(W) 1 member representing private sector organizations involved in international development.

“(X) 1 member representing a national social science association.”; and

(3) in paragraph (4), by striking “the Administrator of the Cooperative State Research, Education, and Extension Service” and inserting “the Director of the National Institute of Food and Agriculture”.

(c) CONFORMING AMENDMENTS.—

(1) Section 296(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7014(b)) is amended—

(A) in paragraph (4), by striking “or” at the end;

(B) in paragraph (5), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following:

“(6) the authority of the Secretary relating to the National Institute of Food and Agriculture under section 253; or”.

(2) The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended—

(A) in section 1424A(b) (7 U.S.C. 3174a(b)), by striking “the Cooperative State Research, Education, and Extension Service” and inserting “the National Institute of Food and Agriculture”; and

(B) in section 1458(a)(10) (7 U.S.C. 3291(a)(10)), by striking “the Cooperative State Research, Education, and Extension Service” and inserting “the National Institute of Food and Agriculture”.

(3) Section 522(d)(2) of the Federal Crop Insurance Act (7 U.S.C. 1522(d)(2)) is amended by striking “the Cooperative State Research, Education, and Extension Service” and inserting “the National Institute of Food and Agriculture”.

(4) Section 524(a) of the Federal Crop Insurance Act (7 U.S.C. 1524(a)) is amended in each of paragraphs (1)(B) and (3)(A) by striking “the Cooperative State Research, Education, and Extension Service” each place it appears and inserting “the National Institute of Food and Agriculture”.

(5) Section 306(a)(11)(C) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(11)(C)) is amended by striking “the Cooperative State Research, Education, and Extension Service” and inserting “the National Institute of Food and Agriculture”.

(6) Section 704 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006 (7 U.S.C. 2209b), is amended by striking “Cooperative State Research, Education, and Extension Service” and inserting “the National Institute of Food and Agriculture”.

(7) Section 7404(b)(1)(B) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3101 note; Public Law 107-171) is amended by striking clause (vi) and inserting the following:

“(vi) the National Institute of Food and Agriculture.”.

(8) Section 1499(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5506(c)) is amended by striking “the Cooperative State Research Service” and inserting “the National Institute of Food and Agriculture”.

(9) Section 1622 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5812) is amended—

(A) in subsection (a)(1), by striking “the Cooperative State Research Service” and inserting “the National Institute of Food and Agriculture”; and

(B) in subsection (b)(1), by striking subparagraph (B) and inserting the following:

“(B) the National Institute of Food and Agriculture.”.

(10) Section 1668(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5921(b)) is amended by striking “Cooperative State Research, Education, and Extension Service and the Agricultural Research Service” and inserting “the National Institute of Food and Agriculture”.

(11) Section 1670(a)(4) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5923(a)(4)) is amended by striking “the Administrator of the Cooperative State Research, Education, and Extension Service” and inserting “the Director of the National Institute of Food and Agriculture”.

(12) Section 537 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7446) is amended in each of subsections (a)(2) and (b)(3)(B)(i) by striking “Cooperative State Research, Education, and Extension Service” and inserting “the National Institute of Food and Agriculture”.

(13) Section 103(a) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7613(a)) is amended—

(A) in the subsection heading, by striking “COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE” and inserting “NATIONAL INSTITUTE OF FOOD AND AGRICULTURE”; and

(B) in each of paragraphs (1) and (2)(A), by striking “the Cooperative State Research, Education, and Extension Service” and inserting “the National Institute of Food and Agriculture”.

(14) Section 401(f)(5) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(f)(5)) is amended by striking “the Cooperative State Research, Education, and Extension Service” and inserting “the National Institute of Food and Agriculture”.

(15) Section 407(c) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7627(c)) is amended by striking “the Cooperative State Research, Education, and Extension Service” and inserting “the National Institute of Food and Agriculture”.

(16) Section 410(a) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7630(a)) is amended by striking “the Administrator of the Cooperative State Research, Education, and Extension Service” and inserting “the Director of the National Institute of Food and Agriculture”.

(17) Section 307(g)(5) of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 8606(g)(5)) is amended by striking “Administrator of the Cooperative State Research, Education, and Extension Service” and inserting “the Director of the National Institute of Food and Agriculture”.

(18) Section 6(b) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103(b)) is amended by striking “the Cooperative State Research, Education, and Extension Service, may provide technical, financial, and related assistance to State foresters, equivalent State officials, or Cooperative Extension officials” and inserting “the National Institute of Food and Agriculture, may provide technical, financial and related assistance to State foresters, equivalent State officials, and Institute officials”.

(19) Section 19 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2113) is amended in subsections (a)(2) and (b)(1)(B)(i), by striking “Extension Service,” each place it appears and inserting “National Institute of Food and Agriculture”.

(20) Section 105(a) of the Africa: Seeds of Hope Act of 1998 (22 U.S.C. 2293 note; Public Law 105-385) is amended by striking “the Cooperative State Research, Education, and Extension Service (CSREES)” and inserting “the National Institute of Food and Agriculture”.

(21) Section 307(a)(4) of the National Aeronautic and Space Administration Authorization Act of 2005 (42 U.S.C. 16657(a)(4)) is amended by striking subparagraph (B) and inserting the following:

“(B) the program and structure of, peer review process of, management of conflicts of interest by, compensation of reviewers of, and the effects of compensation on reviewer efficiency and quality within, the National Institute of Food and Agriculture of the Department of Agriculture;”.

SEC. 7402. COORDINATION OF AGRICULTURAL RESEARCH SERVICE AND NATIONAL INSTITUTE OF FOOD AND AGRICULTURE.

Title III of the Department of Agriculture Reorganization Act of 1994 is amended by adding after section 308 (as added by section 7314) the following:

“SEC. 309. COORDINATION OF AGRICULTURAL RESEARCH SERVICE AND NATIONAL INSTITUTE OF FOOD AND AGRICULTURE.

“(a) IN GENERAL.—The Undersecretary for Research, Education, and Economics shall coordinate the programs under the authority of the Administrator of the Agricultural Research Service and the Director of the National Institute of Food and Agriculture, and the staff of the Administrator and the Director, including national program leaders, shall meet on a regular basis to—

“(1) increase coordination and integration of research programs at the Agricultural Research Service and the research, extension, and education programs of the National Institute of Food and Agriculture;

“(2) coordinate responses to emerging issues;

“(3) minimize duplication of work and resources at the staff level of each agency;

“(4) use the extension and education program to deliver knowledge to stakeholders;

“(5) address critical needs facing agriculture; and

“(6) focus the research, extension, and education funding strategy of the Department.

“(b) REPORTS.—Not later than 270 days after the date of enactment of this section, and annually 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 describing efforts to increase coordination between the Agricultural Research Service and the National Institute for Food and Agriculture.

“(c) ROADMAP.—

“(1) IN GENERAL.—Not later than 180 days after the date of enactment of this section, the Secretary, acting through the Under Secretary for Research, Education, and Economics shall—

“(A) prepare a roadmap for agricultural research, extension, and education that—

“(i) identifies major opportunities and gaps in agricultural research, extension, and education that no single entity in the Department would be able to carry out individually, but that is necessary to carry out agricultural research;

“(ii) involves—

“(I) stakeholders from across the Federal Government;

“(II) stakeholders from across the full array of nongovernmental entities; and

“(III) the National Agricultural Research, Extension, Education, and Economics Advisory Board established under section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123);

“(iii) incorporates roadmaps for agricultural research made publicly available by other Federal entities, agencies, or offices; and

“(iv) describes recommended funding levels for areas of agricultural research, extension, and education, including—

“(I) competitive programs; and

“(II) infrastructure programs, with attention to the future growth needs of small 1862 Institutions, 1890 Institutions, and 1994 Institutions (as those terms are defined in section 2 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7601)), Hispanic-serving agricultural colleges (as defined in section 1456(a) of the National Agricultural Research, Extension and Teaching Policy Act of 1977), and any other public college or university that is not such an institution or college but that offers a baccalaureate or higher degree in the study of agriculture;

“(B) use the roadmap to set the research, extension, and education agenda of the Department; and

“(C) submit a description of the roadmap to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

“(2) IMPLEMENTATION.—The Secretary, acting through the Under Secretary, shall implement, to the maximum extent practicable, the roadmap.

“(3) FUNDING.—There are authorized to be appropriated such sums as are necessary to carry out this subsection.”.

Subtitle F—Miscellaneous

SEC. 7501. JOINT NUTRITION MONITORING AND RELATED RESEARCH ACTIVITIES.

The Secretary and the Secretary of Health and Human Services shall continue to provide jointly for national nutrition monitoring and related research activities carried out as of the date of enactment of this Act—

(1) to collect continuous data relating to diet, health, physical activity, and knowledge about diet and health, using a nationally-representative sample;

(2) to periodically collect data described in paragraph (1) on special at-risk populations, as identified by the Secretaries;

(3) to distribute information on health, nutrition, the environment, and physical activity to the public in a timely manner;

(4) to analyze new data as the data becomes available;

(5) to continuously update food composition tables; and

(6) to research and develop data collection methods and standards.

SEC. 7502. DEMONSTRATION PROJECT AUTHORITY FOR TEMPORARY POSITIONS.

Notwithstanding section 4703(d)(1) of title 5, United States Code, the amendment to the personnel management demonstration project established in the Department of Agriculture (67 Fed. Reg. 70776 (2002)), shall become effective upon the date of enactment of this Act and shall remain in effect unless modified by law.

SEC. 7503. REVIEW OF PLAN OF WORK REQUIREMENTS.

(a) REVIEW.—The Secretary of Agriculture (referred to in this section as the “Secretary”) shall work with university partners in extension and research to review and identify measures to streamline the submission, reporting under, and implementation of plan of work requirements including requirements under—

(1) sections 1444(d) and 1445(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221(d), 3222(c));

(2) section 7 of the Hatch Act of 1887 (7 U.S.C. 361g); and

(3) section 4 of the Smith-Lever Act (7 U.S.C. 344).

(b) REPORT.—

(1) IN GENERAL.—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 and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the results of the review conducted under subsection (a).

(2) INCLUSIONS.—The report shall include recommendations—

(A) to reduce the administrative burden and workload on institutions associated with plan of work compliance while meeting the reporting needs of the Department of Agriculture for input, output, and outcome indicators;

(B) to streamline the submission and reporting requirements of the plan of work so that the plan of work is of practical utility to both the Department of Agriculture and the institutions; and

(C) for any legislative changes necessary to carry out the plan of work improvements.

(c) CONSULTATION.—In carrying out this section, the Secretary shall consult with land-grant colleges and universities (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)).

SEC. 7504. STUDY AND REPORT ON ACCESS TO NUTRITIOUS FOODS.

(a) IN GENERAL.—The Secretary shall carry out a study of, and prepare a report on, areas in the United States with limited access to affordable and nutritious food, with a particular focus on predominantly lower-income neighborhoods and communities.

(b) CONTENTS.—The study and report shall—

(1) assess the incidence and prevalence of areas with limited access to affordable and nutritious food in the United States;

(2) identify—

(A) characteristics and factors causing and influencing those areas; and

(B) the effect on local populations of limited access to affordable and nutritious food; and

(3) develop recommendations for addressing the causes and influences of those areas through measures including—

(A) community and economic development initiatives;

(B) incentives for retail food market development, including supermarkets, small grocery stores, and farmers' markets; and

(C) improvements to Federal food assistance and nutrition education programs.

(c) COORDINATION WITH OTHER AGENCIES AND ORGANIZATIONS.—The Secretary shall conduct the study under this section in coordination and consultation with—

(1) the Secretary of Health and Human Services;

(2) the Administrator of the Small Business Administration;

(3) the Institute of Medicine; and

(4) representatives of appropriate businesses, academic institutions, and nonprofit and faith-based organizations.

(d) REPORT TO CONGRESS.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit the report prepared under this section, including the findings and recommendations described in subsection (b), to—

(1) the Committee on Agriculture of the House of Representatives; and

(2) the Committee on Agriculture, Nutrition, and Forestry of the Senate.

TITLE VIII—FORESTRY

Subtitle A—Cooperative Forestry Assistance Act of 1978

Sec. 8001. National priorities for private forest conservation.

Sec. 8002. Community forests working land program.

Sec. 8003. Federal, State, and local coordination and cooperation.

Sec. 8004. Comprehensive statewide forest planning.

Sec. 8005. Assistance to the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

Subtitle B—Tribal-Forest Service Cooperative Relations

Sec. 8101. Definitions.

PART I—COLLABORATION BETWEEN INDIAN TRIBES AND FOREST SERVICE

Sec. 8111. Forest Legacy Program.

Sec. 8112. Forestry and resource management assistance for Indian tribes.

PART II—CULTURAL AND HERITAGE COOPERATION AUTHORITY

Sec. 8121. Purposes.

Sec. 8122. Definitions.

Sec. 8123. Reburial of human remains and cultural items.

Sec. 8124. Temporary closure for traditional and cultural purposes.

Sec. 8125. Forest products for traditional and cultural purposes.

Sec. 8126. Prohibition on disclosure.

Sec. 8127. Severability and savings provisions.

Subtitle C—Amendments to Other Laws

Sec. 8201. Renewable resources extension activities.

Sec. 8202. Office of International Forestry.

TITLE VIII—FORESTRY

Subtitle A—Cooperative Forestry Assistance Act of 1978

SEC. 8001. NATIONAL PRIORITIES FOR PRIVATE FOREST CONSERVATION.

Section 2 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101) is amended—

(1) by redesignating subsections (c) and (d) as subsections (e) and (f), respectively; and

(2) by inserting after subsection (b) the following:

“(c) PRIORITIES.—In allocating funds appropriated or otherwise made available under this Act, the Secretary shall focus on the following national private forest conservation priorities:

“(1) Conserving and managing working forest landscapes for multiple values and uses.

“(2) Protecting forests from threats to forest and forest health, including unnaturally large wildfires, hurricanes, tornadoes, windstorms, snow or ice storms, flooding, drought, invasive species, insect or disease outbreak, or development, and restoring appropriate forest structures and ecological processes in response to such threats.

“(3) Enhancing public benefits from private forests, including air and water quality, forest products, forestry-related jobs, production of renewable energy, wildlife, enhanced biodiversity, the establishment or maintenance of wildlife corridors and wildlife habitat, and recreation.

“(d) REPORTING REQUIREMENT.—Not later than September 30, 2011, the Secretary shall submit to Congress a report describing how funding was used under this Act to address the national priorities specified in subsection (c) and the outcomes achieved in meeting the national priorities.”.

SEC. 8002. COMMUNITY FORESTS WORKING LAND PROGRAM.

Section 7 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103c) is amended—

(1) by redesignating subsection (m) as subsection (n); and

(2) by inserting after subsection (l) the following:

“(m) COMMUNITY FORESTS WORKING LAND PROGRAM.—

“(1) DEFINITIONS.—In this subsection:

“(A) COMMUNITY FOREST LAND.—The term ‘community forest land’ means a parcel of land that is—

“(i) forested; and

“(ii) located, as determined by the Secretary, within, or in close proximity to, a population center.

“(B) UNIT OF LOCAL GOVERNMENT.—The term ‘unit of local government’ means a town, city, or other unit of local government.

“(2) PURPOSES.—The purposes of the community forests working land program are—

“(A) to help protect environmentally important forest land near population centers, as determined by the Secretary;

“(B) to facilitate land use planning by units of local government; and

“(C) to facilitate the donations, acceptance, and enforcement of conservation easements on community forest land.

“(3) ESTABLISHMENT.—The Secretary, in cooperation with the States, shall offer financial and technical assistance to units of local government by providing, in priority areas (as defined by the Secretary)—

“(A) financial assistance to purchase conservation easements on, facilitate the donation, acceptance, and enforcement of conservation easements on, or otherwise acquire, community forest land; and

“(B) technical assistance to facilitate—

“(i) conservation of community forests;

“(ii) management of community forests;

“(iii) training related to forest management and forest conservation; and

“(iv) other forest conservation activities, as determined by the Secretary.

“(4) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection \$65,000,000 for each of fiscal years 2008 through 2012.”.

SEC. 8003. FEDERAL, STATE, AND LOCAL COORDINATION AND COOPERATION.

Section 19(b)(2)(D) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2113(b)(2)(D)) is amended by inserting “except for projects submitted by an Indian tribe,” before “make recommendations”.

SEC. 8004. COMPREHENSIVE STATEWIDE FOREST PLANNING.

The Cooperative Forestry Assistance Act of 1978 is amended—

(1) by redesignating section 20 (16 U.S.C. 2114) as section 22; and

(2) by inserting after section 19 (16 U.S.C. 2113) the following:

“SEC. 20. COMPREHENSIVE STATEWIDE FOREST PLANNING.

“(a) ESTABLISHMENT.—The Secretary shall establish a comprehensive statewide forest planning program under which the Secretary shall provide financial and technical assistance to States for use in the development and implementation of statewide forest resource assessments and plans.

“(b) STATEWIDE FOREST RESOURCE ASSESSMENT AND PLAN.—For a State to be eligible to receive funds under this Act, not later than 2 years after the date of enactment of the Food and Energy Security Act of 2007, the State Forester of the State, or an equivalent State official, shall develop a statewide forest resource assessment and plan that, at a minimum—

“(1) identifies each critical forest resource area in the State described in section 2(c);

“(2) to the maximum extent practicable—

“(A) incorporates any forest management plan of the State in existence on the date of enactment of this section;

“(B) addresses the needs of the region, without regard to the borders of each State of the region (or the political subdivisions of each State of the region);

“(C) provides a comprehensive statewide plan (including the opportunity for public participation in the development of the statewide plan) for—

“(i) managing the forest land in the State;

“(ii) achieving the national priorities specified in section 2(c)(2);

“(iii) monitoring the forest land in the State; and

“(iv) administering any forestry-related Federal, State, or private grants awarded to the State under this section or any other provisions of law; and

“(D) includes a multiyear, integrated forest management strategy that provides a management framework for—

“(i) the administration of each applicable program of the State; and

“(ii) the use of any funds made available for the management of the forest land in the State; and

“(3) is determined by the Secretary to be sufficient to satisfy all relevant State planning and assessment requirements under this Act.

“(c) COORDINATION.—In developing the statewide assessment and plan under subsection (b), the State Forester or equivalent State official shall—

“(1) coordinate with—

“(A) the State Forest Stewardship Coordination Committee established for the State under section 19(b);

“(B) the State wildlife agency, with respect to strategies contained in the State wildlife action plans;

“(C) the State Technical Committee; and

“(D) applicable Federal land management agencies; and

“(2) for purposes of the Forest Legacy Program under section 7, work cooperatively with the State lead agency designated by the Governor.

“(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$10,000,000 for each fiscal year.”.

SEC. 8005. ASSISTANCE TO THE FEDERATED STATES OF MICRONESIA, THE REPUBLIC OF THE MARSHALL ISLANDS, AND THE REPUBLIC OF PALAU.

Section 13(d)(1) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2109(d)(1)) is amended by striking “the Trust Territory of the Pacific Islands,” and inserting “the Federated States of Micronesia, the Republic of the Marshall Islands, the Republic of Palau.”.

Subtitle B—Tribal-Forest Service Cooperative Relations

SEC. 8101. DEFINITIONS.

In this subtitle:

(1) INDIAN.—The term “Indian” means an individual who is a member of an Indian tribe.

(2) INDIAN TRIBE.—The term “Indian tribe”—

(A) for purposes of title I, has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b); and

(B) for purposes of title II, means any Indian or Alaska Native tribe, band, nation, pueblo, village, or other community the name of which is included on a list published by the Secretary of the Interior pursuant to section 104 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 479a–1).

(3) NATIONAL FOREST SYSTEM.—The term “National Forest System” has the meaning given the term in section 11(a) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1609(a)).

PART I—COLLABORATION BETWEEN INDIAN TRIBES AND FOREST SERVICE

SEC. 8111. FOREST LEGACY PROGRAM.

(a) PARTICIPATION BY INDIAN TRIBES.—Section 7 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103c) is amended—

(1) in subsection (a), in the first sentence, by inserting “, including Indian tribes,” after “government”;

(2) in subsection (b), by inserting “or programs of Indian tribes” after “regional programs”;

(3) in subsection (f), in the second sentence, by striking “other appropriate State or regional natural resource management agency” and inserting “other appropriate natural resource management agency of a State, region, or Indian tribe”;

(4) in subsection (h)(2), by inserting “, including an Indian tribe” before the period at the end; and

(5) in subsection (j)(2), in the first sentence, by inserting “including Indian tribes,” after “governmental units.”.

(b) OPTIONAL STATE AND TRIBAL GRANTS.—Section 7(l) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103c(l)) is amended—

(1) in the subsection heading, by inserting “AND TRIBAL” after “STATE”;

(2) by redesignating paragraph (3) as paragraph (4); and

(3) by striking paragraphs (1) and (2) and inserting the following:

“(1) DEFINITION OF INDIAN TRIBE.—In this subsection, the term ‘Indian tribe’ has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

“(2) GRANTS.—On request of a participating State or Indian tribe, the Secretary shall provide a grant to the State or Indian tribe to carry out the Forest Legacy Program in the State or with the Indian tribe.

“(3) ADMINISTRATION.—If a State or Indian tribe elects to receive a grant under this subsection—

“(A) the Secretary shall use a portion of the funds made available under subsection (m), as determined by the Secretary, to provide a grant to the State or Indian tribe; and

“(B) the State or Indian tribe shall use the grant to carry out the Forest Legacy Program in the State or with the Indian tribe, including through acquisition by the State or Indian tribe of land and interests in land.

“(4) EFFECT ON TRUST LAND.—

“(A) INELIGIBILITY.—The Secretary shall not provide a grant under this subsection for any project on land held in trust by the United States (including Indian reservations and allotment land).

“(B) ACQUIRED LAND.—No land acquired using a grant provided under this subsection shall be converted to land held in trust by the United States on behalf of any Indian tribe.”.

(c) CONFORMING AMENDMENTS.—Section 7(j)(1) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103c(j)(1)) is amended by striking the first sentence and inserting the following: “Fair market value shall be paid for any property interest acquired (other than by donation) under this section.”.

SEC. 8112. FORESTRY AND RESOURCE MANAGEMENT ASSISTANCE FOR INDIAN TRIBES.

(a) DEFINITION OF ELIGIBLE INDIAN LAND.—In this section, the term “eligible Indian land” means, with respect to each participating Indian tribe—

(1) trust land located within the boundaries of the reservation of the Indian tribe;

(2) land owned in fee by the Indian tribe; and

(3) trust land located outside the boundaries of the reservation of the Indian tribe that is eligible for use for land programs of the Indian tribe.

(b) AUTHORITY TO PROVIDE ASSISTANCE.—The Secretary may provide financial, technical, educational, and related assistance to any Indian tribe for—

(1) tribal consultation and coordination with the Forest Service on issues relating to—

(A) access and use by members of the Indian tribe to National Forest System land and resources for traditional, religious, and cultural purposes;

(B) coordinated or cooperative management of resources shared by the Forest Service and the Indian tribe; or

(C) the provision of tribal traditional, cultural, or other expertise or knowledge;

(2) projects and activities for conservation education and awareness with respect to forest land or grassland that is eligible Indian land; and

(3) technical assistance for forest resources planning, management, and conservation on eligible Indian land.

(c) REQUIREMENTS.—

(1) IN GENERAL.—During any fiscal year, an Indian tribe may participate in only 1 approved activity that receives assistance under—

(A) subsection (b)(3); or

(B) the forest stewardship program under section 5 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103a).

(d) IMPLEMENTATION.—

(1) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, the Secretary shall promulgate regulations to implement subsection (b), including rules for determining the distribution of assistance under that subsection.

(2) CONSULTATION.—In developing regulations pursuant to paragraph (1), the Secretary shall conduct full, open, and substantive consultation with Indian tribal governments and other representatives of Indian tribes.

(e) COORDINATION WITH SECRETARY OF THE INTERIOR.—In carrying out this section, the Secretary shall coordinate with the Secretary of the Interior to ensure that activities under subsection (b)—

(1) do not conflict with Indian tribal programs provided by the Department of the Interior; and

(2) achieve the goals established by the affected Indian tribes.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

PART II—CULTURAL AND HERITAGE COOPERATION AUTHORITY

SEC. 8121. PURPOSES.

The purposes of this part are—

(1) to authorize the reburial of human remains and cultural items, including human remains and cultural items repatriated under the Native American Graves Protection and Repatriation Act (25 U.S.C. 3001 et seq.), on National Forest System land;

(2) to prevent the unauthorized disclosure of information regarding reburial sites, including—

(A) the quantity and identity of human remains and cultural items on the sites; and

(B) the location of the sites;

(3) to authorize the Secretary to ensure access to National Forest System land, to the maximum extent practicable, by Indians and Indian tribes for traditional and cultural purposes;

(4) to authorize the Secretary to provide forest products free of charge to Indian tribes for traditional and cultural purposes;

(5) to authorize the Secretary to protect the confidentiality of certain information, including information that is culturally sensitive to Indian tribes;

(6) to increase the availability of Forest Service programs and resources to Indian tribes in support of the policy of the United States to promote tribal sovereignty and self-determination; and

(7) to strengthen support for the policy of the United States of protecting and preserving the traditional, cultural, and ceremonial rites and practices of Indian tribes, in accordance with Public Law 95-341 (commonly known as the “American Indian Religious Freedom Act”) (42 U.S.C. 1996).

SEC. 8122. DEFINITIONS.

In this part:

(1) ADJACENT SITE.—The term “adjacent site” means a site that borders a boundary line of National Forest system land.

(2) CULTURAL ITEMS.—

(A) IN GENERAL.—The term “cultural items” has the meaning given the term in

section 2 of the Native American Graves Protection and Repatriation Act (25 U.S.C. 3001).

(B) **EXCEPTION.**—The term “cultural items” does not include human remains.

(3) **HUMAN REMAINS.**—The term “human remains” means the physical remains of the body of a person of Indian ancestry.

(4) **LINEAL DESCENDANT.**—The term “lineal descendant” means an individual that can trace, directly and without interruption, the ancestry of the individual through the traditional kinship system of an Indian tribe, or through the common law system of descent, to a known Indian, the human remains, funerary objects, or other sacred objects of whom are claimed by the individual.

(5) **REBURIAL SITE.**—The term “reburial site” means a discrete physical location at which cultural items or human remains are reburied.

(6) **TRADITIONAL AND CULTURAL PURPOSE.**—The term “traditional and cultural purpose”, with respect to a definable use, area, or practice, means that the use, area, or practice is identified by an Indian tribe as traditional or cultural because of the long-established significance or ceremonial nature of the use, area, or practice to the Indian tribe.

SEC. 8123. REBURIAL OF HUMAN REMAINS AND CULTURAL ITEMS.

(a) **REBURIAL SITES.**—In consultation with an affected Indian tribe or lineal descendant, the Secretary may authorize the use of National Forest System land by the Indian tribe or lineal descendant for the reburial of human remains or cultural items in the possession of the Indian tribe or lineal descendant that have been disinterred from National Forest System land or an adjacent site.

(b) **REBURIAL.**—With the consent of the affected Indian tribe or lineal descendant, the Secretary may recover and rebury, at Federal expense or using other available funds, human remains and cultural items described in subsection (a) at the National Forest System land identified under that subsection.

(c) **AUTHORIZATION OF USE.**—

(1) **IN GENERAL.**—Subject to paragraph (2), the Secretary may authorize such uses on reburial sites or adjacent sites as the Secretary determines to be necessary for management of the National Forest System.

(2) **AVOIDANCE OF ADVERSE IMPACTS.**—In carrying out paragraph (1), the Secretary shall avoid adverse impacts to cultural items and human remains, to the maximum extent practicable.

SEC. 8124. TEMPORARY CLOSURE FOR TRADITIONAL AND CULTURAL PURPOSES.

(a) **RECOGNITION OF HISTORIC USE.**—The Secretary shall, to the maximum extent practicable, ensure access to National Forest System land by Indians for traditional and cultural purposes, in accordance with subsection (b), in recognition of the historic use by Indians of National Forest System land.

(b) **CLOSING LAND FROM PUBLIC ACCESS.**—

(1) **IN GENERAL.**—On receipt of a request from an Indian tribe, the Secretary may temporarily close from public access specifically designated National Forest System land to protect the privacy of tribal activities for traditional and cultural purposes.

(2) **LIMITATION.**—A closure of National Forest System land under paragraph (1) shall affect the smallest practicable area for the minimum period necessary for activities of the applicable Indian tribe.

(3) **CONSISTENCY.**—Access by Indian tribes to National Forest System land under this subsection shall be consistent with the purposes of Public Law 95-341 (commonly known as the “American Indian Religious Freedom Act”) (42 U.S.C. 1996).

SEC. 8125. FOREST PRODUCTS FOR TRADITIONAL AND CULTURAL PURPOSES.

(a) **IN GENERAL.**—Notwithstanding section 14 of the National Forest Management Act of

1976 (16 U.S.C. 472a), the Secretary may provide free of charge to Indian tribes any trees, portions of trees, or forest products from National Forest System land for traditional and cultural purposes.

(b) **PROHIBITION.**—Trees, portions of trees, or forest products provided under subsection (a) may not be used for commercial purposes.

SEC. 8126. PROHIBITION ON DISCLOSURE.

(a) **NONDISCLOSURE OF INFORMATION.**—

(1) **IN GENERAL.**—The Secretary shall not disclose under section 552 of title 5, United States Code (commonly known as the “Freedom of Information Act”), any information relating to—

(A) subject to subsection (b)(1), human remains or cultural items reburied on National Forest System land under section 8123; or

(B) subject to subsection (b)(2), resources, cultural items, uses, or activities that—

(i) have a traditional and cultural purpose; and

(ii) are provided to the Secretary by an Indian or Indian tribe under an express expectation of confidentiality in the context of forest and rangeland research activities carried out under the authority of the Forest Service.

(2) **LIMITATIONS ON DISCLOSURE.**—Subject to subsection (b)(2), the Secretary shall not be required to disclose information under section 552 of title 5, United States Code (commonly known as the “Freedom of Information Act”), concerning the identity, use, or specific location in the National Forest System of—

(A) a site or resource used for traditional and cultural purposes by an Indian tribe; or

(B) any cultural items not covered under section 8123.

(b) **LIMITED RELEASE OF INFORMATION.**—

(1) **REBURIAL.**—The Secretary may disclose information described in subsection (a)(1)(A) if, before the disclosure, the Secretary—

(A) consults with an affected Indian tribe or lineal descendant;

(B) determines that disclosure of the information—

(i) would advance the purposes of this part; and

(ii) is necessary to protect the human remains or cultural items from harm, theft, or destruction; and

(C) attempts to mitigate any adverse impacts identified by an Indian tribe or lineal descendant that reasonably could be expected to result from disclosure of the information.

(2) **OTHER INFORMATION.**—The Secretary may disclose information described under paragraph (1)(B) or (2) of subsection if the Secretary determines that disclosure of the information to the public—

(A) would advance the purposes of this part;

(B) would not create an unreasonable risk of harm, theft, or destruction of the resource, site, or object, including individual organic or inorganic specimens; and

(C) would be consistent with other applicable laws.

SEC. 8127. SEVERABILITY AND SAVINGS PROVISIONS.

(a) **SEVERABILITY.**—If any provision of this part, or the application of any provision of this part to any person or circumstance, is held invalid, the application of such provision or circumstance and the remainder of this part shall not be affected thereby.

(b) **SAVINGS.**—Nothing in this part—

(1) diminishes or expands the trust responsibility of the United States to Indian tribes, or any legal obligation or remedy resulting from that responsibility;

(2) alters, abridges, repeals, or affects any valid agreement between the Forest Service and an Indian tribe;

(3) alters, abridges, diminishes, repeals, or affects any reserved or other right of an Indian tribe; or

(4) alters, abridges, diminishes, repeals, or affects any other valid existing right relating to National Forest System land or other public land.

Subtitle C—Amendments to Other Laws

SEC. 8201. RENEWABLE RESOURCES EXTENSION ACTIVITIES.

(a) **AUTHORIZATION OF APPROPRIATIONS.**—Section 6 of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1675) is amended in the first sentence by striking “2007” and inserting “2012”.

(b) **TERMINATION DATE.**—Section 8 of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1671 note; Public Law 95-306) is amended by striking “2007” and inserting “2012”.

SEC. 8202. OFFICE OF INTERNATIONAL FORESTRY.

Section 2405(d) of the Global Climate Change Prevention Act of 1990 (7 U.S.C. 6704(d)) is amended by striking “2007” and inserting “2012”.

TITLE IX—ENERGY

SEC. 9001. ENERGY.

Title IX of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8101 et seq.) is amended to read as follows:

“TITLE IX—ENERGY

“SEC. 9001. DEFINITIONS.

“Except as otherwise provided, in this title:

“(1) **ADMINISTRATOR.**—The term ‘Administrator’ means the Administrator of the Environmental Protection Agency.

“(2) **ADVISORY COMMITTEE.**—The term ‘Advisory Committee’ means the Biomass Research and Development Technical Advisory Committee established by section 9008(d)(1).

“(3) **ADVANCED BIOFUEL.**—

“(A) **IN GENERAL.**—The term ‘advanced biofuel’ means fuel derived from renewable biomass other than corn starch.

“(B) **INCLUSIONS.**—The term ‘advanced biofuel’ includes—

“(i) biofuel derived from cellulose, hemicellulose, or lignin;

“(ii) biofuel derived from sugar and starch (other than ethanol derived from corn starch);

“(iii) biofuel derived from waste material, including crop residue, other vegetative waste material, animal waste, food waste, and yard waste;

“(iv) diesel-equivalent fuel derived from renewable biomass, including vegetable oil and animal fat;

“(v) biogas (including landfill gas and sewage waste treatment gas) produced through the conversion of organic matter from renewable biomass;

“(vi) butanol or other alcohols produced through the conversion of organic matter from renewable biomass; and

“(vii) other fuel derived from cellulosic biomass.

“(4) **BIOBASED PRODUCT.**—The term ‘biobased product’ means a product determined by the Secretary to be a commercial or industrial product (other than food or feed) that is—

“(A) composed, in whole or in significant part, of biological products, including renewable domestic agricultural materials and forestry materials; or

“(B) an intermediate ingredient or feedstock.

“(5) **BIOFUEL.**—The term ‘biofuel’ means a fuel derived from renewable biomass.

“(6) **BIOMASS CONVERSION FACILITY.**—The term ‘biomass conversion facility’ means a facility that converts or proposes to convert renewable biomass into—

“(A) heat;
 “(B) power;
 “(C) biobased products; or
 “(D) advanced biofuels.
 “(7) BIOREFINERY.—The term ‘biorefinery’ means equipment and processes that—
 “(A) convert renewable biomass into biofuels and biobased products; and
 “(B) may produce electricity.
 “(8) BOARD.—The term ‘Board’ means the Biomass Research and Development Board established by section 9008(c).
 “(9) INDIAN TRIBE.—The term ‘Indian tribe’ has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).
 “(10) INSTITUTION OF HIGHER EDUCATION.—The term ‘institution of higher education’ has the meaning given the term in section 102(a) of the Higher Education Act of 1965 (20 U.S.C. 1002(a)).
 “(11) INTERMEDIATE INGREDIENT OR FEEDSTOCK.—The term ‘intermediate ingredient or feedstock’ means a material or compound made in whole or in significant part from biological products, including renewable agricultural materials (including plant, animal, and marine materials) or forestry materials, that are subsequently used to make a more complex compound or product.
 “(12) RENEWABLE BIOMASS.—The term ‘renewable biomass’ means—
 “(A) materials, pre-commercial thinnings, or removed exotic species that—
 “(i) are byproducts of preventive treatments (such as trees, wood, brush, thinnings, chips, and slash), that are removed—
 “(I) to reduce hazardous fuels;
 “(II) to reduce or contain disease or insect infestation; or
 “(III) to restore ecosystem health;
 “(ii) would not otherwise be used for high-value products; and
 “(iii) are harvested from National Forest System land or public lands (as defined in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702)), in accordance with—
 “(I) Federal and State law;
 “(II) applicable land management plans; and
 “(III) the requirements for old-growth maintenance, restoration, and management direction of paragraphs (2), (3), and (4) of subsection (e) of section 102 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6512) and the requirements for large-tree retention of subsection (f) of that section; or
 “(B) any organic matter that is available on a renewable or recurring basis from non-Federal land or land belonging to an Indian or Indian tribe that is held in trust by the United States or subject to a restriction against alienation imposed by the United States, including—
 “(i) renewable plant material, including—
 “(I) feed grains;
 “(II) other agricultural commodities;
 “(III) other plants and trees; and
 “(IV) algae; and
 “(ii) waste material, including—
 “(I) crop residue;
 “(II) other vegetative waste material (including wood waste and wood residues);
 “(III) animal waste and byproducts (including fats, oils, greases, and manure);
 “(IV) construction waste; and
 “(V) food waste and yard waste.
 “(13) RENEWABLE ENERGY.—The term ‘renewable energy’ means energy derived from—
 “(A) a wind, solar, renewable biomass, ocean (including tidal, wave, current, and thermal), geothermal, or hydroelectric source; or
 “(B) hydrogen derived from renewable biomass or water using an energy source described in subparagraph (A).

