

104TH CONGRESS  
2D SESSION

# H. R. 2973

To reform and extend Department of Agriculture programs related to agricultural credit, rural development, conservation, trade, research, and promotion of agricultural commodities.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 27, 1996

Mr. ROBERTS (for himself, Mr. EMERSON, Mr. GUNDERSON, Mr. ALLARD, Mr. BARRETT of Nebraska, Mr. EWING, and Mr. SMITH of Michigan) introduced the following bill; which was referred to the Committee on Agriculture, and in addition to the Committees on Ways and Means, and International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To reform and extend Department of Agriculture programs related to agricultural credit, rural development, conservation, trade, research, and promotion of agricultural commodities.

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

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

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Agricultural Regulatory Relief and Trade Act of 1996”.

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

Sec. 1. Short title; table of contents.

### **TITLE I—AGRICULTURAL CREDIT**

#### **Subtitle A—Amendments to the Consolidated Farm and Rural Development Act**

- Sec. 101. References.
- Sec. 102. Redirection of resources to family farmers.
- Sec. 103. Redirection of resources to income-producing activities.
- Sec. 104. Improvement of loan portfolio management.
- Sec. 105. Assuring prompt repayment of loans.
- Sec. 106. Modification of programs for beginning farmers.
- Sec. 107. Elimination of target participation rates.
- Sec. 108. Miscellaneous and conforming amendments.

#### **Subtitle B—Amendments to the Farm Credit Act of 1971**

- Sec. 151. References.
- Sec. 152. Repeal of requirements relating to review of decisions to deny or reduce the amount of a loan.
- Sec. 153. Prohibition against restructuring of restructured loans or loans involved in bankruptcy proceedings.
- Sec. 154. Repeal of rules governing effect of restructuring on borrower stock.
- Sec. 155. Repeal of rules governing review of restructuring denials.
- Sec. 156. Elimination of certain requirements relating to loans placed in nonaccrual status.
- Sec. 157. Limitations on the right of first refusal.

### **TITLE II—RURAL DEVELOPMENT**

- Sec. 201. Capitalization grants to States for rural development.
- Sec. 202. Elimination of other rural development programs.
- Sec. 203. Conforming amendments.
- Sec. 204. Savings provision.
- Sec. 205. Effective date.

### **TITLE III—CONSERVATION**

Sec. 300. Short title.

#### **Subtitle A—Consolidation of Conservation Financial Assistance Programs of the Department of Agriculture**

Sec. 301. Purpose of subtitle.

##### **Part 1—Agricultural Conservation Assistance Program**

- Sec. 311. Definitions.
- Sec. 312. Provision of technical and financial assistance for eligible practices to conserve and improve soil, water, and related natural resources.
- Sec. 313. Cost-share plans.
- Sec. 314. Financial assistance under contract.
- Sec. 315. Termination of contracts.

Sec. 316. Authorization of appropriations.

### **Part 2—Conforming Amendments**

- Sec. 321. Repeal of Great Plains conservation program.  
 Sec. 322. Repeal of critical lands resource conservation program in Great Plains area.  
 Sec. 323. Repeal of agricultural conservation program.  
 Sec. 324. Modification of Department involvement in Colorado River basin salinity control program.  
 Sec. 325. Repeal of rural environmental conservation program.  
 Sec. 326. Repeal of water quality incentive projects.  
 Sec. 327. Repeal of tree planting initiative.  
 Sec. 328. Repeal of integrated farm management program option.  
 Sec. 329. Repeal of special areas conservation program and reservoir sedimentation program.  
 Sec. 330. Repeal of small watershed easement purchase authority.  
 Sec. 331. Repeal of financial assistance programs under Cooperative Forestry Assistance Act of 1978.  
 Sec. 332. Repeal of Water Bank Act.  
 Sec. 333. Effective date of repeals.

### **Subtitle B—Water Quality Conservation Program for Livestock Operations**

- Sec. 341. Purpose of subtitle and definitions.  
 Sec. 342. Provision of technical and financial assistance for water quality conservation for livestock operations.  
 Sec. 343. Assistance under contract.  
 Sec. 344. Priorities in evaluation of contract offers.  
 Sec. 345. Water quality plans.  
 Sec. 346. Modification and termination of contracts.  
 Sec. 347. Use of funds of Commodity Credit Corporation.  
 Sec. 348. Regulations.

### **Subtitle C—Highly Erodible Cropland Conservation**

- Sec. 351. Definitions applicable to highly erodible cropland conservation.  
 Sec. 352. Development and implementation of conservation plans and conservation systems.  
 Sec. 353. Expedited procedures for granting variances from conservation plans.  
 Sec. 354. Good faith exemption.  
 Sec. 355. Conservation reserve lands.  
 Sec. 356. Investigation of possible compliance deficiencies.  
 Sec. 357. Expiration of authority.

### **Subtitle D—Environmental Conservation Acreage Reserve Program**

- Sec. 361. Wetlands reserve program.  
 Sec. 362. Elimination of consultation requirements with Secretary of the Interior.  
 Sec. 363. Repeal of environmental easement program.  
 Sec. 364. Effect of amendments on existing easements.  
 Sec. 365. Conservation reserve program.

### **Subtitle E—Wetland Conservation Reform**

- Sec. 371. Restatement of program ineligibility.
- Sec. 372. Delineation of wetlands; exemptions to program ineligibility.
- Sec. 373. Repeal of consultation requirement with Secretary of the Interior.
- Sec. 374. Application of program ineligibility to affiliated persons.

## **TITLE IV—AGRICULTURAL TRADE**

### **Subtitle A—Public Law 480 and Related Law**

- Sec. 401. Food assistance to developing countries.
- Sec. 402. Trade and development assistance.
- Sec. 403. Agreements regarding eligible countries and private entities.
- Sec. 404. Terms and conditions of sales.
- Sec. 405. Use of local currency.
- Sec. 406. Provision of agricultural commodities.
- Sec. 407. Effective use of commodities.
- Sec. 408. Monetization.
- Sec. 409. General levels of assistance under Public Law 480.
- Sec. 410. Use of value added commodities.
- Sec. 411. Food aid consultation group.
- Sec. 412. Food for development.
- Sec. 413. Commodity determinations.
- Sec. 414. General provisions.
- Sec. 415. Agreements.
- Sec. 416. Administrative provisions.
- Sec. 417. Expiration date.
- Sec. 418. Repeal of sections 409 and 410.
- Sec. 419. Use of local currency in title V.
- Sec. 420. Title V funding level.
- Sec. 421. Food for progress.
- Sec. 422. Food security commodity reserve.

### **Subtitle B—Agricultural Trade Act of 1978**

- Sec. 431. Agricultural export promotion strategy.
- Sec. 432. Export credits.
- Sec. 433. Regulations.
- Sec. 434. Agricultural embargo protection.
- Sec. 435. Foreign Agricultural Service.

### **Subtitle C—Miscellaneous**

- Sec. 441. Triggered export enhancement.
- Sec. 442. Policy on expansion of international markets.
- Sec. 443. Policy on maintenance and development of export markets.
- Sec. 444. Policy on unfair trade practices.
- Sec. 445. Agricultural aid and trade unions.
- Sec. 446. Annual reports by agricultural attaches.
- Sec. 447. Orderly liquidation of stocks.
- Sec. 448. Regulations.
- Sec. 449. Emerging markets.
- Sec. 450. Import assistance for CBI beneficiary countries and the Philippines.
- Sec. 451. Studies, reports, and other provisions.
- Sec. 452. Monitoring compliance with Uruguay Round Agreements.
- Sec. 453. Limitation on durum wheat export subsidies.
- Sec. 454. Market promotion program.
- Sec. 455. Export enhancement program.

- Sec. 456. Monitoring compliance with sanitary and phytosanitary measures.
- Sec. 457. Agricultural trade program flexibility.
- Sec. 458. Sunflower seed oil and cottonseed oil export sales.
- Sec. 459. Foreign market development cooperator program.

### **Subtitle D—Dairy Export Programs**

- Sec. 461. Authority to assist in establishment and maintenance of export trading company.
- Sec. 462. Standby authority to designate entity to provide international market development and export services.
- Sec. 463. Assurance of equitable treatment, fair dealing and protection from discriminatory practices for U.S. participants in the world market for dairy products.
- Sec. 464. Study and report regarding potential impact of Uruguay Round on prices, income and government purchases.

### **TITLE V—EXTENSION OF RESEARCH AUTHORITIES**

- Sec. 501. Extension of national genetic resources program.
- Sec. 502. Extension of national agricultural weather information system.
- Sec. 503. Extension of research program regarding production, preparation, processing, handling, and storage of agricultural products.
- Sec. 504. Extension of water quality research, education, and coordination.
- Sec. 505. Extension of livestock product safety and inspection program.
- Sec. 506. Extension of mesquite research program.
- Sec. 507. Extension of prickly pear research program.
- Sec. 508. Extension of deer tick ecology and related research program.
- Sec. 509. Extension of agricultural telecommunications program.
- Sec. 510. Extension of national centers for agricultural product quality research.
- Sec. 511. Extension of pilot to coordinate food and nutrition education programs.
- Sec. 512. Extension of assistive technology program for farmers with disabilities.
- Sec. 513. Extension of national rural information center clearinghouse.
- Sec. 514. Extension of Indian subsistence farming demonstration grant program.
- Sec. 515. Extension of Joint Council on Food and Agricultural Sciences.
- Sec. 516. Extension of National Agricultural Research and Extension Users Advisory Board.
- Sec. 517. Extension or program of grants and fellowships for food and agricultural sciences education.
- Sec. 518. Extension of grant program for research on the production and marketing of alcohols and industrial hydrocarbons from agricultural commodities and forest products.
- Sec. 519. Extension of Food Science and Nutrition Research Center.
- Sec. 520. Extension of nutrition education program.
- Sec. 521. Extension of Animal Health Science Research Advisory Board.
- Sec. 522. Extension of animal health and disease research programs.
- Sec. 523. Extension of research on national or regional animal health or disease problems.
- Sec. 524. Extension of resident instruction program at 1890 land-grant colleges.
- Sec. 525. Extension of grant program to upgrade agricultural and food sciences facilities at 1890 land-grant colleges.

- Sec. 526. Extension of national research and training centennial centers.
- Sec. 527. Extension of miscellaneous research programs.
- Sec. 528. Extension of extension education program.
- Sec. 529. Extension of research and pilot project for the development of supplemental and alternative crops.
- Sec. 530. Extension of aquaculture assistance programs.
- Sec. 531. Extension of rangeland research program.
- Sec. 532. Extension of dairy goat research program.
- Sec. 533. Extension of construction program for Federal agricultural research facilities.
- Sec. 534. Extension of the Competitive, Special, and Facilities Research Grant Act.
- Sec. 535. Extension of the Research Facilities Act.
- Sec. 536. Extension of critical agricultural materials research.
- Sec. 537. Extension of pseudorabies eradication program.

**TITLE VI—ISSUANCE OF ORDERS FOR PROMOTION, RESEARCH, AND INFORMATION ACTIVITIES REGARDING AGRICULTURAL COMMODITIES**

- Sec. 601. Short title.
- Sec. 602. Findings and purpose.
- Sec. 603. Definitions.
- Sec. 604. Issuance of orders.
- Sec. 605. Required terms in orders.
- Sec. 606. Permissive terms in orders.
- Sec. 607. Assessments.
- Sec. 608. Petition and review of orders.
- Sec. 609. Enforcement.
- Sec. 610. Investigations and power to subpoena.
- Sec. 611. Referenda.
- Sec. 612. Suspension or termination.
- Sec. 613. Amendments to orders.
- Sec. 614. Effect on other laws.
- Sec. 615. Regulations.
- Sec. 616. Authorization of appropriations.

**TITLE VII—MISCELLANEOUS PROVISIONS**

**Subtitle A—General Conservation Provisions**

- Sec. 701. Clarification of effect of resource planning on allocation or use of water.
- Sec. 702. Payment of filing fees by United States in connection with water rights adjudications.
- Sec. 703. Provision of technical assistance to State foresters.
- Sec. 704. Repeal of State technical committees.
- Sec. 705. Repeal of composting research and extension program.
- Sec. 706. Repeal of Farms for the Future Act of 1990.
- Sec. 707. Administration of environmental programs.
- Sec. 708. Private grazing lands conservation assistance.

**Subtitle B—Inspection**

- Sec. 721. Federal and State cooperation under Federal Meat Inspection Act.

Sec. 722. Federal and State cooperation under Poultry Products Inspection Act.

Sec. 723. Establishment of Safe Meat and Poultry Inspection Panel.

1           **TITLE I—AGRICULTURAL**  
 2                           **CREDIT**  
 3   **Subtitle A—Amendments to the**  
 4           **Consolidated Farm and Rural**  
 5           **Development Act**

6   **SEC. 101. REFERENCES.**

7           Except as otherwise expressly provided, wherever in  
 8 this subtitle an amendment or repeal is expressed in terms  
 9 of an amendment to, or repeal of, a section or other provi-  
 10 sion, the reference shall be considered to be made to a  
 11 section or other provision of the Consolidated Farm and  
 12 Rural Development Act.

13   **SEC. 102. REDIRECTION OF RESOURCES TO FAMILY FARM-**  
 14                           **ERS.**

15           (a) OWNERSHIP LOANS.—

16                   (1) TARGETING TO FAMILY FARMERS.—

17                           (A) IN GENERAL.—Section 302(a) (7  
 18           U.S.C. 1922(a)) is amended to read as follows:

19           “(a)(1) The Secretary may make loans under this  
 20 subtitle to any eligible applicant for such a loan.

21           “(2) For purposes of paragraph (1), an individual  
 22 who has applied for a loan under this subtitle is an eligible  
 23 applicant if the individual—

24                   “(A) is a citizen of the United States;

1           “(B) has training or farming experience that  
2           the Secretary determines is sufficient to assure rea-  
3           sonable prospects of success in the proposed farming  
4           operation;

5           “(C) is or will become an owner-operator of a  
6           not larger than family farm in the United States;  
7           and

8           “(D) is unable to obtain sufficient credit else-  
9           where to finance the needs of the individual relating  
10          to the proposed farming operation at reasonable  
11          rates and terms, taking into consideration prevailing  
12          private and cooperative rates and terms in the com-  
13          munity in or near which the individual resides for  
14          loans for similar purposes and periods of time.

15          “(3) For purposes of paragraph (1), a person (other  
16          than an individual) who has applied for a loan under this  
17          subtitle is an eligible applicant if—

18                 “(A) the person—

19                         “(i) is controlled by farmers and ranchers;

20                         “(ii) is engaged primarily and directly in  
21                         farming or ranching in the United States;

22                         “(iii) is or will become an owner-operator  
23                         of a not larger than family farm; and

24                         “(iv) is unable to obtain sufficient credit  
25                         elsewhere to finance the needs of the person re-



1           lating to the proposed farming operation at rea-  
2           sonable rates and terms, taking into consider-  
3           ation prevailing private and cooperative rates  
4           and terms in the community in or near which  
5           the person is located for loans for similar pur-  
6           poses and periods of time; and

7           “(B) each individual who has greater than a 15  
8           percent ownership interest in the person meets the  
9           requirements of paragraph (2).

10          “(4) As used in this subsection, the term ‘person’  
11         means an individual, a corporation, a partnership, a joint  
12         venture, or any combination thereof.”.