“(14) RURAL AREA.—Except as otherwise provided in this title, the term ‘rural area’ has the meaning given the term in section 343(a)(13)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(13)(A)).
 “(15) SECRETARY.—The term ‘Secretary’ means the Secretary of Agriculture.

“SEC. 9002. BIOBASED MARKETS PROGRAM.

“(a) FEDERAL PROCUREMENT OF BIOBASED PRODUCTS.—

“(1) DEFINITION OF PROCURING AGENCY.—In this subsection, the term ‘procuring agency’ means—

“(A) any Federal agency that is using Federal funds for procurement; or

“(B) a person that is a party to a contract with any Federal agency, with respect to work performed under such a contract.

“(2) APPLICATION OF SECTION.—Except as provided in paragraph (3), each procuring agency shall comply with this subsection (including any regulations issued under this subsection), with respect to any purchase or acquisition of a procurement item for which—

“(A) the purchase price of the item exceeds \$10,000; or

“(B) the quantity of the items or of functionally-equivalent items purchased or acquired during the preceding fiscal year was at least \$10,000.

“(3) PROCUREMENT PREFERENCE.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), after the date specified in applicable guidelines prepared pursuant to paragraph (5), each procuring agency that procures any items designated in the guidelines and items containing designated biobased intermediate ingredients and feedstocks shall, in making procurement decisions (consistent with maintaining a satisfactory level of competition, considering the guidelines), give preference to items that—
 “(i) are composed of the highest percentage of biobased products practicable;
 “(ii) are composed of at least 5 percent of intermediate ingredients and feedstocks (or a lesser percentage that the Secretary determines to be appropriate) as designated by the Secretary; or
 “(iii) comply with the regulations issued under section 103 of Public Law 100-556 (42 U.S.C. 6914b-1).

“(B) FLEXIBILITY.—Notwithstanding subparagraph (A), a procuring agency may decide not to procure items described in that subparagraph if the procuring agency determines that the items—

“(i) are not reasonably available within a reasonable period of time;
 “(ii) fail to meet—
 “(I) the performance standards set forth in the applicable specifications; or
 “(II) the reasonable performance standards of the procuring agencies; or
 “(iii) are available only at an unreasonable price.

“(C) CERTIFICATION.—After the date specified in any applicable guidelines prepared pursuant to paragraph (5), contracting offices shall require that, with respect to biobased products, vendors certify that the biobased products to be used in the performance of the contract will comply with the applicable specifications or other contractual requirements.

“(4) SPECIFICATIONS.—Each Federal agency that has the responsibility for drafting or reviewing procurement specifications shall, not later than 1 year after the date of publication of applicable guidelines under paragraph (5), or as otherwise specified in the guidelines, ensure that the specifications require the use of biobased products consistent with this subsection.

“(5) GUIDELINES.—

“(A) IN GENERAL.—The Secretary, after consultation with the Administrator, the Administrator of General Services, and the Secretary of Commerce (acting through the Director of the National Institute of Standards and Technology), shall prepare, and from time to time revise, guidelines for the use of procuring agencies in complying with the requirements of this subsection.

“(B) REQUIREMENTS.—The guidelines under this paragraph shall—

“(i) designate those items that are or can be produced with biobased products (including biobased products for which there is only a single product or manufacturer in the category) and the procurement of which by procuring agencies will carry out the objectives of this subsection;
 “(ii) designate those intermediate ingredients and feedstocks and finished products that contain significant portions of biobased materials or components the procurement of which by procuring agencies will carry out the objectives of this subsection;
 “(iii) set forth recommended practices with respect to the procurement of biobased products and items containing such materials and with respect to certification by vendors of the percentage of biobased products used;
 “(iv) provide information as to the availability, relative price, performance, and environmental and public health benefits, of such materials and items; and
 “(v) automatically designate those items that are composed of materials and items designated pursuant to paragraph (3), if the content of the final product exceeds 50 percent (unless the Secretary determines a different composition percentage).

“(C) INFORMATION PROVIDED.—Information provided pursuant to subparagraph (B)(iv) with respect to a material or item shall be considered to be provided for another item made with the same material or item.

“(D) PROHIBITION.—Guidelines issued under this paragraph may not require a manufacturer or vendor of biobased products, as a condition of the purchase of biobased products from the manufacturer or vendor, to provide to procuring agencies more data than would be required to be provided by other manufacturers or vendors offering products for sale to a procuring agency, other than data confirming the biobased content of a product.

“(E) STATE PROCUREMENT.—Not later than 180 days after the date of enactment of this section, the Secretary shall offer procurement system models that States may use for the procurement of biobased products by the States.

“(6) ADMINISTRATION.—

“(A) OFFICE OF FEDERAL PROCUREMENT POLICY.—The Office of Federal Procurement Policy, in cooperation with the Secretary, shall—

“(i) coordinate the implementation of this subsection with other policies for Federal procurement;
 “(ii) annually collect the information required to be reported under subparagraph (B) and make the information publicly available;
 “(iii) take a leading role in conducting proactive research to inform and promote the adoption of and compliance with procurement requirements for biobased products by Federal agencies; and
 “(iv) not less than once every 2 years, submit to Congress a report that—
 “(I) describes the progress made in carrying out this subsection, including agency compliance with paragraph (4); and
 “(II) contains a summary of the information reported pursuant to subparagraph (B).

“(B) OTHER AGENCIES.—To assist the Office of Federal Procurement Policy in carrying out subparagraph (A)—

“(i) each procuring agency shall submit each year to the Office of Federal Procurement Policy, to the maximum extent practicable, information concerning—

“(I) actions taken to implement paragraphs (3), (4), and (7);

“(II) the results of the annual review and monitoring program established under paragraph (7)(B)(iii);

“(III) the number and dollar value of contracts entered into during the year that include the direct procurement of biobased products;

“(IV) the number of service and construction (including renovations and modernizations) contracts entered into during the year that include language on the use of biobased products; and

“(V) the types and dollar value of biobased products actually used by contractors in carrying out service and construction (including renovations and modernizations) contracts during the previous year; and

“(ii) the General Services Administration and the Defense Logistics Agency shall submit each year to the Office of Federal Procurement Policy, to the maximum extent practicable, information concerning the types and dollar value of biobased products purchased by procuring agencies through GSA Advantage!, the Federal Supply Schedule, and the Defense Logistic Agency (including the DoD EMail).

“(7) PROCUREMENT PROGRAM.—

“(A) IN GENERAL.—Not later than 1 year after the date of publication of applicable guidelines under paragraph (5), each Federal agency shall develop a procurement program that—

“(i) will ensure that items composed of biobased products will be purchased to the maximum extent practicable; and

“(ii) is consistent with applicable provisions of Federal procurement law.

“(B) MINIMUM REQUIREMENTS.—Each procurement program required under this paragraph shall, at a minimum, contain—

“(i) a biobased products preference program;

“(ii) an agency promotion program to promote the preference program adopted under clause (i); and

“(iii) annual review and monitoring of the effectiveness of the procurement program of the agency.

“(C) CONSIDERATION.—

“(i) IN GENERAL.—In developing a preference program, an agency shall—

“(I) consider the options described in clauses (ii) and (iii); and

“(II) adopt 1 of the options, or a substantially equivalent alternative, for inclusion in the procurement program.

“(ii) CASE-BY-CASE POLICY DEVELOPMENT.—

“(I) IN GENERAL.—Subject to paragraph (3)(B), except as provided in subclause (II), in developing a preference program, an agency shall consider a policy of awarding contracts to the vendor offering an item composed of the highest percentage of biobased products practicable.

“(II) CERTAIN CONTRACTS ALLOWED.—Subject to paragraph (3)(B), an agency may make an award to a vendor offering items with less than the maximum biobased products content.

“(iii) MINIMUM CONTENT STANDARDS.—In developing a preference program, an agency shall consider minimum biobased products content specifications that are established in a manner that ensures that the biobased products content required is consistent with this subsection, without violating paragraph (3)(B).

“(b) LABELING.—

“(1) IN GENERAL.—The Secretary, in consultation with the Administrator, shall establish a voluntary program under which the Secretary authorizes producers of biobased products to use the label ‘USDA Certified Biobased Product’.

“(2) ELIGIBILITY CRITERIA.—

“(A) CRITERIA.—

“(i) IN GENERAL.—Not later than 90 days after the date of the enactment of this section, except as provided in clause (ii), the Secretary, in consultation with the Administrator and representatives from small and large businesses, academia, other Federal agencies, and such other persons as the Secretary considers appropriate, shall issue criteria (as of the date of enactment of this section) for determining which products may qualify to receive the label under paragraph (1).

“(ii) EXCEPTION.—Clause (i) shall not apply to final criteria that have been issued (as of the date of enactment of this section) by the Secretary.

“(B) REQUIREMENTS.—Criteria issued under subparagraph (A)—

“(i) shall encourage the purchase of products with the maximum biobased content;

“(ii) shall provide that the Secretary may designate as biobased for the purposes of the voluntary program established under this subsection finished products that contain significant portions of biobased materials or components; and

“(iii) to the maximum extent practicable, shall be consistent with the guidelines issued under subsection (a)(5).

“(3) USE OF LABEL.—The Secretary shall ensure that the label referred to in paragraph (1) is used only on products that meet the criteria issued pursuant to paragraph (2).

“(4) RECOGNITION.—The Secretary shall—

“(A) establish a voluntary program to recognize Federal agencies and private entities that use a substantial amount of biobased products; and

“(B) encourage Federal agencies to establish incentives programs to recognize Federal employees or contractors that make exceptional contributions to the expanded use of biobased products.

“(c) LIMITATION.—Nothing in this section (other than subsections (f), (g), and (h)) shall apply to the procurement of motor vehicle fuels, heating oil, or electricity.

“(d) INCLUSION.—

“(1) IN GENERAL.—Not later than 90 days after the date of enactment of the Food and Energy Security Act of 2007, the Architect of the Capitol, the Sergeant at Arms of the Senate, and the Chief Administrative Officer of the House of Representatives shall establish procedures that apply the requirements of this section to procurement for the Capitol Complex.

“(2) ANNUAL SHOWCASE.—Beginning in calendar year 2008, the Secretary shall sponsor or otherwise support, consistent with applicable Federal laws (including regulations), an annual exposition at which entities may display and demonstrate biobased products.

“(e) TESTING OF BIOBASED PRODUCTS.—

“(1) IN GENERAL.—The Secretary may establish 1 or more national testing centers for biobased products to verify performance standards, biobased contents, and other product characteristics.

“(2) REQUIREMENT.—In establishing 1 or more national testing centers under paragraph (1), the Secretary shall give preference to entities that have established capabilities and experience in the testing of biobased materials and products.

“(f) BIOENERGY AND OTHER BIOBASED PRODUCTS EDUCATION AND AWARENESS CAMPAIGN.—

“(1) IN GENERAL.—The Secretary in consultation with the Secretary of Energy, shall establish a program to make competitive

grants to eligible entities to carry out broad-based education and public awareness campaigns relating to bioenergy (including biofuels but excluding biodiesel) and other biobased products.

“(2) ELIGIBLE ENTITIES.—An entity eligible to receive a grant described in paragraph (1) is an entity that has demonstrated a knowledge of bioenergy (including biofuels but excluding biodiesel) and other biobased products and is—

“(A) a State energy or agricultural office;

“(B) a regional, State-based, or tribal energy organization;

“(C) a land-grant college or university (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)) or other institution of higher education;

“(D) a rural electric cooperative or utility;

“(E) a nonprofit organization, including an agricultural trade association, resource conservation and development district, and energy service provider;

“(F) a State environmental quality office; or

“(G) any other similar entity, other than a Federal agency or for-profit entity, as determined by the Secretary.

“(g) REPORTS.—

“(1) IN GENERAL.—Not later than 180 days after the date of enactment of this section and each year thereafter, the Secretary shall submit to Congress a report on the implementation of this section.

“(2) CONTENTS.—The report shall include—

“(A) a comprehensive management plan that establishes tasks, milestones, and timelines, organizational roles and responsibilities, and funding allocations for fully implementing this section; and

“(B) information on the status of implementation of—

“(i) item designations (including designation of intermediate ingredients and feedstocks); and

“(ii) the voluntary labeling program established under subsection (b).

“(h) FUNDING.—

“(1) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary shall use, to the maximum extent practicable, \$3,000,000 for each of fiscal years 2008 through 2012—

“(A) to continue mandatory funding for biobased products testing as required to carry out this section; and

“(B) to carry out the bioenergy education and awareness campaign under subsection (f).

“(2) AUTHORIZATION OF APPROPRIATIONS.—In addition to any other funds made available to carry out this section, there are authorized to be appropriated to carry out this section such sums as are necessary for each of fiscal years 2008 through 2012.

“(3) PRIORITY.—At the discretion of the Secretary, the Secretary may give priority to the testing of products for which private sector firms provide cost sharing for the testing.

“SEC. 9003. BIODIESEL FUEL EDUCATION.

“(a) PURPOSE.—The purpose of this section is to educate potential users about the proper use and benefits of biodiesel.

“(b) ESTABLISHMENT.—The Secretary shall, under such terms and conditions as are appropriate, make grants to eligible entities to educate governmental and private entities that operate vehicle fleets, oil refiners, automotive companies, owners and operators of watercraft fleets, other interested entities (as determined by the Secretary), and the public about the benefits of biodiesel fuel use.

“(c) ELIGIBLE ENTITIES.—To receive a grant under subsection (b), an entity shall—

“(1) be a nonprofit organization or institution of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001));

“(2) have demonstrated knowledge of bio-diesel fuel production, use, or distribution; and

“(3) have demonstrated the ability to conduct educational and technical support programs.

“(d) CONSULTATION.—In carrying out this section, the Secretary shall consult with the Secretary of Energy.

“(e) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section, to the maximum extent practicable, \$2,000,000 for each of fiscal years 2008 through 2012.

“SEC. 9004. BIOMASS CROP TRANSITION.

“(a) DEFINITIONS.—In this section:

“(1) ELIGIBLE CROP.—The term ‘eligible crop’ means a crop of renewable biomass.

“(2) ELIGIBLE PARTICIPANT.—The term ‘eligible participant’ means an agricultural producer or forest land owner—

“(A) that is establishing 1 or more eligible crops on private land to be used in the production of advanced biofuels, other biobased products, heat, or power from a biomass conversion facility;

“(B) that has a 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

“(C) the production operation of which is in such proximity to the biomass conversion facility described in subparagraph (B) 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 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 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.

“(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 eligible crops 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 eligible crop 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 applicable eligible crop; and

“(ii) such other factors as the Secretary determines to be appropriate.

“(e) 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.

“(f) 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.

“(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.

“SEC. 9005. BIOREFINERY AND REPOWERING ASSISTANCE.

“(a) PURPOSE.—The purpose of this section is to assist in the development of new or emerging technologies for the use of renewable biomass or other sources of renewable energy—

“(1) to develop advanced biofuels;

“(2) to increase the energy independence of the United States by promoting the replacement of energy generated from fossil fuels with energy generated from a renewable energy source;

“(3) to promote resource conservation, public health, and the environment;

“(4) to diversify markets for raw agricultural and forestry products, and agriculture waste material; and

“(5) to create jobs and enhance the economic development of the rural economy.

“(b) DEFINITION OF REPOWER.—In this section, the term ‘repower’ means to substitute the production of heat or power from a fossil fuel source with heat or power from sources of renewable energy.

“(c) ASSISTANCE.—

“(1) IN GENERAL.—The Secretary shall make available to eligible entities described in subsection (d)—

“(A) grants to assist in paying the costs of—

“(i) development and construction of pilot- and demonstration-scale biorefineries intended to demonstrate the commercial viability of 1 or more processes for converting renewable biomass to advanced biofuels;

“(ii) repowering a biomass conversion facility, power plant, or manufacturing facility, in whole or in part; or

“(iii) conducting a study to determine the feasibility of repowering a biomass conversion facility, power plant, or manufacturing facility, in whole or in part; and

“(B) guarantees for loans made to fund—

“(i) the development and construction of commercial-scale biorefineries; or

“(ii) the repowering of a biomass conversion facility, power plant, or manufacturing facility, in whole or in part.

“(2) PREFERENCE.—In selecting projects to receive grants and loan guarantees under this section, the Secretary shall give preference to projects that receive or will receive financial support from the State in which the project is carried out.

“(d) ELIGIBLE ENTITIES.—An eligible entity under this section is—

“(1) an individual;

“(2) a corporation;

“(3) a farm cooperative;

“(4) a rural electric cooperative or public power entity;

“(5) an association of agricultural producers;

“(6) a State or local energy agency or office;

“(7) an Indian tribe;

“(8) a consortium comprised of any individuals or entities described in any of paragraphs (1) through (7); or

“(9) any other similar entity, as determined by the Secretary.

“(e) GRANTS.—

“(1) IN GENERAL.—The Secretary shall award grants under subsection (c)(1)(A) on a competitive basis.

“(2) SELECTION CRITERIA.—

“(A) GRANTS FOR DEVELOPMENT AND CONSTRUCTION OF PILOT AND DEMONSTRATION SCALE BIOREFINERIES.—

“(i) IN GENERAL.—In awarding grants for development and construction of pilot and demonstration scale biorefineries under subsection (c)(1)(A)(i), the Secretary shall select projects based on the likelihood that the projects will demonstrate the commercial viability of a new or emerging process for converting renewable biomass into advanced biofuels.

“(ii) FACTORS.—The factors to be considered under clause (i) may include—

“(I) the potential market for 1 or more products;

“(II) the level of financial participation by the applicants;

“(III) the availability of adequate funding from other sources;

“(IV) the participation of producer associations and cooperatives;

“(V) the beneficial impact on resource conservation, public health, and the environment;

“(VI) the timeframe in which the project will be operational;

“(VII) the potential for rural economic development;

“(VIII) the participation of multiple eligible entities; and

“(IX) the potential for developing advanced industrial biotechnology approaches.

“(B) GRANTS FOR REPOWERING.—In selecting projects to receive grants for repowering under clauses (ii) and (iii) of subsection (c)(1)(A), the Secretary shall consider—

“(i) the change in energy efficiency that would result from the proposed repowering of the eligible entity;

“(ii) the reduction in fossil fuel use that would result from the proposed repowering; and

“(iii) the volume of renewable biomass located in such proximity to the eligible entity as to make local sourcing of feedstock economically practicable.

“(3) COST SHARING.—

“(A) LIMITS.—

“(i) DEVELOPMENT AND CONSTRUCTION OF PILOT AND DEMONSTRATION SCALE BIOREFINERIES.—The amount of a grant awarded for development and construction of a biorefinery under subsection (c)(1)(A)(i) shall not exceed 50 percent of the cost of the project.

“(ii) REPOWERING.—The amount of a grant awarded for repowering under subsection (c)(1)(A)(ii) shall not exceed 20 percent of the cost of the project.

“(iii) FEASIBILITY STUDY FOR REPOWERING.—The amount of a grant awarded for a feasibility study for repowering under subsection (c)(1)(A)(iii) shall not exceed an amount equal to the lesser of—

“(I) an amount equal to 50 percent of the total cost of conducting the feasibility study; and

“(II) \$150,000.

“(B) FORM OF GRANTEE SHARE.—

“(i) IN GENERAL.—The grantee share of the cost of a project may be made in the form of cash or the provision of services, material, or other in-kind contributions.

“(ii) LIMITATION.—The amount of the grantee share of the cost of a project that is made in the form of the provision of services, material, or other in-kind contributions shall not exceed 15 percent of the amount of the grantee share determined under subparagraph (A).

“(f) LOAN GUARANTEES.—

“(1) CONDITIONS.—As a condition of making a loan guarantee under subsection (c)(1)(B), the Secretary shall require—

“(A) demonstration of binding commitments to cover, from sources other than Federal funds, at least 20 percent of the total cost of the project described in the application;

“(B) in the case of a new or emerging technology, demonstration that the project design has been validated through a technical review and subsequent operation of a pilot or demonstration scale facility that can be scaled up to commercial size; and

“(C) demonstration that the applicant provided opportunities to local investors (as determined by the Secretary) to participate in the financing or ownership of the biorefinery.

“(2) LOCAL OWNERSHIP.—The Secretary shall give preference under subsection (c)(1)(B) to applications for projects with significant local ownership.

“(3) APPROVAL.—Not later than 90 days after the Secretary receives an application for a loan guarantee under subsection (c)(1)(B), the Secretary shall approve or disapprove the application.

“(4) LIMITATIONS.—

“(A) MAXIMUM AMOUNT OF LOAN GUARANTEED.—

“(i) COMMERCIAL-SCALE BIOREFINERIES.—Subject to clause (iii), the principal amount of a loan guaranteed under subsection (c)(1)(B)(i) may not exceed \$250,000,000.

“(ii) REPOWERING.—Subject to clause (iii), the principal amount of a loan guaranteed under subsection (c)(1)(B)(ii) may not exceed \$70,000,000.

“(iii) RELATIONSHIP TO OTHER FEDERAL FUNDING.—The amount of a loan guaranteed under subsection (c)(1)(B) shall be reduced by the amount of other Federal funding that the entity receives for the same project.

“(B) MAXIMUM PERCENTAGE OF LOAN GUARANTEED.—A loan guaranteed under subsection (c)(1)(B) shall be in an amount not to exceed 80 percent of the project costs, as determined by the Secretary.

“(C) AUTHORITY TO GUARANTEE ENTIRE AMOUNT OF THE LOAN.—The Secretary may guarantee up to 100 percent of the principal and interest due on a loan guaranteed under subsection (c)(1)(B).

“(g) CONSULTATION.—In carrying out this section, the Secretary shall consult with the Secretary of Energy.

“(h) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use for the cost of grants and loan guarantees to carry out this section \$360,000,000 for fiscal year 2008, to remain available until expended.

“SEC. 9006. BIOENERGY PROGRAM FOR ADVANCED BIOFUELS.

“(a) DEFINITION OF ELIGIBLE PRODUCER.—In this section, the term ‘eligible producer’ means a producer of advanced biofuels.

“(b) PAYMENTS.—The Secretary shall make payments to eligible producers to encourage increased purchases of renewable biomass for the purpose of expanding production of, and supporting new production capacity for, advanced biofuels.

“(c) CONTRACTS.—To receive a payment, an eligible producer shall—

“(1) enter into a contract with the Secretary to increase production of advanced biofuels for 1 or more fiscal years; and

“(2) submit to the Secretary such records as the Secretary may require as evidence of increased purchase and use of renewable biomass for the production of advanced biofuels.

“(d) BASIS FOR PAYMENTS.—The Secretary shall make payments under this section to eligible producers based on—

“(1) the level of production by the eligible producer of an advanced biofuel;

“(2) the price of each renewable biomass feedstock used for production of the advanced biofuel;

“(3) the net nonrenewable energy content of the advanced biofuel, if sufficient data is available, as determined by the Secretary; and

“(4) other appropriate factors, as determined by the Secretary.

“(e) OVERPAYMENTS.—If the total amount of payments that an eligible producer receives for a fiscal year under this section exceeds the amount that the eligible producer should have received, the eligible producer shall repay the amount of the overpayment to the Secretary, with interest (as determined by the Secretary).

“(f) LIMITATIONS.—

“(1) EQUITABLE DISTRIBUTION.—The Secretary may limit the amount of payments that may be received by a single eligible producer under this section in order to distribute the total amount of funding available in an equitable manner.

“(2) INELIGIBILITY.—An eligible producer that claims a credit allowed under section 40(a)(3), 40(a)(4), or 40A(a)(3) of the Internal Revenue Code of 1986 shall not be eligible to receive payments under subsection (d).

“(3) REFINING CAPACITY.—An eligible producer may not use any funds received under this section for an advanced biofuel production facility or other fuel refinery the total refining capacity of which is more than 150,000,000 gallons per year.

“(g) OTHER REQUIREMENTS.—To receive a payment under this section, an eligible producer shall meet any other requirements of Federal and State law (including regulations) applicable to the production of advanced biofuels.

“(h) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section \$245,000,000 for the period of fiscal years 2008 through 2012, to remain available until expended.

“SEC. 9007. RURAL ENERGY FOR AMERICA PROGRAM.

“(a) ESTABLISHMENT.—The Secretary, in consultation with the Secretary of Energy, shall establish a Rural Energy for America Program to promote energy efficiency and renewable energy development for agricultural producers, cooperatives, rural small businesses, and other similar entities through—

“(1) grants for energy audits and renewable energy development assistance;

“(2) financial assistance for energy efficiency improvements and renewable energy systems; and

“(3) financial assistance for facilities to convert animal manure to energy.

“(b) ENERGY AUDITS AND RENEWABLE ENERGY DEVELOPMENT ASSISTANCE.—

“(1) IN GENERAL.—The Secretary shall make competitive grants to eligible entities to provide assistance to agricultural producers and rural small businesses—

“(A) to become more energy efficient; and

“(B) to use renewable energy technology and resources.

“(2) ELIGIBLE ENTITIES.—An eligible entity under this subsection is—

“(A) a State agency;

“(B) a regional, State-based, or tribal energy organization;

“(C) a land-grant college or university or other institution of higher education;

“(D) a rural electric cooperative or public power entity;

“(E) a nonprofit organization; and

“(F) any other similar entity, as determined by the Secretary.

“(3) MERIT REVIEW.—

“(A) MERIT REVIEW PROCESS.—The Secretary shall establish a merit review process to review applications for grants under paragraph (1) that uses the expertise of other

Federal agencies, industry, and nongovernmental organizations.

“(B) SELECTION CRITERIA.—In reviewing applications of eligible entities to receive grants under paragraph (1), the Secretary shall consider—

“(i) the ability and expertise of the eligible entity in providing professional energy audits and renewable energy assessments;

“(ii) the geographic scope of the program proposed by the eligible entity in relation to the identified need;

“(iii) the number of agricultural producers and rural small businesses to be assisted by the program;

“(iv) the potential for energy savings and environmental and public health benefits resulting from the program; and

“(v) the plan of the eligible entity for providing information to agricultural producers and rural small businesses on the benefits of energy efficiency and renewable energy development.

“(4) USE OF GRANT FUNDS.—

“(A) REQUIRED USES.—A recipient of a grant under paragraph (1) shall use the grant funds to conduct and promote energy audits for agricultural producers and rural small businesses to provide recommendations on how to improve energy efficiency and use renewable energy technology and resources.

“(B) PERMITTED USES.—In addition to the uses described in subparagraph (A), a recipient of a grant may use the grant funds to make agricultural producers and rural small businesses aware of—

“(i) financial assistance under subsection (c); and

“(ii) other Federal, State, and local financial assistance programs for which the agricultural producers and rural small businesses may be eligible.

“(5) COST SHARING.—A recipient of a grant under paragraph (1) that conducts an energy audit for an agricultural producer or rural small business under paragraph (4)(A) shall require that, as a condition of the energy audit, the agricultural producer or rural small business pay at least 25 percent of the cost of the energy audit, which shall be retained by the eligible entity for the cost of the energy audit.

“(c) FINANCIAL ASSISTANCE FOR ENERGY EFFICIENCY IMPROVEMENTS AND RENEWABLE ENERGY SYSTEMS.—

“(1) IN GENERAL.—In addition to any similar authority, the Secretary shall provide loan guarantees, grants, and production-based incentives to agricultural producers and rural small businesses—

“(A) to purchase renewable energy systems, including systems that may be used to produce and sell electricity; and

“(B) to make energy efficiency improvements.

“(2) AWARD CONSIDERATIONS.—In determining the amount of a grant, loan guarantee, or production-based incentive provided under this section, the Secretary shall take into consideration, as applicable—

“(A) the type of renewable energy system to be purchased;

“(B) the estimated quantity of energy to be generated by the renewable energy system;

“(C) the expected environmental benefits of the renewable energy system;

“(D) the quantity of energy savings expected to be derived from the activity, as demonstrated by an energy audit comparable to an energy audit under subsection (b);

“(E) the estimated period of time for the energy savings generated by the activity to equal the cost of the activity;

“(F) the expected energy efficiency of the renewable energy system; and

“(G) other appropriate factors.

“(3) FEASIBILITY STUDIES.—

“(A) IN GENERAL.—The Secretary may provide assistance in the form of grants to an agricultural producer or rural small business to conduct a feasibility study for a project for which assistance may be provided under this subsection.

“(B) LIMITATION.—The Secretary shall use not more than 10 percent of the funds made available to carry out this subsection to provide assistance described in subparagraph (A).

“(C) AVOIDANCE OF DUPLICATIVE ASSISTANCE.—An entity shall be ineligible to receive assistance to carry out a feasibility study for a project under this paragraph if the entity has received Federal or State assistance for a feasibility study for the project.

“(4) LIMITS.—

“(A) GRANTS.—The amount of a grant under this subsection shall not exceed 25 percent of the cost of the activity carried out using funds from the grant.

“(B) LOAN GUARANTEES.—

“(i) MAXIMUM AMOUNT.—The amount of a loan guaranteed under this subsection shall not exceed \$25,000,000.

“(ii) MAXIMUM PERCENTAGE.—A loan guaranteed under this subsection shall not exceed 75 percent of the cost of the activity carried out using funds from the loan.

“(5) PRODUCTION-BASED INCENTIVE PAYMENTS IN LIEU OF GRANTS.—

“(A) IN GENERAL.—In addition to the authority under subsection (b), to encourage the production of electricity from renewable energy systems, the Secretary, on receipt of a request of an eligible applicant under this section, shall make production-based incentive payments to the applicant in lieu of a grant.

“(B) CONTINGENCY.—A payment under subparagraph (A) shall be contingent on documented energy production and sales by the renewable energy system of the eligible applicant to a third party.

“(C) LIMITATION.—The total net present value of a production-based incentive payment under this paragraph shall not exceed the lesser of—

“(i) an amount equal to 25 percent of the eligible project costs, as determined by the Secretary; and

“(ii) such other limit as the Secretary may establish, by rule or guidance.

“(d) FINANCIAL ASSISTANCE FOR FACILITIES TO CONVERT ANIMAL MANURE TO ENERGY.—

“(1) DEFINITION OF ANIMAL MANURE.—In this subsection, the term ‘animal manure’ means agricultural livestock excrement, including litter, wood shavings, straw, rice hulls, bedding material, and other materials incidentally collected with the manure.

“(2) GRANTS AND LOAN GUARANTEES.—The Secretary shall make grants and loan guarantees to eligible entities on a competitive basis for the installation, operation, and evaluation of facilities described in paragraph (4).

“(3) ELIGIBLE ENTITIES.—To be eligible to receive a grant or loan guarantee under this subsection, an entity shall be—

“(A) an agricultural producer;

“(B) a rural small business;

“(C) a rural cooperative; or

“(D) any other similar entity, as determined by the Secretary.

“(4) ELIGIBLE FACILITIES.—

“(A) IN GENERAL.—Subject to subparagraphs (B) through (E), an eligible entity may receive a grant or loan guarantee under this subsection for the installation, first-year operation, and evaluation of an on-farm or community facility (such as a digester or power generator using manure for fuel) the primary function of which is to convert animal manure into a useful form of energy (including gaseous or liquid fuel or electricity).

“(B) SUBSYSTEMS INCLUDED.—Funds from a grant and loan guarantee under subparagraph (A) may be used for systems that support an on-farm or community facility described in that subparagraph, which may include feedstock gathering systems and gas piping systems.

“(C) CONVERSION OF RENEWABLE BIOMASS.—An eligible entity may use a grant or loan guarantee provided under this subsection to convert renewable biomass other than animal manure (such as waste materials from food processing facilities and other green wastes) into energy at a facility if the majority of materials converted into energy at the facility is animal manure.

“(D) DEVELOPMENT AND DEMONSTRATION OF NEW TECHNOLOGIES.—An eligible entity may use a grant or loan guarantee provided under this subsection for the installation, demonstration, and first 2 years of operation of an on-farm or community facility that uses manure-to-energy technologies—

“(i) that are not in commercial use, as determined by the Secretary; and

“(ii) for which sufficient research has been conducted for the Secretary to determine that the technology is commercially viable.

“(5) SELECTION OF ELIGIBLE ENTITIES.—In selecting applications for grants and loan guarantees under this subsection, the Secretary shall consider—

“(A) the quality of energy produced; and

“(B) the projected net energy conversion efficiency, which shall be equal to the quotient obtained by dividing—

“(i) the energy output of the eligible facility; by

“(ii) the sum of—

“(I) the energy content of animal manure at the point of collection; and

“(II) the energy consumed in facility operations, including feedstock transportation;

“(C) environmental issues, including potential positive and negative impacts on water quality, air quality, odor emissions, pathogens, and soil quality resulting from—

“(i) the use and conversion of animal manure into energy;

“(ii) the installation and operation of the facility; and

“(iii) the disposal of any waste products (including effluent) from the facility;

“(D) the net impact of the facility and any waste from the facility on greenhouse gas emissions, based on the estimated emissions from manure storage systems in use before the installation of the manure-to-energy facility;

“(E) diversity factors, including diversity of—

“(i) sizes of projects supported; and

“(ii) geographic locations; and

“(F) the proposed project costs and levels of grants or loan guarantees requested.

“(6) AMOUNT.—

“(A) GRANTS.—

“(i) SMALLER PROJECTS.—In the case of a project with a total eligible cost (as described in paragraph (4)) of not more than \$500,000, the amount of a grant made under this subsection shall not exceed 50 percent of the total eligible cost.

“(ii) LARGER PROJECTS.—In the case of a project with a total eligible cost (as described in paragraph (4)) of more than \$500,000, the amount of a grant made under this subsection shall not exceed the greater of—

“(I) \$250,000; or

“(II) 25 percent of the total eligible cost.

“(iii) MAXIMUM.—In no case shall the amount of a grant made under this section exceed \$2,000,000.

“(B) LOAN GUARANTEES.—The principal amount and interest of a loan guaranteed under this subsection may not exceed the lesser of—

“(i) 80 percent of the difference between—
“(I) the total cost to install and operate the eligible facility for the first year, as determined by the Secretary; and

“(II) the amount of any Federal, State, and local funds received to support the eligible facility; and

“(ii) \$25,000,000.

“(7) PROHIBITION.—A grant or loan guarantee may not be provided for a project under this subsection that also receives assistance under subsection (b) or (c).

“(e) ROLE OF STATE RURAL DEVELOPMENT DIRECTOR.—

“(1) OUTREACH AND AVAILABILITY OF INFORMATION.—

“(A) OUTREACH.—A State rural development director, acting through local rural development offices, shall provide outreach regarding the availability of financial assistance under this section.

“(B) AVAILABILITY OF INFORMATION.—A State rural development director shall make available information relating to the availability of financial assistance under this section at all local rural development, Farm Service Agency, and Natural Resources Conservation Service offices.

“(2) APPLICATION REVIEW.—Applications for assistance under this section shall be reviewed by the appropriate State rural development director.

“(f) SMALL PROJECTS.—

“(1) APPLICATION AND REVIEW PROCESS.—The Secretary shall develop a streamlined application and expedited review process for project applicants seeking less than \$20,000 under this section.

“(2) PERCENTAGE OF FUNDS.—Not less than 20 percent of the funds made available under subsection (k)(1) shall be made available to make grants under this section in an amount of less than \$20,000.

“(g) PREFERENCE.—In selecting projects to receive grants under this section, the Secretary shall give preference to projects that receive or will receive financial support from the State in which the project is carried out.

“(h) RURAL ENERGY STAR.—The Secretary, in coordination with the Administrator and the Secretary of Energy, shall extend the Energy Star program established by section 324A of the Energy Policy and Conservation Act (42 U.S.C. 6294a) to include a Rural Energy Star component to promote the development and use of energy-efficient equipment and facilities in the agricultural sector.

“(i) REPORTS.—Not later than 4 years after the date of enactment of the Food and Energy Security Act of 2007, the Secretary shall submit to Congress a report on the implementation of this section, including the outcomes achieved by projects funded under this section.

“(j) FUNDING.—

“(1) COMMODITY CREDIT CORPORATION.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available \$300,000,000 to carry out subsections (c) and (d) for fiscal year 2008, to remain available until expended, of which not less than 15 percent shall be used to carry out subsection (d).

“(2) AUTHORIZATION OF APPROPRIATIONS.—In addition to any other funds made available to carry out this section, there are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2008 through 2012.

“SEC. 9008. BIOMASS RESEARCH AND DEVELOPMENT ACT OF 2000.

“(a) DEFINITIONS.—In this section:

“(1) BIOBASED PRODUCT.—The term ‘biobased product’ means—

“(A) an industrial product (including chemicals, materials, and polymers) produced from biomass; and

“(B) a commercial or industrial product (including animal feed and electric power) derived in connection with the conversion of biomass to fuel.

“(2) DEMONSTRATION.—The term ‘demonstration’ means demonstration of technology in a pilot plant or semi-works scale facility.

“(3) INITIATIVE.—The term ‘Initiative’ means the Biomass Research and Development Initiative established under subsection (e).

“(4) NATIONAL LABORATORY.—The term ‘National Laboratory’ has the meaning given that term in section 2 of the Energy Policy Act of 2005 (42 U.S.C. 15801).

“(5) POINT OF CONTACT.—The term ‘point of contact’ means a point of contact designated under this section.

“(b) COOPERATION AND COORDINATION IN BIOMASS RESEARCH AND DEVELOPMENT.—

“(1) IN GENERAL.—The Secretary of Agriculture and the Secretary of Energy shall cooperate with respect to, and coordinate, policies and procedures that promote research and development leading to the production of biofuels and biobased products.

“(2) POINTS OF CONTACT.—

“(A) IN GENERAL.—To coordinate research and development programs and activities relating to biofuels and biobased products that are carried out by their respective departments—

“(i) the Secretary of Agriculture shall designate, as the point of contact for the Department of Agriculture, an officer of the Department of Agriculture appointed by the President to a position in the Department before the date of the designation, by and with the advice and consent of the Senate; and

“(ii) the Secretary of Energy shall designate, as the point of contact for the Department of Energy, an officer of the Department of Energy appointed by the President to a position in the Department before the date of the designation, by and with the advice and consent of the Senate.

“(B) DUTIES.—The points of contact shall jointly—

“(i) assist in arranging interlaboratory and site-specific supplemental agreements for research and development projects relating to biofuels and biobased products;

“(ii) serve as cochairpersons of the Board;

“(iii) administer the Initiative; and

“(iv) respond in writing to each recommendation of the Advisory Committee made under subsection (d).

“(c) BIOMASS RESEARCH AND DEVELOPMENT BOARD.—

“(1) ESTABLISHMENT.—There is established the Biomass Research and Development Board, which shall supersede the Interagency Council on Biobased Products and Bioenergy established by Executive Order No. 13134 (7 U.S.C. 8101 note), to coordinate programs within and among departments and agencies of the Federal Government for the purpose of promoting the use of biofuels and biobased products by—

“(A) maximizing the benefits deriving from Federal grants and assistance; and

“(B) bringing coherence to Federal strategic planning.

“(2) MEMBERSHIP.—The Board shall consist of—

“(A) the point of contact of the Department of Energy designated under subsection (b)(2)(A)(ii), who shall serve as cochairperson of the Board;

“(B) the point of contact of the Department of Agriculture designated under subsection (b)(2)(A)(i), who shall serve as cochairperson of the Board;

“(C) a senior officer of each of the Department of the Interior, the Environmental Protection Agency, the National Science Foun-

ation, and the Office of Science and Technology Policy, each of whom shall—

“(i) be appointed by the head of the respective agency; and

“(ii) have a rank that is equivalent to the rank of the points of contact; and

“(D) at the option of the Secretary of Agriculture and the Secretary of Energy, other members appointed by the Secretaries (after consultation with the members described in subparagraphs (A) through (C)).

“(3) DUTIES.—The Board shall—

“(A) coordinate research and development activities relating to biofuels and biobased products—

“(i) between the Department of Agriculture and the Department of Energy; and

“(ii) with other departments and agencies of the Federal Government;

“(B) provide recommendations to the points of contact concerning administration of this title;

“(C) ensure that—

“(i) solicitations are open and competitive with awards made annually; and

“(ii) objectives and evaluation criteria of the solicitations are clearly stated and minimally prescriptive, with no areas of special interest; and

“(D) ensure that the panel of scientific and technical peers assembled under subsection (e) to review proposals is composed predominantly of independent experts selected from outside the Departments of Agriculture and Energy.

“(4) FUNDING.—Each agency represented on the Board is encouraged to provide funds for any purpose under this section.

“(5) MEETINGS.—The Board shall meet at least quarterly to enable the Board to carry out the duties of the Board under paragraph (3).

“(d) BIOMASS RESEARCH AND DEVELOPMENT TECHNICAL ADVISORY COMMITTEE.—

“(1) ESTABLISHMENT.—There is established the Biomass Research and Development Technical Advisory Committee, which shall supersede the Advisory Committee on Biobased Products and Bioenergy established by Executive Order No. 13134 (7 U.S.C. 8101 note)—

“(A) to advise the Secretary of Energy, the Secretary of Agriculture, and the points of contact concerning—

“(i) the distribution of funding;

“(ii) the technical focus and direction of requests for proposals issued under the Initiative; and

“(iii) procedures for reviewing and evaluating the proposals;

“(B) to facilitate consultations and partnerships among Federal and State agencies, agricultural producers, industry, consumers, the research community, and other interested groups to carry out program activities relating to the Initiative; and

“(C) to evaluate and perform strategic planning on program activities relating to the Initiative.

“(2) MEMBERSHIP.—

“(A) IN GENERAL.—The Advisory Committee shall consist of—

“(i) an individual affiliated with the biofuels industry;

“(ii) an individual affiliated with the biobased industrial and commercial products industry;

“(iii) an individual affiliated with an institution of higher education who has expertise in biofuels and biobased products;

“(iv) 2 prominent engineers or scientists from government or academia who have expertise in biofuels and biobased products;

“(v) an individual affiliated with a commodity trade association;

“(vi) 2 individuals affiliated with an environmental or conservation organization;

“(vii) an individual associated with State government who has expertise in biofuels and biobased products;

“(viii) an individual with expertise in energy and environmental analysis;

“(ix) an individual with expertise in the economics of biofuels and biobased products;

“(x) an individual with expertise in agricultural economics;

“(xi) an individual with expertise in plant biology and biomass feedstock development; and

“(xii) at the option of the points of contact, other members.

“(B) APPOINTMENT.—The members of the Advisory Committee shall be appointed by the points of contact.

“(3) DUTIES.—The Advisory Committee shall—

“(A) advise the points of contact with respect to the Initiative; and

“(B) evaluate whether, and make recommendations in writing to the Board to ensure that—

“(i) funds authorized for the Initiative are distributed and used in a manner that is consistent with the objectives, purposes, and considerations of the Initiative;

“(ii) solicitations are open and competitive with awards made annually and that objectives and evaluation criteria of the solicitations are clearly stated and minimally prescriptive, with no areas of special interest;

“(iii) the points of contact are funding proposals under this title that are selected on the basis of merit, as determined by an independent panel of scientific and technical peers predominantly from outside the Departments of Agriculture and Energy; and

“(iv) activities under this section are carried out in accordance with this section.

“(4) COORDINATION.—To avoid duplication of effort, the Advisory Committee shall coordinate the activities of the Advisory Committee with activities of other Federal advisory committees working in related areas.

“(5) MEETINGS.—The Advisory Committee shall meet at least quarterly to enable the Advisory Committee to carry out the duties of the Advisory Committee.

“(6) TERMS.—Members of the Advisory Committee shall be appointed for a term of 3 years.

“(e) BIOMASS RESEARCH AND DEVELOPMENT INITIATIVE.—

“(1) IN GENERAL.—The Secretary of Agriculture and the Secretary of Energy, acting through their respective points of contact and in consultation with the Board, shall establish and carry out a Biomass Research and Development Initiative under which competitively awarded grants, contracts, and financial assistance are provided to, or entered into with, eligible entities to carry out research on, and development and demonstration of, biofuels and biobased products, and the methods, practices, and technologies, for the production of the fuels and product.

“(2) OBJECTIVES.—The objectives of the Initiative are to develop—

“(A) technologies and processes necessary for abundant commercial production of biofuels at prices competitive with fossil fuels;

“(B) high-value biobased products—

“(i) to enhance the economic viability of biofuels and bioenergy;

“(ii) as substitutes for petroleum-based feedstocks and products; and

“(iii) to enhance the value of coproducts produced using the technologies and processes; and

“(C) a diversity of sustainable domestic sources of renewable biomass for conversion to biofuels, bioenergy, and biobased products.

“(3) PURPOSES.—The purposes of the Initiative are—

“(A) to increase the energy security of the United States;

“(B) to create jobs and enhance the economic development of the rural economy;

“(C) to enhance the environment and public health; and

“(D) to diversify markets for raw agricultural and forestry products.

“(4) TECHNICAL AREAS.—To advance the objectives and purposes of the Initiative, the Secretary of Agriculture and the Secretary of Energy, in consultation with the Administrator of the Environmental Protection Agency and heads of other appropriate departments and agencies (referred to in this subsection as the ‘Secretaries’), shall direct research, development, and demonstration toward—

“(A) feedstocks and feedstock systems relevant to production of raw materials for conversion to biofuels and biobased products, including—

“(i) development of advanced and dedicated crops with desired features, including enhanced productivity, broader site range, low requirements for chemical inputs, and enhanced processing;

“(ii) advanced crop production methods to achieve the features described in clause (i) and suitable assay techniques for those features;

“(iii) feedstock harvest, handling, transport, and storage;

“(iv) strategies for integrating feedstock production into existing managed land; and

“(v) improving the value and quality of coproducts, including material used for animal feeding;

“(B) development of cost-effective technologies for the use of cellulosic biomass in the production of biofuels and biobased products, including—

“(i) pretreatment in combination with enzymatic or microbial hydrolysis;

“(ii) thermochemical approaches, including gasification and pyrolysis; and

“(iii) self-processing crops that express enzymes capable of degrading cellulosic biomass;

“(C) product diversification through technologies relevant to production of a range of biobased products (including chemicals, animal feeds, and cogenerated power) that eventually can increase the feasibility of fuel production in a biorefinery, including—

“(i) catalytic processing, including thermochemical fuel production;

“(ii) metabolic engineering, enzyme engineering, and fermentation systems for biological production of desired products, coproducts, or cogeneration of power;

“(iii) product recovery;

“(iv) power production technologies;

“(v) integration into existing renewable biomass processing facilities, including starch ethanol plants, sugar processing or refining plants, paper mills, and power plants;

“(vi) enhancement of products and coproducts, including dried distillers grains; and

“(vii) technologies that allow for cost-effective harvest, handling, transport, and storage; and

“(D) analysis that provides strategic guidance for the application of renewable biomass technologies in accordance with realization of improved sustainability and environmental quality, cost effectiveness, security, and rural economic development, usually featuring system-wide approaches, including the harvest, handling, transport, and storage of renewable biomass.

“(5) ADDITIONAL CONSIDERATIONS.—Within the technical areas described in paragraph (4), and in addition to advancing the purposes described in paragraph (3) and the objectives described in paragraph (2), the Sec-

retaries shall support research and development—

“(A) to create continuously expanding opportunities for participants in existing biofuels production by seeking synergies and continuity with current technologies and practices, such as improvements in dried distillers grains and other biofuel production coproducts for use as bridge feedstocks;

“(B) to maximize the environmental, economic, and social benefits of production of biofuels and biobased products on a large scale through life-cycle economic and environmental analysis and other means; and

“(C) to assess the potential of Federal land and land management programs as feedstock resources for biofuels and biobased products, consistent with the integrity of soil and water resources and with other environmental considerations.

“(6) ELIGIBLE ENTITIES.—To be eligible for a grant, contract, or assistance under this subsection, an applicant shall be—

“(A) an institution of higher education;

“(B) a National Laboratory;

“(C) a Federal research agency;

“(D) a State research agency;

“(E) a private sector entity;

“(F) a nonprofit organization; or

“(G) a consortium of 2 or more entities described in subparagraphs (A) through (F).

“(7) ADMINISTRATION.—

“(A) IN GENERAL.—After consultation with the Board, the points of contact shall—

“(i) publish annually 1 or more joint requests for proposals for grants, contracts, and assistance under this subsection;

“(ii) require that grants, contracts, and assistance under this section be awarded competitively, on the basis of merit, after the establishment of procedures that provide for scientific peer review by an independent panel of scientific and technical peers;

“(iii) give partial preference to applications that—

“(I) involve a consortia of experts from multiple institutions;

“(II) encourage the integration of disciplines and application of the best technical resources; and

“(III) increase the geographic diversity of demonstration projects; and

“(iv) require that not less than 15 percent of funds made available to carry out this section is used for research and development relating to each of the technical areas described in paragraph (4).

“(B) MATCHING FUNDS.—

“(i) IN GENERAL.—The non-Federal share of the cost of a demonstration project under this section shall be not less than 20 percent.

“(ii) COMMERCIAL APPLICATIONS.—The non-Federal share of the cost of a commercial application project under this section shall be not less than 50 percent.

“(C) TECHNOLOGY AND INFORMATION TRANSFER TO AGRICULTURAL USERS.—The Administrator of the National Institute of Food and Agriculture and the Chief of the Natural Resources Conservation Service shall ensure that applicable research results and technologies from the Initiative are—

“(i) adapted, made available, and disseminated through those services, as appropriate; and

“(ii) included in the best practices database established under section 220 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6920).

“(f) ADMINISTRATIVE SUPPORT AND FUNDS.—

“(1) IN GENERAL.—To the extent administrative support and funds are not provided by other agencies under paragraph (2), the Secretary of Energy and the Secretary of Agriculture may provide such administrative support and funds of the Department of Energy and the Department of Agriculture to the Board and the Advisory Committee as

are necessary to enable the Board and the Advisory Committee to carry out their duties under this section.

“(2) OTHER AGENCIES.—The heads of the agencies referred to in subsection (c)(2)(C), and the other members of the Board appointed under subsection (c)(2)(D), may, and are encouraged to, provide administrative support and funds of their respective agencies to the Board and the Advisory Committee.

“(3) LIMITATION.—Not more than 4 percent of the amount made available for each fiscal year under subsection (h) may be used to pay the administrative costs of carrying out this section.

“(g) REPORTS.—

“(1) ANNUAL REPORTS.—For each fiscal year for which funds are made available to carry out this section, the Secretary of Energy and the Secretary of Agriculture shall jointly submit to Congress a detailed report on—

“(A) the status and progress of the Initiative, including a report from the Advisory Committee on whether funds appropriated for the Initiative have been distributed and used in a manner that—

“(i) is consistent with the objectives, purposes, and additional considerations described in paragraphs (2) through (5) of subsection (e);

“(ii) uses the set of criteria established in the initial report submitted under title III of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 7624 note; Public Law 106-224) (as in effect on the date before the date of enactment of the Food and Energy Security Act of 2007); and

“(iii) takes into account any recommendations that have been made by the Advisory Committee;

“(B) the general status of cooperation and research and development efforts carried out at each agency with respect to biofuels and biobased products, including a report from the Advisory Committee on whether the points of contact are funding proposals that are selected under subsection (d)(3)(B)(iii); and

“(C) the plans of the Secretary of Energy and the Secretary of Agriculture for addressing concerns raised in the report, including concerns raised by the Advisory Committee.

“(2) UPDATES.—The Secretary of Agriculture and the Secretary of Energy shall update the Vision and Roadmap documents prepared for Federal biomass research and development activities.

“(h) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall use to carry out this section \$345,000,000 for the period of fiscal years 2008 through 2012, to remain available until expended.

“SEC. 9009. SUN GRANT PROGRAM.

“(a) PURPOSES.—The purposes of the programs established under this section are—

“(1) to enhance national energy security through the development, distribution, and implementation of biobased energy technologies;

“(2) to promote diversification in, and the environmental sustainability of, agricultural production in the United States through biobased energy and product technologies;

“(3) to promote economic diversification in rural areas of the United States through biobased energy and product technologies; and

“(4) to enhance the efficiency of bioenergy and biomass research and development programs through improved coordination and collaboration between the Department of Agriculture, the Department of Energy, and the land-grant colleges and universities.

“(b) DEFINITION OF LAND-GRANT COLLEGES AND UNIVERSITIES.—The term ‘land-grant colleges and universities’ means—

“(1) 1862 Institutions (as defined in section 2 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7601));

“(2) 1890 Institutions (as defined in section 2 of that Act) and West Virginia State College; and

“(3) 1994 Institutions (as defined in section 2 of that Act).

“(c) ESTABLISHMENT.—To carry out the purposes described in subsection (a), the Secretary shall provide grants to sun grant centers specified in subsection (d).

“(d) GRANTS TO CENTERS.—The Secretary shall use amounts made available for a fiscal year under subsection (j) to provide a grants in equal amounts to each of the following sun grant centers:

“(1) NORTH-CENTRAL CENTER.—A north-central sun grant center at South Dakota State University for the region composed of the States of Illinois, Indiana, Iowa, Minnesota, Montana, Nebraska, North Dakota, South Dakota, Wisconsin, and Wyoming.

“(2) SOUTHEASTERN CENTER.—A southeastern sun grant center at the University of Tennessee at Knoxville for the region composed of—

“(A) the States of Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia;

“(B) the Commonwealth of Puerto Rico; and

“(C) the United States Virgin Islands.

“(3) SOUTH-CENTRAL CENTER.—A south-central sun grant center at Oklahoma State University for the region composed of the States of Arkansas, Colorado, Kansas, Louisiana, Missouri, New Mexico, Oklahoma, and Texas.

“(4) WESTERN CENTER.—A western sun grant center at Oregon State University for the region composed of—

“(A) the States of Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, Utah, and Washington; and

“(B) territories and possessions of the United States (other than the territories referred to in subparagraphs (B) and (C) of paragraph (2)).

“(5) NORTHEASTERN CENTER.—A northeastern sun grant center at Cornell University for the region composed of the States of Connecticut, Delaware, Massachusetts, Maryland, Maine, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, and West Virginia.

“(6) WESTERN INSULAR PACIFIC SUB-CENTER.—A western insular Pacific subcenter at the University of Hawaii for the region composed of the State of Alaska, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

“(e) USE OF FUNDS.—

“(1) CENTERS OF EXCELLENCE.—Of the amount of funds that are made available for a fiscal year to a sun grant center under subsection (d), the center shall use not more than 25 percent of the amount to support excellence in science, engineering, and economics at the center to promote the purposes described in subsection (a) through the State agricultural experiment station, cooperative extension services, and relevant educational programs of the university.

“(2) GRANTS TO LAND-GRANT COLLEGES AND UNIVERSITIES.—

“(A) IN GENERAL.—The sun grant center established for a region shall use the funds that remain available for a fiscal year after expenditures made under paragraph (1) to provide competitive grants to land-grant colleges and universities in the region of the sun grant center to conduct, consistent with the purposes described in subsection (a), multi-institutional and multistate—

“(i) research, extension, and educational programs on technology development; and

“(ii) integrated research, extension, and educational programs on technology implementation.

“(B) PROGRAMS.—Of the amount of funds that are used to provide grants for a fiscal year under subparagraph (A), the center shall use—

“(i) not less than 30 percent of the funds to carry out programs described in subparagraph (A)(i); and

“(ii) not less than 30 percent of the funds to carry out programs described in subparagraph (A)(ii).

“(3) INDIRECT COSTS.—A sun grant center may not recover the indirect costs of making grants under paragraph (2) to other land-grant colleges and universities.

“(f) PLAN.—

“(1) IN GENERAL.—Subject to the availability of funds under subsection (j), in cooperation with other land-grant colleges and universities and private industry in accordance with paragraph (2), the sun grant centers shall jointly develop and submit to the Secretary, for approval, a plan for addressing at the State and regional levels the bio-energy, biomass, and gasification research priorities of the Department of Agriculture and the Department of Energy for the making of grants under paragraphs (1) and (2) of subsection (e).

“(2) GASIFICATION COORDINATION.—

“(A) IN GENERAL.—In developing the plan under paragraph (1) with respect to gasification research, the sun grant centers identified in paragraphs (1) and (2) of subsection (d) shall coordinate with land grant colleges and universities in their respective regions that have ongoing research activities with respect to the research.

“(B) FUNDING.—Funds made available under subsection (d) to the sun grant center identified in subsection (e)(2) shall be available to carry out planning coordination under paragraph (1) of this subsection.

“(g) GRANTS TO OTHER LAND-GRANT COLLEGES AND UNIVERSITIES.—

“(1) PRIORITY FOR GRANTS.—In making grants under subsection (e)(2), a sun grant center shall give a higher priority to programs that are consistent with the plan approved by the Secretary under subsection (f).

“(2) TERM OF GRANTS.—The term of a grant provided by a sun grant center under subsection (e)(2) shall not exceed 5 years.

“(h) GRANT INFORMATION ANALYSIS CENTER.—The sun grant centers shall maintain a Sun Grant Information Analysis Center at the sun grant center specified in subsection (d)(1) to provide sun grant centers analysis and data management support.

“(i) ANNUAL REPORTS.—Not later than 90 days after the end of a year for which a sun grant center receives a grant under subsection (d), the sun grant center shall submit to the Secretary a report that describes the policies, priorities, and operations of the program carried out by the center during the year, including a description of progress made in facilitating the priorities described in subsection (f).

“(j) FUNDING.—

“(1) COMMODITY CREDIT CORPORATION.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section, to remain available until expended—

“(A) \$5,000,000 for fiscal year 2008;

“(B) \$10,000,000 for fiscal year 2009; and

“(C) \$10,000,000 for fiscal year 2010.

“(2) AUTHORIZATION OF APPROPRIATIONS.—

“(A) IN GENERAL.—In addition to any other funds made available to carry out this section, there is authorized to be appropriated to carry out this section \$70,000,000 for each of fiscal years 2008 through 2012.

“(B) GRANT INFORMATION ANALYSIS CENTER.—Of amounts made available under subparagraph (A), not more than \$4,000,000 for each fiscal year shall be made available to carry out subsection (h).

“SEC. 9010. REGIONAL BIOMASS CROP EXPERIMENTS.

“(a) PURPOSE.—The purpose of this section is to initiate multi-region side-by-side crop experiments to provide a sound knowledge base on all aspects of the production of biomass energy crops, including crop species, nutrient requirements, management practices, environmental impacts, greenhouse gas implications, and economics.

“(b) CROP EXPERIMENTS.—

“(1) IN GENERAL.—The Secretary, in consultation with the Board, based on the recommendations of the Advisory Committee, shall award 10 competitive grants to land-grant colleges and universities (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)) to establish regional biomass crop research experiments (including experiments involving annuals, perennials, and woody biomass species).

“(2) SELECTION OF GRANT RECIPIENTS.—Grant recipients shall be selected on the basis of applications submitted in accordance with guidelines issued by the Secretary.

“(3) SELECTION CRITERIA.—In selecting grant recipients, the Secretary shall consider—

“(A) the capabilities and experience of the applicant in conducting side-by-side crop experiments;

“(B) the range of species types and cropping practices proposed for study;

“(C) the quality of the proposed crop experiment plan;

“(D) the commitment of the applicant of adequate acreage and necessary resources for, and continued participation in, the crop experiments;

“(E) the need for regional diversity among the 10 institutions selected; and

“(F) such other factors as the Secretary may determine.

“(c) GRANTS.—The Secretary shall make a grant to each land-grant college or university selected under subsection (b) in the amount of—

“(1) \$1,000,000 for fiscal year 2008;

“(2) \$2,000,000 for fiscal year 2009; and

“(3) \$1,000,000 for fiscal year 2010.

“(d) COORDINATION.—The Secretary shall coordinate with participants under this section—

“(1) to provide coordination regarding biomass crop research approaches; and

“(2) to ensure coordination between biomass crop research activities carried out by land-grant colleges and universities under this section and by sun grant centers under section 9009.

“(e) FUNDING.—

“(1) COMMODITY CREDIT CORPORATION.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section, to remain available until expended—

“(A) \$10,000,000 for fiscal year 2008;

“(B) \$20,000,000 for fiscal year 2009; and

“(C) \$10,000,000 for fiscal year 2010.

“(2) AUTHORIZATION OF APPROPRIATIONS.—In addition to any other funds made available to carry out this section, there are authorized to be appropriated such sums as necessary to carry out this section for each of fiscal years 2008 through 2012.

“SEC. 9011. BIOCHAR RESEARCH, DEVELOPMENT, AND DEMONSTRATION.

“(a) PURPOSE.—The purpose of this section is to support research, development, and demonstration of biochar as a coproduct of bioenergy production, as a soil enhancement

practice, and as a carbon management strategy.

“(b) DEFINITION OF BIOCHAR.—In this section, the term ‘biochar’ means charcoal or biomass-derived black carbon that is added to soil to improve soil fertility, nutrient retention, and carbon content.

“(c) GRANTS.—The Secretary shall award competitive grants to eligible entities to support biochar research, development, and demonstration projects on multiple scales, including laboratory biochar research and field trials, and biochar systems on a single farm scale, local community scale, and agricultural cooperative scale.

“(d) ELIGIBLE ENTITIES.—To be eligible to receive a grant under this section, an entity shall be an eligible entity described in section 9005(d).

“(e) AREAS OF BIOCHAR RESEARCH, DEVELOPMENT, AND DEMONSTRATION.—In carrying out this section, the Secretary shall solicit proposals for activities that include—

“(1) the installation and use of biochar production systems, including pyrolysis and thermocombustion systems, and the integration of biochar production with bioenergy and bioproducts production;

“(2) the study of agronomic effects of biochar usage in soils, including plant growth and yield effects for different application rates and soil types, and implications for water and fertilizer needs;

“(3) biochar characterization, including analysis of physical properties, chemical structure, product consistency and quality, and the impacts of those properties on the soil-conditioning effects of biochar in different soil types;

“(4) the study of effects of the use of biochar on the carbon content of soils, with an emphasis on the potential for biochar applications to sequester carbon;

“(5) the study of effects of biochar on greenhouse gas emissions relating to crop production, including nitrous oxide and carbon dioxide emissions from cropland;

“(6) the study of the integration of renewable energy and bioenergy production with biochar production;

“(7) the study of the economics of biochar production and use, including considerations of feedstock competition, synergies of coproduction with bioenergy, the value of soil enhancements, and the value of soil carbon sequestration; and

“(8) such other topics as are identified by the Secretary.

“(f) FUNDING.—There is authorized to be appropriated to carry out this section \$3,000,000 for each of fiscal years 2008 through 2012.

“SEC. 9012. RENEWABLE WOODY BIOMASS FOR ENERGY.

“(a) IN GENERAL.—The Secretary, acting through the Chief of the Forest Service referred to in this section as the ‘Secretary’, shall conduct a competitive research, technology development, and technology application program to encourage the use of renewable woody biomass for energy.

“(b) ELIGIBLE ENTITIES.—Entities eligible to compete under the program shall include—

“(1) the Forest Service (through Research and Development);

“(2) other Federal agencies;

“(3) State and local governments;

“(4) federally recognized Indian tribes;

“(5) colleges and universities; and

“(6) private entities.

“(c) PRIORITY FOR PROJECT SELECTION.—The Secretary shall give priority under the program to projects that—

“(1) develop technology and techniques to use low-value woody biomass sources, such as byproducts of forest health treatments and hazardous fuels reduction, for the production of energy;

“(2) develop processes that integrate production of energy from woody biomass into biorefineries or other existing manufacturing streams;

“(3) develop new transportation fuels from woody biomass; and

“(4) improve the growth and yield of trees intended for renewable energy production.

“(d) 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.

“SEC. 9013. COMMUNITY WOOD ENERGY PROGRAM.

“(a) DEFINITIONS.—In this section:

“(1) COMMUNITY WOOD ENERGY PLAN.—The term ‘community wood energy plan’ means a plan that identifies how local forests can be accessed in a sustainable manner to help meet the wood supply needs of a community wood energy system.

“(2) COMMUNITY WOOD ENERGY SYSTEM.—

“(A) IN GENERAL.—The term ‘community wood energy system’ means an energy system that—

“(i) services schools, town halls, libraries, and other public buildings; and

“(ii) uses woody biomass as the primary fuel.

“(B) INCLUSIONS.—The term ‘community wood energy system’ includes single facility central heating, district heating, combined heat and energy systems, and other related biomass energy systems.

“(b) GRANT PROGRAM.—

“(1) IN GENERAL.—The Secretary, acting through the Chief of the Forest Service, shall establish a program to be known as the ‘Community Wood Energy Program’ to provide—

“(A) grants of up to \$50,000 to State and local governments (or designees)—

“(i) to conduct feasibility studies related to community wood energy plans; and

“(ii) to develop community wood energy plans; and

“(B) competitive grants to State and local governments—

“(i) to acquire or upgrade community wood energy systems for public buildings; and

“(ii) to implement a community wood energy plan.

“(2) CONSIDERATIONS.—In selecting applicants for grants under paragraph (1)(B), the Secretary shall consider—

“(A) the energy efficiency of the proposed system; and

“(B) other conservation and environmental criteria that the Secretary considers appropriate.

“(c) COMMUNITY WOOD ENERGY PLAN.—

“(1) IN GENERAL.—A State or local government that receives a grant under subsection (b)(1)(A), shall use the grant, and the technical assistance of the State forester, to create a community wood energy plan to meet the wood supply needs of the community wood energy system, in a sustainable manner, that the State or local government proposes to purchase under this section.

“(2) USE OF PLAN.—A State or local government applying to receive a competitive grant described in subsection (b)(1)(B) shall submit to the Secretary as part of the grant application the applicable community wood energy plan described in paragraph (1).

“(3) REQUIREMENT.—To be included in a community wood energy plan, property shall be subject to a forest management plan.

“(d) USE IN PUBLIC BUILDINGS.—A State or local government that receives a grant under subsection (b)(1)(B) shall use a community wood energy system acquired, in whole or in part, with the use of the grant funds for primary use in a public facility owned by the State or local government.

“(e) LIMITATION.—A community wood energy system acquired with grant funds provided under subsection (b)(1)(B) shall not exceed an output of—

- “(1) 50,000,000 Btu per hour for heating; and
- “(2) 2 megawatts for electric power production.

“(f) MATCHING FUNDS.—A State or local government that receives a grant under subsection (b) shall contribute an amount of non-Federal funds towards the feasibility study, development of the community wood energy plan, or acquisition of the community wood energy systems that is at least equal to the amount of grant funds received by the State or local government under that subsection.

“(g) 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.

“SEC. 9014. RURAL ENERGY SYSTEMS RENEWAL.

“(a) PURPOSE.—The purpose of this section is to establish a Federal program—

“(1) to encourage communities in rural areas of the United States to establish energy systems renewal strategies for their communities;

“(2) to provide the information, analysis assistance, and guidance that the communities need; and

“(3) to provide financial resources to partially fund the costs of carrying out community energy systems renewal projects.

“(b) PROGRAM AUTHORITY.—The Secretary shall establish and carry out a program of competitive grants to support communities in rural areas in carrying out rural energy systems renewal projects.

“(c) USE OF GRANTS.—A community may use a grant provided under this section to carry out a project—

“(1) to conduct an energy assessment that assesses total energy usage by all members and activities of the community, including an assessment of—

“(A) energy used in community facilities, including energy for heating, cooling, lighting, and all other building and facility uses;

“(B) energy used in transportation by community members;

“(C) current sources and types of energy used;

“(D) energy embedded in other materials and products;

“(E) the major impacts of the energy usage (including the impact on the quantity of oil imported, total costs, the environment, and greenhouse gas emissions); and

“(F) such other activities as are determined appropriate by the community, consistent with the purposes described in subsection (a);

“(2) to formulate and analyze ideas for reducing conventional energy usage and greenhouse gas emissions by the community, including reduction of energy usage through—

“(A) housing insulation, automatic controls on lighting and electronics, zone energy usage, and home energy conservation practices;

“(B) transportation alternatives, vehicle options, transit options, transportation conservation, and walk- and bike-to-school programs;

“(C) community configuration alternatives to provide pedestrian access to regular services; and

“(D) community options for alternative energy systems (including alternative fuels, photovoltaic electricity, wind energy, geothermal heat pump systems, and combined heat and power);

“(3) to formulate and implement community strategies for reducing conventional energy usage and greenhouse gas emissions by the community;

“(4) to conduct assessments and to track and record the results of energy system changes; and

“(5) to train rural community energy professionals to provide expert support to community energy systems renewal projects.

“(d) FEDERAL SHARE.—The Federal cost of carrying out a project under this section shall be 50 percent of the total cost of the project.

“(e) ADMINISTRATION.—The Secretary shall—

“(1) issue, on an annual basis, requests for proposals from communities in rural areas for energy systems renewal projects; and

“(2) establish criteria for program participation and evaluation of projects carried out under this section, including criteria based on—

“(A) the quality of the renewal projects proposed;

“(B) the probability of success of the community in meeting the energy systems renewal goals of the community;

“(C) the projected energy savings (including oil savings) resulting from the proposed projects; and

“(D) projected greenhouse gas emission reductions resulting from the proposed projects.

“(f) TECHNICAL ASSISTANCE.—The Secretary, in consultation with the Secretary of Energy, shall—

“(1) develop, and provide through the National Institute of Food and Agriculture or State Energy Offices, information and tools that communities in rural areas can use—

“(A) to assess the current energy systems of the communities, including sources, uses, and impacts;

“(B) to identify and evaluate options for changes;

“(C) to develop strategies and plans for changes; and

“(D) to implement changes and assess the impact of the changes; and

“(2) provide technical assistance and support to communities in rural areas that receive grants under this section to assist the communities in carrying out projects under this section.

“(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 of the Senate a report that documents the best practices and approaches used by communities in rural areas that receive funds under this section.

“(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to make grants under this section \$5,000,000 for each of fiscal years 2008 through 2012.

“SEC. 9015. VOLUNTARY RENEWABLE BIOMASS CERTIFICATION PROGRAM.

“(a) ESTABLISHMENT.—The Secretary, in consultation with Administrator, shall establish a voluntary program to certify renewable biomass that meets sustainable growing standards designed—

“(1) to reduce greenhouse gases and improve soil carbon content;

“(2) to protect wildlife habitat; and

“(3) to protect air, soil, and water quality.

“(b) VOLUNTARY CERTIFICATION REQUIREMENTS.—To qualify for certification under the program established under subsection (a), a biomass crop shall be inspected and certified as meeting the standards adopted under subsection (c) by an inspector designated under subsection (d).

“(c) PRODUCTION STANDARDS.—

“(1) IN GENERAL.—The Secretary shall adopt standards for the certification of renewable biomass under subsection (b) that will apply to those producers who elect to

participate in the voluntary certification program.

“(2) REQUIREMENT.—The standards under paragraph (1) shall provide measurement of a numerical reduction in greenhouse gases, improvement to soil carbon content, and reduction in soil and water pollutants, based on the recommendations of an advisory committee jointly established by the Secretary and the Administrator.

“(d) INSPECTORS.—The Secretary shall designate inspectors that the Secretary determines are qualified to carry out inspections and certifications under subsection (b) in order to certify renewable biomass under this section.

“(e) DESIGNATION.—A product produced from renewable biomass that is certified under this section may be designated as having been produced from certified renewable biomass if—

“(1) the producer of the product verifies that the product was produced from renewable biomass; and

“(2) the verification includes a copy of the certification obtained in accordance with subsection (b).

“SEC. 9016. ADMINISTRATION.

“The Secretary shall designate an entity within the Department of Agriculture to—

“(1) provide oversight and coordination of all activities relating to renewable energy and biobased product development within the Department;

“(2) act as a liaison between the Department and other Federal, State, and local agencies to ensure coordination among activities relating to renewable energy and biobased product development;

“(3) assist agriculture researchers by evaluating the market potential of new biobased products in the initial phase of development;

“(4) collect and disseminate information relating to renewable energy and biobased product development programs, including research, within the Federal Government; and

“(5) establish and maintain a public database of best practices to facilitate information sharing relating to—

“(A) renewable energy and biobased product development from programs under this title and other programs; and

“(B) best practices for producing, collecting, harvesting, storing, and transporting crops of renewable biomass, as described under section 9004(d)(3)(B) of the Farm Security and Rural Investment Act of 2002.

“SEC. 9017. BIOFUELS INFRASTRUCTURE STUDY.

“(a) IN GENERAL.—The Secretary, in collaboration with the Secretary of Energy, the Administrator, and the Secretary of Transportation, shall—

“(1) conduct an assessment of the infrastructure needs for expanding the domestic production, transport, and marketing of biofuels and bioenergy;

“(2) formulate recommendations for infrastructure development needs and approaches; and

“(3) submit to the appropriate committees of Congress a report describing the assessment and recommendations.

“(b) INFRASTRUCTURE AREAS.—In carrying out subsection (a), the Secretary shall consider—

“(1) biofuel transport and delivery infrastructure issues, including shipment by rail or pipeline or barge;

“(2) biofuel storage needs;

“(3) biomass feedstock delivery needs, including adequacy of rural roads;

“(4) biomass feedstock storage needs;

“(5) water resource needs, including water requirements for biorefineries; and

“(6) such other infrastructure issues as the Secretary may determine.

“(c) CONSIDERATIONS.—In carrying out subsection (a), the Secretary shall consider—

“(1) estimated future biofuels production levels of—

“(A) 20,000,000,000 gallons per year to 40,000,000,000 gallons per year by 2020; and

“(B) 50,000,000,000 gallons per year to 75,000,000,000 gallons per year by 2030;

“(2) the feasibility of shipping biofuels through existing pipelines;

“(3) the development of new biofuels pipelines, including siting, financing, timing, and other economic issues;

“(4) the environmental implications of alternative approaches to infrastructure development; and

“(5) the resource use and conservation characteristics of alternative approaches to infrastructure development.

“(d) IMPLEMENTATION.—In carrying out this section, the Secretary—

“(1) shall consult with individuals and entities with interest or expertise in the areas described in subsections (b) and (c); and

“(2) may issue a solicitation for a competition to select a contractor to support the Secretary.

“(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$1,000,000 for each of fiscal years 2008 and 2009.

“SEC. 9018. RURAL NITROGEN FERTILIZER STUDY.