13                         (B) CONFORMING AMENDMENTS.—

14                         (i) Section 304(b) (7 U.S.C. 1924(b))  
15                         is amended by striking “clauses (2) and  
16                         (3) of section 302” and inserting “sub-  
17                         paragraphs (B) and (C) of section  
18                         302(a)(2)”.

19                         (ii) Section 310D(a) (7 U.S.C.  
20                         1934(a)) is amended by striking “para-  
21                         graphs (2) through (4) of section 302” and  
22                         inserting “subparagraphs (B), (C), and  
23                         (D) of section 302(a)(2)”.

1 (iii) Section 359(c)(2) (7 U.S.C.  
2 2006a(c)(2)) is amended by striking  
3 “302(a)(2)” and inserting “302(a)(2)(B)”.

4 (2) ELIMINATION OF LOANS FOR REC-  
5 REATIONAL USES AND FACILITIES.—

6 (A) IN GENERAL.—Section 303(a) (7  
7 U.S.C. 1923(a)) is amended by striking clause  
8 (2) and redesignating clauses (3), (4), and (5)  
9 as clauses (2), (3), and (4), respectively.

10 (B) CONFORMING AMENDMENTS.—Section  
11 307(a)(6)(B) (7 U.S.C. 1927(a)(6)(B)) is  
12 amended in each of clauses (i) and (vii) by  
13 striking “clauses (2) and (3) of section 303(a)”  
14 and inserting “section 303(a)(2)”.

15 (3) REFINANCING LIMITED TO LOANS RELATED  
16 TO FARM OPERATIONS.—Section 303(a)(3) (7  
17 U.S.C. 1923(a)(3)), as so redesignated by paragraph  
18 (2)(A) of this subsection, is amended by inserting  
19 “with respect to farming, ranching, or aquaculture  
20 operations if such refinancing enhances significantly  
21 the likelihood of repayment of such indebtedness”  
22 before the comma.

23 (b) OPERATING LOANS.—

24 (1) TARGETING TO FAMILY FARMERS.—

1 (A) IN GENERAL.—Section 311(a) (7  
2 U.S.C. 1941(a)) is amended to read as follows:

3 “(a)(1) The Secretary may make loans under this  
4 subtitle to any eligible applicant for such a loan.

5 “(2) For purposes of paragraph (1), an individual  
6 who has applied for a loan under this subtitle is an eligible  
7 applicant if the individual—

8 “(A) is a citizen of the United States;

9 “(B) has training or farming experience that  
10 the Secretary determines is sufficient to assure rea-  
11 sonable prospects of success in the proposed farming  
12 operation;

13 “(C) is or will become an operator of a not  
14 larger than family farm in the United States; and

15 “(D) is unable to obtain sufficient credit else-  
16 where to finance the needs of the individual relating  
17 to the farming operation at reasonable rates and  
18 terms, taking into consideration prevailing private  
19 and cooperative rates and terms in the community  
20 in or near which the individual resides for loans for  
21 similar purposes and periods of time.

22 “(3) For purposes of paragraph (1), a person (other  
23 than an individual) who has applied for a loan under this  
24 subtitle is an eligible applicant if—

25 “(A) the person—

1 “(i) is controlled by farmers and ranchers;

2 “(ii) is engaged primarily and directly in  
3 farming or ranching in the United States;

4 “(iii) is or will become an operator of a not  
5 larger than family farm; and

6 “(iv) is unable to obtain sufficient credit  
7 elsewhere to finance the needs of the person re-  
8 lating to the proposed farming operation at rea-  
9 sonable rates and terms, taking into consider-  
10 ation prevailing private and cooperative rates  
11 and terms in the community in or near which  
12 the person is located for loans for similar pur-  
13 poses and periods of time; and

14 “(B) each individual who has greater than a 15  
15 percent ownership interest in the person meets the  
16 requirements of paragraph (2).

17 “(4) As used in this subsection, the term ‘person’  
18 means an individual, a corporation, a partnership, a joint  
19 venture, or any combination thereof.”.

20 (B) CONFORMING AMENDMENTS.—

21 (i) Section 312(a)(5) (7 U.S.C.  
22 1924(a)(5)) is amended by striking “sec-  
23 tion 311 (2) and (3)” and inserting “sub-  
24 paragraphs (B) and (C) of section  
25 311(a)(2)”.

1 (ii) Section 312(b) (7 U.S.C. 1924(b))  
2 is amended by striking “clauses (2) and  
3 (3) of section 311(a)” and inserting “sub-  
4 paragraphs (B) and (C) of section  
5 311(a)(2)”.

6 (iii) Section 359(c)(2) (7 U.S.C.  
7 2006a(c)(2)) is amended by striking  
8 “311(a)(2)” and inserting “311(a)(2)(B)”.

9 (2) REFINANCING LIMITED TO LOANS RELATED  
10 TO FARM OPERATIONS.—Section 312(a)(7) (7  
11 U.S.C. 1942(a)(7)) is amended by inserting “with  
12 respect to farming, ranching, or aquaculture oper-  
13 ations if such refinancing enhances significantly the  
14 likelihood of repayment of such indebtedness” before  
15 the comma.

16 (3) ELIMINATION OF LOANS FOR OSHA COMPLI-  
17 ANCE.—Section 312(a) (7 U.S.C. 1942(a)) is  
18 amended by striking clause (10) and redesignating  
19 clauses (11), (12), and (13) as clauses (10), (11),  
20 and (12), respectively.

21 (c) EMERGENCY LOANS.—

22 (1) TARGETING TO FAMILY FARMERS.—Section  
23 321(a) (7 U.S.C. 1961(a)) is amended to read as  
24 follows:

1       “(a)(1) The Secretary shall make loans under this  
2 subtitle to any eligible applicant for such a loan.

3       “(2) For purposes of paragraph (1), an individual  
4 who has applied for a loan under this subtitle is an eligible  
5 applicant if—

6               “(A) the individual—

7                       “(i) is a citizen of the United States;

8                       “(ii) has training or farming experience  
9 that the Secretary determines is sufficient to  
10 assure reasonable prospects of success in the  
11 proposed farming operation;

12                      “(iii) is or will become an operator of a not  
13 larger than family farm in the United States;  
14 and

15                      “(iv) is unable to obtain sufficient credit  
16 elsewhere to finance the needs of the individual  
17 relating to the proposed farming operation at  
18 reasonable rates and terms, taking into consid-  
19 eration prevailing private and cooperative rates  
20 and terms in the community in or near which  
21 the individual resides for loans for similar pur-  
22 poses and periods of time; and

23               “(B) the Secretary finds that the farming,  
24 ranching, or aquaculture operations of the individual  
25 have been substantially affected by—

1           “(i) a natural disaster in the United  
2 States; or

3           “(ii) a major disaster or emergency des-  
4 igned by the President under the Disaster Re-  
5 lief and Emergency Assistance Act.

6           “(3) For purposes of paragraph (1), a person (other  
7 than an individual) who has applied for a loan under this  
8 subtitle is an eligible applicant if—

9           “(A) the person—

10           “(i) is controlled by farmers or ranchers;

11           “(ii) is primarily engaged in farming,  
12 ranching, or aquaculture in the United States;

13           “(iii) is or will become an operator of a not  
14 larger than family farm in the United States;  
15 and

16           “(iv) is unable to obtain sufficient credit  
17 elsewhere to finance the needs of the person re-  
18 lating to the proposed farming operation at rea-  
19 sonable rates and terms, taking into consider-  
20 ation prevailing private and cooperative rates  
21 and terms in the community in or near which  
22 the person is located for loans for similar pur-  
23 poses and periods of time;

1           “(B) each individual who has greater than a 15  
2           percent ownership interest in the person meets the  
3           requirements of paragraph (2)(A); and

4           “(C) the Secretary finds that the farming,  
5           ranching, or aquaculture operations of the person  
6           have been substantially affected by—

7                   “(i) a natural disaster in the United  
8                   States; or

9                   “(ii) a major disaster or emergency des-  
10                  ignated by the President under the Disaster Re-  
11                  lief and Emergency Assistance Act.

12          “(4)(A) The Secretary shall accept applications from,  
13          and make loans pursuant to this subtitle to, applicants  
14          otherwise eligible for such a loan, that conduct farming,  
15          ranching, or aquaculture operations in any county contig-  
16          uous to a county where the Secretary has found that farm-  
17          ing, ranching, or aquaculture operations have been sub-  
18          stantially affected by—

19                  “(i) a natural disaster in the United States; or

20                  “(ii) a major disaster or emergency designated  
21                  by the President under the Disaster Relief and  
22                  Emergency Assistance Act.

23          “(B) The Secretary shall accept applications for as-  
24          sistance under this subtitle from applicants affected by a



1 natural disaster at any time during the 8-month period  
2 beginning on—

3 “(i) the date on which the Secretary determines  
4 that farming, ranching, or aquaculture operations  
5 have been substantially affected by the natural dis-  
6 aster; or

7 “(ii) the date on which the President makes the  
8 major disaster or emergency designation with re-  
9 spect to the natural disaster.

10 “(5) The authority provided by this subsection shall  
11 be effective only to the extent or in such amounts as are  
12 provided in advance in appropriations Acts.

13 “(6) As used in this subsection, the term ‘person’  
14 means an individual, a corporation, a partnership, a joint  
15 venture, or any combination thereof.”

16 (2) CONFORMING AMENDMENT.—Section 329  
17 (7 U.S.C. 1970) is amended by striking “a single  
18 enterprise which constitutes a basic part of”.

19 **SEC. 103. REDIRECTION OF RESOURCES TO INCOME-PRO-**  
20 **DUCING ACTIVITIES.**

21 (a) ELIMINATION OF OWNERSHIP LOANS FOR THE  
22 ACQUISITION, INSTALLATION, OR MODIFICATION OF  
23 QUALIFIED NON-FOSSIL ENERGY SYSTEMS.—

24 (1) IN GENERAL.—Section 303 (7 U.S.C. 1923)  
25 is amended—

1 (A) by striking “(a)”; and

2 (B) by striking subsection (b).

3 (2) CONFORMING AMENDMENTS.—Section  
4 307(a)(6)(B) (7 U.S.C. 1927(a)(6)(B)), as amended  
5 by section 102(a)(2)(B) of this Act, is amended in  
6 each of clauses (i) and (vii) by striking “section  
7 303(a)(2)” and inserting “section 303(2)”.

8 (b) ELIMINATING OF OWNERSHIP LOANS FOR THE  
9 CONSTRUCTION OF CONSERVATION STRUCTURES OR  
10 NON-INCOME-PRODUCING CONSERVATION PRACTICES.—  
11 Section 304 (7 U.S.C. 1924) is amended—

12 (1) by striking subsection (a) and inserting:

13 “(a)(1) Loans may be made to farm owners or ten-  
14 ants who are eligible borrowers under this subtitle for—

15 “(A) the establishment of forest cover for sus-  
16 tained yield timber management;

17 “(B) the establishment or improvement of per-  
18 manent pasture; or

19 “(C) the construction or improvement of envi-  
20 ronmental structures or systems required by Federal  
21 or State statute.

22 “(2) The Secretary shall not make a loan under this  
23 section that exceeds the lesser of—

24 “(A) the value of the farm or other security for  
25 such loan; or

1           “(B) \$50,000.”; and

2           (2) by striking subsection (c).

3           (c) ELIMINATION OF OPERATING LOANS FOR THE  
4 DEVELOPMENT AND CONSTRUCTION OF SOLAR ENERGY  
5 SYSTEMS.—Section 312(a) (7 U.S.C. 1942(a)), as amend-  
6 ed by section 102(b)(3) of this Act, is amended—

7           (1) by striking clause (10) and redesignating  
8 clauses (11) and (12) as clauses (10) and (11), re-  
9 spectively; and

10          (2) by striking the 2nd sentence.

11          (d) ELIMINATION OF AUTHORITY TO ACQUIRE EASE-  
12 MENTS FOR CONSERVATION, RECREATIONAL, OR WILD-  
13 LIFE PURPOSES.—Section 349 (7 U.S.C. 1997) is re-  
14 pealed.

15          (e) ELIMINATION OF AUTHORITY TO TRANSFER  
16 CERTAIN INVENTORY LANDS.—Section 354 (7 U.S.C.  
17 2002) is repealed.

18          (f) CONFORMING AMENDMENTS.—Section 335 (7  
19 U.S.C. 1985) is amended—

20           (1) in subsection (c)(1)—

21           (A) by striking “, other than easements ac-  
22 quired under section 349”; and

23           (B) by striking the last sentence and in-  
24 serting “Notwithstanding the preceding sen-  
25 tence, the Secretary may sell an easement, re-

1           restriction, development rights, or the equivalent  
 2           thereof, to a unit of local or State government  
 3           or a private nonprofit organization for con-  
 4           servation purposes at its fair market value.”;

5           (2) in subsection (e)(7), by striking “sale or”;

6           and

7           (3) by striking subsection (g).

8   **SEC. 104. IMPROVEMENT OF LOAN PORTFOLIO MANAGE-**  
 9                                   **MENT.**

10           (a) **EXPANSION OF AUTHORITY TO REQUIRE ADDI-**  
 11 **TIONAL COLLATERAL TO SECURE A FARMER PROGRAM**  
 12 **LOAN.**—Section 307(e)(1) (7 U.S.C. 1927(e)(1)) is  
 13 amended by striking “, if the borrower is current in the  
 14 payment of principal and interest on the loan” and insert-  
 15 ing “unless the fair market value of the collateral securing  
 16 the loan is less than 80 percent of the total of the principal  
 17 and any unpaid accrued interest on the loan”.

18           (b) **LINKING OF EMERGENCY LOANS FOR CROP OR**  
 19 **LIVESTOCK CHANGES TO NATURAL DISASTERS.**—Section  
 20 323 (7 U.S.C. 1963) is amended by inserting “which are  
 21 necessitated by a natural disaster, major disaster, or  
 22 emergency and which are” after “livestock changes”.

23           (c) **ESTABLISHMENT OF DATE CERTAIN FOR EMER-**  
 24 **GENCY LOAN ASSET VALUATION.**—Section 324(d) (7  
 25 U.S.C. 1962(d)) is amended in the last sentence by strik-

1 ing all that follows “shall” and inserting “establish the  
2 value of the assets as of the day before the occurrence  
3 of the natural disaster, major disaster, or emergency  
4 which gave rise to the request for assistance under this  
5 subtitle or under the Disaster Relief and Emergency As-  
6 sistance Act.”.

7 (d) CREATION OF MEASURABLE STANDARD FOR DE-  
8 FERRAL OF LOAN PRINCIPAL AND FOREGOING FORE-  
9 CLOSURE.—Section 331A (7 U.S.C. 1981a) is amended  
10 to read as follows:

11 **“SEC. 331A. ADDITIONAL AUTHORITY TO DEFER PRINCIPAL**  
12 **PAYMENTS AND FOREGO FORECLOSURE.**

13 “In addition to any other authority that the Secretary  
14 may have to defer principal and forego foreclosure, the  
15 Secretary may, at the request of the borrower, permit the  
16 deferral of principal only on any outstanding loan made,  
17 insured, or held by the Secretary under this title or under  
18 any other law administered by the Consolidated Farm  
19 Services Agency, and may forego foreclosure on any such  
20 loan for such period as the Secretary deems necessary,  
21 upon a showing by the borrower that—

22 “(1) due to circumstances beyond the borrow-  
23 er’s control that could not have been anticipated by  
24 the borrower, the borrower is temporarily unable to  
25 continue making payments of such principal when

1 due without using funds needed to provide for the  
2 basic family needs of the borrower and the imme-  
3 diate family of the borrower; and

4 “(2) the borrower has the ability to continue  
5 making a portion of the interest payments on such  
6 loan when due throughout the anticipated deferral  
7 period.”.