“(a) PURPOSES.—The purposes of this section are—

“(1) to assess the feasibility of producing nitrogen fertilizer from renewable energy resources in rural areas; and

“(2) to formulate recommendations for a program to promote rural nitrogen fertilizer production from renewable energy resources in the future.

“(b) STUDY.—The Secretary shall—

“(1) conduct a study to assess and summarize the current state of knowledge regarding the potential for the production of nitrogen fertilizer from renewable energy sources in rural areas;

“(2) identify the critical challenges to commercialization of rural production of nitrogen fertilizer from renewables; and

“(3) not later than 270 days after the date of enactment of this section, 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 summarizes the results of the activities described in paragraphs (1) and (2).

“(c) NEEDS.—

“(1) IN GENERAL.—Based on the results of the study described in subsection (b), the Secretary shall identify the critical needs to commercializing the rural production of nitrogen fertilizer from renewables, including—

“(A) identifying alternative processes for renewables-to-nitrogen fertilizer production;

“(B) identifying efficiency improvements that are necessary for each component of renewables-to-nitrogen fertilizer production processes to produce cost-competitive nitrogen fertilizer;

“(C) identifying research and technology priorities for the most promising technologies;

“(D) identifying economic analyses needed to better understand the commercial potential of rural nitrogen production from renewables;

“(E) identifying additional challenges impeding commercialization, including—

“(i) cost competition from nitrogen fertilizer produced using natural gas and coal;

“(ii) modifications or expansion needed to the currently-installed nitrogen fertilizer (anhydrous ammonia) pipeline and storage tank system to enable interconnection of on-

farm or rural renewables-to-nitrogen fertilizer systems;

“(iii) impact on nitrogen fertilizer (anhydrous ammonia) transportation infrastructure and safety regulations;

“(iv) supply of competitively-priced renewable electricity; and

“(v) impacts on domestic water supplies; and

“(F) determining greenhouse gas reduction benefits of producing nitrogen fertilizer from renewable energy.

“(d) PROGRAM RECOMMENDATIONS.—As part of the report described in subsection (b)(3) and based on the needs identified in subsection (c), the Secretary shall provide recommendations on—

“(1) the establishment of a research, development, and demonstration program to support commercialization of rural nitrogen production using renewables;

“(2) the appropriate contents of the program;

“(3) the appropriate approach to implementing the program, including participants and funding plans; and

“(4) legislation to support commercialization of rural nitrogen production using renewables.

“(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$1,000,000 for fiscal year 2008.

“SEC. 9019. STUDY OF LIFE-CYCLE ANALYSIS OF BIOFUELS.

“(a) IN GENERAL.—The Secretary, in consultation with the Secretary of Energy and the Administrator, shall conduct a study of—

“(1) published methods for evaluating the lifecycle greenhouse gas emissions of conventional fuels and biofuels; and

“(2) methods for performing simplified, streamlined lifecycle analyses of the greenhouse gas emissions of conventional fuels and biofuels.

“(b) REPORT.—Not later than 1 year after the date of enactment of this section, 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 describes the results of the study conducted under subsection (a), including recommendations for a method for performing a simplified, streamlined lifecycle analysis of the greenhouse gas emissions of biofuels and fossil fuels that includes—

“(1) greenhouse gas emissions relating to the production, extraction, transportation, storage, and waste disposal of the fuels and the feedstocks of the fuels, including the greenhouse gases associated with electrical and thermal energy inputs;

“(2) greenhouse gas emissions relating to the distribution, marketing, and use of the fuels; and

“(3) to the maximum extent practicable, direct and indirect greenhouse gas emissions from changes in land use and land cover that occur domestically or internationally as a result of biofuel feedstock production.

“(c) UPDATE.—Not later than 2 years after the date on which the Secretary submits the report under subsection (b), 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 update containing recommendations for an improved method for conducting lifecycle analysis of the greenhouse gas emissions of biofuels and fossil fuels that takes into account advances in the understanding of the emissions.

“SEC. 9020. E-85 FUEL PROGRAM.

“(a) DEFINITIONS.—In this section:

“(1) E-85 FUEL.—The term ‘E-85 fuel’ means a blend of gasoline at least 85 percent (or any

other percentage, but not less than 70 percent, as determined by the Secretary, by rule, to provide for requirements relating to cold start, safety, or vehicle functions) of the content of which is derived from ethanol.

“(2) ELIGIBLE FACILITY.—The term ‘eligible facility’ means an ethanol production facility, the majority ownership of which is comprised of agricultural producers.

“(b) PROGRAM.—The Secretary shall make grants under this section to eligible facilities—

“(1) to install E-85 fuel infrastructure, including infrastructure necessary—

“(A) for the direct retail sale of E-85 fuel, including E-85 fuel pumps and storage tanks; and

“(B) to directly market E-85 fuel to gas retailers, including in-line blending equipment, pumps, storage tanks, and load-out equipment; and

“(2) to provide subgrants to direct retailers of E-85 fuel that are located in a rural area (as defined in section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a))) for the purpose of installing E-85 fuel infrastructure for the direct retail sale of E-85 fuel, including E-85 fuel pumps and storage tanks.

“(c) COST SHARING.—

“(1) GRANTS.—The amount of a grant under this section shall be equal to 20 percent of the total costs of the installation of the E-85 fuel infrastructure, as determined by the Secretary.

“(2) RELATIONSHIP TO OTHER FEDERAL FUNDING.—The amount of a grant that an eligible facility receives under this section shall be reduced by the amount of other Federal funding that the eligible facility receives for the same purpose, as determined by the Secretary.

“(3) LIMITATION.—Not more than 70 percent of the total costs of E-85 fuel infrastructure provided assistance under this section shall be provided by the Federal Government and State and local governments.

“(d) AUTHORIZATION OF APPROPRIATIONS.—Subject to the availability of appropriations, there is authorized to be appropriated to carry out this section \$20,000,000 for the period of fiscal years 2008 through 2012, to remain available until expended.

“SEC. 9021. RESEARCH AND DEVELOPMENT OF RENEWABLE ENERGY.

“(a) IN GENERAL.—The Secretary, in conjunction with the Colorado Renewable Energy Collaboratory, shall carry out a research and development program relating to renewable energy—

“(1) to conduct research on and develop high-quality energy crops that—

“(A) have high energy production values;

“(B) are cost efficient for producers and refiners;

“(C) are well suited to high yields with minimal inputs in arid and semiarid regions; and

“(D) are regionally appropriate;

“(2) to conduct research on and develop biorefining and biofuels through multidisciplinary research, including research relating to—

“(A) biochemical engineering;

“(B) process engineering;

“(C) thermochemical engineering;

“(D) product engineering; and

“(E) systems engineering;

“(3) to develop cost-effective methods for the harvesting, handling, transport, and storage of cellulosic biomass feedstocks;

“(4) to conduct research on and develop fertilizers from biobased sources other than hydrocarbon fuels;

“(5) to develop energy- and water-efficient irrigation systems;

“(6) to research and develop water-efficient biofuel production technologies;

“(7) to research and develop additional biobased products;

“(8) in cooperation with the Department of Energy and the Department of Defense, to develop storage and conversion technologies for wind- and solar-generated power for small-scale and utility-scale generation facilities; and

“(9) in cooperation with the Department of Energy, to research fuel cell technologies for use in farm, ranch, and rural applications.

“(b) AUTHORIZATION OF APPROPRIATIONS.—

“(1) IN GENERAL.—There is authorized to be appropriated to carry out this section \$5,000,000 for each of fiscal years 2008 through 2012, to remain available until expended.

“(2) ADDITIONAL FUNDS.—In addition to funds made available under paragraph (1), there are authorized to be appropriated—

“(A) \$110,000,000 to the Under Secretary for Research, Education, and Economics, acting through the Agricultural Research Service, for cellulosic biofuel research for each of fiscal years 2008 through 2012; and

“(B) \$110,000,000 to the Secretary and the Secretary of Energy for the development of smaller-scale biorefineries and biofuel plants for each of fiscal years 2008 through 2012.

“SEC. 9022. NORTHEAST DAIRY NUTRIENT MANAGEMENT AND ENERGY DEVELOPMENT PROGRAM.

“(a) DEFINITIONS.—In this section:

“(1) CONSORTIUM.—The term ‘consortium’ means a collaboration of land-grant colleges or universities in the Northeast region that have programs devoted to dairy manure nutrient management and energy conversion from dairy manure.

“(2) LAND-GRANT COLLEGES AND UNIVERSITIES.—The term ‘land-grant colleges and universities’ has the meaning given the term in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103).

“(3) NORTHEAST REGION.—The term ‘Northeast region’ means the States of Connecticut, Delaware, Massachusetts, Maryland, Maine, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, and West Virginia.

“(4) PROGRAM.—The term ‘program’ means the dairy nutrient management and energy development program established under subsection (b).

“(b) ESTABLISHMENT.—The Secretary shall establish a dairy nutrient management and energy development program under which the Secretary shall provide funds to the consortium to carry out multistate, integrated research, extension, and demonstration projects for nutrient management and energy development in the Northeast Region.

“(c) STEERING COMMITTEE.—

“(1) IN GENERAL.—The consortium shall establish a steering committee to administer the program.

“(2) CHAIRPERSON.—For each calendar year, or for such other period as the consortium determines to be appropriate, the consortium shall select a chairperson of the steering committee in a manner that ensures that each member of the consortium is represented by a chairperson on a rotating basis.

“(3) BOARD.—

“(A) IN GENERAL.—The steering committee shall establish a board of directors to assist in the administration of the program.

“(B) COMPOSITION.—The board shall consist of representatives of—

“(i) dairy cooperatives and other producer groups;

“(ii) State departments of agriculture;

“(iii) conservation organizations; and

“(iv) other appropriate Federal and State agencies.

“(d) USE OF FUNDS.—

“(1) ADMINISTRATIVE COSTS.—The consortium may use not more than 10 percent of the total amount of funds provided to the consortium under this section to pay the administrative costs of the program.

“(2) GRANT PROGRAM.—

“(A) IN GENERAL.—The consortium shall use the amounts provided under this section to provide grants to applicants, including dairy cooperatives, producers and producer groups, State departments of agriculture and other appropriate State agencies, and institutions of higher education, to carry out integrated research, extension, and demonstration projects in the Northeast region to address manure nutrient management and energy development.

“(B) APPLICATIONS.—The steering committee established under subsection (c)(1), in coordination with the board established by the steering committee, shall annually publish 1 or more requests to receive applications for grants under this paragraph.

“(C) SELECTION.—

“(i) IN GENERAL.—The board of the steering committee shall select applications submitted under subparagraph (B) for grants under this paragraph—

“(I) on a competitive basis;

“(II) in accordance with such priority technical areas and distribution requirements as the steering committee may establish; and

“(III) in a manner that ensures, to the maximum extent practicable, that an equal quantity of resources is provided to each member of the consortium.

“(ii) REVIEW.—Before selecting any application under clause (i), the board shall ensure that the program proposed in the application is subject to a merit review by an independent panel of scientific experts with experience relating to the program.

“(iii) PRIORITY.—In selecting applications under clause (i), the board shall give priority to applications for programs that—

“(I) include multiorganizational partnerships, especially partnerships that include producers; and

“(II) attract the most current and applicable science for nutrient management and energy development that can be applied in the Northeast region.

“(D) COST SHARING.—An applicant that receives a grant under this paragraph shall provide not less than 20 percent of the cost of the project carried out by the applicant.

“(e) AVAILABILITY OF RESULTS.—The consortium shall ensure that the results of each project carried out pursuant to the program are made publicly available.

“(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

“SEC. 9023. FUTURE FARMSTEADS PROGRAM.

“(a) ESTABLISHMENT.—The Secretary shall establish a program to equip, in each of 5 regions of the United States chosen to represent different farming practices, a farm house and its surrounding fields, facilities, and forested areas with technologies to—

“(1) improve farm energy production and energy use efficiencies;

“(2) provide working examples to farmers; and

“(3) serve as an education, demonstration, and research facility that will teach graduate students whose focus of research is related to either renewable energy or energy conservation technologies.

“(b) GOALS.—The goals of the program established under subsection (a) shall be to—

“(1) advance farm energy use efficiencies and the on-farm production of renewable energies, along with advanced communication and control technologies with the latest in energy capture and conversion techniques,

thereby enhancing rural energy independence and creating new revenues for rural economies;

“(2) accelerate private sector and university research into the efficient on-farm production of renewable fuels and help educate the farming industry, students, and the general public; and

“(3) accelerate energy independence, including the production and the conservation of renewable energies on farms.

“(c) COLLABORATION PARTNERS.—The program under this section shall be carried out in partnership with regional land grant institutions, agricultural commodity commissions, biofuels companies, sensor and controls companies, and internet technology companies.

“(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.”

SEC. 9002. SENSE OF THE SENATE CONCERNING HIGHER LEVELS OF ETHANOL BLENDED GASOLINE.

(a) FINDINGS.—The Senate finds that, as of the date of enactment of this Act—

(1) annual ethanol production capacity totals 6,800,000,000 gallons;

(2) current and planned construction of ethanol refineries will likely increase annual ethanol production capacity to 12,000,000,000 to 13,000,000,000 gallons by December 31, 2009;

(3) under existing regulations, only gasoline blended with up to 10 percent ethanol (commonly known as “E-10”) may be consumed by nonflexible fuel vehicles;

(4) the total market demand for E-10—

(A) is limited to 10 percent of domestic motor fuel consumption; and

(B) is further constrained by State-administered reformulated gasoline regulations and regional infrastructure constraints;

(5) beyond the market demand for E-10, insufficient E-85 infrastructure exists to absorb the increased ethanol production beyond 12,000,000,000 to 13,000,000,000 gallons in the short term;

(6) the approval of intermediate blends of ethanol-blended gasoline, such as E-13, E-15, E-20, and higher blends, is critical to the uninterrupted growth of the United States biofuels industry; and

(7) maintaining the growth of the United States biofuels industry is a matter of national security and sustainable economic growth.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Secretary should—

(1) collaborate with the Secretary of Energy, the Secretary of Transportation, and the Administrator of the Environmental Protection Agency in conducting a study of the economic and environmental effects of intermediate blends of ethanol in United States fuel supply;

(2) ensure that the approval of intermediate blends of ethanol occurs after the appropriate tests have successfully concluded proving the drivability, compatibility, emissions, durability, and health effects of higher blends of ethanol-blended gasoline; and

(3) ensure that the approval of intermediate blends of ethanol-blended gasoline occurs by not later than 1 year after the date of enactment of this Act.

SEC. 9003. CONFORMING AMENDMENTS.

(a) BIOMASS RESEARCH AND DEVELOPMENT ACT OF 2000.—Title III of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 7624 note; Public Law 106-224) is repealed.

(b) MARKETING PROGRAM FOR BIOBASED PRODUCTS.—

(1) IMPLEMENTATION.—

(A) IN GENERAL.—The Secretary shall continue to carry out the designation and labeling of biobased products in accordance with

section 9002 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8102) as in effect on the day before the date of enactment of this Act until the date on which the Secretary is able to begin carrying out section 9002(a) of that Act (as amended by section 9001), which shall begin not later than 90 days after the date of enactment of this Act.

(B) EXISTING LISTINGS.—Biobased products designated and labeled under section 9002 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8102) as in effect on the day before the date of enactment of this Act shall continue to be considered designated and labeled biobased products after the date of enactment of this Act.

(C) PROPOSED ITEM DESIGNATIONS.—Notwithstanding any other provision of this Act or an amendment made by this Act, the Secretary shall have the authority to finalize the listings of any item proposed (prior to the date of enactment of this Act) to be designated in accordance with section 9002 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8102) as in effect on the day before the date of enactment of this Act.

(2) BIOENERGY EDUCATION AND AWARENESS CAMPAIGN.—Section 947 of the Energy Policy Act of 2005 (42 U.S.C. 16256) is repealed.

TITLE X—LIVESTOCK MARKETING, REGULATORY, AND RELATED PROGRAMS **Subtitle A—Marketing**

SEC. 10001. LIVESTOCK MANDATORY REPORTING.

(a) MANDATORY REPORTING FOR SWINE.—Section 232(c)(3) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1635j)(c)(3)) is amended—

(1) in subparagraph (A), by striking “2:00 p.m.” and inserting “3:00 p.m.”; and

(2) in subparagraph (B), by striking “3:00 p.m.” and inserting “4:00 p.m.”.

(b) MANDATORY PACKER REPORTING OF PORK PRODUCTS SALES.—

(1) IN GENERAL.—Section 232 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1635j) is amended by adding at the end the following:

“(f) MANDATORY PACKER REPORTING OF PORK PRODUCTS SALES.—

“(1) IN GENERAL.—Beginning not earlier than the date on which the report under section 10001(b)(2)(C) of the Food and Energy Security Act of 2007 is submitted, the Secretary may require the corporate officers or officially designated representative of each packer processing plant to report to the Secretary at least twice each reporting day (not less than once before, and once after, 12:00 noon Central Time) information on total pork products sales, including price and volume information as specified by the Secretary.

“(2) PUBLICATION.—The Secretary shall make available to the public any information required to be reported under subparagraph (A) (including information on pork cuts and retail-ready pork products) not less than twice each reporting day.”.

(2) STUDY AND REPORT.—

(A) STUDY.—The Secretary shall conduct a study on the effects of requiring packer processing plants to report to the Secretary information on total pork products sales (including price and volume information), including—

(i) the positive or negative economic effects on producers and consumers; and

(ii) the effects of a confidentiality requirement on mandatory reporting.

(B) INFORMATION.—The Secretary may collect such information as is necessary to enable the Secretary to conduct the study required under subparagraph (A).

(C) REPORT.—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 and the Committee on Agriculture, Nutri-

tion, and Forestry of the Senate a report on the results of the study conducted under subparagraph (A).

(c) PUBLICATION OF INFORMATION ON RETAIL PURCHASE PRICES FOR REPRESENTATIVE MEAT PRODUCTS.—Section 257(a) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1636f(a)) is amended by inserting “and continuing not less than each month thereafter” after “this subtitle”.

SEC. 10002. GRADING AND INSPECTION.

(a) GRADING.—Section 203 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1622) is amended—

(1) by redesignating subsection (n) as subsection (o); and

(2) by inserting after subsection (m) the following:

“(n) GRADING PROGRAM.—To establish, within the Agricultural Marketing Service, a voluntary grading program for farm-raised animals described in section 10806(a)(1) of the Farm Security and Rural Investment Act of 2002 (21 U.S.C. 321d(a)(1)).”.

(b) AMENABLE SPECIES.—Section 1(w) of the Federal Meat Inspection Act (21 U.S.C. 601(w)) is amended—

(1) in paragraph (1), by striking “and” at the end;

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following:

“(2) farm-raised animals described in section 10806(a)(1) of the Farm Security and Rural Investment Act of 2002 (21 U.S.C. 321d(a)(1)); and”.

(c) EXISTING ACTIVITIES.—The Secretary shall ensure, to the maximum extent practicable, that nothing in an amendment made by this section duplicates or impedes any of the food safety activities conducted by the Department of Commerce or the Food and Drug Administration.

SEC. 10003. COUNTRY OF ORIGIN LABELING.

Subtitle D of the Agricultural Marketing Act of 1946 (7 U.S.C. 1638 et seq.) is amended—

(1) in section 281(2)(A)—

(A) in clause (v), by striking “and”;

(B) in clause (vi), by striking the period at the end and inserting “; and”;

(C) by adding at the end the following:

“(vii) meat produced from goats; and

“(viii) macadamia nuts.”;

(2) in section 282—

(A) in subsection (a), by striking paragraphs (2) and (3) and inserting the following:

“(2) DESIGNATION OF COUNTRY OF ORIGIN FOR BEEF, LAMB, PORK, AND GOAT MEAT.—

“(A) UNITED STATES COUNTRY OF ORIGIN.—A retailer of a covered commodity that is beef, lamb, pork, or goat meat may designate the covered commodity as exclusively having a United States country of origin only if the covered commodity is derived from an animal that was—

“(i) exclusively born, raised, and slaughtered in the United States;

“(ii) born and raised in Alaska or Hawaii and transported for a period of not more than 60 days through Canada to the United States and slaughtered in the United States; or

“(iii) present in the United States on or before January 1, 2008, and once present in the United States, remained continuously in the United States.

“(B) MULTIPLE COUNTRIES OF ORIGIN.—

“(i) IN GENERAL.—A retailer of a covered commodity that is beef, lamb, pork, or goat meat that is derived from an animal that is—

“(I) not exclusively born, raised, and slaughtered in the United States,

“(II) born, raised, or slaughtered in the United States, and

“(III) not imported into the United States for immediate slaughter,

may designate the country of origin of such covered commodity as all of the countries in which the animal may have been born, raised, or slaughtered.

“(ii) RELATION TO GENERAL REQUIREMENT.—Nothing in this subparagraph alters the mandatory requirement to inform consumers of the country of origin of covered commodities under paragraph (1).

“(C) IMPORTED FOR IMMEDIATE SLAUGHTER.—A retailer of a covered commodity that is beef, lamb, pork, or goat meat that is derived from an animal that is imported into the United States for immediate slaughter shall designate the origin of such covered commodity as—

“(i) the country from which the animal was imported; and

“(ii) the United States.

“(D) FOREIGN COUNTRY OF ORIGIN.—A retailer of a covered commodity that is beef, lamb, pork, or goat meat that is derived from an animal that is not born, raised, or slaughtered in the United States shall designate a country other than the United States as the country of origin of such commodity.

“(E) GROUND BEEF, PORK, LAMB, AND GOAT.—The notice of country of origin for ground beef, ground pork, ground lamb, or ground goat shall include—

“(i) a list of all countries of origin of such ground beef, ground pork, ground lamb, or ground goat; or

“(ii) a list of all reasonably possible countries of origin of such ground beef, ground pork, ground lamb, or ground goat.

“(3) DESIGNATION OF COUNTRY OF ORIGIN FOR FISH.—

“(A) IN GENERAL.—A retailer of a covered commodity that is farm-raised fish or wild fish may designate the covered commodity as having a United States country of origin only if the covered commodity—

“(i) in the case of farm-raised fish, is hatched, raised, harvested, and processed in the United States; and

“(ii) in the case of wild fish, is—

“(I) harvested in the United States, a territory of the United States, or a State, or by a vessel that is documented under chapter 121 of title 46, United States Code, or registered in the United States; and

“(II) processed in the United States, a territory of the United States, or a State, including the waters thereof.

“(B) DESIGNATION OF WILD FISH AND FARM-RAISED FISH.—The notice of country of origin for wild fish and farm-raised fish shall distinguish between wild fish and farm-raised fish.

“(4) DESIGNATION OF COUNTRY OF ORIGIN FOR PERISHABLE AGRICULTURAL COMMODITIES, PEANUTS, AND MACADAMIA NUTS.—

“(A) IN GENERAL.—A retailer of a covered commodity that is a perishable agricultural commodity, peanut, or macadamia nut may designate the covered commodity as having a United States country of origin only if the covered commodity is exclusively produced in the United States.

“(B) STATE, REGION, LOCALITY OF THE UNITED STATES.—With respect to a covered commodity that is a perishable agricultural commodity produced exclusively in the United States, designation by a retailer of the State, region, or locality of the United States where such commodity was produced shall be sufficient to identify the United States as the country of origin.”; and

(B) by striking subsection (d) and inserting the following:

“(d) AUDIT VERIFICATION SYSTEM.—

“(1) IN GENERAL.—The Secretary may conduct an audit of any person that prepares, stores, handles, or distributes a covered commodity for retail sale to verify compliance

with this subtitle (including the regulations promulgated under section 284(b)).

“(2) RECORD REQUIREMENTS.—

“(A) IN GENERAL.—A person subject to an audit under paragraph (1) shall provide the Secretary with verification of the country of origin of covered commodities. Records maintained in the course of the normal conduct of the business of such person, including animal health papers, import or customs documents, or producer affidavits, may serve as such verification.

“(B) PROHIBITION ON REQUIREMENT OF ADDITIONAL RECORDS.—The Secretary may not require a person that prepares, stores, handles, or distributes a covered commodity to maintain a record of the country of origin of a covered commodity other than those maintained in the course of the normal conduct of the business of such person.”;

(3) in section 283—

(A) by striking subsections (a) and (c);

(B) by redesignating subsection (b) as subsection (a);

(C) in subsection (a) (as so redesignated), by striking “retailer” and inserting “retailer or person engaged in the business of supplying a covered commodity to a retailer”;

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

“(b) FINES.—If, on completion of the 30-day period described in subsection (a)(2), the Secretary determines that the retailer or person engaged in the business of supplying a covered commodity to a retailer has—

“(1) not made a good faith effort to comply with section 282, and

“(2) continues to willfully violate section 282 with respect to the violation about which the retailer or person received notification under subsection (a)(1),

after providing notice and an opportunity for a hearing before the Secretary with respect to the violation, the Secretary may fine the retailer or person in an amount of not more than \$1,000 for each violation.”.

Subtitle B—Agricultural Fair Practices

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 subparagraphs (A) through (D), respectively; and

(B) in subparagraph (D) (as so redesignated), by striking “clause (1), (2), or (3) of this paragraph” and inserting “subparagraphs (A), (B), or (C)”;

(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.”; and

(7) by adding at the end the following:

“(5) SECRETARY.—The term ‘Secretary’ means the Secretary of Agriculture.”.

SEC. 10102. PROHIBITED PRACTICES.

Section 4 of the Agricultural Fair Practices Act of 1967 (7 U.S.C. 2303) is amended—

(1) by redesignating subsections (a), (b), (c), (d), (e), and (f) as paragraphs (1), (2), (3), (4), (5), and (7), respectively, and indenting appropriately;

(2) in paragraph (1) (as so redesignated)—

(A) by striking “join and belong” each place it appears and inserting “form, join, and belong”; and

(B) by striking “joining or belonging” and inserting “forming, joining, or belonging”; and

(3) by inserting after paragraph (5) (as so redesignated) the following:

“(6) To fail to bargain in good faith with an association of producers; or”.

SEC. 10103. ENFORCEMENT.

The Agricultural Fair Practices Act of 1967 is amended—

(1) by striking sections 5 and 6 (7 U.S.C. 2304, 2305); and

(2) by inserting after section 4 the following:

“SEC. 5. ENFORCEMENT.

“(a) CIVIL ACTIONS BY THE SECRETARY AGAINST HANDLERS.—In any case in which the Secretary has reasonable cause to believe that a handler or group of handlers has engaged in any act or practice that violates this Act, the Secretary may bring a civil action in United States district court by filing a complaint requesting preventive relief, including an application for a permanent or temporary injunction, restraining order, or other order, against the handler.

“(b) CIVIL ACTIONS AGAINST HANDLERS.—

“(1) PREVENTIVE RELIEF.—

“(A) IN GENERAL.—In any case in which any handler has engaged, or there are reasonable grounds to believe that any handler is about to engage, in any act or practice prohibited by this Act, a civil action for preventive relief, including an application for a permanent or temporary injunction, restraining order, or other order, may be instituted by the person aggrieved in United States district court.

“(B) SECURITY.—The court may provide that no restraining order or preliminary injunction shall issue unless security is provided by the applicant, in such sum as the court determines to be appropriate, for the payment of such costs and damages as may be incurred or suffered by any party that is found to have been wrongfully enjoined or restrained.

“(2) DAMAGES.—

“(A) IN GENERAL.—Any person injured in the business or property of the person by reason of any violation of, or combination or conspiracy to violate, this Act may bring a civil action in United States district court to recover—

“(i) damages sustained by the person as a result of the violation; and

“(ii) any additional penalty that the court may allow, but not more than \$1,000 per violation.

“(B) LIMITATION ON ACTIONS.—A civil action under subparagraph (A) shall be barred unless commenced within 4 years after the cause of action accrues.

“(3) ATTORNEYS’ FEES.—In any action commenced under paragraph (1) or (2), any person that has violated this Act shall be liable to any person injured as a result of the violation for the full amount of the damages sustained as a result of the violation, including costs of the litigation and reasonable attorneys’ fees.

“(c) JURISDICTION OF DISTRICT COURTS.—The district courts of the United States shall—

“(1) have jurisdiction of proceedings instituted pursuant to this section; and

“(2) exercise that jurisdiction without regard to whether the aggrieved party shall have exhausted any administrative or other remedies that may be provided by law.

“(d) LIABILITY FOR ACTS OF AGENTS.—In the construction and enforcement of this Act, the act, omission, or failure of any officer, agent, or person acting for or employed by any other person within the scope of the employment or office of the officer, agent, or person, shall be considered to be the act, omission, or failure of the other person.

“(e) RELATIONSHIP TO STATE LAW.—Nothing in this Act—

“(1) changes or modifies State law in effect on the date of enactment of this subsection; or

“(2) deprives a State court of jurisdiction.”.

SEC. 10104. RULES AND REGULATIONS.

The Agricultural Fair Practices Act of 1967 is amended by inserting after section 5 (as added by section 10103) the following:

“SEC. 6. RULES AND REGULATIONS.

“The Secretary may promulgate such rules and regulations as are necessary to carry out this Act, including rules or regulations necessary to clarify what constitutes fair and normal dealing for purposes of the selection of customers by handlers.”.

Subtitle C—Packers and Stockyards

SEC. 10201. SPECIAL COUNSEL FOR AGRICULTURAL COMPETITION.

(a) IN GENERAL.—The Packers and Stockyards Act, 1921 (7 U.S.C. 181 et seq.) is amended—

(1) by striking the title I heading and all that follows through “This Act” and inserting the following:

“TITLE I—GENERAL PROVISIONS

“Subtitle A—Definitions

“SEC. 1. SHORT TITLE.

“This Act”; and

(2) by inserting after section 2 (7 U.S.C. 183) the following:

“Subtitle B—Special Counsel for Agricultural Competition

“SEC. 11. SPECIAL COUNSEL FOR AGRICULTURAL COMPETITION.

“(a) ESTABLISHMENT.—

“(1) IN GENERAL.—There is established within the Department of Agriculture an office to be known as the ‘Office of Special Counsel for Agricultural Competition’ (referred to in this section as the ‘Office’).

“(2) DUTIES.—The Office shall—

“(A) have responsibility for all duties and functions of the Packers and Stockyards programs of the Department of Agriculture;

“(B) investigate and prosecute violations of this Act and the Agricultural Fair Practices Act of 1967 (7 U.S.C. 2301 et seq.);

“(C) serve as a liaison between, and act in consultation with, the Department of Agriculture, the Department of Justice, and the Federal Trade Commission with respect to competition and trade practices in the food and agricultural sector; and

“(D) maintain a staff of attorneys and other professionals with the appropriate expertise.

“(b) SPECIAL COUNSEL FOR AGRICULTURAL COMPETITION.—

“(1) IN GENERAL.—The Office shall be headed by the Special Counsel for Agricultural Competition (referred to in this section as the ‘Special Counsel’), who shall be appointed by the President, by and with the advice and consent of the Senate.

“(2) INDEPENDENCE OF SPECIAL AUTHORITY.—

“(A) IN GENERAL.—The Special Counsel shall report to and be under the general supervision of the Secretary.

“(B) DIRECTION, CONTROL, AND SUPPORT.—The Special Counsel shall be free from the direction and control of any person in the Department of Agriculture other than the Secretary.

“(C) PROHIBITION ON DELEGATION.—The Secretary may not delegate any duty described in subsection (a)(2) to any other officer or employee of the Department other than the Special Counsel.

“(D) REPORTING REQUIREMENT.—

“(i) IN GENERAL.—Twice each year, the Special Counsel 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 shall include, for the relevant reporting period, a description of—

“(I) the number of complaints that the Special Counsel has received and closed;

“(II)(aa) the number of investigations and civil and administrative actions that the Special Counsel has initiated, carried out, and completed, including the number of notices given to regulated entities for violations of this Act or the Agricultural Fair Practices Act of 1967 (7 U.S.C. 2301 et seq.);

“(bb) the number and types of decisions agreed to; and

“(cc) the number of stipulation agreements; and

“(III) the number of investigations and civil and administrative actions that the Secretary objected to or prohibited from being carried out, and the stated purpose of the Secretary for each objection or prohibition.

“(ii) REQUIREMENT.—The basis for each complaint, investigation, or civil or administrative action described in a report under clause (i) shall—

“(I) be organized by species; and

“(II) indicate if the complaint, investigation, or civil or administration action was for anti-competitive, unfair, or deceptive practices under this Act or was a violation of the Agricultural Fair Practices Act of 1967 (7 U.S.C. 2301 et seq.).

“(E) REMOVAL.—

“(i) IN GENERAL.—The Special Counsel may be removed from office by the President.

“(ii) COMMUNICATION.—The President shall communicate the reasons for any such removal to both Houses of Congress.

“(3) PROSECUTORIAL AUTHORITY.—Subject to paragraph (4), the Special Counsel may commence, defend, or intervene in, and supervise the litigation of, any civil or administrative action authorized under this Act or the Agricultural Fair Practices Act of 1967 (7 U.S.C. 2301 et seq.).

“(4) PROCEDURE FOR EXERCISE OF AUTHORITY TO LITIGATE OR APPEAL.—

“(A) IN GENERAL.—Prior to commencing, defending, or intervening in any civil action under this Act or the Agricultural Fair Practices Act of 1967 (7 U.S.C. 2301 et seq.), the Special Counsel shall give written notification to, and attempt to consult with, the Attorney General with respect to the proposed action.

“(B) FAILURE TO RESPOND.—If, not later than 45 days after the date of provision of notification under subparagraph (A), the Attorney General has failed to commence, defend, or intervene in the proposed action, the Special Counsel may commence, defend, or intervene in, and supervise the litigation of, the action and any appeal of the action in the name of the Special Counsel.

“(C) AUTHORITY OF ATTORNEY GENERAL TO INTERVENE.—Nothing in this paragraph precludes the Attorney General from intervening on behalf of the United States in any civil action under this Act or the Agricultural Fair Practices Act of 1967 (7 U.S.C. 2301 et seq.), or in any appeal of such action, as may be otherwise provided by law.

“(c) RELATIONSHIP TO OTHER PROVISIONS.—Nothing in this section modifies or otherwise effects subsections (a) and (b) of section 406.”.

(b) CONFORMING AMENDMENT.—Section 5315 of title 5, United States Code, is amended by adding at the end the following:

“Special Counsel for Agricultural Competition.”.

SEC. 10202. INVESTIGATION OF LIVE POULTRY DEALERS.

(a) REMOVAL OF POULTRY SLAUGHTER REQUIREMENT FROM DEFINITIONS.—Section 2(a) of the Packers and Stockyards Act, 1921 (7 U.S.C. 182(a)), is amended—

(1) by striking paragraph (8) and inserting the following:

“(8) POULTRY GROWER.—

“(A) IN GENERAL.—The term ‘poultry grower’ means any person engaged in the business of raising or caring for live poultry under a poultry growing arrangement, regardless of whether the poultry is owned by the person or by another person.

“(B) EXCLUSION.—The term ‘poultry grower’ does not include an employee of the owner of live poultry described in subparagraph (A).”;

(2) in paragraph (9), by striking “and cares for live poultry for delivery, in accord with another’s instructions, for slaughter” and inserting “or cares for live poultry in accordance with the instructions of another person”; and

(3) in paragraph (10), by striking “for the purpose of either slaughtering it or selling it for slaughter by another”.

(b) ADMINISTRATIVE ENFORCEMENT AUTHORITY OVER LIVE POULTRY DEALERS.—Sections 203, 204, and 205 of the Packers and Stockyards Act, 1921 (7 U.S.C. 193, 194, 195), are amended by inserting “or live poultry dealer” after “packer” each place it appears.

(c) AUTHORITY TO REQUEST TEMPORARY INJUNCTION OR RESTRAINING ORDER.—Section 408 of the Packers and Stockyards Act, 1921 (7 U.S.C. 228a), is amended in the first sentence by striking “on account of poultry” and inserting “on account of poultry or poultry care”.

(d) VIOLATIONS BY LIVE POULTRY DEALERS.—

(1) PENALTY.—Section 203(b) of the Packers and Stockyards Act, 1921 (7 U.S.C. 193(b)) is amended in the third sentence by striking “\$10,000” and inserting “\$22,000”.

(2) REPEALS.—Sections 411, 412, and 413 of the Packers and Stockyards Act, 1921 (7 U.S.C. 228b–2, 228b–3, 228b–4), are repealed.

SEC. 10203. PRODUCTION CONTRACTS.

(a) DEFINITIONS.—Section 2(a) of the Packers and Stockyards Act, 1921 (7 U.S.C. 182(a)) is amended—

(1) by striking “When used in this Act—” and inserting “In this Act:”;

(2) by striking paragraph (1);

(3) by redesignating paragraphs (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12), (13), and (14) as paragraphs (15), (6), (8), (9), (10), (13), (11), (12), (7), (2), (16), (17), and (18), respectively, indenting appropriately, and moving those paragraphs so as to appear in numerical order;

(4) 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 (5), the text of which is comprised of the term defined in the paragraph;

(5) by inserting before paragraph (2) (as so designated) the following:

“(1) CAPITAL INVESTMENT.—The term ‘capital investment’ means an investment in—

“(A) a structure, such as a building or manure storage structure; or

“(B) machinery or equipment associated with producing livestock or poultry that has a useful life of more than 1 year.”;

(6) by inserting after paragraph (2) (as so redesignated) the following:

“(3) CONTRACTOR.—

“(A) IN GENERAL.—The term ‘contractor’ means a person that, in accordance with a production contract, obtains livestock or poultry that is produced by a contract producer.