8 (e) SIMPLIFICATION OF NOTICE TO BE PROVIDED TO  
9 DELINQUENT BORROWERS.—Section 331D (7 U.S.C.  
10 1981d) is amended—

11 (1) in subsection (a), by striking “180 days de-  
12 linquent” and inserting “30 days past due”; and

13 (2) by striking subsections (b), (c), (d), and (e)  
14 and inserting the following:

15 “(b) CONTENTS.—The notice required under sub-  
16 section (a) shall inform the borrower of—

17 “(1) appeal rights;

18 “(2) available restructuring options under this  
19 title; and

20 “(3) the consequences of continued delin-  
21 quency.”.

22 (f) PROVIDING AN ANNUAL REVIEW OF THE CREDIT  
23 HISTORY, BUSINESS OPERATION AND CONTINUED ELIGI-  
24 BILITY OF A BORROWER.—

1           (1) IN GENERAL.—Section 333 (7 U.S.C. 1983)  
2 is amended by redesignating paragraphs (2), (3),  
3 and (4) as paragraphs (3), (4), and (5), respectively,  
4 and by inserting after paragraph (1) the following:

5           “(2) the county or area committee, as appro-  
6 priate, under section 8(b) of the Soil Conservation  
7 and Domestic Allotment Act (16 U.S.C. 590h(b)) to  
8 certify in writing that it has performed an annual  
9 review of the credit history and business operation  
10 of a borrower (other than a borrower under section  
11 306, 310B, or 314), and its opinion as to the contin-  
12 ued eligibility of that borrower for such a loan;”.

13           (2) CONFORMING AMENDMENT.—Section  
14 310B(a) (7 U.S.C. 1932(a)) is amended in the 3rd  
15 sentence by striking “(3)” and inserting “(4)”.

16           (g) ELIMINATION OF THE SALES RESTRICTIONS ON  
17 INVENTORY PROPERTY.—

18           (1) IN GENERAL.—Section 335 (7 U.S.C.  
19 1985), as amended by sections 103(f)(2) and  
20 108(f)(33) of this Act, is amended—

21           (A) in subsection (b), by striking “Except  
22 as provided in subsection (e), real” and insert-  
23 ing “Real”;

24           (B) in subsection (c)—

1 (i) by striking “(1) Except as pro-  
2 vided in subsection (e), the” and inserting  
3 “The”;

4 (ii) by striking the 2nd sentence; and

5 (iii) by striking paragraph (2); and

6 (C) by striking subsections (e) and (f).

7 (2) CONFORMING AMENDMENTS.—

8 (A) Section 602(5) of the Agricultural Act  
9 of 1949 (7 U.S.C. 1471(5)) is amended by in-  
10 sserting “(as in effect before the date of the en-  
11 actment of the Agricultural Regulatory Relief  
12 and Trade Act of 1996)” before the last close  
13 parenthesis.

14 (B) Section 343(b) (7 U.S.C. 1991(b)) is  
15 amended by striking “335 (e) and (f),”.

16 (h) ELIMINATION OF DEBT RESTRUCTURING AND  
17 LOAN SERVICING.—

18 (1) GENERAL PROVISIONS.—Section 353 (7  
19 U.S.C. 2001) is repealed.

20 (2) PROVISIONS APPLICABLE TO COMMUNITY  
21 FACILITY LOANS.—Section 353A (7 U.S.C. 2001a)  
22 is repealed.

23 (3) CONFORMING AMENDMENTS.—

24 (A) Section 343(b) (7 U.S.C. 1991(b)) is  
25 amended by striking “353,”.



1 (B) Section 357(b) (7 U.S.C. 2005(b)) is  
2 amended by striking paragraph (3).

3 (i) SHORT FORM CERTIFICATION OF PROGRAM COM-  
4 PLIANCE.—Subtitle D (7 U.S.C. 1981–2008f) is amended  
5 by adding at the end the following:

6 **“SEC. 372. SHORT FORM CERTIFICATION OF FARM PRO-**  
7 **GRAM BORROWER COMPLIANCE.**

8 “The Secretary shall develop and utilize a consoli-  
9 dated short form for farm program borrowers to use in  
10 certifying compliance with any and all applicable statutes  
11 and regulations which serve as eligibility prerequisites for  
12 loans made under this title.”.

13 (j) EFFECT OF PRIOR DEFAULT, DEFERRAL, DEBT  
14 RESTRUCTURING, OR LOAN SERVICING ON ELIGIBILITY  
15 FOR LOANS.—Subtitle D (7 U.S.C. 1981–2008f), as  
16 amended by subsection (i) of this section, is amended by  
17 adding at the end the following:

18 **“SEC. 373. EFFECT OF PRIOR DEFAULT, DEFERRAL, DEBT**  
19 **RESTRUCTURING, OR LOAN SERVICING ON**  
20 **ELIGIBILITY FOR LOANS.**

21 “Notwithstanding any other section of this title, the  
22 Secretary shall not make any loan under this title to an  
23 applicant if the applicant (or, in the case of a legal entity  
24 which is an applicant, an individual who has greater than  
25 a 15 percent ownership interest in the applicant) has de-

1 faulted on a loan made or insured under this title, had  
2 the principal or interest on a loan made or insured under  
3 this title deferred under section 331A, or had a loan made  
4 or insured under this title restructured or serviced under  
5 section 353, unless the default, deferral, restructuring, or  
6 servicing resulted from circumstances that were beyond  
7 the control of the applicant or individual, and that could  
8 not have been reasonably anticipated by the applicant or  
9 individual.”.

10 **SEC. 105. ASSURING PROMPT REPAYMENT OF LOANS.**

11 (a) NARROWING OF USE OF NONSUPERVISED BANK  
12 ACCOUNTS.—Section 312(e) (7 U.S.C. 1942(e)) is amend-  
13 ed to read as follows:

14 “(e)(1) Notwithstanding any other provision of this  
15 title, the Secretary shall reserve a portion of any loan  
16 made under this subtitle to be placed in a nonsupervised  
17 bank account which may be used at the discretion of the  
18 borrower for the basic family needs of the borrower and  
19 the immediate family of the borrower.

20 “(2) The size of any such reserve shall be limited to  
21 the least of—

22 (A) 10 percent of the loan;

23 (B) \$5,000; or

1           “(C) the amount needed to provide for the basic  
2           family needs of the borrower and the borrower’s im-  
3           mediate family for 3 calendar months.”.

4           (b) REDUCTION OF THE LIMIT ON EMERGENCY  
5           LOANS.—Section 324(a) (7 U.S.C. 1964(a)) is amended  
6           by striking “\$500,000” and inserting “\$300,000”.

7           (c) NARROWING OF AUTHORITY TO WAIVE APPLICA-  
8           TION OF THE CREDIT ELSEWHERE TEST.—Section  
9           322(b) (7 U.S.C. 1962(b)) is amended in the 2nd proviso  
10          by striking “\$300,000” and inserting “\$10,000”.

11       **SEC. 106. MODIFICATION OF PROGRAMS FOR BEGINNING**  
12                               **FARMERS.**

13          (a) ESTABLISHMENT OF LOAN GUARANTEE PRO-  
14          GRAM.—Section 309(h)(1) (7 U.S.C. 1929(a)(1)) is  
15          amended by adding at the end the following: “In the case  
16          of a loan made to a beginning farmer (as defined by the  
17          Secretary in regulations), the guarantee shall be for the  
18          payment of 98 percent of loan principal and interest.”.

19          (b) ENHANCEMENT OF INTEREST RATE BUYDOWN  
20          PROGRAM.—Section 351(c) (7 U.S.C. 1999(c)) is amend-  
21          ed by inserting “(or 6 percent, in the case of a loan made  
22          to a beginning farmer, as defined by the Secretary)” be-  
23          fore the period.

24          (c) ELIMINATION OF DOWN PAYMENT LOAN PRO-  
25          GRAM.—Section 310E (7 U.S.C. 1935) is repealed.

1 (d) ELIMINATION OF LIMITATIONS ON THE AVAIL-  
2 ABILITY OF FARM OWNERSHIP LOANS AND LOAN GUAR-  
3 ANTEES.—Section 310F (7 U.S.C. 1936) is repealed.

4 (e) SIMPLIFICATION OF SPECIAL ASSISTANCE PRO-  
5 GRAM.—Section 318 (7 U.S.C. 1948) is amended to read  
6 as follows:

7 **“SEC. 318. SPECIAL ASSISTANCE TO CERTAIN QUALIFIED**  
8 **BEGINNING FARMERS AND RANCHERS.**

9 “(a) IN GENERAL.—The Secretary shall provide spe-  
10 cial assistance in accordance with this section to enable  
11 certain qualified beginning farmers or ranchers to conduct  
12 viable farming or ranching operations.

13 “(b) APPLICATION.—A qualified beginning farmer or  
14 rancher may apply for special assistance under this section  
15 by submitting to the Secretary an application which con-  
16 tains—

17 “(1) a plan for special assistance which de-  
18 scribes how assistance provided under this section  
19 will be used in conducting a farming or ranching op-  
20 eration; and

21 “(2) such other information as may be required  
22 by the Secretary.

23 “(c) DETERMINATIONS BY THE COUNTY COMMIT-  
24 TEE; APPROVAL OF PLAN.—The county committee shall  
25 approve a plan for special assistance submitted by an ap-

1 plicant pursuant to subsection (b) if the county committee  
2 determines that—

3 “(1) the applicant has not operated a farm or  
4 ranch, or has operated a farm or ranch for not more  
5 than 5 years;

6 “(2) the applicant owns, leases, or has a com-  
7 mitment to have leased to the applicant the site or  
8 sites of the operation; and

9 “(3) there is, or will be, available to the appli-  
10 cant equipment sufficient to conduct the operation  
11 in accordance with the plan.

12 “(d) DETERMINATION BY THE SECRETARY; AP-  
13 PROVAL OF APPLICATION FOR ASSISTANCE.—Except as  
14 provided in subsection (f)(2), the Secretary shall approve  
15 an application submitted pursuant to subsection (b) for  
16 an operation described in a plan approved by a county  
17 committee under this section if the Secretary determines  
18 that during the commitment period established in accord-  
19 ance with subsection (e)(1), the operation will be finan-  
20 cially viable, as determined by the Secretary.

21 “(e) PROVISION OF ASSISTANCE.—

22 “(1) DETERMINATION OF COMMITMENT PE-  
23 RIOD.—

24 “(A) INITIAL DETERMINATION.—In ap-  
25 proving an application under subsection (d), the

1 Secretary shall, subject to subparagraph (C),  
2 determine the period during which assistance  
3 under this section is to be provided for the op-  
4 eration described in the application (referred to  
5 in this subsection as the ‘commitment period’).

6 “(B) AUTHORITY TO EXTEND PERIOD.—At  
7 any time, the Secretary may, subject to sub-  
8 paragraph (C) of this paragraph and sub-  
9 sections (f) and (g), extend or reduce the dura-  
10 tion of the commitment period.

11 “(C) LIMITATIONS.—The duration of any  
12 commitment period (including any extension of  
13 the period) shall not exceed 10 years and shall  
14 be consistent with section 319.

15 “(2) OPERATING LOANS; LOAN GUARANTEES.—  
16 To the extent that an applicant whose application is  
17 approved under subsection (d) is unable to obtain  
18 sufficient credit from commercial or cooperative  
19 lenders to finance the operation described in the ap-  
20 plication at reasonable rates and terms, the Sec-  
21 retary shall, subject to the availability of funds, sub-  
22 ject to subsection (f), and consistent with sections  
23 360 and 362, make a conditional commitment to the  
24 applicant for each year of the commitment period  
25 to provide to any commercial or cooperative lender

1 who makes a loan to the applicant that is within  
2 the credit needs of the operation (as specified in the  
3 plan contained in the application) a guarantee under  
4 section 309(h), which, for purposes of this section,  
5 shall be of an amount equal to the lesser of—

6 “(A) the minimum total amount of loan  
7 principal and interest necessary to induce such  
8 a lender to make such a loan to the applicant;  
9 or

10 “(B) 90 percent of the total amount of  
11 loan principal and interest.

12 “(3) LOANS OR GUARANTEES FOR NEW OR IM-  
13 PROVED EQUIPMENT.—The Secretary shall make a  
14 commitment to any applicant whose application is  
15 approved under subsection (d) of this section to pro-  
16 vide the applicant with loan guarantees under sec-  
17 tion 309(h) to finance the acquisition, improvement,  
18 or repair of equipment needed in the operation de-  
19 scribed in the application if the plan contained in  
20 the application provides for the commitment, to the  
21 extent that the applicant is unable to obtain suffi-  
22 cient credit from commercial or cooperative lenders  
23 for such purposes at reasonable rates and terms.

24 “(f) EFFECTS OF AVOIDABLE FAILURE TO ACHIEVE  
25 GOALS.—

1           “(1) REVOCATION OF COMMITMENTS.—The  
2           Secretary shall revoke any commitment for assist-  
3           ance made to an applicant under this section if the  
4           operation of the applicant fails, for 2 consecutive  
5           years, to meet the goals specified in the plan, unless  
6           the failure has not materially reduced the likelihood  
7           of the operation becoming financially viable and is  
8           due to circumstances beyond the control of the appli-  
9           cant.

10           “(2) PERMANENT INELIGIBILITY FOR ASSIST-  
11           ANCE.—An applicant with respect to whom a revoca-  
12           tion is made under paragraph (1) shall not be eligi-  
13           ble for assistance under this section.”.

14           (f) ELIMINATION OF DEMONSTRATION PROJECT.—  
15           Section 351 (7 U.S.C. 1999), as amended by section  
16           108(f)(42) of this Act, is amended by striking subsection  
17           (h).

18           (g) CONFORMING AMENDMENTS.—

19           (1) Section 305 (7 U.S.C. 1925) is amended by  
20           striking “310D, and 310E” and inserting “or  
21           310D”.

22           (2) Section 309 (7 U.S.C. 1929) is amended by  
23           striking subsections (h)(3) and (i).

24           (3) Section 343(b) (7 U.S.C. 1991(b)) is  
25           amended by striking “351(h),”.



1           (4) Section 346(b) (7 U.S.C. 1994(b)) is  
2 amended—

3           (A) in paragraph (3), by striking subpara-  
4 graphs (E) and (F) and redesignating subpara-  
5 graph (G) as subparagraph (E); and

6           (B) by striking paragraphs (5) and (6).

7 **SEC. 107. ELIMINATION OF TARGET PARTICIPATION RATES.**

8           (a) REPEAL.—Section 355 (7 U.S.C. 2003) is re-  
9 pealed.

10          (b) CONFORMING AMENDMENTS.—

11           (1) Section 346(b)(3)(D) (7 U.S.C.  
12 1994(b)(3)(D)) is amended by striking “To the ex-  
13 tent that it is not inconsistent with an exercise of  
14 authority under section 355, in” and inserting “In”.