“(B) INCLUSIONS.—The term ‘contractor’ includes—

“(i) a live poultry dealer; and

“(ii) a swine contractor.

“(4) CONTRACT PRODUCER.—

“(A) IN GENERAL.—The term ‘contract producer’ means a producer that produces livestock or poultry under a production contract.

“(B) INCLUSIONS.—The term ‘contract producer’ includes—

“(i) a poultry grower; and

“(ii) a swine production contract grower.

“(5) INVESTMENT REQUIREMENT.—The term ‘investment requirement’ means—

“(A) a provision in a production contract that requires a contract producer to make a capital investment associated with producing livestock or poultry that, but for the production contract, the contract producer would not have made; or

“(B) a representation by a contractor that results in a contract producer making a capital investment.”; and

(7) by inserting after paragraph (13) (as so redesignated) the following:

“(14) PRODUCTION CONTRACT.—

“(A) IN GENERAL.—The term ‘production contract’ means a written agreement that provides for—

“(i) the production of livestock or poultry by a contract producer; or

“(ii) the provision of a management service relating to the production of livestock or poultry by a contract producer.

“(B) INCLUSIONS.—The term ‘production contract’ includes—

“(i) a poultry growing arrangement;

“(ii) a swine production contract;

“(iii) any other contract between a contractor and a contract producer for the production of livestock or poultry; and

“(iv) a contract between a live poultry dealer and poultry grower, swine contractor and swine production contract grower, or contractor and contract producer for the provision of a management service in the production of livestock or poultry.”.

(b) PROHIBITIONS INVOLVING PRODUCTION CONTRACTS.—Title II of the Packers and Stockyards Act, 1921 (7 U.S.C. 198 et seq.), is amended by adding at the end the following:

“SEC. 208. PRODUCTION CONTRACTS.

“(a) RIGHT OF CONTRACT PRODUCERS TO CANCEL PRODUCTION CONTRACTS.—

“(1) IN GENERAL.—A contract producer may cancel a production contract by mailing a cancellation notice to the contractor not later than the later of—

“(A) the date that is 3 business days after the date on which the production contract is executed; or

“(B) any cancellation date specified in the production contract.

“(2) DISCLOSURE.—A production contract shall clearly disclose—

“(A) the right of the contract producer to cancel the production contract;

“(B) the method by which the contract producer may cancel the production contract; and

“(C) the deadline for canceling the production contract.

“(b) PRODUCTION CONTRACTS INVOLVING INVESTMENT REQUIREMENTS.—

“(1) APPLICABILITY.—This subsection applies only to a production contract between a contract producer and a contractor if the contract producer detrimentally relied on a

representation by the contractor or a provision in the production contract that resulted in the contract producer making a capital investment of \$100,000 or more.

“(2) RESTRICTIONS ON CONTRACT TERMINATION.—

“(A) NOTICE OF TERMINATION.—Except as provided in subparagraph (C), a contractor shall not terminate or cancel a production contract unless the contractor provides the contract producer with written notice of the intention of the contractor to terminate or cancel the production contract at least 90 days before the effective date of the termination or cancellation.

“(B) REQUIREMENTS.—The written notice required under subparagraph (A) shall include alleged causes of the termination.

“(C) EXCEPTIONS.—A contractor may terminate or cancel a production contract at any time without notice as required under subparagraph (A) if the basis for the termination or cancellation is—

“(i) a voluntary abandonment of the contractual relationship by the contract producer, such as a failure of the contract producer to substantially perform under the production contract;

“(ii) the conviction of the contract producer of an offense of fraud or theft committed against the contractor;

“(iii) the natural end of the production contract in accordance with the terms of the production contract; or

“(iv) because the well-being of the livestock or poultry subject to the contract is in jeopardy once under the care of the contract producer.

“(D) RIGHT TO CURE.—

“(i) IN GENERAL.—If, not later than 90 days after the date on which the contract producer receives written notice under subparagraph (A), the contract producer remedies each cause of the breach of contract alleged in the written notice, the contractor may not terminate or cancel a production contract under this paragraph.

“(ii) NO ADMISSION OF BREACH.—The remedy or attempt to remedy the causes for the breach of contract by the contract producer under clause (i) does not constitute an admission of breach of contract.

“(C) ADDITIONAL CAPITAL INVESTMENTS IN PRODUCTION CONTRACTS.—

“(1) IN GENERAL.—A contractor shall not require a contract producer to make additional capital investments in connection with a production contract that exceed the initial investment requirements of the production contract.

“(2) EXCEPTIONS.—Notwithstanding paragraph (1), a contractor may require additional capital investments if—

“(A)(i) the additional capital investments are offset by reasonable additional consideration, including compensation or a modification to the terms of the production contract; and

“(ii) the contract producer agrees in writing that there is acceptable and satisfactory consideration for the additional capital investment; or

“(B) without the additional capital investments the well-being of the livestock or poultry subject to the contract would be in jeopardy.

“(d) NO EFFECT ON STATE LAW.—Nothing in this section preempts or otherwise affects any State law relating to production contracts that establishes a requirement or standard that is more stringent than a requirement or standard under this section.

“SEC. 209. CHOICE OF LAW, JURISDICTION, AND VENUE.

“(a) CHOICE OF LAW.—Any provision in a livestock or poultry production or marketing contract requiring the application of the law of a State other than the State in

which the production occurs is void and unenforceable.

“(b) JURISDICTION.—A packer, live poultry dealer, or swine contractor that enters into a production or marketing contract with a producer shall be subject to personal jurisdiction in the State in which the production occurs.

“(c) VENUE.—Venue shall be determined on the basis of the location of the production, unless the producer selects a venue that is otherwise permitted by law.

“(d) APPLICATION.—This section shall apply to any production or marketing contract entered into, amended, altered, modified, renewed, or extended after the date of enactment of this section.

“SEC. 210. ARBITRATION.

“(a) IN GENERAL.—If a livestock or poultry contract provides for the use of arbitration to resolve a controversy under the livestock or poultry contract, arbitration may be used to settle the controversy only if, after the controversy arises, both parties consent in writing to use arbitration to settle the controversy.

“(b) APPLICATION.—Subsection (a) shall apply to any contract entered into, amended, altered, modified, renewed, or extended after the date of enactment of this section.”

SEC. 10204. RIGHT TO DISCUSS TERMS OF CONTRACT.

Section 10503(b) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 229b(b)) is amended—

(1) in paragraph (6), by striking “or” at the end;

(2) in paragraph (7), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

“(8) a business associate of the party; or

“(9) a neighbor of the party or other producer.”

SEC. 10205. ATTORNEYS’ FEES.

Section 308(a) of the Packers and Stockyards Act, 1921 (7 U.S.C. 209(a)) is amended by inserting before the period at the end the following: “and for the costs of the litigation, including reasonable attorneys’ fees”.

SEC. 10206. APPOINTMENT OF OUTSIDE COUNSEL.

Section 407 of the Packers and Stockyards Act, 1921 (7 U.S.C. 228), is amended—

(1) in subsection (a), by inserting “obtain the services of attorneys who are not employees of the Federal Government,” before “and make such expenditures”; and

(2) in subsection (c), by striking “Senate Committee on Agriculture and Forestry” and inserting “the Committee on Agriculture, Nutrition, and Forestry of the Senate”.

SEC. 10207. PROHIBITION ON PACKERS OWNING, FEEDING, OR CONTROLLING LIVESTOCK.

(a) IN GENERAL.—Section 202 of the Packers and Stockyards Act, 1921 (7 U.S.C. 192), is amended—

(1) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively; and

(2) by inserting after subsection (e) the following:

“(f) Own or feed livestock directly, through a subsidiary, or through an arrangement that gives the packer operational, managerial, or supervisory control over the livestock, or over the farming operation that produces the livestock, to such an extent that the producer is no longer materially participating in the management of the operation with respect to the production of the livestock, except that this subsection shall not apply to—

“(1) an arrangement entered into within 14 days (excluding any Saturday or Sunday) before slaughter of the livestock by a packer, a person acting through the packer, or a per-

son that directly or indirectly controls, or is controlled by or under common control with, the packer;

“(2) a cooperative or entity owned by a cooperative, if a majority of the ownership interest in the cooperative is held by active cooperative members that—

“(A) own, feed, or control livestock; and

“(B) provide the livestock to the cooperative for slaughter;

“(3) a packer that is not required to report to the Secretary on each reporting day (as defined in section 212 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1635a)) information on the price and quantity of livestock purchased by the packer; or

“(4) a packer that owns 1 livestock processing plant; or”

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Subject to paragraph (2), the amendments made by subsection (a) take effect on the date of enactment of this Act.

(2) TRANSITION RULES.—In the case of a packer that on the date of enactment of this Act owns, feeds, or controls livestock intended for slaughter in violation of section 202(f) of the Packers and Stockyards Act, 1921 (as amended by subsection (a)), the amendments made by subsection (a) apply to the packer—

(A) in the case of a packer of swine, beginning on the date that is 18 months after the date of enactment of this Act; and

(B) in the case of a packer of any other type of livestock, beginning as soon as practicable, but not later than 180 days, after the date of enactment of this Act, as determined by the Secretary.

SEC. 10208. REGULATIONS.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall promulgate regulations to implement the amendments made by this title, including—

(1) regulations providing a definition of the term “unreasonable preference or advantage” for purposes of section 202(b) of the Packers and Stockyards Act, 1921 (7 U.S.C. 192(b)); and

(2) regulations requiring live poultry dealers to provide written notice to poultry growers if the live poultry dealer imposes an extended layout period in excess of 30 days, prior to removal of the previous flock.

(b) REQUIREMENTS.—Regulations promulgated pursuant to subsection (a)(1) relating to unreasonable preference or advantage shall strictly prohibit any preferences or advantages based on the volume of business, except for preferences or advantages that reflect actual, verifiable lower costs (including transportation or other costs), as determined by the Secretary, of procuring livestock from larger-volume producers.

Subtitle D—Related Programs

SEC. 10301. SENSE OF CONGRESS REGARDING PSEUDORABIES ERADICATION PROGRAM.

It is the sense of Congress that—

(1) the Secretary should recognize the threat that feral swine pose to the domestic swine population and the entire livestock industry;

(2) keeping the United States commercial swine herd free of pseudorabies is essential to maintaining and growing pork export markets;

(3) pseudorabies surveillance funding is necessary to assist the swine industry in the monitoring, surveillance, and eradication of pseudorabies, including the monitoring and surveillance of other diseases effecting swine production and trade; and

(4) pseudorabies eradication is a high priority that the Secretary should carry out under the Animal Health Protection Act (7 U.S.C. 8301 et seq.).

SEC. 10302. SENSE OF CONGRESS REGARDING CATTLE FEVER TICK ERADICATION PROGRAM.

It is the sense of Congress that—

(1) the cattle fever tick and the southern cattle tick are vectors of the causal agent of babesiosis, a severe and often fatal disease of cattle; and

(2) implementing a national strategic plan for the cattle fever tick eradication program is a high priority that the Secretary should carry out—

(A) to prevent the entry of cattle fever ticks into the United States;

(B) to enhance and maintain an effective surveillance program to rapidly detect any fever tick incursions; and

(C) to research, identify, and procure the tools and knowledge necessary to prevent and eradicate cattle ticks in the United States.

SEC. 10303. NATIONAL SHEEP AND GOAT INDUSTRY IMPROVEMENT CENTER.

(a) NAME CHANGE.—Section 375 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008j) is amended—

(1) in the section heading, by inserting “AND GOAT” after “NATIONAL SHEEP”; and

(2) by inserting “and Goat” after “National Sheep” each place it appears.

(b) FUNDING.—Section 375(e)(6) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008j(e)(6)) is amended by striking subparagraphs (B) and (C) and inserting the following:

“(B) MANDATORY FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section \$1,000,000 for fiscal year 2008, to remain available until expended.

“(C) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section \$10,000,000 for each of fiscal years 2008 through 2012.”.

(c) REPEAL OF REQUIREMENT TO PRIVATIZE REVOLVING FUND.—

(1) IN GENERAL.—Section 375 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008j) is amended by striking subsection (j).

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) takes effect on May 1, 2007.

SEC. 10304. TRICHINAE CERTIFICATION PROGRAM.

Section 10409 of the Animal Health Protection Act (7 U.S.C. 8308) is amended by adding at the end the following:

“(c) TRICHINAE CERTIFICATION PROGRAM.—

“(1) ESTABLISHMENT.—Not later than 60 days after the date of enactment of this subsection, the Secretary shall issue final regulations to implement a trichinae certification program.

“(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out the program \$1,250,000 for each of fiscal years 2008 through 2012.”.

SEC. 10305. PROTECTION OF INFORMATION IN THE ANIMAL IDENTIFICATION SYSTEM.

The Animal Health Protection Act (7 U.S.C. 8301 et seq.) is amended—

(1) by redesignating sections 10416 through 10418 as sections 10417 through 10419, respectively; and

(2) by inserting after section 10415 the following:

“SEC. 10416. DISCLOSURE OF INFORMATION UNDER A NATIONAL ANIMAL IDENTIFICATION SYSTEM.

“(a) DEFINITION OF NATIONAL ANIMAL IDENTIFICATION SYSTEM.—In this section, the term ‘national animal identification system’ means a system for identifying or tracing animals that is established by the Secretary.

“(b) PROTECTION FROM DISCLOSURE.—

“(1) IN GENERAL.—Information obtained through a national animal identification sys-

tem shall not be disclosed except as provided in this section.

“(2) USE.—Use of information described in paragraph (1) by any individual or entity except as otherwise provided in this section shall be considered a violation of this Act.

“(3) WAIVER OF PRIVILEGE OF PROTECTION.—The provision of information to a national animal identification system under this section or the disclosure of information pursuant to this section shall not constitute a waiver of any applicable privilege or protection under Federal law, including protection of trade secrets.

“(c) LIMITED RELEASE OF INFORMATION.—The Secretary may disclose information obtained through a national animal identification system if—

“(1) the Secretary determines that livestock may be threatened by a disease or pest;

“(2) the release of the information is related to an action the Secretary may take under this subtitle; and

“(3) the Secretary determines that the disclosure of the information to a government entity or person is necessary to assist the Secretary in carrying out this subtitle or a national animal identification system.

“(d) REQUIRED DISCLOSURE OF INFORMATION.—The Secretary shall disclose information obtained through a national animal identification system regarding particular animals to—

“(1) the person that owns or controls the animals, if the person requests the information in writing;

“(2) the State Department of Agriculture for the purpose of protection of animal health;

“(3) the Attorney General for the purpose of law enforcement;

“(4) the Secretary of Homeland Security for the purpose of homeland security;

“(5) the Secretary of Health and Human Services for the purpose of protecting public health;

“(6) an entity pursuant to an order of a court of competent jurisdiction; and

“(7) the government of a foreign country if disclosure of the information is necessary to trace animals that pose a disease or pest threat to livestock or a danger to human health, as determined by the Secretary.

“(e) DISCLOSURE UNDER STATE OR LOCAL LAW.—Any information relating to animal identification that a State or local government obtains from the Secretary shall not be made available by the State or local government pursuant to any State or local law requiring disclosure of information or records to the public.

“(f) REPORTING REQUIREMENT.—To disclose information under this section, the Secretary shall—

“(1) certify that the disclosure was necessary under this section; and

“(2) submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a copy of the certification.”.

SEC. 10306. LOW PATHOGENIC AVIAN INFLUENZA.

Sec. 10407(d)(2) of the Animal Health Protection Act (7 U.S.C. 8306(d)(2)) is amended—

(1) in subparagraph (A), by striking “subparagraphs (B) and (C),” and inserting “subparagraphs (B), (C), and (D),”; and

(2) by redesignating subparagraph (C) as subparagraph (D); and

(3) by inserting after subparagraph (B) the following:

“(C) LOW PATHOGENIC AVIAN INFLUENZA.—

“(i) DEFINITION OF ELIGIBLE COSTS.—In this subparagraph, the term ‘eligible costs’ means costs determined eligible for indemnity under part 56 of title 9, Code of Federal

Regulations, as in effect on the date of enactment of this clause.

“(ii) INDEMNITIES.—Subject to subparagraphs (B) and (D), compensation to any owner or contract grower of poultry participating in the voluntary control program for low pathogenic avian influenza under the National Poultry Improvement Plan, and payments to cooperating State agencies, shall be made in an amount equal to 100 percent of the eligible costs.”.

SEC. 10307. STUDY ON BIOENERGY OPERATIONS.

Not later than 180 days after the date of enactment of this Act, the Secretary, acting through the Office of the Chief Economist, 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 describing the potential economic issues (including potential costs) associated with animal manure used in normal agricultural operations and as a feedstock in bioenergy production.

SEC. 10308. SENSE OF THE SENATE ON INDEMNIFICATION OF LIVESTOCK PRODUCERS.

It is the sense of the Senate that the Secretary should partner with the private insurance industry to implement an approach for expediting the indemnification of livestock producers in the case of catastrophic disease outbreaks.

TITLE XI—MISCELLANEOUS

Subtitle A—Agricultural Security

SEC. 11011. DEFINITIONS.

In this subtitle:

(1) AGENT.—The term “agent” means a nuclear, biological, or chemical substance that causes an agricultural disease.

(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) AGRICULTURAL DISEASE EMERGENCY.—The term “agricultural disease emergency” means an incident of agricultural disease in which the Secretary, the Secretary of Homeland Security, the Secretary of Health and Human Services, the Administrator of the Environmental Protection Agency (or the heads of other applicable Federal departments or agencies), as appropriate, determines that prompt action is needed to prevent significant damage to people, plants, or animals.

(6) 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.

(7) **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.

(8) **ANIMAL.**—The term “animal” means any member of the animal kingdom (except a human).

(9) **DEPARTMENT.**—The term “Department” means the Department of Agriculture.

(10) **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 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.

(11) **DIRECTOR.**—The term “Director” means the Director for Homeland Security of the Department appointed under section 11022(d)(2).

(12) **HSPD-5.**—The term “HSPD-5” means the Homeland Security Presidential Directive 5, dated February 28, 2003 (relating to a comprehensive national incident management system).

(13) **HSPD-7.**—The term “HSPD-7” means the Homeland Security Presidential Directive 7, dated December 17, 2003 (relating to a national policy for Federal departments and agencies to identify and prioritize critical infrastructure and key resources and to protect the infrastructure and resources from terrorist attacks).

(14) **HSPD-8.**—The term “HSPD-8” means the Homeland Security Presidential Directive 8, dated December 17, 2003 (relating to the establishment of a national policy to strengthen the preparedness of the United States to prevent and respond to domestic terrorist attacks, major disasters, and other emergencies).

(15) **HSPD-9.**—The term “HSPD-9” means the Homeland Security Presidential Directive 9, dated January 30, 2004 (relating to the establishment of a national policy to defend the agriculture and food system against terrorist attacks, major disasters, and other emergencies).

(16) **HSPD-10.**—The term “HSPD-10” means the Homeland Security Presidential Directive 10, dated April 28, 2004 (relating to the establishment of a national policy relating to the biodefense of the United States).

(17) **OFFICE.**—The term “Office” means the Office of Homeland Security of the Department established by section 11022(d)(1).

(18) **OTHER APPLICABLE FEDERAL DEPARTMENTS OR AGENCIES.**—The term “other applicable Federal departments or agencies” means Federal departments or agencies that have a role, as determined by the Secretary of Homeland Security, in determining the need for prompt action against an agricultural disease emergency, including—

(A) the Executive departments identified in section 101 of title 5, United States Code;

(B) government corporations (as defined in section 103 of title 5, United States Code); and

(C) independent establishments (as defined in section 104(1) of title 5, United States Code).

(19) **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.

(20) **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.

(21) **ROUTINE AGRICULTURAL DISEASE EVENT.**—The term “routine agricultural disease event” has the meaning given the term by the Secretary.

PART I—GENERAL AUTHORITY AND INTERAGENCY COORDINATION

SEC. 11021. POLICY.

(a) **EFFECT OF PART.**—Nothing in this part alters or otherwise impedes—

(1) any authority of the Department or other applicable Federal departments and agencies to perform the responsibilities provided to the Department or other applicable Federal departments and agencies pursuant to Federal law; or

(2) the ability of the Secretary to carry out this part.

(b) **COOPERATION.**—The Secretary shall cooperate with the Secretary of Homeland Security with respect to the responsibilities of the Secretary of Homeland Security and applicable presidential guidance, including HSPD-5, HSPD-7, HSPD-8, HSPD-9, and HSPD-10.

SEC. 11022. INTERAGENCY COORDINATION.

(a) **LEADERSHIP.**—The Secretary of Homeland Security shall serve as the principal Federal official to lead, coordinate, and integrate, to the maximum extent practicable, efforts by Federal departments and agencies, State, local, and tribal governments, and the private sector to enhance the protection of critical infrastructure and key resources of the agriculture and food system.

(b) **SECTOR-SPECIFIC AGENCY.**—

(1) **IN GENERAL.**—In accordance with guidance provided by the Secretary of Homeland Security under subsection (a)—

(A) the Secretary shall serve as the sector-specific lead official on efforts described in subsection (a) relating to agriculture, agri-

cultural disease, meat, poultry, and egg food products, and for efforts relating to authorities pursuant to the Animal Health Protection Act (7 U.S.C. 8301 et seq.) and the Plant Protection Act (7 U.S.C. 7701 et seq.); and

(B) the Secretary shall work in coordination with the Secretary of Health and Human Services during any incident relating to a zoonotic disease in which the applicable agent originated—

(i) as an agricultural disease; or

(ii) from a plant or animal population directly related to agriculture.

(2) **EFFECT OF SUBSECTION.**—Nothing in this subsection impedes any authority of the Secretary of Homeland Security as the principal Federal official for domestic incident management pursuant to HSPD-5.

(c) **COORDINATION OF RESPONSE.**—

(1) **ROUTINE AGRICULTURAL DISEASE EVENTS.**—To the maximum extent practicable, the Secretary shall work in consultation with the Secretary of Homeland Security in response to any routine domestic incident relating to a potential or actual agricultural disease.

(2) **AGRICULTURAL BIOSECURITY THREATS.**—If a routine domestic incident of agricultural disease is determined by the Secretary or the Secretary of Homeland Security to pose a significant threat to the agricultural biosecurity of the United States, the Secretary of Homeland Security shall serve as the principal Federal official to lead and coordinate the appropriate Federal response to the incident.

(d) **OFFICE OF HOMELAND SECURITY.**—

(1) **ESTABLISHMENT.**—There is established in the Department the Office of Homeland Security.

(2) **DIRECTOR.**—The Secretary shall appoint as the head of the Office a Director for Homeland Security.

(3) **RESPONSIBILITIES.**—The Director shall be responsible for—

(A) coordinating all homeland security activities of the Department, including integration and coordination, in consultation with the Office of Emergency Management and Homeland Security of the Animal and Plant Health Inspection Service and the Office of Food Defense and Emergency Response of the Food Safety and Inspection Service, of interagency emergency response plans for—

(i) agricultural disease emergencies;

(ii) agroterrorist acts; or

(iii) other threats to agricultural biosecurity;

(B) acting as the primary liaison on behalf of the Department with other Federal agencies on coordination efforts and interagency activities pertaining to agricultural biosecurity;

(C) advising the Secretary on policies, regulations, processes, budget, and actions pertaining to homeland security; and

(D) providing to State and local government officials timely updates and actionable information about threats, incidents, potential protective measures, and best practices relevant to homeland security issues in agriculture.

(4) **AGRICULTURAL BIOSECURITY COMMUNICATION CENTER.**—

(A) **ESTABLISHMENT.**—The Secretary shall establish in the Department a central communication center—

(i) to collect and disseminate information regarding, and prepare for, agricultural disease emergencies, agroterrorist acts, and other threats to agricultural biosecurity; and

(ii) to coordinate the activities described in clause (i) among agencies and offices within the Department.

(B) RESPONSE.—Any response by the Secretary to an agricultural threat to agricultural biosecurity shall be carried out under the direction of the Secretary of Homeland Security, in accordance with subsection (c).

(C) AUTHORITY OF THE SECRETARY.—In establishing the central communication center under subparagraph (A), the Secretary may use the existing resources and infrastructure of the Emergency Operations Center of the Animal and Plant Health Inspection Service located in Riverdale, Maryland.

(D) RELATION TO EXISTING DEPARTMENT OF HOMELAND SECURITY COMMUNICATION SYSTEMS.—

(i) CONSISTENCY AND COORDINATION.—The center established under subparagraph (A) shall, to the maximum extent practicable, share and coordinate the dissemination of timely information with—

(I) the National Operations Center and the National Coordinating Center of the Department of Homeland Security; and

(II) other appropriate Federal communication systems, as determined by the Secretary of Homeland Security.

(ii) AVOIDING REDUNDANCIES.—Nothing in this paragraph impedes, conflicts with, or duplicates any activity carried out by—

(I) the National Biosurveillance Integration Center of the Department of Homeland Security;

(II) the National Response Coordination Center of the Department of Homeland Security;

(III) the National Infrastructure Coordination Center of the Department of Homeland Security; or

(IV) any other communication system under the authority of the Secretary of Homeland Security.

(E) 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.

SEC. 11023. SUBMISSION OF INTEGRATED FOOD DEFENSE PLAN.

Consistent with HSPD-9, the Secretary, the Secretary of Homeland Security, and the Secretary of Health and Human Services shall submit to the President and Congress an integrated plan for the defense of the food system of the United States.

SEC. 11024. TRANSFER OF CERTAIN AGRICULTURAL INSPECTION FUNCTIONS OF DEPARTMENT.

(a) DEFINITION OF FUNCTION.—In this section, the term “function” does not include any quarantine activity carried out under the laws specified in subsection (c).

(b) TRANSFER OF AGRICULTURAL IMPORT AND ENTRY INSPECTION FUNCTIONS.—There shall be transferred to the Secretary of Homeland Security the functions of the Secretary relating to agricultural import and entry inspection activities under the laws specified in subsection (c).

(c) COVERED ANIMAL AND PLANT PROTECTION LAWS.—The laws referred to in subsection (a) are the following:

(1) The eighth paragraph under the heading “BUREAU OF ANIMAL INDUSTRY” in the Act of March 4, 1913 (commonly known as the “Virus-Serum-Toxin Act”) (21 U.S.C. 151 et seq.).

(2) Section 1 of the Act of August 31, 1922 (commonly known as the “Honeybee Act”) (7 U.S.C. 281).

(3) Title III of the Federal Seed Act (7 U.S.C. 1581 et seq.).

(4) The Plant Protection Act (7 U.S.C. 7701 et seq.).

(5) The Animal Health Protection Act (7 U.S.C. 8301 et seq.).

(6) The Lacey Act Amendments of 1981 (16 U.S.C. 3371 et seq.).

(7) Section 11 of the Endangered Species Act of 1973 (16 U.S.C. 1540).

(d) COORDINATION OF REGULATIONS.—

(1) COMPLIANCE WITH DEPARTMENT REGULATIONS.—The authority transferred pursuant to subsection (b) shall be exercised by the Secretary of Homeland Security in accordance with the regulations, policies, and procedures issued by the Secretary regarding the administration of the laws specified in subsection (c).

(2) RULEMAKING COORDINATION.—The Secretary shall coordinate with the Secretary of Homeland Security in any case in which the Secretary prescribes regulations, policies, or procedures for administering the functions transferred under subsection (b) under a law specified in subsection (c).

(3) EFFECTIVE ADMINISTRATION.—The Secretary of Homeland Security, in consultation with the Secretary, may issue such directives and guidelines as are necessary to ensure the effective use of personnel of the Department of Homeland Security to carry out the functions transferred pursuant to subsection (b).

(e) TRANSFER AGREEMENT.—

(1) AGREEMENT.—

(A) IN GENERAL.—Before the end of the transition period (as defined in section 1501 of the Homeland Security Act of 2002 (6 U.S.C. 541)), the Secretary and the Secretary of Homeland Security shall enter into an agreement to effectuate the transfer of functions required by subsection (b).

(B) REVISION.—The Secretary and the Secretary of Homeland Security may jointly revise the agreement as necessary after that transition period.

(2) REQUIRED TERMS.—The agreement required by this subsection shall specifically address the following:

(A) The supervision by the Secretary of the training of employees of the Secretary of Homeland Security to carry out the functions transferred pursuant to subsection (b).

(B) The transfer of funds to the Secretary of Homeland Security under subsection (f).

(3) COOPERATION AND RECIPROCITY.—The Secretary and the Secretary of Homeland Security may include as part of the agreement the following:

(A) Authority for the Secretary of Homeland Security to perform functions delegated to the Animal and Plant Health Inspection Service of the Department regarding the protection of domestic livestock and plants, but not transferred to the Secretary of Homeland Security pursuant to subsection (b).

(B) Authority for the Secretary to use employees of the Department of Homeland Security to carry out authorities delegated to the Animal and Plant Health Inspection Service regarding the protection of domestic livestock and plants.

(f) PERIODIC TRANSFER OF FUNDS TO DEPARTMENT OF HOMELAND SECURITY.—

(1) TRANSFER OF FUNDS.—Out of funds collected by fees authorized under sections 2508 and 2509 of the Food, Agriculture, Conservation, and Trade Act of 1990 (21 U.S.C. 136, 136a), the Secretary shall transfer, from time to time in accordance with the agreement under subsection (e), to the Secretary of Homeland Security funds for activities carried out by the Secretary of Homeland Security for which the fees were collected.

(2) LIMITATION.—The proportion of fees collected pursuant to those sections that are transferred to the Secretary of Homeland Security under this subsection may not exceed the proportion of the costs incurred by the Secretary of Homeland Security to all costs incurred to carry out activities funded by the fees.

(g) TRANSFER OF DEPARTMENT EMPLOYEES.—Not later than the completion of the transition period (as defined in section 1501

of the Homeland Security Act of 2002 (6 U.S.C. 541)), the Secretary shall transfer to the Secretary of Homeland Security not more than 3,200 full-time equivalent positions of the Department.

(h) EFFECT OF TRANSFER.—

(1) EXISTING AUTHORITY.—Nothing in the transfer of functions under subsection (b) preempts any authority of the Department as described in section 11022(b)(1).

(2) LIMITATION ON TRANSFER.—

(A) IMPORTS.—The Secretary shall retain responsibility for all other activities of the Agricultural Quarantine and Inspection Program regarding imports, including activities relating to—

(i) preclearance of commodities;

(ii) trade protocol verification;

(iii) fumigation;

(iv) quarantine;

(v) diagnosis;

(vi) eradication;

(vii) indemnification; and

(viii) other sanitary and phytosanitary measures carried out pursuant to the Animal Health Protection Act (7 U.S.C. 8301 et seq.) and the Plant Protection Act (7 U.S.C. 7701 et seq.).

(B) EXPORT, INTERSTATE, AND INTRASTATE ACTIVITIES.—The Department shall retain responsibility for all functions regarding export, interstate, and intrastate activities.

(C) TRAINING.—The Department shall retain responsibility for all agricultural inspection training.

(i) CONFORMING AMENDMENT.—Section 421 of the Homeland Security Act of 2002 (6 U.S.C. 231) is amended by striking “SEC. 421” and all that follows through “(h) PROTECTION OF INSPECTION ANIMALS.—Title V” and inserting the following:

“SEC. 421. PROTECTION OF INSPECTION ANIMALS.

“Title V”.

PART II—AGRICULTURAL QUARANTINE INSPECTION PROGRAM IMPROVEMENT

SEC. 11031. DEFINITIONS.

In this part:

(1) PROGRAM.—The term “program” means the agricultural quarantine inspection program.

(2) SECRETARY.—The term “Secretary” means the Secretary of Agriculture, acting through the Administrator of the Animal and Plant Health Inspection Service.

SEC. 11032. JOINT TASK FORCE.

(a) ESTABLISHMENT.—Not later than 30 days after the date of enactment of this Act, the Secretary and the Secretary of Homeland Security shall establish a Joint Task Force to provide coordinated central planning for the program.

(b) COMPOSITION.—The Joint Task Force shall be composed of employees of the Animal and Plant Health Inspection Service and Customs and Border Protection of the Department of Homeland Security, appointed by the Secretary and the Secretary of Homeland Security, respectively.

(c) DUTIES.—The Joint Task Force shall—

(1) prepare, and not less than biannually revise as necessary, a strategic plan for the program;

(2) establish performance measures that accurately gauge the success of the program;

(3) establish annual operating goals and plans for the program at national, regional, and port levels;

(4) establish and regularly revise as necessary a training program to ensure that all employees of Customs and Border Protection involved in agricultural inspection and quarantine activities have the skills, knowledge, and abilities necessary to protect the agricultural biosecurity of the United States;

(5) ensure effective and regular communications with all stakeholders under the program;

(6) maintain effective and regular communication between the Animal and Plant Health Inspection Service and Customs and Border Protection in carrying out the program;

(7) establish and carry out mechanisms to collect data to inform program planning and decisionmaking under the program;

(8) ensure access for employees of the Animal and Plant Health Inspection Service who, as determined by the Secretary, in consultation with the Secretary of Homeland Security—

(A) have met all applicable Customs and Border Protection security-related requirements; and

(B) to adequately perform the duties of the employees, require access to—

(i) each secure area of any terminal for screening passengers or cargo; and

(ii) each database relating to cargo manifests or any databases that may relate to the program;

(9) ensure the ability of the program to operate in case of emergencies; and

(10) establish a quality assurance program for the program, with performance standards and regular reviews of each port of entry to determine compliance with the quality standards.

SEC. 11033. ADVISORY BOARD.

(a) **ESTABLISHMENT.**—Not later than 180 days after the date of enactment of this Act, the Secretary and the Secretary of Homeland Security shall establish a board to be known as the “Agricultural Quarantine Inspection Program Advisory Board” (referred to in this section as the “Advisory Board”).

(b) **MEMBERSHIP.**—

(1) **IN GENERAL.**—The Advisory Board shall consist of 11 members representing the Federal Government, State governments, and stakeholders, including—

(A) 2 members representing the Department, appointed by the Secretary, who shall serve as cochairperson of the Advisory Board;

(B) 1 member representing the Department of Homeland Security, appointed by the Secretary of Homeland Security, who shall serve as cochairperson of the Advisory Board;

(C) 1 member representing Customs and Border Protection agriculture specialists, appointed by the Secretary of Homeland Security, who shall serve as cochairperson of the Advisory Board;

(D) 1 member representing the National Plant Board, appointed by the Secretary based on nominations submitted by the Board;

(E) 1 member representing the United States Animal Health Association, appointed by the Secretary based on 1 or more nominations submitted by the Association;

(F) 1 member representing the National Association of State Departments of Agriculture, appointed by the Secretary based on 1 or more nominations submitted by the Association;

(G) 2 members representing stakeholders of organizations, associations, societies, councils, federations, groups, and companies, appointed by the Secretary from 2 or more nominations submitted by the stakeholders; and

(H) 2 members representing stakeholders of organizations, associations, societies, councils, federations, groups, and companies, appointed by the Secretary of Homeland Security from 2 or more nominations submitted by the stakeholders.

(2) **TERMS OF SERVICE.**—The term of a member of the Advisory Board shall be 2 years, except that, of the members initially appointed to the Board, the term of $\frac{1}{2}$ of the members (as determined jointly by the Secretary and the Secretary of Homeland Security) shall be 1 year.

(c) **DUTIES.**—The Advisory Board shall—

(1) advise the Secretary and the Secretary of Homeland Security—

(A) on policies and other issues related to the mission of the program; and

(B) on appropriate mechanisms to ensure that interested stakeholders in the agriculture industry, State and local governments, and the general public have formal opportunities to provide comments on the program; and

(2) in the case of the cochairpersons of the Advisory Board—

(A) coordinate the advice and concerns of the members of the Advisory Board; and

(B) at least twice a year, submit the views of the Advisory Board to the Secretary and the Secretary of Homeland Security.

(d) **MEETINGS.**—The meetings of the Advisory Board shall take place at least twice a year, with the option of conducting the meetings in Washington, District of Columbia, and a Customs and Border Protection port on an alternating basis.

SEC. 11034. REPORTS TO CONGRESS.

(a) **IN GENERAL.**—Not later than 180 days after the date of enactment of this Act, and annually thereafter through September 30, 2012, the Administrator of the Animal and Plant Health Inspection Service and the Commissioner of Customs and Border Protection, shall jointly submit to the committees described in subsection (b) a report on—

(1) the resource needs for import and entry agricultural inspections, including the number of inspectors required;

(2) the adequacy of inspection and monitoring procedures and facilities in the United States;

(3) new and emerging technologies and practices, including recommendations regarding the technologies and practices, to improve import and entry agricultural inspections; and

(4) questions or concerns raised by the Joint Task Force established under section 11032 and by the Agricultural Quarantine Inspection Program Advisory Board established under section 11033.

(b) **COMMITTEES.**—The Secretary and the Secretary of Homeland Security shall jointly submit the report required under subsection (a) to—

(1) the Committee on Agriculture, Nutrition, and Forestry of the Senate;

(2) the Committee on Agriculture of the House of Representatives;

(3) the Committee on Homeland Security and Governmental Affairs of the Senate; and

(4) the Committee on Homeland Security of the House of Representatives.

(c) **SATISFACTION OF REQUIREMENT.**—The Administrator of the Animal and Plant Health Inspection Service and the Commissioner of Customs and Border Protection may satisfy the reporting requirement described in subsection (a) by submitting to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a copy of each relevant provision relating to appropriations or authorization requests for the applicable fiscal year.

SEC. 11035. PORT RISK COMMITTEES.

(a) **IN GENERAL.**—Not later than 1 year after the date of enactment of this Act, the Secretary and the Secretary of Homeland Security shall jointly create Port Risk Committees to service the agriculture mission for each port of entry into the United States that the Secretary of Homeland Security, in consultation with the Secretary, determines to be appropriate.

(b) **MEMBERSHIP.**—Each Committee may include representatives from—

(1) the Animal and Plant Health Inspection Service, appointed by the Secretary;

(2) Customs and Border Protection, appointed by the Secretary of Homeland Security;

(3) the Department of Health and Human Services, appointed by the Secretary of Health and Human Services;

(4) State and local governments, appointed jointly by the Secretary, the Secretary of Homeland Security, and the Secretary of Health and Human Services; and

(5) other stakeholders, appointed jointly by the Secretary, the Secretary of Homeland Security, and the Secretary of Health and Human Services, who shall—

(A) act as nonvoting members of the Committee; and

(B) only observe and provide information and comments with respect to activities of the Committee.

(c) **DUTIES.**—Each Committee shall examine issues affecting the local port of entry of the Committee to determine actions necessary to mitigate risks of threats to the agricultural biosecurity of the United States.

(d) **REPORT.**—The Committees shall report regularly to regional-level officials of the Animal and Plant Health Inspection Service and to field office officials of Customs and Border Protection.

SEC. 11036. EMERGENCY RESPONSE PLANNING AT PORTS OF ENTRY.

(a) **IN GENERAL.**—Not later than 1 year after the date of enactment of this Act, the Secretary and the Secretary of Homeland Security shall develop a comprehensive plan to identify and deploy trained and certified personnel in emergency response activities.

(b) **PLAN.**—The plan shall include a strategy for rapid identification and deployment of resources and a standard operating procedure to implement when significant agricultural pests and diseases are detected at ports of entry.

(c) **CONTINUITY OF OPERATIONS PLANS.**—The Secretary and the Secretary of Homeland Security, acting through Customs and Border Protection, shall coordinate and share national continuity of operations plans and plans for ports of entry.

SEC. 11037. PLANT PEST IDENTIFICATION JOINT PLAN.

(a) **IN GENERAL.**—Not later than 1 year after the date of enactment of this Act, the Secretary and the Secretary of Homeland Security shall prepare a joint plan to establish standards of service for—

(1) plant pest and disease identification;

(2) inspection techniques training; and

(3) discard authority.

(b) **CONTENTS.**—The plan shall—

(1) formalize plant pest and disease identification and inspection training of Customs and Border Protection agriculture specialists for all pathways, including conveyances, passengers, cargo, mail, and rail; and

(2) establish performance-related criteria for the appropriate Department of Homeland Security personnel to enable enhanced discard authority and improve plant pest and disease interception.

SEC. 11038. LIAISON OFFICER POSITIONS.

(a) **CUSTOMS AND BORDER PROTECTION.**—

(1) **IN GENERAL.**—The Secretary shall establish a program liaison officer position who is physically located in the same building as the highest ranking Customs and Border Protection official with primary responsibility for the agricultural inspection functions of Customs and Border Protection.

(2) **EMPLOYEE.**—The liaison officer shall be an employee of the Animal and Plant Health Inspection Service.

(3) **SPACE AND STAFF.**—Customs and Border Protection shall provide appropriate space for the liaison officer and commensurate support staff.

(4) **EXPENSES.**—The Secretary shall bear all costs for salary, benefits, and other expenses of the liaison officer.

(b) ANIMAL AND PLANT HEALTH INSPECTION SERVICE.—

(1) IN GENERAL.—The Secretary, acting through Customs and Border Protection, shall establish a program liaison officer position who is physically located in the same building as the highest ranking Animal and Plant Health Inspection Service official with primary responsibility for the agricultural inspection functions of the Service.

(2) EMPLOYEE.—The liaison officer shall be an employee of Customs and Border Protection.

(3) SPACE AND STAFF.—The Animal and Plant Health Inspection Service shall provide appropriate space for the liaison officer and commensurate support staff.

(4) EXPENSES.—Customs and Border Protection shall bear all costs for salary, benefits, and other expenses of the liaison officer.

(c) COMMUNICATIONS.—The liaison officers shall ensure daily communication between designated officials of the Animal and Plant Health Inspection Service and Customs and Border Protection.

PART III—MISCELLANEOUS

SEC. 11041. DESIGNATION AND EXPEDITED REVIEW AND APPROVAL OF QUALIFIED AGRICULTURAL COUNTERMEASURES.

(a) DESIGNATION OF CERTAIN AGRICULTURAL COUNTERMEASURES.—The Secretary and the Secretary of Homeland Security, in coordination with the Secretary of Health and Human Services, the Administrator of the Environmental Protection Agency, and the heads of other applicable Federal departments or agencies, and in consultation with the Director of the Office of Science and Technology Policy in the Executive Office of the President, shall designate a list of qualified agricultural countermeasures to protect against the intentional introduction or natural occurrence of agricultural disease emergencies.

(b) EXPEDITED REVIEW AND APPROVAL OF QUALIFIED COUNTERMEASURES.—A qualified agricultural countermeasure designated under subsection (a) shall be—

(1) granted expedited review for approval; and

(2) if the qualified agricultural countermeasure meets the requirements for approval under that expedited review process, promptly approved by the appropriate Federal department or agency for use or further testing.

(c) DELISTING OF AGRICULTURE COUNTERMEASURES.—The Secretary and the Secretary of Homeland Security, in coordination with the Secretary of Health and Human Services, the Administrator of the Environmental Protection Agency, and the heads of other applicable Federal departments or agencies, and in consultation with the Director of the Office of Science and Technology Policy in the Executive Office of the President, may delist qualified agricultural countermeasures that are no longer effective in maintaining or enhancing the agricultural biosecurity of the United States.

SEC. 11042. AGRICULTURAL DISEASE EMERGENCY DETECTION AND RESPONSE.

(a) EMERGENCY DETERMINATION.—

(1) IN GENERAL.—The Secretary of Homeland Security, in consultation with the Secretary and the Secretary of Health and Human Services, shall—

(A) assess potential vulnerabilities to the agricultural biosecurity of the United States; and

(B) determine the incidence or outbreak of which agricultural diseases would constitute an emergency—

(i) to identify respective interagency priorities; and

(ii) to assist the Department of Homeland Security to establish biological threat

awareness capacities pursuant to HSPD-9 and HSPD-10.

(2) NOTIFICATION BY OTHER FEDERAL ENTITIES.—On a determination by the Secretary of Homeland Security under paragraph (1)(B), each Federal department and agency shall notify the Secretary of Homeland Security, the Secretary, and the Secretary of Health and Human Services of specific emergency procedures to be deployed in the event of an outbreak of an agricultural disease, including—

(A) any regulations promulgated to address the outbreak; and

(B) a timetable for implementation of the regulations.

(3) INFORMATION SHARING.—The Secretary of Homeland Security may make notifications under paragraph (2) available to the Secretary, in order for the Secretary to meet the incident management activities and goals set forth in the Food and Agriculture Incident Annex of the National Response Plan.

(4) STATE AND LOCAL COORDINATION.—On receipt by the Secretary of Homeland Security of notification of special emergency procedures required by other Federal departments or agencies, the Secretary of Homeland Security, in consultation with the Secretary and the Secretary of Health and Human Services, shall—

(A) notify State, local, and tribal governments, as appropriate, of the emergency procedures; and

(B) institute test exercises to determine the effectiveness of the emergency procedures in geographical areas of significance, as determined by the Secretary of Homeland Security, in consultation with the Secretary.

(b) DISEASE DETECTION.—The Secretary and the Secretary of Homeland Security shall—

(1) develop and deploy an advanced surveillance system to detect entry into the United States of agricultural biological threat agents that are likely to cause an agricultural disease emergency;

(2) develop national and international standards and implementation guidelines to be used in monitoring those agricultural biological threat agents;

(3) enhance animal and plant health laboratory networks in existence as of the date of enactment of this Act to increase the diagnostic capability for detecting those biological threat agents; and

(4) integrate the data and information obtained through the activities carried out under paragraphs (1) through (3) with the National Biosurveillance Integration Center of the Department of Homeland Security.

(c) ONSITE RAPID DIAGNOSTIC TOOLS.—

(1) DEVELOPMENT.—The Secretary, in consultation with the Secretary of Homeland Security and the Secretary of Health and Human Services, shall develop onsite rapid diagnostic tools to enable rapid diagnosis of incidents of agricultural diseases that would constitute an agricultural disease emergency at the site of the incident or outbreak.

(2) VALIDATION TESTING OF TOOLS.—In developing on-site rapid diagnostic tools under paragraph (1), the Secretary, in consultation with the Secretary of Homeland Security and the Secretary of Health and Human Services, shall conduct validation testing to ensure that each tool—

(A) identifies the agent for which the tool was developed; and

(B) will function properly if administered in the field by persons with varying levels of expertise in diagnostic testing, zoonotic disease surveillance, or agricultural disease emergencies.

(d) EMERGENCY RESPONSE.—

(1) IN GENERAL.—The Secretary shall work with State agriculture departments to ensure a coordinated response with State and

local agencies responsible for early agricultural disease detection and control.

(2) EVALUATION.—Not later than 180 days after the date of enactment of this Act, the Secretary shall prepare and submit to the appropriate committees of Congress an evaluation of the current staff, budgets, and capabilities of regional coordinators of the Animal and Plant Health Inspection Service to identify areas of potential vulnerability or additional resource needs for emergency response capabilities in specific geographical areas.

(e) BEST PRACTICES.—

(1) AGRICULTURAL BIOSECURITY TASK FORCE.—The Secretary shall establish in the Department an agricultural biosecurity task force to identify best practices for use in carrying out a State or regional agricultural biosecurity program.

(2) INFORMATION AVAILABLE.—The Secretary, in coordination with the Secretary of Homeland Security, shall make available information regarding best practices for use in implementing a State or regional agricultural biosecurity program, including training exercises for emergency response providers and animal and plant disease specialists.

(f) FOREIGN ANIMAL DISEASE AS PREREQUISITE FOR VETERINARIAN ACCREDITATION.—The Secretary shall require candidates for veterinarian accreditation from the Department to receive training in foreign animal disease detection and response.

SEC. 11043. 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 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 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—

(1) 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; and

(2) to leverage, where appropriate, the mechanisms and infrastructure of the Strategic National Stockpile.

SEC. 11044. 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 shall 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. 11045. 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 AWARD.**—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. 11046. 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 capability.

(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. 11047. BORDER INSPECTIONS OF AGRICULTURAL PRODUCTS.

(a) **INSPECTION.**—

(1) **IN GENERAL.**—The Secretary of Homeland Security, in consultation with the Secretary and the Secretary of Health and Human Services, shall coordinate with Federal intelligence officials to identify agricultural products that are imported from countries that have known capabilities to carry out an agroterrorist act.

(2) **PRIORITY.**—

(A) **IN GENERAL.**—Agricultural products imported from countries described in paragraph (1) shall be given priority status in the inspection process.

(B) **EFFECT OF THREATS.**—If a credible and specific threat of an intended agroterrorist act is identified by Federal intelligence officials, each border inspection of a product that could be a pathway for the agroterrorist act shall be intensified.

(b) **COORDINATION IN BORDER INSPECTION.**—In conducting inspections of agricultural products at the border, the Secretary, the Secretary of Homeland Security, and the Secretary of Health and Human Services shall use a compatible communication system in order to better coordinate the inspection process.

SEC. 11048. 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.

Subtitle B—Other Programs

SEC. 11051. FORECLOSURE.

(a) **IN GENERAL.**—Section 307 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927) is amended by adding at the end the following:

“(f) **MORATORIUM.**—

“(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 for any case in which—

“(A) there is pending against the Department a claim of discrimination by a farmer or rancher related to a loan acceleration or foreclosure; or

“(B) a farmer or rancher files a claim of discrimination against the Department related to a loan acceleration or foreclosure.

“(2) **WAIVER OF INTEREST AND OFFSETS.**—During the period of the moratorium, the Secretary shall waive the accrual of interest and offsets on all loans made under this subtitle for which loan acceleration or foreclosure proceedings have been instituted as described in paragraph (1).

“(3) **TERMINATION OF MORATORIUM.**—The moratorium shall terminate with respect to a claim of discrimination by a farmer or rancher on the earlier of—

“(A) the date the Secretary resolves the claim; or

“(B) if the farmer or rancher appeals the decision of the Secretary on the claim to a court of competent jurisdiction, the date that the court renders a final decision on the claim.

“(4) **FAILURE TO PREVAIL.**—If a farmer or rancher does not prevail on a claim of discrimination described in paragraph (1), the farmer or rancher shall be liable for any interest and offsets that accrued during the period that the loan was in abeyance.”.

(b) **FORECLOSURE REPORT.**—

(1) **IN GENERAL.**—Not later than 1 year after the date of enactment of this Act, the Inspector General of the Department of Agriculture (referred to in this subsection as the “Inspector General”) shall determine whether decisions of the Department to implement foreclosure proceedings with respect to loans made under subtitle A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922 et seq.) to socially disadvantaged farmers or ranchers during the 5-year period preceding the date of enactment of this Act were consistent and in conformity with the applicable laws (including regulations) governing loan foreclosures.

(2) **REPORT.**—Not later than 1 year after the date of enactment of this Act, the Inspector 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 report that describes the determination of the Inspector General under paragraph (1).

SEC. 11052. OUTREACH AND TECHNICAL ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.

(a) **IN GENERAL.**—Section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279) is amended—

(1) in subsection (a)—

(A) by striking paragraph (2) and inserting the following:

“(2) **REQUIREMENTS.**—The outreach and technical assistance program under paragraph (1) shall be used exclusively—

“(A) to enhance coordination of the outreach, technical assistance, and education efforts authorized under agriculture programs; and

“(B) to assist the Secretary in—

“(i) reaching socially disadvantaged farmers and ranchers and prospective socially disadvantaged farmers and ranchers in a culturally and linguistically appropriate manner; and

“(ii) improving the participation of those farmers and ranchers in Department programs, as determined under section 2501A.”;

(B) in paragraph (3)—

(i) in subparagraph (A), by striking “entity to provide information” and inserting “entity that has demonstrated an ability to carry out the requirements described in paragraph (2) to provide outreach”; and

(ii) by adding at the end the following:

“(D) **RENEWAL OF CONTRACTS.**—The Secretary may provide for renewal of a grant, contract, or other agreement under this section with an eligible entity that—

“(i) has previously received funding under this section;

“(ii) has demonstrated an ability to carry out the requirements described in paragraph (2); and

“(iii) demonstrates to the satisfaction of the Secretary that the entity will continue to fulfill the purposes of this section.

“(E) REVIEW OF PROPOSALS.—Notwithstanding subparagraph (D), the Secretary shall promulgate a regulation to establish criteria for the review process for grants and cooperative agreements (including multiyear grants), which shall include a review eligible entities on an individual basis.

“(F) REPORT.—The Secretary shall submit to Congress, and make publically available, an annual report that describes—

“(i) the accomplishments of the program under this section; and

“(ii) any gaps or problems in service delivery as reported by grantees.”; and

(C) in paragraph (4)—

(i) by striking subparagraph (A), and inserting the following:

“(A) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this subsection \$15,000,000 for each of fiscal years 2008 through 2012.”;

(ii) in subparagraph (B), by striking “authorized to be appropriated under subparagraph (A)” and inserting “made available under subparagraph (A)”;

(iii) by adding at the end the following:

“(C) LIMITATION ON USE OF FUNDS FOR ADMINISTRATIVE EXPENSES.—Not more than 5 percent of the amounts made available under this paragraph for a fiscal year may be used for expenses related to administering the program under this section.”; and

(2) in subsection (e)(5)(A)—

(A) in clause (i), by striking “has demonstrated experience in” and inserting “has a reputation for, and has demonstrated experience in.”; and

(B) in clause (ii)—

(i) by inserting “and on behalf of” before “socially”; and

(ii) by striking “2-year” and inserting “3-year”.

(b) COORDINATION WITH OUTREACH.—

(1) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, the Secretary shall develop a plan to join and relocate—

(A) the outreach and technical assistance program established under section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279); and

(B) the Office of Outreach of the Department of Agriculture.

(2) CONSULTATION.—In preparing the plan under paragraph (1), the Secretary shall, in consultation with eligible entities under section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279)—

(A) decide the most appropriate permanent location for the programs described in paragraph (1); and

(B) locate both programs together at that location.

(3) REPORT.—After the relocation described in this subsection is completed, the Secretary shall submit to Congress a report that includes information describing the new location of the programs.

SEC. 11053. ADDITIONAL CONTRACTING AUTHORITY.

Section 2501(a)(3) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(a)(3)) (as amended by section 11052(a)(1)(B)(ii)) is amended by adding at the end the following:

“(G) ADDITIONAL CONTRACTING AUTHORITY.—

“(i) IN GENERAL.—The Secretary shall provide to the Office of Outreach of the Department of Agriculture, the Natural Resources

Conservation Service, the Farm Service Agency, the Risk Management Agency, the Forest Service, the Food Safety and Inspection Service, and such other agencies and programs as the Secretary determines to be necessary, the authority to make grants and enter into contracts and cooperative agreements with community-based organizations that meet the definition of an eligible entity under subsection (e).

“(ii) MATCHING FUNDS.—The Secretary is not required to require matching funds for a grant made, or a contract or cooperative agreement entered into, under this subparagraph.

“(iii) INTERAGENCY FUNDING.—Notwithstanding any other provision of law (including regulations), any Federal agency may participate in any grant made, or contract or cooperative agreement entered into, under this subsection by contributing funds, if the head of the agency determines that the objectives of the grant, contract, or cooperative agreement will further the authorized programs of the contributing agency.”.

SEC. 11054. IMPROVED PROGRAM DELIVERY BY THE DEPARTMENT OF AGRICULTURE ON INDIAN RESERVATIONS.

Section 2501(g)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(g)(1)) is amended by striking the second sentence.

SEC. 11055. ACCURATE DOCUMENTATION IN THE CENSUS OF AGRICULTURE AND CERTAIN STUDIES.

Section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279) is amended by adding at the end the following:

“(h) ACCURATE DOCUMENTATION.—The Secretary shall ensure, to the maximum extent practicable, that the Census of Agriculture and studies carried out by the Economic Research Service accurately document the number, location, and economic contributions of socially disadvantaged farmers and ranchers in agricultural production.”.

SEC. 11056. IMPROVED DATA REQUIREMENTS.

Section 2501A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279-1) is amended by striking subsection (c) and inserting the following:

“(c) COMPILATION OF PROGRAM PARTICIPATION DATA.—

“(1) ANNUAL REQUIREMENT.—For each county and State in the United States, the Secretary of Agriculture (referred to in this section as the ‘Secretary’) shall annually compile program application and participation rate data regarding socially disadvantaged farmers and ranchers by computing for each program of the Department of Agriculture that serves agricultural producers or landowners—

“(A) raw numbers of applicants and participants by race, ethnicity, and gender, subject to appropriate privacy protections, as determined by the Secretary; and

“(B) the application and participation rate, by race, ethnicity, and gender, as a percentage of the total participation rate of all agricultural producers and landowners.

“(2) AUTHORITY TO COLLECT DATA.—The heads of the agencies of the Department of Agriculture shall collect and transmit to the Secretary any data, including data on race, gender, and ethnicity, that the Secretary determines to be necessary to carry out paragraph (1).

“(3) REPORT.—Using the technologies and systems of the National Agricultural Statistics Service, the Secretary shall compile and present the data required under paragraph (1) for each program described in that paragraph in a manner that includes the raw numbers and participation rates for—

“(A) the entire United States;

“(B) each State; and

“(C) each county in each State.

“(d) LIMITATIONS ON USE OF DATA.—

“(1) IN GENERAL.—In carrying out this section, the Secretary shall not disclose the names or individual data of any program participant.

“(2) AUTHORIZED USES.—The data under this section shall be used exclusively for the purposes described in subsection (a).

“(3) LIMITATION.—Except as otherwise provided, the data under this section shall not be used for the evaluation of individual applications for assistance.”.

SEC. 11057. RECEIPT FOR SERVICE OR DENIAL OF SERVICE.

Section 2501A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279-1) (as amended by section 11056) is amended by adding at the end the following:

“(e) RECEIPT FOR SERVICE OR DENIAL OF SERVICE.—In any case in which a farmer or rancher, or a prospective farmer or rancher, in person or in writing, requests from the Farm Service Agency or the Natural Resources Conservation Service of the Department of Agriculture any benefit or service offered by the Department to agricultural producers or landowners, and at the time of the request requests a receipt, the Secretary of Agriculture shall issue, on the date of the request, a receipt to the farmer or rancher, or prospective farmer or rancher, that contains—

“(1) the date, place, and subject of the request; and

“(2) the action taken, not taken, or recommended to the farmer or rancher or prospective farmer or rancher.”.

SEC. 11058. NATIONAL APPEALS DIVISION.

Section 280 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7000) is amended—

(1) by striking “On the return” and inserting the following:

“(a) IN GENERAL.—On the return”; and

(2) by adding at the end the following:

“(b) REPORTS.—

“(1) IN GENERAL.—Not later than 180 days after the date of enactment of this subsection, and every 180 days thereafter, the head of each agency shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, and publish on the website of the Department, a report that includes—

“(A) a description of all cases returned to the agency during the period covered by the report pursuant to a final determination of the Division;

“(B) the status of implementation of each final determination; and

“(C) if the final determination has not been implemented—

“(i) the reason that the final determination has not been implemented; and

“(ii) the projected date of implementation of the final determination.

“(2) UPDATES.—Each month, the head of each agency shall publish on the website of the Department any updates to the reports submitted under paragraph (1).”.

SEC. 11059. FARMWORKER COORDINATOR.

(a) IN GENERAL.—Subtitle B of title II of the Department of Agriculture Reorganization Act of 1994 is amended by inserting after section 226A (7 U.S.C. 6933) the following:

“SEC. 226B. FARMWORKER COORDINATOR.

“(a) ESTABLISHMENT.—The Secretary shall establish within the Department the position of Farmworker Coordinator (referred to in this section as the ‘Coordinator’).

“(b) DUTIES.—The Secretary shall delegate to the Coordinator responsibility for—

“(1) assisting in administering the program established by section 2281 of the Food, Agriculture, Conservation, and Trade Act of 1990 (42 U.S.C. 5177a);

“(2) serving as a liaison to community-based nonprofit organizations that represent and have demonstrated experience serving low-income migrant and seasonal farmworkers;

“(3) coordinating with the Department, other Federal agencies, and State and local governments to ensure that farmworker needs are assessed and met during declared disasters and other emergencies;

“(4) consulting with the Office of Small Farm Coordination, Office of Outreach, Outreach Coordinators, and other entities to better integrate farmworker perspectives, concerns, and interests into the ongoing programs of the Department;

“(5) consulting with appropriate institutions on research, program improvements, or agricultural education opportunities that assist low-income and migrant seasonal farmworkers; and

“(6) ensuring that farmworkers have access to services and support to enter agriculture as producers.

“(C) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.”

(b) CONFORMING AMENDMENT.—Section 296(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7014(b)) (as amended by section 7401(c)(1)) is amended by adding at the end the following:

“(7) the authority of the Secretary to establish in the Department a position of Farmworker Coordinator in accordance with section 226B.”

SEC. 11060. CONGRESSIONAL BIPARTISAN FOOD SAFETY COMMISSION.

(a) COMMISSION.—

(1) ESTABLISHMENT.—

(A) IN GENERAL.—There is established a commission to be known as the “Congressional Bipartisan Food Safety Commission” (referred to in this section as the “Commission”).

(B) PURPOSE.—The purpose of the Commission shall be to act in a bipartisan, consensus-driven fashion—

(i) to review the food safety system of the United States;

(ii) to prepare a report that—

(I) summarizes information about the food safety system as in effect as of the date of enactment of this Act; and

(II) makes recommendations on ways—

(aa) to modernize the food safety system of the United States;

(bb) to harmonize and update food safety statutes;

(cc) to improve Federal, State, local, and interagency coordination of food safety personnel, activities, budgets, and leadership;

(dd) to best allocate scarce resources according to risk;

(ee) to ensure that regulations, directives, guidance, and other standards and requirements are based on best-available science and technology;

(ff) to emphasize preventative rather than reactive strategies; and

(gg) to provide to Federal agencies funding mechanisms necessary to effectively carry out food safety responsibilities; and

(iii) to draft specific statutory language, including detailed summaries of the language and budget recommendations, that would implement the recommendations of the Commission.

(2) MEMBERSHIP.—

(A) COMPOSITION.—The Commission shall be composed of 19 members.

(B) ELIGIBILITY.—Members of the Commission shall—

(i) have specialized training, education, or significant experience in at least 1 of the areas of—

(I) food safety research;

(II) food safety law and policy; and

(III) program design and implementation;

(ii) consist of—

(I) the Secretary of Agriculture (or a designee);

(II) the Secretary of Health and Human Services (or a designee);

(III) 1 Member of the House of Representatives; and

(IV) 1 Member of the Senate; and

(V) 15 additional members that include, to the maximum extent practicable, representatives of—

(aa) consumer organizations;

(bb) agricultural and livestock production;

(cc) public health professionals;

(dd) State regulators;

(ee) Federal employees; and

(ff) the livestock and food manufacturing and processing industry.

(C) APPOINTMENTS.—

(i) IN GENERAL.—The appointment of the members of the Commission shall be made not later than 60 days after the date of enactment of this Act.

(ii) CERTAIN APPOINTMENTS.—Of the members of the Commission described in subparagraph (B)(ii)(V)—

(I) 2 shall be appointed by the President;

(II) 7 shall be appointed by a working group consisting of—

(aa) the Chairman of each of the Committee on Agriculture, Nutrition, and Forestry and the Committee on Health, Education, Labor, and Pensions of the Senate;

(bb) the Chairman of each of the Committee on Agriculture and the Committee on Energy and Commerce of the House of Representatives;

(cc) the Speaker of the House of Representatives; and

(dd) the Majority Leader of the Senate; and

(III) 6 shall be appointed by a working group consisting of—

(aa) the Ranking Member of each of the Committees described in items (aa) and (bb) of subclause (II);

(bb) the Minority Leader of the House of Representatives; and

(cc) the Minority Leader of the Senate.

(D) TERM.—A member of the Commission shall be appointed for the life of the Commission.

(E) VACANCIES.—A vacancy on the Commission—

(i) shall not affect the powers of the Commission; and

(ii) shall be filled in the same manner as the original appointment was made.

(3) MEETINGS.—

(A) INITIAL MEETING.—Except as provided in subparagraph (B), the initial meeting of the Commission shall be conducted in Washington, District of Columbia, not later than 30 days after the date of appointment of the final member of the Commission under paragraph (2)(C).

(B) MEETING FOR PARTIAL APPOINTMENT.—If, as of the date that is 90 days after the date of enactment of this Act, all members of the Commission have not been appointed under paragraph (2)(C), but at least 8 members have been appointed, the Commission may hold the initial meeting of the Commission.

(C) OTHER MEETINGS.—The Commission shall—

(i) hold a series of at least 5 stakeholder meetings to solicit public comment, including—

(I) at least 1 stakeholder meeting, to be held in Washington, District of Columbia; and

(II) at least 4 stakeholder meetings, to be held in various regions of the United States; and

(ii) meet at the call of—

(I) the Chairperson;

(II) the Vice-Chairperson; or

(III) a majority of the members of the Commission.

(D) PUBLIC PARTICIPATION; INFORMATION.—To the maximum extent practicable—

(i) each meeting of the Commission shall be open to the public; and

(ii) all information from a meeting of the Commission shall be recorded and made available to the public.

(E) QUORUM.—With respect to meetings of the Commission—

(i) a majority of the members of the Commission shall constitute a quorum for the conduct of business of the Commission; but

(ii) for the purpose of a stakeholder meeting described in subparagraph (C)(i), 4 or more members of the Commission shall constitute a quorum.

(F) FACILITATOR.—The Commission shall contract with a nonpolitical, disinterested third-party entity to serve as a meeting facilitator.

(4) CHAIRPERSON AND VICE-CHAIRPERSON.—At the initial meeting of the Commission, the members of the Commission shall select from among the members a Chairperson and Vice-Chairperson of the Commission.

(b) DUTIES.—

(1) RECOMMENDATIONS.—The Commission shall review and consider the statutes, studies, and reports described in paragraph (2) for the purpose of understanding the food safety system of the United States in existence as of the date of enactment of this Act.

(2) STATUTES, STUDIES, AND REPORTS.—The statutes, studies, and reports referred to in paragraph (1) are—

(A) with respect to laws administered by the Secretary of Agriculture—

(i) the Federal Seed Act (7 U.S.C. 1551 et seq.);

(ii) the Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.);

(iii) the Animal Health Protection Act (7 U.S.C. 8301 et seq.);

(iv) the Lacey Act Amendments of 1981 (16 U.S.C. 3371 et seq.);

(v) the Poultry Products Inspection Act (21 U.S.C. 451 et seq.);

(vi) the Federal Meat Inspection Act (21 U.S.C. 601 et seq.); and

(vii) the Egg Products Inspection Act (21 U.S.C. 1031 et seq.);

(B) with respect to laws administered by the Secretary of the Treasury, the Federal Alcohol Administration Act (27 U.S.C. 201 et seq.);

(C) with respect to laws administered by the Federal Trade Commission, the Act of September 26, 1914 (15 U.S.C. 41 et seq.);

(D) with respect to laws administered by the Secretary of Health and Human Services—

(i) chapters I through IV of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.);

(ii) the Public Health Service Act (42 U.S.C. 201 et seq.);

(iii) the Import Milk Act (21 U.S.C. 141 et seq.);

(iv) the Food Additives Amendment of 1958 (Public Law 85-929; 52 Stat. 1041);

(v) the Fair Packaging and Labeling Act (Public Law 89-755; 80 Stat. 1296);

(vi) the Infant Formula Act of 1980 (21 U.S.C. 301 note; Public Law 96-359);

(vii) the Pesticide Monitoring Improvements Act of 1988 (Public Law 100-418; 102 Stat. 1411);

(viii) the Nutrition Labeling and Education Act of 1990 (21 U.S.C. 301 note; Public Law 101-535);

(ix) the Food and Drug Administration Modernization Act of 1997 (21 U.S.C. 301 note; Public Law 105-115); and

(x) the Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (21 U.S.C. 301 note; Public Law 107-188);

(E) with respect to laws administered by the Attorney General, the Federal Anti-Tampering Act (18 U.S.C. 1365 note; Public Law 98-127);

(F) with respect to laws administered by the Administrator of the Environmental Protection Agency—

(i) the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.);

(ii) the Food Quality Protection Act of 1996 (7 U.S.C. 136 note; Public Law 104-170);

(iii) the Toxic Substances Control Act (15 U.S.C. 2601 et seq.); and

(iv) the Safe Drinking Water Act of 1974 (42 U.S.C. 301 note; Public Law 93-523); and

(G) with respect to laws administered by the Secretary of Transportation, chapter 57 of subtitle II of title 49, United States Code (relating to sanitary food transportation); and

(H) with respect to Government studies on food safety—

(i) the report of the National Academies of Science entitled “Ensuring Safe Food from Production to Consumption” and dated 1998;

(ii) the report of the National Academies of Science entitled “Scientific Criteria to Ensure Safe Food” and dated 2003;

(iii) reports of the Office of the Inspector General of the Department of Agriculture, including—

(I) report 24601-0008-CH, entitled “Egg Products Processing Inspection” and dated September 18, 2007;

(II) report 24005-1-AT, entitled “Food Safety and Inspection Service - State Meat and Poultry Inspection Programs” and dated September 27, 2006;

(III) report 24601-06-CH, entitled “Food Safety and Inspection Service's In-Plant Performance System” and dated March 28, 2006;

(IV) report 24601-05-AT, entitled “Hazard Analysis and Critical Control Point Implementation at Very Small Plants” and dated June 24, 2005;

(V) report 24601-04-HY, entitled “Food Safety and Inspection Service Oversight of the 2004 Recall by Quaker Maid Meats, Inc.” and dated May 18, 2005;

(VI) report 24501-01-FM, entitled “Food Safety and Inspection Service Application Controls - Performance Based Inspection System” and dated November 24, 2004;

(VII) report 24601-03-CH, entitled “Food Safety and Inspection Service Use of Food Safety Information” and dated September 30, 2004;

(VIII) report 24601-03-HY, entitled “Food Safety and Inspection Service Effectiveness Checks for the 2002 Pilgrim's Pride Recall” and dated June 29, 2004;

(IX) report 24601-02-HY, entitled “Food Safety and Inspection Service Oversight of the Listeria Outbreak in the Northeastern United States” and dated June 9, 2004;

(X) report 24099-05-HY, entitled “Food Safety and Inspection Service Imported Meat and Poultry Equivalence Determinations Phase III” and dated December 29, 2003;

(XI) report 24601-2-KC, entitled “Food Safety and Inspection Service - Oversight of Production Process and Recall at Conagra Plant (Establishment 969)” and dated September 30, 2003;

(XII) report 24601-1-Ch, entitled “Laboratory Testing Of Meat And Poultry Products” and dated June 21, 2000;

(XIII) report 24001-3-At, 24601-1-Ch, 24099-3-Hy, 24601-4-At, entitled “Food Safety and Inspection Service: HACCP Implementation, Pathogen Testing Program, Foreign Country

Equivalency, Compliance Activities” and dated June 21, 2000; and

(XIV) report 24001-3-At, entitled “Implementation of the Hazard Analysis and Critical Control Point System” and dated June 21, 2000; and

(I) with respect to reports prepared by the Government Accountability Office, the reports designated—

(i) GAO-05-212;

(ii) GAO-02-47T;

(iii) GAO/T-RCED-94-223;

(iv) GAO/RCED-99-80;

(v) GAO/T-RCED-98-191;

(vi) GAO/RCED-98-103;

(vii) GAO-07-785T;

(viii) GAO-05-51;

(ix) GAO/T-RCED-94-311;

(x) GAO/RCED-92-152;

(xi) GAO/T-RCED-99-232;

(xii) GAO/T-RCED-98-271;

(xiii) GAO-07-449T;

(xiv) GAO-05-213;

(xv) GAO-04-588T;

(xvi) GAO/RCED-00-255;

(xvii) GAO/RCED-00-195; and

(xviii) GAO/T-RCED-99-256.

(3) REPORT.—Not later than 360 days after the date on which the Commission first meets, the Commission shall submit to the President and Congress a report that includes the report and summaries, statutory language recommendations, and budget recommendations described in clauses (ii) and (iii) of subsection (a)(1)(B).

(c) POWERS OF THE COMMISSION.—

(1) HEARINGS.—The Commission or, at the direction of the Commission, any member of the Commission, may, for the purpose of carrying out this section—

(A) hold such hearings, meet and act at such times and places, take such testimony, receive such evidence, and administer such oaths; and

(B) require the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, documents, tapes, and materials; as the Commission or member considers advisable.

(2) INFORMATION FROM FEDERAL AGENCIES.—

(A) IN GENERAL.—The Commission may secure directly, from any Federal agency, such information as the Commission considers necessary to carry out this section.

(B) PROVISION OF INFORMATION.—

(i) IN GENERAL.—Subject to subparagraph (C), on the request of the Commission, the head of a Federal agency described in subparagraph (A) shall expeditiously furnish information requested by the Commission to the Commission.

(ii) ADMINISTRATION.—The furnishing of information by a Federal agency to the Commission shall not be considered a waiver of any exemption available to the agency under section 552 of title 5, United States Code.

(C) INFORMATION TO BE KEPT CONFIDENTIAL.—For purposes of section 1905 of title 18, United States Code—

(i) the Commission shall be considered an agency of the Federal Government; and

(ii) any individual employed by an individual, entity, or organization that is a party to a contract with the Commission under this section shall be considered an employee of the Commission.

(d) COMMISSION PERSONNEL MATTERS.—

(1) MEMBERS.—

(A) NON-FEDERAL EMPLOYEES.—A member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in

the performance of the duties of the Commission.

(B) FEDERAL EMPLOYEES.—A member of the Commission who is an officer or employee of the Federal Government shall serve without compensation in addition to the compensation received for the services of the member as an officer or employee of the Federal Government.

(C) TRAVEL EXPENSES.—A member of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Commission.

(2) STAFF.—

(A) EXECUTIVE DIRECTOR.—Not later than 30 days after the Chairperson and Vice-Chairperson of the Commission are selected under subsection (a)(4), the Chairperson and Vice-Chairperson shall jointly select an individual to serve as executive director of the Commission.