15           (2) Section 2501(c)(2)(D) of the Food, Agri-  
16 culture, Conservation, and Trade Act of 1990 (7  
17 U.S.C. 2279(c)(2)(D)) is amended by striking “com-  
18 pared to the target participation rates established  
19 pursuant to sections 355(a)(1) and 355(c) of the  
20 Consolidated Farm and Rural Development Act (7  
21 U.S.C. 2003(a)(1)),”.

22           (3) Section 8(b)(5)(B)(iv) of the Soil Conserva-  
23 tion and Domestic Allotment Act (16 U.S.C.  
24 590h(b)(5)(B)(iv)) is amended by striking “groups”  
25 and all that follows and inserting “groups. For pur-

1 poses of the preceding sentence, the term ‘socially  
2 disadvantaged groups’ means groups whose members  
3 have been subjected to racial, ethnic, or gender prej-  
4 udice because of their identity as members of a  
5 group without regard to their individual qualities.”.

6 **SEC. 108. MISCELLANEOUS AND CONFORMING AMEND-**  
7 **MENTS.**

8 (a) CLARIFICATION OF WRITTEN STATEMENT RE-  
9 QUIRED OF BORROWERS.—Section 333(1) (7 U.S.C.  
10 1983(1)) is amended by striking “a written statement  
11 showing the applicant’s net worth” and inserting “an ap-  
12 propriate written financial statement”.

13 (b) EXTENSION OF VETERANS PREFERENCE TO  
14 VETERANS OF THE GULF WAR.—Section 333(5) (7  
15 U.S.C. 1983(5)), as so redesignated by section 104(f)(1)  
16 of this Act, is amended by striking “or the Vietnam era”  
17 and inserting “, during the Vietnam era, or during the  
18 liberation of Kuwait under Project Desert Shield or  
19 Project Desert Storm,”.

20 (c) VERIFICATION OF THE CREDIT ELSEWHERE  
21 TEST.—Section 333A(e)(4) (7 U.S.C. 1983a(e)(4)) is  
22 amended by striking “With the approval of the borrower,  
23 the” and inserting “The”.

1 (d) ELIMINATION OF REQUIREMENT TO TESTIFY  
2 AND REPORT ON BUDGET REQUEST.—Section 345 (7  
3 U.S.C. 1993) is repealed.

4 (e) ELIMINATION OF REQUIREMENT TO DEVELOP  
5 AND REPORT ON LONG-TERM COST PROJECTIONS.—Sec-  
6 tion 346(c) (7 U.S.C. 1994(c)) is repealed.

7 (f) ELIMINATION OF AUTHORITY TO INSURE  
8 LOANS.—

9 (1) Section 302(b) (7 U.S.C. 1922(b)) is  
10 amended by striking “or insured”.

11 (2) Section 303 (7 U.S.C. 1923), as amended  
12 by section 103(a)(1) of this Act, is amended by  
13 striking “or insured”.

14 (3) Section 304(b) (7 U.S.C. 1924(b)) is  
15 amended by striking “or insured”.

16 (4) Section 305 (7 U.S.C. 1925) is amended by  
17 striking “or insure”.

18 (5) Section 306(a)(1) (7 U.S.C. 1926(a)(1)) is  
19 amended—

20 (A) by striking “or insure”; and

21 (B) by striking “or insured”.

22 (6) Section 306(a)(15)(A) (7 U.S.C.  
23 1926(a)(15)(A)) is amended—

24 (A) by striking “or insure”; and

25 (B) by striking “or insured”.

1           (7) Section 306C(a)(1) (7 U.S.C. 1926c(a)(1))  
2 is amended by striking “or insure”.

3           (8) Section 306C(b)(1) (7 U.S.C. 1926c(b)(1))  
4 is amended by striking “or insure”.

5           (9) Section 307(a)(6)(A) (7 U.S.C.  
6 1927(a)(6)(A)) is amended by striking “or insured”.

7           (10) Section 307(c) (7 U.S.C. 1927(c)) is  
8 amended by striking “, insured,”.

9           (11) Section 308 (7 U.S.C. 1928) is amended  
10 by striking the 1st sentence.

11           (12) Section 309(f)(1) (7 U.S.C. 1929(f)(1)) is  
12 amended—

13           (A) by striking “could be” and inserting  
14 “(before the date of the enactment of the Agri-  
15 cultural Regulatory Relief and Trade Act of  
16 1996) could have been”; and

17           (B) by striking “and insure”.

18           (13) Section 309(f)(2) (7 U.S.C. 1929(f)(2)) is  
19 amended by striking “or hereafter”.

20           (14) Section 309A (7 U.S.C. 1929a) is amend-  
21 ed in each of subsections (d) and (e) by striking “,  
22 guaranteed, or insured” and inserting “or guaran-  
23 teed”.

24           (15) Section 309A(g)(1) (7 U.S.C.  
25 1929a(g)(1)) is amended—

1 (A) by striking “could be” and inserting  
2 “(before the date of the enactment of the Agri-  
3 cultural Regulatory Relief and Trade Act of  
4 1996) could have been”; and

5 (B) by striking “and insure”.

6 (16) Section 309A(g) (7 U.S.C. 1929a(g)) is  
7 amended in each of paragraphs (2) and (7) by strik-  
8 ing “or hereafter”.

9 (17) Section 310A (7 U.S.C. 1931) is repealed.

10 (18) Section 310B(a) (7 U.S.C. 1932(a)) is  
11 amended—

12 (A) by striking “and insure”; and

13 (B) by striking “, insured,”.

14 (19) Section 310B(e)(1) (7 U.S.C. 1932(e)(1))  
15 is amended by striking “insure and”.

16 (20) Section 310B(e)(2) (7 U.S.C. 1932(e)(2))  
17 is amended by striking “insure or”.

18 (21) Section 310D(a) (7 U.S.C. 1934(a)) is  
19 amended by striking “and insure”.

20 (22) Section 311(c) (7 U.S.C. 1941(c)) is  
21 amended by striking “or insured”.

22 (23) Section 313 (7 U.S.C. 1943) is amended  
23 by striking “or insure”.

24 (24) Section 316(a)(3) (7 U.S.C. 1946(a)(3)) is  
25 amended by striking “or insured”.

1           (25) Section 317 (7 U.S.C. 1947) is repealed.

2           (26) Section 322(a) (7 U.S.C. 1962(a)) is  
3 amended by striking “or insure”.

4           (27) Section 323 (7 U.S.C. 1963) is amended  
5 by striking “or insured”.

6           (28) Section 324(a) (7 U.S.C. 1964(a)) is  
7 amended by striking “or insured”.

8           (29) Section 324(b)(2) (7 U.S.C. 1964(b)(2)) is  
9 amended—

10                   (A) by striking clause (A); and

11                   (B) by striking “(B)”.

12           (30) Section 328 (7 U.S.C. 1968) is repealed.

13           (31) Section 333A (7 U.S.C. 1983a) is amend-  
14 ed by striking subsection (b).

15           (32) Section 333A(f) (7 U.S.C. 1983a(f)) is  
16 amended in each of paragraphs (4) and (5) by strik-  
17 ing “an insured” and inserting “a”.

18           (33) Section 335(e)(5)(A) (7 U.S.C.  
19 1985(e)(5)(A)) is amended by striking “made or in-  
20 sured”.

21           (34) Section 343(a)(4) (7 U.S.C. 1991(a)(4)) is  
22 amended by striking “word ‘insure’ as used in this  
23 title includes guarantee, which means” and inserting  
24 “term ‘guarantee’ means”.

1           (35) Section 343(a)(9) (7 U.S.C. 1991(a)(9)) is  
2 amended by striking “or insured”.