(B) ADDITIONAL STAFF.—The Chairperson of the Commission may, without regard to the civil service laws (including regulations), appoint and terminate the appointment of such other additional personnel as are necessary to enable the Commission to perform the duties of the Commission.

(C) CONFIRMATION OF EXECUTIVE DIRECTOR.—The employment of an executive director under this paragraph shall be subject to confirmation by the Commission.

(D) COMPENSATION.—

(i) IN GENERAL.—Except as provided in clause (ii), the Chairperson of the Commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates.

(ii) MAXIMUM RATE OF PAY.—The rate of pay for the executive director and other personnel shall not exceed the rate payable for level II of the Executive Schedule under section 5316 of title 5, United States Code.

(3) DETAIL OF FEDERAL GOVERNMENT EMPLOYEES.—

(A) IN GENERAL.—An employee of the Federal Government may be detailed to the Commission, without reimbursement, for such period of time as is permitted by law.

(B) CIVIL SERVICE STATUS.—The detail of the employee shall be without interruption or loss of civil service status or privilege.

(4) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairperson, Vice-Chairperson, and executive director of the Commission may procure temporary and intermittent services in accordance with section 3109(b) of title 5, United States Code, at rates for individuals that do not exceed the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5316 of that title.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

(f) TERMINATION.—The Commission shall terminate on the date that is 60 days after the date on which the Commission submits the report under subsection (b)(2).

SEC. 11061. EMERGENCY GRANTS TO ASSIST LOW-INCOME MIGRANT AND SEASONAL FARMWORKERS.

Section 2281 of the Food, Agriculture, Conservation, and Trade Act of 1990 (42 U.S.C. 5177a) is amended to read as follows:

“SEC. 2281. EMERGENCY GRANTS TO ASSIST LOW-INCOME MIGRANT AND SEASONAL FARMWORKERS.

“(a) DEFINITIONS.—In this section:

“(1) **ELIGIBLE ENTITY.**—The term ‘eligible entity’ means a public agency, community-based organization, or network of community-based organizations with tax-exempt status under section 501(c)(3) of the Internal Revenue Code of 1986, that has at least 5 years of demonstrated experience in representing and providing emergency services to low-income migrant or seasonal farmworkers

“(2) **LOW-INCOME MIGRANT OR SEASONAL FARMWORKER.**—The term ‘low-income migrant or seasonal farmworker’ means an individual—

“(A) who has, during any consecutive 12-month period within the preceding 24-month period, performed farm work for wages;

“(B) who has received not less than ½ of the total income of the individual from, or been employed at least ½ of total work time in, farm work; and

“(C) whose annual family income during the 12-month period described in paragraph (1) does not exceed the higher of, as determined by the Secretary—

“(i) 185 percent of the most recent annual Federal Poverty Income Guidelines published by the Department of Health and Human Services; or

“(ii) 70 percent of the lower living standard income level.

“(3) **SECRETARY.**—The term ‘Secretary’ means the Secretary of Agriculture.

“(b) **GRANTS AVAILABLE.**—The Secretary may make grants to eligible entities if the Secretary determines that a local, State, or national emergency or disaster has caused low-income migrant or seasonal farmworkers—

“(1) to lose income;

“(2) to be unable to work; or

“(3) to stay home or return home in anticipation of work shortages.

“(c) **USE OF FUNDS.**—As a condition of receiving a grant under subsection (b), an eligible entity shall use the grant to provide emergency services to low-income migrant or seasonal farmworkers, with a focus on—

“(1) assistance that allows low-income migrant or seasonal farmworkers to meet or access other resources to meet short-term emergency family needs for food, clothing, employment, transportation, and housing;

“(2) assistance that allows low-income and migrant seasonal farmworkers to remain in a disaster area; and

“(3) such other priorities that the Secretary determines to be appropriate.

“(d) **DISASTER FUND.**—

“(1) **IN GENERAL.**—The Secretary shall maintain a disaster fund of \$2,000,000 to be used for immediate assistance for events described in subsection (b).

“(2) **FUNDING.**—There are authorized to be appropriated to the Secretary such sums as are necessary to maintain the disaster fund at \$2,000,000 for each of fiscal years 2008 through 2012.”

SEC. 11062. GRANTS TO REDUCE PRODUCTION OF METHAMPHETAMINES FROM ANHYDROUS AMMONIA.

(a) **DEFINITIONS.**—In this section:

(1) **ELIGIBLE ENTITY.**—The term “eligible entity” means—

(A) a producer of agricultural commodities;

(B) a cooperative association, a majority of the members of which produce or process agricultural commodities; or

(C) a person in the trade or business of—

(i) selling an agricultural product (including an agricultural chemical) at retail, predominantly to farmers and ranchers; or

(ii) aerial and ground application of an agricultural chemical.

(2) **NURSE TANK.**—The term “nurse tank” shall be considered to be a cargo tank (within the meaning of section 173.315(m) of title

49, Code of Federal Regulations, as in effect as of the date of the enactment of this Act).

(b) **GRANT AUTHORITY.**—The Secretary may make a grant to an eligible entity to enable the eligible entity to obtain and add to an anhydrous ammonia fertilizer nurse tank a physical lock or a substance to reduce the amount of methamphetamine that can be produced from any anhydrous ammonia removed from the nurse tank.

(c) **GRANT AMOUNT.**—The amount of a grant made under this section to an eligible entity shall be the product obtained by multiplying—

(1) an amount not less than \$40 and not more than \$60, as determined by the Secretary; and

(2) the number of fertilizer nurse tanks of the eligible entity.

(d) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to the Secretary to make grants under this section \$15,000,000 for the period of fiscal years 2008 through 2012.

SEC. 11063. INVASIVE SPECIES MANAGEMENT, HAWAII.

(a) **DEFINITIONS.**—In this section:

(1) **SECRETARIES.**—The term “Secretaries” means—

(A) the Secretary of the Interior;

(B) the Secretary of Agriculture; and

(C) the Secretary of Homeland Security.

(2) **SECRETARY CONCERNED.**—The term “Secretary concerned” means—

(A) the Secretary of the Interior, with respect to matters under the jurisdiction of the Department of the Interior;

(B) the Secretary of Agriculture, with respect to matters under the jurisdiction of the Department of Agriculture; and

(C) the Secretary of Homeland Security, with respect to matters under the jurisdiction of the Department of Homeland Security.

(3) **STATE.**—The term “State” means the State of Hawaii.

(b) **CONTROLLING INTRODUCTION AND SPREAD OF INVASIVE SPECIES AND DISEASES IN THE STATE.**—

(1) **CONSULTATION AND COOPERATION.**—The Secretaries concerned shall—

(A) with respect to restricting the introduction or movement of invasive species and diseases into the State, consult and cooperate with the State; and

(B) in carrying out the activities described in this subsection, consult and cooperate with appropriate agencies and officers with experience relating to quarantine procedures, natural resources, conservation, and law enforcement of—

(i) the Department of Homeland Security;

(ii) the Department of Commerce;

(iii) the United States Treasury; and

(iv) the State.

(2) **DEVELOPMENT OF COLLABORATIVE FEDERAL AND STATE PROCEDURES.**—The Secretaries, in collaboration with the State, shall—

(A) develop procedures to minimize the introduction of invasive species into the State; and

(B) submit to Congress annual reports describing progress made and results achieved in carrying out the procedures.

(3) **EXPEDITED CONSIDERATION OF STATE AND LOCAL CONTROL PROPOSALS.**—

(A) **EXPEDITED PROCESS.**—Not later than 1 year after the date of enactment of this Act, the Secretaries shall establish an expedited process for the State and political subdivisions of the State under which the State and political subdivisions may, through the submission of an application, seek approval of the Secretary concerned to impose a general or specific prohibition or restriction on the introduction or movement of invasive species or diseases from domestic or foreign lo-

cations to the State that is in addition to the applicable prohibition or restriction imposed by the Secretary concerned.

(B) **REVIEW PERIOD.**—Not later than 60 days after the date of receipt by the Secretary concerned of an application under subparagraph (A) that the Secretary concerned determines to be a completed application, the Secretary concerned shall—

(i) review the completed application;

(ii) assess each potential risk with respect to the completed application; and

(iii) approve or disapprove the completed application.

(4) **RESPONSE TO EMERGENCY THREATS.**—

(A) **IN GENERAL.**—The State may carry out an emergency action to impose a prohibition or restriction on the entry of an invasive species or disease that is in addition to the applicable prohibition or restriction imposed by the Secretary concerned if—

(i) the State has submitted to the Secretary concerned a completed application under paragraph (3) that is pending approval by the Secretary concerned; and

(ii) an emergency or imminent threat from an invasive species or disease occurs in the State during the period in which the completed application described in clause (i) is pending approval by the Secretary concerned.

(B) **NOTICE.**—Before carrying out an emergency action under subparagraph (A), the State shall provide written notice to the Secretary concerned.

(C) **PERIOD OF EMERGENCY ACTION.**—If, by the date that is 10 days after the date of receipt of a written notice under subparagraph (B), the Secretary concerned does not object to the emergency action that is the subject of the notice, the State may carry out the emergency action during the 60-day period beginning on that date.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Secretaries such sums as are necessary to carry out this section for each of fiscal years 2008 through 2012.

SEC. 11064. OVERSIGHT AND COMPLIANCE.

The Secretary, acting through the Assistant Secretary for Civil Rights of the Department of Agriculture, shall use the reports described in subsection (c) of section 2501A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279-1) (as amended by section 11056) in the conduct of oversight and evaluation of civil rights compliance.

SEC. 11065. REPORT OF CIVIL RIGHTS COMPLAINTS, RESOLUTIONS, AND ACTIONS.

Each year, the Secretary shall—

(1) prepare a report that describes, for each agency of the Department of Agriculture—

(A) the number of civil rights complaints filed that relate to the agency, including whether a complaint is a program complaint or an employment complaint;

(B) the length of time the agency took to process each civil rights complaint;

(C) the number of proceedings brought against the agency, including the number of complaints described in paragraph (1) that were resolved with a finding of discrimination; and

(D) the number and type of personnel actions taken by the agency following resolution of civil rights complaints;

(2) submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a copy of the report; and

(3) make the report available to the public by posting the report on the website of the Department.

SEC. 11066. GRANTS TO IMPROVE SUPPLY, STABILITY, SAFETY, AND TRAINING OF AGRICULTURAL LABOR FORCE.

(a) **DEFINITION OF ELIGIBLE ENTITY.**—In this section, the term “eligible entity” means a nonprofit, community-based organization, or a consortium of nonprofit, community-based organizations, agricultural labor organizations, farmer or rancher cooperatives, and public entities, that has the capacity (including demonstrated experience in providing training, housing, or emergency services to migrant and seasonal farmworkers) to assist agricultural employers and farmworkers with improvements in the supply, stability, safety, and training of the agricultural labor force.

(b) GRANTS.

(1) **IN GENERAL.**—The Secretary may provide grants to eligible entities for use in providing services to assist farmworkers in securing, retaining, upgrading, or returning from agricultural jobs.

(2) **ELIGIBLE SERVICES.**—The services referred to in paragraph (1) include—

(A) agricultural upgrading and cross training;

(B) the provision of agricultural labor market information;

(C) transportation;

(D) short-term housing, including housing for unaccompanied farmworkers and at migrant rest stops;

(E) travelers' aid;

(F) workplace literacy and assistance with English as a second language;

(G) health and safety instruction, including ways of safeguarding the food supply of the United States; and

(H) limited emergency and financial assistance, in cases in which the Secretary determines that a national, State, or local emergency or disaster has caused migrant or seasonal farmworkers to lose income or employment.

(3) **EMERGENCY ASSISTANCE.**—Any emergency services provided using funds from a grant in accordance with paragraph (2)(H)—

(A) shall be consistent with section 2281 of the Food, Agriculture, Conservation, and Trade Act of 1990 (as amended by section 11061);

(B) shall be focused on assistance to allow low-income farmworkers and their families to meet short-term needs for such food, clothing, employment, transportation, and housing as are necessary to regain employment or return home; and

(C) may include such other types of assistance as the Secretary determines to be appropriate.

(c) **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.

SEC. 11067. INTERSTATE SHIPMENT OF MEAT AND POULTRY INSPECTED BY FEDERAL AND STATE AGENCIES FOR CERTAIN SMALL ESTABLISHMENTS.

(a) **MEAT AND MEAT PRODUCTS.**—The Federal Meat Inspection Act (21 U.S.C. 601 et seq.) is amended by adding at the end the following:

“TITLE V—INSPECTIONS BY FEDERAL AND STATE AGENCIES**“SEC. 501. INTERSTATE SHIPMENT OF MEAT INSPECTED BY FEDERAL AND STATE AGENCIES FOR CERTAIN SMALL ESTABLISHMENTS.****“(a) DEFINITIONS.**

“(1) **APPROPRIATE STATE AGENCY.**—The term ‘appropriate State agency’ means a State agency described in section 301(b).

“(2) **DESIGNATED PERSONNEL.**—The term ‘designated personnel’ means inspection personnel of a State agency that have undergone all necessary inspection training and certification to assist the Secretary in the

administration and enforcement of this Act, including regulations.

“(3) **ELIGIBLE ESTABLISHMENT.**—The term ‘eligible establishment’ means an establishment that is in compliance with—

“(A) the State inspection program of the State in which the establishment is located; and

“(B) this Act.

“(4) **MEAT ITEM.**—The term ‘meat item’ means—

“(A) a portion of meat; and

“(B) a meat food product.

“(5) **SELECTED ESTABLISHMENT.**—The term ‘selected establishment’ means an eligible establishment that is selected by the Secretary, in coordination with the appropriate State agency of the State in which the eligible establishment is located, under subsection (b) to ship carcasses, portions of carcasses, and meat items in interstate commerce.

“(b) **AUTHORITY OF SECRETARY TO ALLOW SHIPMENTS.**—

“(1) **IN GENERAL.**—Subject to paragraph (2), the Secretary, in coordination with the appropriate State agency of the State in which an establishment is located, may select the establishment to ship carcasses, portions of carcasses, and meat items in interstate commerce, and place on each carcass, portion of a carcass, and meat item shipped in interstate commerce a Federal mark, stamp, tag, or label of inspection, if the establishment—

“(A) is an eligible establishment; and

“(B) is located in a State that has designated personnel to inspect the eligible establishment.

“(2) **PROHIBITED ESTABLISHMENTS.**—In carrying out paragraph (1), the Secretary, in coordination with an appropriate State agency, shall not select an establishment that—

“(A) on average, employs more than 25 employees (including supervisory and non-supervisory employees), as defined by the Secretary;

“(B) as of the date of enactment of this section, ships in interstate commerce carcasses, portions of carcasses, or meat items that are inspected by the Secretary in accordance with this Act;

“(C)(i) is a Federal establishment;

“(ii) was a Federal establishment that was reorganized on a later date under the same name or a different name or person by the person, firm, or corporation that controlled the establishment as of the date of enactment of this section; or

“(iii) was a State establishment as of the date of enactment of this section that—

“(I) as of the date of enactment of this section, employed more than 25 employees; and

“(II) was reorganized on a later date by the person, firm, or corporation that controlled the establishment as of the date of enactment of this section;

“(D) is in violation of this Act;

“(E) is located in a State that does not have a State inspection program; or

“(F) is the subject of a transition carried out in accordance with a procedure developed by the Secretary under paragraph (3)(A).

“(3) **ESTABLISHMENTS THAT EMPLOY MORE THAN 25 EMPLOYEES.**—

“(A) **DEVELOPMENT OF PROCEDURE.**—The Secretary may develop a procedure to transition to a Federal establishment any establishment under this section that, on average, consistently employs more than 25 employees.

“(B) **ELIGIBILITY OF CERTAIN ESTABLISHMENTS.**—

“(i) **IN GENERAL.**—A State establishment that employs more than 25 employees but less than 35 employees as of the date of enactment of this section may be selected as a

selected establishment under this subsection.

“(ii) **PROCEDURES.**—A State establishment shall be subject to the procedures established under subparagraph (A) beginning on the date that is 3 years after the effective date described in subsection (j).

“(c) REIMBURSEMENT OF STATE COSTS.

“(1) **IN GENERAL.**—Except as provided in paragraph (2), the Secretary shall reimburse a State for costs related to the inspection of selected establishments in the State in accordance with Federal requirements in an amount of not less than 60 percent of eligible State costs.

“(2) **MICROBIOLOGICAL VERIFICATION TESTING.**—The Secretary may reimburse a State for 100 percent of eligible State costs relating to the inspection of selected establishments in the State, if the State provides additional microbiological verification testing of the selected establishments, using standards under this Act, that is in excess of the typical verification testing frequency of the Federal Government with respect to Federal establishments.

“(d) **COORDINATION BETWEEN FEDERAL AND STATE AGENCIES.**—

“(1) **IN GENERAL.**—The Secretary shall designate an employee of the Federal Government as State coordinator for each appropriate State agency—

“(A) to provide oversight and enforcement of this title; and

“(B) to oversee the training and inspection activities of designated personnel of the State agency.

“(2) **SUPERVISION.**—A State coordinator shall be under the direct supervision of the Secretary.

“(3) DUTIES OF STATE COORDINATOR.

“(A) **IN GENERAL.**—A State coordinator shall visit selected establishments with a frequency that is appropriate to ensure that selected establishments are operating in a manner that is consistent with this Act (including regulations and policies under this Act).

“(B) **QUARTERLY REPORTS.**—A State coordinator shall, on a quarterly basis, submit to the Secretary a report that describes the status of each selected establishment that is under the jurisdiction of the State coordinator with respect to the level of compliance of each selected establishment with the requirements of this Act.

“(C) **IMMEDIATE NOTIFICATION REQUIREMENT.**—If a State coordinator determines that any selected establishment that is under the jurisdiction of the State coordinator is in violation of any requirement of this Act, the State coordinator shall—

“(i) immediately notify the Secretary of the violation; and

“(ii) deselect the selected establishment or suspend inspection at the selected establishment.

“(4) **PERFORMANCE EVALUATIONS.**—Performance evaluations of State coordinators designated under this subsection shall be conducted by the Secretary as part of the Federal agency management control system.

“(e) AUDITS.

“(1) **PERIODIC AUDITS CONDUCTED BY INSPECTOR GENERAL OF THE DEPARTMENT OF AGRICULTURE.**—Not later than 2 years after the effective date described in subsection (j), and not less often than every 2 years thereafter, the Inspector General of the Department of Agriculture shall conduct an audit of each activity taken by the Secretary under this section for the period covered by the audit to determine compliance with this section.

“(2) **AUDIT CONDUCTED BY COMPTROLLER GENERAL OF THE UNITED STATES.**—Not earlier than 3 years, nor later than 5 years, after the date of enactment of this section, the Comptroller General of the United States shall

conduct an audit of the implementation of this section to determine—

“(A) the effectiveness of the implementation of this section; and

“(B) the number of selected establishments selected by the Secretary under this section.

“(f) INSPECTION TRAINING DIVISION.—

“(1) ESTABLISHMENT.—Not later than 180 days after the effective date described in subsection (j), the Secretary shall establish in the Food Safety and Inspection Service of the Department of Agriculture an inspection training division to coordinate the initiatives of any other appropriate agency of the Department of Agriculture to provide—

“(A) outreach, education, and training to very small or certain small establishments (as defined by the Secretary); and

“(B) grants to appropriate State agencies to provide outreach, technical assistance, education, and training to very small or certain small establishments (as defined by the Secretary).

“(2) PERSONNEL.—The inspection training division shall be comprised of individuals that, as determined by the Secretary—

“(A) are of a quantity sufficient to carry out the duties of the inspection training division; and

“(B) possess appropriate qualifications and expertise relating to the duties of the inspection training division.

“(g) TRANSITION GRANTS.—The Secretary may provide grants to appropriate State agencies to assist the appropriate State agencies in helping establishments covered by title III to transition to selected establishments.

“(h) VIOLATIONS.—Any selected establishment that the Secretary determines to be in violation of any requirement of this Act shall be transitioned to a Federal establishment in accordance with a procedure developed by the Secretary under subsection (b)(3)(A).

“(i) EFFECT.—Nothing in this section limits the jurisdiction of the Secretary with respect to the regulation of meat and meat products under this Act.

“(j) EFFECTIVE DATE.—

“(1) IN GENERAL.—This section takes effect on the date on which the Secretary, after providing a period of public comment (including through the conduct of public meetings or hearings), promulgates final regulations to carry out this section.

“(2) REQUIREMENT.—Not later than 18 months after the date of enactment of this section, the Secretary shall promulgate final regulations in accordance with paragraph (1).”.

(b) POULTRY AND POULTRY PRODUCTS.—The Poultry Products Inspection Act (21 U.S.C. 451 et seq.) is amended by adding at the end the following:

“SEC. 31. INTERSTATE SHIPMENT OF POULTRY INSPECTED BY FEDERAL AND STATE AGENCIES FOR CERTAIN SMALL ESTABLISHMENTS.

“(a) DEFINITIONS.—

“(1) APPROPRIATE STATE AGENCY.—The term ‘appropriate State agency’ means a State agency described in section 5(a)(1).

“(2) DESIGNATED PERSONNEL.—The term ‘designated personnel’ means inspection personnel of a State agency that have undergone all necessary inspection training and certification to assist the Secretary in the administration and enforcement of this Act, including regulations.

“(3) ELIGIBLE ESTABLISHMENT.—The term ‘eligible establishment’ means an establishment that is in compliance with—

“(A) the State inspection program of the State in which the establishment is located; and

“(B) this Act.

“(4) POULTRY ITEM.—The term ‘poultry item’ means—

“(A) a portion of poultry; and

“(B) a poultry product.

“(5) SELECTED ESTABLISHMENT.—The term ‘selected establishment’ means an eligible establishment that is selected by the Secretary, in coordination with the appropriate State agency of the State in which the eligible establishment is located, under subsection (b) to ship poultry items in interstate commerce.

“(b) AUTHORITY OF SECRETARY TO ALLOW SHIPMENTS.—

“(1) IN GENERAL.—Subject to paragraph (2), the Secretary, in coordination with the appropriate State agency of the State in which an establishment is located, may select the establishment to ship poultry items in interstate commerce, and place on each poultry item shipped in interstate commerce a Federal mark, stamp, tag, or label of inspection, if the establishment—

“(A) is an eligible establishment; and

“(B) is located in a State that has designated personnel to inspect the eligible establishment.

“(2) PROHIBITED ESTABLISHMENTS.—In carrying out paragraph (1), the Secretary, in coordination with an appropriate State agency, shall not select an establishment that—

“(A) on average, employs more than 25 employees (including supervisory and non-supervisory employees), as defined by the Secretary;

“(B) as of the date of enactment of this section, ships in interstate commerce carcasses, poultry items that are inspected by the Secretary in accordance with this Act;

“(C)(i) is a Federal establishment;

“(ii) was a Federal establishment as of the date of enactment of this section, and was reorganized on a later date under the same name or a different name or person by the person, firm, or corporation that controlled the establishment as of the date of enactment of this section; or

“(iii) was a State establishment as of the date of enactment of this section that—

“(I) as of the date of enactment of this section, employed more than 25 employees; and

“(II) was reorganized on a later date by the person, firm, or corporation that controlled the establishment as of the date of enactment of this section;

“(D) is in violation of this Act;

“(E) is located in a State that does not have a State inspection program; or

“(F) is the subject of a transition carried out in accordance with a procedure developed by the Secretary under paragraph (3)(A).

“(3) ESTABLISHMENTS THAT EMPLOY MORE THAN 25 EMPLOYEES.—

“(A) DEVELOPMENT OF PROCEDURE.—The Secretary may develop a procedure to transition to a Federal establishment any establishment under this section that, on average, consistently employs more than 25 employees.

“(B) ELIGIBILITY OF CERTAIN ESTABLISHMENTS.—

“(i) IN GENERAL.—A State establishment that employs more than 25 employees as of the date of enactment of this section may be selected as a selected establishment under this subsection.

“(ii) PROCEDURES.—A State establishment shall be subject to the procedures established under subparagraph (A) beginning on the date that is 3 years after the effective date described in subsection (i).

“(c) REIMBURSEMENT OF STATE COSTS.—

“(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall reimburse a State for costs related to the inspection of selected establishments in the State in accordance with Federal requirements in an

amount of not less than 60 percent of eligible State costs.

“(2) MICROBIOLOGICAL VERIFICATION TESTING.—The Secretary may reimburse a State for 100 percent of eligible State costs relating to the inspection of selected establishments in the State, if the State provides additional microbiological verification testing of the selected establishments, using standards under this Act, that is in excess of the typical verification testing frequency of the Federal Government with respect to Federal establishments.

“(d) COORDINATION BETWEEN FEDERAL AND STATE AGENCIES.—

“(1) IN GENERAL.—The Secretary shall designate an employee of the Federal Government as State coordinator for each appropriate State agency—

“(A) to provide oversight and enforcement of this section; and

“(B) to oversee the training and inspection activities of designated personnel of the State agency.

“(2) SUPERVISION.—A State coordinator shall be under the direct supervision of the Secretary.

“(3) DUTIES OF STATE COORDINATOR.—

“(A) IN GENERAL.—A State coordinator shall visit selected establishments with a frequency that is appropriate to ensure that selected establishments are operating in a manner that is consistent with this Act (including regulations and policies under this Act).

“(B) QUARTERLY REPORTS.—A State coordinator shall, on a quarterly basis, submit to the Secretary a report that describes the status of each selected establishment that is under the jurisdiction of the State coordinator with respect to the level of compliance of each selected establishment with the requirements of this Act.

“(C) IMMEDIATE NOTIFICATION REQUIREMENT.—If a State coordinator determines that any selected establishment that is under the jurisdiction of the State coordinator is in violation of any requirement of this Act, the State coordinator shall—

“(i) immediately notify the Secretary of the violation; and

“(ii) deselect the selected establishment or suspend inspection at the selected establishment.

“(4) PERFORMANCE EVALUATIONS.—Performance evaluations of State coordinators designated under this subsection shall be conducted by the Secretary as part of the Federal agency management control system.

“(e) AUDITS.—

“(1) PERIODIC AUDITS CONDUCTED BY INSPECTOR GENERAL OF THE DEPARTMENT OF AGRICULTURE.—Not later than 2 years after the effective date described in subsection (i), and not less often than every 2 years thereafter, the Inspector General of the Department of Agriculture shall conduct an audit of each activity taken by the Secretary under this section for the period covered by the audit to determine compliance with this section.

“(2) AUDIT CONDUCTED BY COMPTROLLER GENERAL OF THE UNITED STATES.—Not earlier than 3 years, nor later than 5 years, after the date of enactment of this section, the Comptroller General of the United States shall conduct an audit of the implementation of this section to determine—

“(A) the effectiveness of the implementation of this section; and

“(B) the number of selected establishments selected by the Secretary under this section.

“(f) TRANSITION GRANTS.—The Secretary may provide grants to appropriate State agencies to assist the appropriate State agencies in helping establishments covered by this Act to transition to selected establishments.

“(g) VIOLATIONS.—Any selected establishment that the Secretary determines to be in violation of any requirement of this Act shall be transitioned to a Federal establishment in accordance with a procedure developed by the Secretary under subsection (b)(3)(A).”

“(h) EFFECT.—Nothing in this section limits the jurisdiction of the Secretary with respect to the regulation of poultry and poultry products under this Act.

“(i) EFFECTIVE DATE.—

“(1) IN GENERAL.—This section takes effect on the date on which the Secretary, after providing a period of public comment (including through the conduct of public meetings or hearings), promulgates final regulations to carry out this section.

“(2) REQUIREMENT.—Not later than 18 months after the date of enactment of this section, the Secretary shall promulgate final regulations in accordance with paragraph (1).”

SEC. 11068. PREVENTION AND INVESTIGATION OF PAYMENT AND FRAUD AND ERROR.

Section 1113 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3413) is amended by striking subsection (k) and inserting the following:

“(k) DISCLOSURE NECESSARY FOR PROPER ADMINISTRATION OF PROGRAMS OF CERTAIN GOVERNMENT AUTHORITIES.—

“(1) DISCLOSURE TO GOVERNMENT AUTHORITIES.—Nothing in this title shall apply to the disclosure by the financial institution of the financial records of any customer to the Department of the Treasury, the Social Security Administration, the Railroad Retirement Board, or any other Government authority that certifies, disburses, or collects payments, when the disclosure of such information is necessary to, and such information is used solely for the purposes of—

“(A) the proper administration of section 1441 of the Internal Revenue Code of 1986 (26 U.S.C. 1441);

“(B) the proper administration of title II of the Social Security Act (42 U.S.C. 401 et seq.);

“(C) the proper administration of the Railroad Retirement Act of 1974 (45 U.S.C. 231 et seq.);

“(D) the verification of the identity of any person in connection with the issuance of a Federal payment or collection of funds by a Government authority; or

“(E) the investigation or recovery of an improper Federal payment or collection of funds, or an improperly negotiated Treasury check.

“(2) LIMITATIONS ON SUBSEQUENT DISCLOSURE.—Notwithstanding any other provision of law, any request authorized by paragraph (1), and the information contained therein, may be used by the financial institution and its agents solely for the purpose of providing the customer's financial records to the Government authority requesting the information and shall be barred from redisclosure by the financial institution or its agents. Any Government authority receiving information pursuant to paragraph (1) may not disclose or use the information except for the purposes set forth in such paragraph.”

SEC. 11069. ELIMINATION OF STATUTE OF LIMITATIONS APPLICABLE TO COLLECTION OF DEBT BY ADMINISTRATIVE OFFSET.

(a) ELIMINATION.—Section 3716 of title 31, United States Code, is amended by striking subsection (e) and inserting the following:

“(e)(1) Notwithstanding any other provision of law, regulation, or administrative limitation, no limitation on the period within which an offset may be initiated or taken pursuant to this section shall be effective.

“(2) This section does not apply when a statute explicitly prohibits using adminis-

trative offset or setoff to collect the claim or type of claim involved.”

(b) APPLICATION OF AMENDMENT.—The amendment made by subsection (a) shall apply to any debt outstanding on or after the date of the enactment of this Act.

SEC. 11070. STORED QUANTITIES OF PROPANE.

Section 550(a) of the Department of Homeland Security Appropriations Act, 2007 (6 U.S.C. 121 note; Public Law 109-295), is amended by striking “Commission.” and inserting the following:

“‘Commission: *Provided further*, That the Secretary shall not apply interim or final regulations relating to stored threshold quantities of propane for sale, storage, or use on homestead property, agricultural operations, or small business concerns (as defined in section 3 of the Small Business Act (15 U.S.C. 632)) that are located in rural areas (as defined in section 520 of the Housing Act of 1949 (42 U.S.C. 1490)), unless the Secretary submits to Congress a report describing an immediate or imminent threat against such a stored quantity of propane: *Provided further*, That nothing in this section exempts the Secretary from implementing any interim or final regulation relating to stored threshold quantities of propane for sale, use, or storage in an area that is not a rural areas (as so defined).’”

SEC. 11071. CLOSURE OF CERTAIN COUNTY FSA OFFICES.

(a) DEFINITION OF CRITICAL ACCESS COUNTY FSA OFFICE.—

(1) IN GENERAL.—In this section, the term “critical access county FSA office” means an office of the Farm Service Agency that, during the period described in paragraph (2), is—

(A) proposed to be closed;

(B) proposed to be closed with the closure delayed until after January 1, 2008, due to additional review pursuant to the third proviso of matter under the heading “SALARIES AND EXPENSES” under the heading “FARM SERVICE AGENCY” of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2006 (Public Law 109-97; 119 Stat. 2131); or

(C) included on a list of critical access county FSA offices determined in accordance with that Act and submitted to the Committee on Agriculture, Nutrition, and Forestry of the Senate by the Secretary on October 24, 2007.

(2) DESCRIPTION OF PERIOD.—The period referred to in paragraph (1) is the period beginning on November 10, 2005, and ending on December 31, 2007.

(3) EXCEPTION.—The term “critical access county FSA office” does not include any office of the Farm Service Agency that—

(A) is located not more than 20 miles from another office of the Farm Service Agency, unless the office is located within an identified limited-resource area consisting of at least 4 contiguous high-poverty counties; or

(B) employs no full-time equivalent employees as of the date of enactment of this Act.

(b) EXTENSION OF PERIOD OF OPERATION.—

(1) IN GENERAL.—Notwithstanding any other provision of law, except as provided in paragraph (3), none of the funds made available to the Secretary by any Act may be used to pay the salaries or expenses of any officer or employee of the Department of Agriculture to close any critical access county FSA office during the period beginning on November 1, 2007, and ending on September 30, 2012.

(2) NUMBER OF EMPLOYEES.—

(A) IN GENERAL.—Subject to subparagraphs (B) and (C), the Secretary shall ensure that each critical access county FSA office in each State maintains a staff level of not less

than 3 full-time equivalent employees during the period described in paragraph (1).

(B) STAFFING FLEXIBILITY.—Notwithstanding subparagraph (A) and subject to subparagraph (C), an employee required to meet the staff level of a critical access county FSA office in a State as described in subparagraph (A) may be employed at any other county office of the Farm Service Agency in that State, as the Secretary determines to be appropriate.

(C) MINIMUM STAFFING LEVEL.—A critical access county FSA office shall be staffed by not less than 1 full-time equivalent employee during the period described in paragraph (1).

(3) EXCEPTION.—The Secretary may close a critical access county FSA office only on concurrence in the determination to close the critical access county FSA office by—

(A) Congress; and

(B) the applicable State Farm Service Agency committee.

SA 3816. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle C of title III, add the following:

SEC. 32. CORRECTIVE LEGISLATION.

(a) DEFINITION OF JOINT RESOLUTION.—In this section, the term “joint resolution” means only a joint resolution introduced during the 90-day period beginning on the date on which the report referred to in subsection (b) is received by Congress (excluding days either House of Congress is adjourned for more than 3 days during a session of Congress), the matter after the resolving clause of which is as follows: “That Congress approves the draft legislation included in the report required under section ____ (b) of the Food and Energy Security Act of 2007 submitted by the President to Congress on ____, and the legislation shall have force and effect.” (The blank spaces being appropriately filled in).

(b) REPORT.—Not later than 90 days after the date of final adjudication of any appeals by the President relating to a finding that any United States commodity program is in violation of a trading rule of the World Trade Organization, the President may submit to each House of Congress a report that includes—

(1) a notification of any effective date of sanctions to be imposed for failure to correct the violation; and

(2) draft legislation for use in correcting the violation.

(c) CONGRESSIONAL ACTION.—Subject to subsection (f), if Congress receives a notification described in subsection (b)(1), the approval of Congress of the draft legislation submitted under subsection (b)(2) shall be effective if, and only if, a joint resolution is enacted into law pursuant to subsections (d) and (e).

(d) PROCEDURAL PROVISIONS.—

(1) IN GENERAL.—The requirements of this subsection are met if—

(A) a joint resolution is adopted under subsection (e); and

(B)(i) Congress transmits the joint resolution to the President before the end of the 90-day period beginning on the date on which Congress receives the report of the President under subsection (b); and

(ii)(I) the President signs the joint resolution; or

(II) if the President vetoes the joint resolution, each House of Congress votes to override that veto on or before the later of—

(aa) the last day of the 90-day period referred to in clause (i); or

(bb) the last day of the 15-day period beginning on the date on which Congress receives the veto message from the President.

(2) INTRODUCTION.—A joint resolution to which this subsection applies may be introduced at any time on or after the date on which Congress receives the report of the President under subsection (b).

(e) JOINT RESOLUTION.—

(1) PROCEDURES.—

(A) IN GENERAL.—Joint resolutions—

(i) may be introduced in either House of Congress by any Member of such House; and

(ii) shall be referred—

(I) to the Committee on Agriculture of the House of Representatives, if the joint resolution is introduced in the House of Representatives; or

(II) to the Committee on Agriculture, Nutrition, and Forestry of the Senate, if the joint resolution is introduced in the Senate.

(B) APPLICATION OF SECTION 151 OF THE TRADE ACT OF 1974.—Subject to the provisions of this subsection, the provisions of subsections (c), (d), (f), and (g) of section 151 of the Trade Act of 1974 (19 U.S.C. 2191(c), (d), (f), and (g)) shall apply to joint resolutions to the same extent as such provisions apply to implementing bills under that section.

(C) DISCHARGE OF COMMITTEE.—If a committee of either House to which a joint resolution has been referred has not reported the joint resolution by the close of the 45th day after its introduction—

(i) the committee shall be automatically discharged from further consideration of the joint resolution; and

(ii) the joint resolution shall be placed on the appropriate calendar.

(D) FLOOR CONSIDERATION.—It shall not be in order for—

(i) the Senate to consider any joint resolution unless the joint resolution has been reported by the Committee on Agriculture, Nutrition, or Forestry of the Senate or the committee has been discharged under subparagraph (C);

(ii) the House of Representatives to consider any joint resolution unless the joint resolution has been reported by the Committee on Agriculture of the House of Representatives or the committee has been discharged under subparagraph (C); or

(iii) either House to consider any joint resolution or take any action under clause (i) or (ii) of subsection (d)(1)(B), if the President has notified the appropriate committees that the decision to impose sanctions described in subsection (b)(1) has been withdrawn and the sanctions have not actually been imposed.

(E) CONSIDERATION IN THE HOUSE.—A motion in the House of Representatives to proceed to the consideration of a joint resolution may only be made on the second legislative day after the calendar day on which the Member making the motion announces his or her intention to do so.

(2) CONSIDERATION OF SECOND RESOLUTION NOT IN ORDER.—It shall not be in order in either the House of Representatives or the Senate to consider another joint resolution under this section (other than a joint resolution received from the other House), if that House has previously voted on a joint resolution under this section with respect to the same presidential notification described in subsection (b)(1).

(3) COMPUTATION OF TIME PERIOD.—For the purpose of subsection (d)(1)(B)(ii)(II) and paragraph (1)(C), the 90-day period, the 15-day period, and the 45 days referred to in those provisions shall be computed by excluding—

(A) the days on which either House is not in session because of an adjournment of more

than 3 days to a day certain or an adjournment of the Congress sine die; and

(B) any Saturday and Sunday, not excluded under subparagraph (A), when either House is not in session.

(4) RULES OF HOUSE OF REPRESENTATIVES AND SENATE.—This subsection is enacted by Congress—

(A) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and such procedures supersede other rules only to the extent that such procedures are inconsistent with such other rules; and

(B) with the full recognition of the constitutional right of either House to change the rules (so far as relating to the procedures of that House) at any time, in the same manner, and to the same extent as any other rule of that House.

(f) INTERVENING ENACTMENT.—A joint resolution shall not be required under this section if, during the period beginning on the date on which the President submits to Congress draft legislation under subsection (b)(2) and ending on the date on which Congress enacts a joint resolution under subsection (e), a law containing or preempting the draft legislation is enacted.

SA 3817. Mr. DURBIN submitted an amendment intended to be proposed 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; which was ordered to lie on the table; as follows:

Beginning on page 108, strike line 3 and all that follows through page 123, line 8 and insert the following:

(A) the 2009, 2010, 2011, and 2012 crop years;

(B) the 2010, 2011, and 2012 crop years;

(C) the 2011 and 2012 crop years; or

(D) the 2012 crop year.

(2) ELECTION; TIME FOR ELECTION.—

(A) IN GENERAL.—The Secretary shall provide notice to producers regarding the opportunity to make the election described in paragraph (1).

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

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

(ii) information regarding the manner in which the election must be made and the time periods and manner in which notice of the election must be submitted to the Secretary.

(3) ELECTION DEADLINE.—Within the time period and in the manner prescribed pursuant to paragraph (2), the producers on a farm shall submit to the Secretary notice of the election made under paragraph (1).

(4) EFFECT OF FAILURE TO MAKE ELECTION.—If the producers on a farm fail to make the election under paragraph (1) or fail to timely notify the Secretary of the election made, as required by paragraph (3), the producers shall be deemed to have made the election to receive payments and loans under subtitle A for all covered commodities and peanuts on the farm for the applicable crop year.

(b) PAYMENTS REQUIRED.—

(1) IN GENERAL.—In the case of producers on a farm who make the election under subsection (a) to receive average crop revenue payments, for any of the 2009 through 2012 crop years for all covered commodities and peanuts, the Secretary shall make average crop revenue payments available to the producers on a farm in accordance with this subsection.

(2) FIXED PAYMENT COMPONENT.—Subject to paragraph (3), in the case of producers on a

farm described in paragraph (1), the Secretary shall make average crop revenue payments available to the producers on a farm for each crop year in an amount equal to not less than the product obtained by multiplying—

(A) \$15 per acre; and

(B) 100 percent of the lower of—

(i) the quantity of base acres on the farm for all covered commodities and peanuts (as adjusted in accordance with the terms and conditions of section 1101 or 1302, as determined by the Secretary); or

(ii) the average of the acreage planted or considered planted to the covered commodity or peanuts for harvest on the farm during the 2002 through 2007 crop years.

(3) REVENUE COMPONENT.—

(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall increase the amount of the average crop revenue payments available to the producers on a farm in a State for a crop year if—

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

(ii) the average crop revenue program guarantee for the crop year for the covered commodity or peanuts in the State determined under subsection (d).

(B) INDIVIDUAL LOSS.—The Secretary shall increase the amount of the average crop revenue payments available to the producers on a farm in a State for a crop year only if (as determined by the Secretary)—

(i) the sum obtained by adding—

(I) the amount determined by multiplying—

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

(bb) the average crop revenue program harvest price for the crop year for the covered commodity or peanuts determined under subsection (c)(3); and

(II) the amount of the crop insurance premium for the crop year for the covered commodity or peanuts of the producers on the farm; is less than

(ii) the amount determined by multiplying—

(I) the yield used to calculate crop insurance coverage for the covered commodity or peanuts on the farm under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) (commonly referred to as “actual production history”); and

(II) the pre-planting price for the applicable crop year for the covered or peanuts in a State determined under subsection (d)(3).

(4) TIME FOR PAYMENTS.—In the case of each of the 2009 through 2012 crop years, the Secretary shall make—

(A) [] percent of the total quantity of payments under the fixed payment component described in paragraph (2) not earlier than October 1 of the calendar year in which the crop of the covered commodity or peanuts is harvested;

(B) the remainder of payments under the fixed payment component described in paragraph (2) on October 1, or as soon as practicable thereafter, after the end of the applicable marketing year for the covered commodity or peanuts; and

(C) payments under the revenue component described in paragraph (3) beginning October 1, or as soon as practicable thereafter, after the end of the applicable marketing year for the covered commodity or peanuts.

(c) ACTUAL STATE REVENUE.—

(1) IN GENERAL.—For purposes of subsection (b)(3)(A), the amount of the actual State revenue for a crop year of a covered commodity shall equal the product obtained by multiplying—

(A) the actual State yield for each planted acre for the crop year for the covered commodity or peanuts determined under paragraph (2); and

(B) the average crop revenue program harvest price for the crop year for the covered commodity or peanuts determined under paragraph (3).

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

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

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

(3) **AVERAGE CROP REVENUE PROGRAM HARVEST PRICE.**—

(A) **IN GENERAL.**—For purposes of paragraph (1)(B), subject to subparagraph (B), the average crop revenue program harvest price for a crop year for a covered commodity or peanuts in a State shall equal the harvest price that is used to calculate revenue under revenue coverage plans that are offered for the crop year for the covered commodity or peanuts in the State under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.).

(B) **ASSIGNED PRICE.**—If the Secretary cannot establish the harvest price for a crop year for a covered commodity or peanuts in a State in accordance with subparagraph (A), the Secretary shall assign a price for the covered commodity or peanuts in the State on the basis of comparable price data.

(d) **AVERAGE CROP REVENUE PROGRAM GUARANTEE.**—

(1) **IN GENERAL.**—Except as provided in paragraph (4), the average crop revenue program guarantee for a crop year for a covered commodity or peanuts in a State shall equal 90 percent of the product obtained by multiplying—

(A) the expected State yield for each planted acre for the crop year for the covered commodity or peanuts in a State determined under paragraph (2); and

(B) the average crop revenue program pre-planting price for the crop year for the covered commodity or peanuts determined under paragraph (3).

(2) **EXPECTED STATE YIELD.**—

(A) **IN GENERAL.**—For purposes of paragraph (1)(A), subject to subparagraph (B), the expected State yield for each planted acre for a crop year for a covered commodity or peanuts in a State shall equal the projected yield for the crop year for the covered commodity or peanuts in the State, based on a linear regression trend of the yield per acre planted to the covered commodity or peanuts in the State during the 1980 through 2006 period using National Agricultural Statistics Service data.

(B) **ASSIGNED YIELD.**—If the Secretary cannot establish the expected State yield for each planted acre for a crop year for a covered commodity or peanuts in a State in accordance with subparagraph (A) or if the linear regression trend of the yield per acre planted to the covered commodity or peanuts in the State (as determined under subparagraph (A)) is negative, the Secretary shall assign an expected State yield for each planted acre for the crop year for the covered commodity or peanuts in the State on the basis of expected State yields for planted acres for the crop year for the covered commodity or peanuts in similar States.

(3) **AVERAGE CROP REVENUE PROGRAM PRE-PLANTING PRICE.**—

(A) **IN GENERAL.**—For purposes of paragraph (1)(B), subject to subparagraphs (B) and (C), the average crop revenue program

pre-planting price for a crop year for a covered commodity or peanuts in a State shall equal the average price that is used to calculate revenue under revenue coverage plans that are offered for the covered commodity in the State under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) for the crop year and the preceding 2 crop years.

(B) **ASSIGNED PRICE.**—If the Secretary cannot establish the pre-planting price for a crop year for a covered commodity or peanuts in a State in accordance with subparagraph (A), the Secretary shall assign a price for the covered commodity or peanuts in the State on the basis of comparable price data.

(C) **MINIMUM AND MAXIMUM PRICE.**—In the case of each of the 2010 through 2012 crop years, the average crop revenue program pre-planting price for a crop year for a covered commodity or peanuts under subparagraph (A) shall not decrease or increase more than 15 percent from the pre-planting price for the preceding year.

(4) **STATES WITH IRRIGATED AND NONIRRIGATED LAND.**—In the case of a State in which at least 25 percent of the planted acreage in the State is under irrigation and at least 25 percent of the planted acreage in the State is not under irrigation, the Secretary shall calculate a separate average crop revenue program guarantee for the irrigated and nonirrigated areas of the State.

(e) **PAYMENT AMOUNT.**—Subject to subsection (f), if average crop revenue payments are required to be paid for any of the 2009 through 2012 crop years of a covered commodity or peanuts under subsection (b)(3), in addition to the amount payable under subsection (b)(2), the amount of the average crop revenue payment to be paid to the producers on the farm for the crop year under this section shall be increased by an amount equal to the product obtained by multiplying—

(1) the difference between—

(A) the average crop revenue program guarantee for the crop year for the covered commodity or peanuts in the State determined under subsection (d); and

(B) the actual State revenue from the crop year for the covered commodity or peanuts in the State determined under subsection (c);

(2) 100 percent of the acreage planted or considered planted to the covered commodity or peanuts for harvest on the farm in the crop year;

(3) the quotient obtained by dividing—

(A) the expected county yield for the crop year, determined for the county in the same manner as the expected State yield is determined for a State under subsection (d)(2); by

(B) the expected State yield for the crop year, as determined under subsection (d)(2); and

(4) 90 percent.

(f) **LIMITATION ON PAYMENT AMOUNT.**—The amount of the average crop revenue payment to be paid to the producers on a farm for a crop year of a covered commodity or peanuts under subsection (e) shall not exceed 30 percent of the average crop revenue program guarantee for the crop year for the covered commodity or peanuts in a State determined under subsection (d)(1).

(g) **RECOURSE LOANS.**—For each of the 2009 through 2012 crops of a covered commodity or peanuts, the Secretary shall make available to producers on a farm who elect to receive payments under this section recourse loans, as determined by the Secretary, on any production of the covered commodity.

SEC. 1402. PRODUCER AGREEMENT AS CONDITION OF AVERAGE CROP REVENUE PAYMENTS.

(a) **COMPLIANCE WITH CERTAIN REQUIREMENTS.**—

(1) **REQUIREMENTS.**—Before the producers on a farm may receive average crop revenue

payments with respect to the farm, the producers shall agree, and in the case of subparagraph (C), the Farm Service Agency shall certify, during the crop year for which the payments are made and in exchange for the payments—

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

(B) to comply with applicable wetland protection requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.); and

(C) that the individuals or entities receiving payments are producers;

(D) to use the land on the farm, in a quantity equal to the attributable base acres for the farm and any base acres for peanuts for the farm under part III of subtitle A, for an agricultural or conserving use, and not for a nonagricultural commercial, industrial, or residential use (including land subdivided and developed into residential units or other nonfarming uses, or that is otherwise no longer intended to be used in conjunction with a farming operation), as determined by the Secretary; and

(E) to effectively control noxious weeds and otherwise maintain the land in accordance with sound agricultural practices, as determined by the Secretary, if the agricultural or conserving use involves the noncultivation of any portion of the land referred to in subparagraph (D).

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

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

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

(1) **TERMINATION.**—

(A) **IN GENERAL.**—Except as provided in paragraph (2), a transfer of (or change in) the interest of the producers on a farm for which average crop revenue payments are made shall result in the termination of the payments, unless the transferee or owner of the farm agrees to assume all obligations under subsection (a).

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

(2) **EXCEPTION.**—If a producer entitled to an average crop revenue payment dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment, in accordance with rules issued by the Secretary.

(c) **ACREAGE REPORTS.**—

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

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

(d) **TENANTS AND SHARECROPPERS.**—In carrying out this subtitle, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

(e) **SHARING OF PAYMENTS.**—The Secretary shall provide for the sharing of average crop revenue payments among the producers on a farm on a fair and equitable basis.

(f) **AUDIT AND REPORT.**—Each year, to ensure, to the maximum extent practicable,

that payments are received only by producers, the Secretary shall—

(1) conduct an audit of average crop revenue payments; and

(2) submit to Congress a report that describes the results of that audit.

SEC. 1403. PLANTING FLEXIBILITY.

(a) PERMITTED CROPS.—Subject to subsection (b), any commodity or crop may be planted on base acres on a farm for which the producers on a farm elect to receive average crop revenue payments (referred to in this section as “base acres”).

(b) LIMITATIONS REGARDING CERTAIN COMMODITIES.—

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

(2) TREATMENT OF TREES AND OTHER PERENNIALS.—The planting of an agricultural commodity specified in paragraph (3) that is produced on a tree or other perennial plant shall be prohibited on base acres.

(3) COVERED AGRICULTURAL COMMODITIES.—Paragraphs (1) and (2) apply to the following agricultural commodities:

(A) Fruits.

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

(C) Wild rice.

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

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

(2) on a farm that the Secretary determines has a history of planting agricultural commodities specified in subsection (b)(3) on base acres, except that average crop revenue payments shall be reduced by an acre for each acre planted to such an agricultural commodity; or

(3) by the producers on a farm that the Secretary determines has an established planting history of a specific agricultural commodity specified in subsection (b)(3), except that—

(A) the quantity planted may not exceed the average annual planting history of such agricultural commodity by the producers on the farm in the 1991 through 1995 or 1998 through 2001 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and

(B) average crop revenue payments shall be reduced by an acre for each acre planted to such agricultural commodity.

(d) PLANTING TRANSFERABILITY PILOT PROJECT.—Producers on a farm that elect to receive average crop revenue payments shall be eligible to participate in the pilot program established under section 1106(d) under the same terms and conditions as producers that receive direct payments and counter-cyclical payments.

(e) PRODUCTION OF FRUITS OR VEGETABLES FOR PROCESSING.—

(1) IN GENERAL.—Subject to paragraphs (2) through (4), effective beginning with the 2009 crop

On page 1374, between lines 14 and 15, insert the following:

“(iii) 100 percent of the amount of the revenue component of any average crop revenue payments made to the producer under section 1401(b)(3) of the Food and Energy Security Act of 2007;”.

SA 3818. Mr. STEVENS submitted an amendment intended to be proposed 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; which was ordered to lie on the table; as follows:

On page 247, line 17, insert “seafood, farm-raised aquaculture,” after “nursery crops.”.

NOTICE OF HEARING

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. LEVIN. Mr. President, I would like to announce for the information of the Senate and the public that the Permanent Subcommittee on Investigations of the Committee on Homeland Security and Governmental Affairs will hold a hearing entitled, “United Nations Development Program Operations in North Korea.” In April 2007, the United Nations Development Program, UNDP, took the unprecedented step of shutting down its operations in North Korea due to refusals by the North Korean government to allow UNDP to increase the transparency and accountability of its funding programs there. The Subcommittee’s December 13th hearing will examine UNDP operations in North Korea, reviewing evidence and taking testimony on certain problems in the relationship between UNDP and the North Korean government, whether the problems in North Korea are localized or systemic, and whether UNDP has sufficient whistleblower and ethics safeguards in place. Witnesses for the upcoming hearing will include representatives of the Government Accountability Office and the Department of State. Following the hearing, the Subcommittee will receive a public briefing from representatives of the United Nations Development Program. A final witness list will be available Tuesday, December 11, 2007.

The Subcommittee hearing is scheduled for Thursday, December 13, 2007, at 2 p.m., in Room 342 of the Dirksen Senate Office Building. For further information, please contact Elise Bean of the Permanent Subcommittee on Investigations at 224-9505.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. DURBIN. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, December 6, 2007, at 2:30 p.m. in order to conduct a hearing on foreign assistance to Pakistan.

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

COMMITTEE ON THE JUDICIARY

Mr. DURBIN. Mr. President, I ask unanimous consent that the Senate Committee on the Judiciary be authorized to meet during the session of the Senate, in order to conduct an Executive Business Meeting on Thursday,

December 6, 2007, at 10 a.m. in room SD-226 of the Dirksen Senate Office Building.

Agenda

I. Bills: S.352, Sunshine in the Courtroom Act of 2007 (Grassley, Schumer, Leahy, Specter, Graham, Feingold, Cornyn, Durbin); S.344, A bill to permit the televising of Supreme Court proceedings (Specter, Grassley, Durbin, Schumer, Feingold, Cornyn); S.1638, Federal Judicial Salary Restoration Act of 2007 (Leahy, Hatch, Feinstein, Graham, Kennedy); S.1829, Protect Our Children First Act of 2007 (Leahy, Hatch); S.431, Keeping the Internet Devoid of Sexual Predators Act of 2007 (Schumer, McCain, Grassley, Specter, Kyl); and S.2344, Internet Safety Education Act of 2007 (Menendez).

II. Nomination: Ronald Jay Tenpas to be Assistant Attorney General for the Environment and Natural Resources Division, Department of Justice.

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

SUBCOMMITTEE ON READINESS AND MANAGEMENT SUPPORT

Mr. DURBIN. Mr. President, I ask unanimous consent that the Subcommittee on Readiness and Management Support of the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday December 6, 2007, at 2:30 p.m., in open session to receive a report of the Commission on Army Acquisition and Program Management in Expeditionary Operations.

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

RECOGNIZING THE 60TH ANNIVERSARY OF EVERGLADES NATIONAL PARK

Mr. REID. Mr. President, I ask unanimous consent we proceed to S. Res. 392, submitted earlier today.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:
A resolution (S. Res. 392) recognizing the 60th anniversary of the Everglades National Park.

There being no objection, the Senate proceeded to consider the resolution.

Mr. REID. I ask unanimous consent the resolution be agreed to, the preamble be agreed to, the motions 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 resolution (S. Res. 392) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 392

Whereas Everglades National Park will celebrate its 60th anniversary on December 6, 2007;

Whereas when President Harry S. Truman dedicated Everglades National Park on December 6, 1947, he stated: “Here is land, tranquil in its quiet beauty, serving not as the

source of water, but as the last receiver of it. To its natural abundance we owe the spectacular plant and animal life that distinguishes this place from all others in our country”;

Whereas Marjory Stoneman Douglas gave the Everglades the name “River of Grass” stating, “There are no other Everglades in the world”;

Whereas Everglades National Park has been designated an International Biosphere Reserve, a World Heritage Site, and a Wetland of International Importance, in recognition of its significance to all the people of the world;

Whereas the Everglades ecosystem encompasses 3,000,000 acres of wetlands and is the largest subtropical wilderness in the United States featuring slow-moving freshwater that flows south from Lake Okeechobee through sawgrass and tree islands to the mangroves and seagrasses of Florida Bay;

Whereas Everglades National Park is home to rare and endangered species, such as the American crocodile, the Florida panther, and the Western Indian manatee and more than 350 species of birds, including the Great Egret, Wood Stork, Swallow-tailed Kite, and Roseate Spoonbill;

Whereas the greater Everglades ecosystem is also an international center for business, agriculture, and tourism, with a rapidly growing population of varied ethnic, economic, and social values, all of which are dependent on a fully functioning ecosystem for an adequate freshwater supply, a healthy and sustainable economy, and overall quality of life;

Whereas Everglades National Park is the subject of the most extensive ecosystem restoration plan in the history of mankind, the Comprehensive Everglades Restoration Plan; and

Whereas this restoration plan must succeed in order for the treasures of Everglades National Park to be passed on to our children and grandchildren: Now, therefore, be it Resolved, That the Senate—

(1) recognizes the 60th anniversary of Everglades National Park; and

(2) dedicates itself to the success of the Comprehensive Everglades Restoration Plan.

EXPRESSING THE CONDOLENCES OF THE SENATE TO THOSE AFFECTED BY THE TRAGIC EVENTS OF DECEMBER 5, 2007, AT WESTROADS MALL IN OMAHA, NEBRASKA

Mr. REID. Mr. President, I ask unanimous consent the Senate proceed to the immediate consideration of S. Res. 393, submitted earlier today.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 393), expressing the condolences of the Senate to those affected by the tragic events of December 5, 2007, at Westroads Mall in Omaha, NE.

There being no objection, the Senate proceeded to consider the resolution.

Mr. NELSON of Nebraska. Mr. President, I rise today to honor and remember the victims of yesterday's tragic shooting in Omaha, NE. I know every one of my colleagues joins me in extending our prayers and deepest sympathies to the families and friends of the victims and the entire Omaha community.

On Wednesday, December 5, 2007, the worst mass slaying in Nebraska history

occurred at the Westroads Mall in Omaha, claiming the lives of eight victims. The names of those victims are: shoppers Gary Sharf of Lincoln, NE, and John McDonald of Council Bluffs, IA; and store employees Angie Schuster, Maggie Webb, Janet Jorgensen, Diane Trent, Gary Joy, and Beverly Flynn, all of Omaha. We must never forget these individuals or the horrible tragedy which took them from us.

In addition, five people were wounded. Nebraska stands with each of them on their road to recovery.

I concur with the words of Omaha Mayor Mike Fahey, who said, “We are a community who will grieve this loss. Omaha is a good city with wonderful people.”

At Westroads Mall, this time of year is especially lovely with holiday decorations and music. That peace and tranquility were forever shattered by this senseless act of violence. Today, many Nebraskans are asking, “Why?” but there are no answers.

We are shocked, grief-stricken and in complete disbelief. Things like this should not happen anywhere, but headlines like these are unexpected in places such as Omaha. Our community has been altered forever—a sentiment reflected in today's headline in the state's largest newspaper, which declared: “It Happened To Us.”

So, now as we are celebrating what should be the most joyous season of the year, Nebraskans are preparing to bury our dead. And we are praying. We ask the nation to continue to pray with us; and on behalf of my fellow Nebraskans, I thank you for all the prayers and expressions of sympathy we have received.

Mr. REID. I ask unanimous consent the resolution be agreed to, the preamble be agreed to, the motions 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 resolution (S. Res. 393) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 393

Whereas, on Wednesday, December 5, 2007, the worst mass slaying in Nebraska history occurred at Westroads Mall in Omaha;

Whereas lives were tragically lost, and others were wounded;

Whereas the brave men and women of the Omaha Police Department, Fire Department, and other emergency responders acted valiantly to save lives;

Whereas the people of Omaha have embraced those affected and will continue to offer support to their neighbors who have suffered from this tragedy; and

Whereas the community of Omaha will endure the aftereffects of this tragedy to emerge stronger than it was before: Now, therefore, be it

Resolved, That the Senate—

(1) expresses its heartfelt condolences to the friends and families of those who lost their lives in the tragic shooting on December 5, 2007, at Westroads Mall in Omaha, Ne-

braska: Gary Sharf of Lincoln, Nebraska, John McDonald of Council Bluffs, Iowa, and Angie Schuster, Maggie Webb, Janet Jorgensen, Diane Trent, Gary Joy, and Beverly Flynn, all of Omaha;

(2) shares its prayers and best wishes for recovery to those who were wounded;

(3) extends its thanks to the first responders, police, and medical personnel who responded so quickly and decisively to provide aid and comfort to the victims; and

(4) stands with the people of Omaha as they begin the healing process in the aftermath of this terrible attack.

NATIONAL CANCER RESEARCH MONTH

Mr. REID. Mr. President, I ask unanimous consent we now proceed to the immediate consideration of S. Res. 394, submitted earlier today.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 394) recognizing the 100th anniversary of the founding of the American Association for Cancer Research and declaring the month of May 2008 as National Cancer Research Month.

There being no objection, the Senate proceeded to consider the resolution.

Mr. REID. I ask unanimous consent the resolution be agreed to, the preamble be agreed to, the motions 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 resolution (S. Res. 394) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 394

Whereas the American Association for Cancer Research, the oldest and largest scientific cancer research organization in the United States, was founded on May 7, 1907, at the Willard Hotel in Washington, DC, by a group of physicians and scientists interested in research to further the investigation into and spread new knowledge about cancer;

Whereas the American Association for Cancer Research is focused on every aspect of high-quality, innovative cancer research and is the authoritative source of information and publications about advances in the causes, diagnosis, treatment, and prevention of cancer;

Whereas, since its founding, the American Association for Cancer Research has accelerated the growth and dissemination of new knowledge about cancer and the complexity of this disease to speed translation of new discoveries for the benefit of cancer patients, and has provided the information needed by elected officials to make informed decisions on public policy and sustained funding for cancer research;

Whereas partnerships with research scientists and the general public, survivors and patient advocates, philanthropic organizations, industry, and government have led to advanced breakthroughs, early detection tools which have increased survival rates, and a better quality of life for cancer survivors;

Whereas our national investment in cancer research has yielded substantial returns in terms of research advances and lives saved, with a scholarly estimate that every 1 percent decline in cancer mortality saves our national economy \$500,000,000,000;

Whereas cancer continues to be one of the most pressing public health concerns, killing 1 American every minute, and 12 individuals worldwide every minute;

Whereas the American Association for Cancer Research Annual Meeting on April 14 through 18, 2007, was a large and comprehensive gathering of leading cancer researchers, scientists, and clinicians engaged in all aspects of clinical investigations pertaining to human cancer as well as the scientific disciplines of cellular, molecular, and tumor biology, carcinogenesis, chemistry, developmental biology and stem cells, endocrinology, epidemiology and biostatistics, experimental and molecular therapeutics, immunology, radiobiology and radiation oncology, imaging, prevention, and survivorship research;

Whereas, as part of its centennial celebration, the American Association for Cancer Research has published "Landmarks in Cancer Research" citing the events or discoveries after 1907 that have had a profound effect on advancing our knowledge of the causes, mechanisms, diagnosis, treatment, and prevention of cancer;

Whereas these "Landmarks in Cancer Research" are intended as an educational, living document, an ever-changing testament to human ingenuity and creativity in the scientific struggle to understand and eliminate the diseases collectively known as cancer;

Whereas, because more than 60 percent of all cancer occurs in people over the age of 65, issues relating to the interface of aging and cancer, ranging from the most basic science questions to epidemiologic relationships and to clinical and health services research issues, are of concern to society; and

Whereas the American Association for Cancer Research is proactively addressing these issues paramount to our aging population through a Task Force on Cancer and Aging, special conferences, and other programs which engage the scientific community in response to this demographic imperative: Now, therefore, be it

Resolved, That the Senate—

(1) congratulates the American Association for Cancer Research on its 100 year anniversary celebration, "A Century of Leadership in Science—A Future of Cancer Prevention and Cure";

(2) recognizes the invaluable contributions made by the American Association for Cancer Research in its quest to prevent and cure cancer and save lives through cancer research;

(3) expresses the gratitude of the people of the United States for the American Association for Cancer Research's contributions toward progress in advancing cancer research; and

(4) declares the month of May 2007 as National Cancer Research Month to support the American Association for Cancer Research in its public education efforts to make cancer research a national and international priority, so that one day the disease of cancer will be relegated to history.

NATIONAL CARDIOPULMONARY RESUSCITATION WEEK

Mr. REID. Mr. President, I ask unanimous consent that the HELP Committee be discharged charged from further consideration of S. Con. Res. 54 and that the Senate proceed to its immediate consideration.

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

The clerk will report the concurrent resolution by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 54) supporting the designation of a week as "National Cardiopulmonary Resuscitation and Automated External Defibrillator Awareness Week."

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. REID. Mr. President, I ask unanimous consent that the concurrent resolution be agreed to, the preamble be agreed to, and the motions to reconsider be laid upon the table.

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

The concurrent resolution (S. Con. Res. 54) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

S. CON. RES. 54

Whereas heart disease remains the leading cause of death in the United States;

Whereas heart disease affects men, women, and children of every age and race in the United States, regardless of where they live;

Whereas approximately 325,000 coronary heart disease deaths annually occur out of hospital or in an emergency room;

Whereas approximately 95 percent of sudden cardiac arrest victims die before arriving at the hospital;

Whereas sudden cardiac arrest results from an abnormal heart rhythm in most adults;

Whereas in 27.4 percent of cases of sudden cardiac arrest, the victim is located in a place other than a hospital and receives cardiopulmonary resuscitation by a bystander;

Whereas prompt delivery of cardiopulmonary resuscitation more than doubles the chance of survival from sudden cardiac arrest by helping to maintain vital blood flow to the heart and brain, increasing the amount of time that an electric shock from a defibrillator can be effective;

Whereas an automated external defibrillator, even when used by a bystander, is safe, easy to operate, and highly effective in restoring a normal heart rhythm, significantly increasing the chance of survival for many victims if used immediately after the onset of sudden cardiac arrest;

Whereas death or severe brain injury is likely to occur unless resuscitation measures are started no later than 10 minutes after the onset of sudden cardiac arrest;

Whereas the interval between the 911 call and the arrival of EMS personnel is typically longer than 5 minutes, and achieving high survival rates therefore depends on a public trained in cardiopulmonary resuscitation and automated external defibrillator use; and

Whereas the American Heart Association, the American Red Cross, and the National Safety Council are preparing related public awareness and training campaigns on cardiopulmonary resuscitation and automated external defibrillation to be held during the first week of June each year: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress—

(1) supports the goals and ideals of a National Cardiopulmonary Resuscitation and Automated External Defibrillator Awareness Week to establish well-organized programs to increase public training in cardiopulmonary resuscitation and automated external defibrillator use and to increase public access to automated external defibrillators; and

(2) calls upon the people of the United States and interested organizations to ob-

serve such a week with appropriate ceremonies and activities.

PROVIDING FOR EXCLUSION FROM GROSS INCOME

Mr. REID. Mr. President, I ask unanimous consent that the Senate now proceed to H.R. 4118, which was received from the House and is at the desk.

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (H.R. 4118) to exclude from gross income payments from the Hokie Spirit Memorial Fund to the victims of the tragic event at Virginia Polytechnic Institute & State University.

There being no objection, the Senate proceeded to consider the bill.

Mr. REID. Mr. President, I ask unanimous consent that the bill be read the third time and passed, the motion to reconsider be laid upon the table, and that any statements relating thereto be printed in the RECORD, with no intervening action.

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

The bill (H.R. 4118) was ordered to a third reading, was read the third time, and passed.

NAMING OF EMANCIPATION HALL

Mr. REID. Mr. President, I ask unanimous consent that the Senate now proceed to H.R. 3315, which was received from the House and is at the desk.

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (H.R. 3315) to provide that the great hall of the Capitol Visitor Center shall be known as Emancipation Hall.

There being no objection, the Senate proceeded to consider the bill.

Mr. REID. Mr. President, I ask unanimous consent that the bill be read the third time and passed, the motion to reconsider be laid upon the table, and that any statements relating thereto be printed in the RECORD.

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

The bill (H.R. 3315) was ordered to a third reading, was read the third time, and passed.

ORDERS FOR FRIDAY, DECEMBER 7, 2007

Mr. REID. I ask unanimous consent that when the Senate completes its business today, it stand adjourned until 9 a.m., Friday, December 7; that on tomorrow, following the prayer and pledge, the Journal of proceedings be approved to date, the morning hour deemed expired, the time for the two leaders reserved for their use later in the day, and the Senate then proceed to the House message on H.R. 6, as under a previous order.

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

CANCELLATION OF MEETING

Mr. REID. Mr. President, I think all offices have been notified, but we were going to have a briefing by Admiral McConnell and General Mukasey at 11 o'clock tomorrow in 407, but that has been canceled because of a change in schedule on the Senate floor.

ADJOURNMENT UNTIL 9 A.M.
TOMORROW

Mr. REID. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand adjourned under the previous order.

There being no objection, the Senate, at 8:17 p.m., adjourned until Friday, December 7, 2007, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate:

DEPARTMENT OF AGRICULTURE

ED SCHAFER, OF NORTH DAKOTA, TO BE SECRETARY OF AGRICULTURE, VICE MIKE JOHANN, RESIGNED.

UNITED STATES SENTENCING COMMISSION

RICARDO H. HINOJOSA, OF TEXAS, TO BE A MEMBER OF THE UNITED STATES SENTENCING COMMISSION FOR A TERM EXPIRING OCTOBER 31, 2013. (REAPPOINTMENT)

RICARDO H. HINOJOSA, OF TEXAS, TO BE CHAIR OF THE UNITED STATES SENTENCING COMMISSION. (REAPPOINTMENT)

MICHAEL E. HOROWITZ, OF MARYLAND, TO BE A MEMBER OF THE UNITED STATES SENTENCING COMMISSION FOR A TERM EXPIRING OCTOBER 31, 2013. (REAPPOINTMENT)

THE JUDICIARY

STEPHEN N. LIMBAUGH, JR., OF MISSOURI, TO BE UNITED STATES DISTRICT JUDGE FOR THE EASTERN

DISTRICT OF MISSOURI, VICE DONALD J. STOHR, RETIRED.

WILLIAM E. SMITH, OF RHODE ISLAND, TO BE UNITED STATES CIRCUIT JUDGE FOR THE FIRST CIRCUIT, VICE BRUCE M. SELYA, RETIRED.

DEPARTMENT OF JUSTICE

GEORGE W. VENABLES, OF CALIFORNIA, TO BE UNITED STATES MARSHAL FOR THE SOUTHERN DISTRICT OF CALIFORNIA FOR THE TERM OF FOUR YEARS, VICE RAUL DAVID BEJARANO.

IN THE COAST GUARD

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES COAST GUARD RESERVE UNDER TITLE 10, U.S.C., SECTION 12203(A):

To be captain

ROBERT A. STOHLMAN, 0000

THE FOLLOWING NAMED INDIVIDUAL FOR APPOINTMENT AS A PERMANENT COMMISSIONED REGULAR OFFICER IN THE UNITED STATES COAST GUARD IN THE GRADE INDICATED UNDER TITLE 14, U.S.C., SECTION 211:

To be lieutenant

RAYMOND S. KINGSLEY, 0000

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE UNDER TITLE 10, U.S.C., SECTION 624:

To be colonel

JOSEPH V. TREANOR III, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE UNDER TITLE 10, U.S.C., SECTION 624:

To be major

PAMALA L. BROWNGRAYSON, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE UNDER TITLE 10, U.S.C., SECTION 624:

To be major

ALICIA J. EDWARDS, 0000

THE FOLLOWING NAMED INDIVIDUALS FOR APPOINTMENT IN THE GRADE INDICATED IN THE REGULAR AIR FORCE UNDER TITLE 10, U.S.C., SECTION 531(A):

To be major

THERESA D. BROWNDONQUAH, 0000
CHERYL A. JOHNSON, 0000

THE FOLLOWING NAMED INDIVIDUALS FOR APPOINTMENT IN THE GRADE INDICATED IN THE REGULAR AIR FORCE UNDER TITLE 10, U.S.C., SECTION 531(A):

To be major

JEFFREY J. HOFFMANN, 0000
WILLIAM C. OTTO, 0000
GERALD B. WHISLER III, 0000

THE FOLLOWING NAMED INDIVIDUALS FOR APPOINTMENT IN THE GRADE INDICATED IN THE RESERVE OF THE AIR FORCE UNDER TITLE 10, U.S.C., SECTION 12203(A):

To be colonel

KELLEY A. BROWN, 0000
EDWARD G. JOHNSON, 0000
MARK A. NIELSEN, 0000

IN THE ARMY

THE FOLLOWING NAMED INDIVIDUAL FOR REGULAR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY DENTAL CORPS UNDER TITLE 10, U.S.C., SECTIONS 531 AND 3064:

To be lieutenant colonel

DANIEL J. JUDGE, 0000

THE FOLLOWING NAMED INDIVIDUALS FOR REGULAR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY MEDICAL CORPS UNDER TITLE 10, U.S.C., SECTIONS 531 AND 3064:

To be major

RICHARD HARRISON, 0000
GREGORY W. WALTER, 0000

THE FOLLOWING NAMED INDIVIDUALS FOR REGULAR APPOINTMENT TO THE GRADES INDICATED IN THE UNITED STATES ARMY MEDICAL CORPS UNDER TITLE 10, U.S.C., SECTIONS 531 AND 3064:

To be lieutenant colonel

JOE R. WARDLAW, 0000

To be major

DAVID COMPTON, 0000
NICKOLAS KARAJOHAN, 0000

THE FOLLOWING NAMED INDIVIDUALS FOR REGULAR APPOINTMENT TO THE GRADES INDICATED IN THE UNITED STATES ARMY MEDICAL SPECIALIST CORPS UNDER TITLE 10, U.S.C., SECTIONS 531 AND 3064:

To be lieutenant colonel

VANESSA M. MEYER, 0000

To be major

JAMES E. ADAMS, 0000