3           (36) Section 344 (7 U.S.C. 1992) is amended  
4 by striking “insured, or made to be sold and in-  
5 sured,”.

6           (37) Section 346(a) (7 U.S.C. 1994(a)) is  
7 amended by striking “and insured”.

8           (38) Section 346(b)(1) (7 U.S.C. 1994(b)(1)) is  
9 amended by striking “insured, made to be sold and  
10 insured, or”.

11           (39) Section 346(b)(3) (7 U.S.C. 1994(b)(3)),  
12 as amended by sections 106(g)(4) and 107(b)(1) of  
13 this Act, is amended by striking subparagraphs (B)  
14 and (D) and redesignating subparagraphs (C) and  
15 (E) as subparagraphs (B) and (C), respectively.

16           (40) Section 346(d)(1) (7 U.S.C. 1994(d)(1)) is  
17 amended by striking “authorized to be insured, or  
18 made to be sold and insured,” and inserting  
19 “made”.

20           (41) Section 348 (7 U.S.C. 1996) is amended—

21                   (A) by striking “and insuring”;

22                   (B) by striking “and insure”; and

23                   (C) by striking “or insured”.

24           (42) Section 351(h)(8)(C) (7 U.S.C.  
25 1999(h)(8)(C)) is amended by striking “, insured, ”.

1 (43) Section 358 (7 U.S.C. 2006) is amended  
2 by striking “, insure,”.

3 **Subtitle B—Amendments to the**  
4 **Farm Credit Act of 1971**

5 **SEC. 151. REFERENCES.**

6 Except as otherwise expressly provided, wherever in  
7 this subtitle an amendment or repeal is expressed in terms  
8 of an amendment to, or repeal of, a section or other provi-  
9 sion, the reference shall be considered to be made to a  
10 section or other provision of the Farm Credit Act of 1971.

11 **SEC. 152. REPEAL OF REQUIREMENTS RELATING TO RE-**  
12 **VIEW OF DECISIONS TO DENY OR REDUCE**  
13 **THE AMOUNT OF A LOAN.**

14 (a) REPEAL.—Section 4.14 (12 U.S.C. 2202) is re-  
15 pealed.

16 (b) CONFORMING AMENDMENTS.—

17 (1) Section 4.13B (12 U.S.C. 2201) is amended  
18 in each of subsections (a) and (b)—

19 (A) by adding “and” at the end of para-  
20 graph (1);

21 (B) by striking “; and” at the end of para-  
22 graph (2) and inserting a period; and

23 (C) by striking paragraph (3).



1           (2) Section 4.14A(a)(5)(B)(ii)(I) (12 U.S.C.  
2           2202a(a)(5)(B)(ii)(I)) is amended by striking  
3           “4.14,”.

4           (3) Section 8.9 (12 U.S.C. 2279aa–9) is  
5           amended by striking “4.14,” each place such term  
6           appears.

7   **SEC. 153. PROHIBITION AGAINST RESTRUCTURING OF RE-**  
8                           **STRUCTURED LOANS OR LOANS INVOLVED IN**  
9                           **BANKRUPTCY PROCEEDINGS.**

10          (a) IN GENERAL.—Section 4.14A(a)(5)(A) (12  
11          U.S.C. 2202a(a)(5)(A)) is amended by inserting “, which  
12          has not been restructured under this section and with re-  
13          spect to which the borrower has not filed a petition for  
14          bankruptcy under title 11, United States Code” before the  
15          period.

16          (b) ELIMINATION OF REQUIRED REPORTS TO THE  
17          FARM CREDIT ADMINISTRATION.—Section 4.14A (12  
18          U.S.C. 2202a) is amended by striking subsections (g) and  
19          (h) and inserting the following:

20                 “(g) RESTRUCTURING POLICY.—

21                         “(1) ESTABLISHMENT.—Within 60 days after  
22                         the date of the enactment of this paragraph, the  
23                         board of directors of each qualified lender shall de-  
24                         velop a policy that is consistent with this section, to  
25                         govern the restructuring of distressed loans.

1           “(2) CONTENTS OF POLICY.—The policy estab-  
2           lished under paragraph (1) shall include an expla-  
3           nation of the procedure for submitting an applica-  
4           tion for restructuring.”.

5           (c) RELATED AMENDMENTS.—Section 4.14A (12  
6 U.S.C. 2202a) is amended by striking subsections (k) and  
7 (l).

8           (d) CONFORMING AMENDMENTS.—

9           (1) Section 4.14A (12 U.S.C. 2202a) is amend-  
10          ed by redesignating subsections (i) and (j) as sub-  
11          sections (h) and (i), respectively.

12          (2) Section 5.31 (12 U.S.C. 2267) is amended  
13          by striking “4.14A(i)” and inserting “4.14A(h)”.

14          (3) Section 5.32(h) (12 U.S.C. 2268(h)) is  
15          amended by striking “4.14A(i)” and inserting  
16          “4.14A(h)”.

17 **SEC. 154. REPEAL OF RULES GOVERNING EFFECT OF RE-**  
18 **STRUCTURING ON BORROWER STOCK.**

19          (a) REPEAL.—Section 4.14B (12 U.S.C. 2202b) is  
20          repealed.

21          (b) CONFORMING AMENDMENTS.—

22          (1) Section 4.9A(b) (12 U.S.C. 2162(b)) is  
23          amended—

24                  (A) by adding “or” at the end of para-  
25                  graph (1);

1 (B) by striking paragraph (2); and  
2 (C) by redesignating paragraph (3) as  
3 paragraph (2).

4 (2) Section 4.14A(a)(5)(B)(ii)(I) (12 U.S.C.  
5 2202a(a)(5)(B)(ii)(I)) is amended by striking  
6 “4.14B,”.

7 (3) Section 8.9 (12 U.S.C. 2279aa–9) is  
8 amended by striking “4.14B,” each place such term  
9 appears.

10 **SEC. 155. REPEAL OF RULES GOVERNING REVIEW OF RE-**  
11 **STRUCTURING DENIALS.**

12 (a) REPEAL.—Section 4.14C (12 U.S.C. 2202c) is re-  
13 pealed.

14 (b) CONFORMING AMENDMENTS.—

15 (1) Section 4.14A(a)(5)(B)(ii)(I) (12 U.S.C.  
16 2202a(a)(5)(B)(ii)(I)) is amended by striking  
17 “4.14C, 4.14D,” and inserting “4.14D”.

18 (2) Section 8.9 (12 U.S.C. 2279aa–9) is  
19 amended by striking “4.14C,” each place such term  
20 appears.

21 **SEC. 156. ELIMINATION OF CERTAIN REQUIREMENTS RE-**  
22 **LATING TO LOANS PLACED IN NONACCRUAL**  
23 **STATUS.**

24 Section 4.14D (12 U.S.C. 2202d) is amended by  
25 striking subsection (d).

1 **SEC. 157. LIMITATIONS ON THE RIGHT OF FIRST REFUSAL.**

2 Section 4.36 (12 U.S.C. 2219a) is amended—

3 (1) in subsection (a), by striking “or lease”;

4 (2) in subsection (b)(1)—

5 (A) by striking “Within” and inserting

6 “Except as otherwise provided in subsection (c),

7 within”; and

8 (B) by inserting “by private sale,” after

9 “such real estate,”;

10 (3) by striking subsection (c) and redesignating

11 subsections (d) through (g) as subsections (c)

12 through (f), respectively;

13 (4) by redesignating subsections (h) and (i) as

14 subsections (j) and (k), respectively; and

15 (5) by inserting after subsection (f) (as so re-

16 designated by paragraph (3) of this section) the fol-

17 lowing:

18 “(g) **PREVIOUS OWNER DEFINED.**—As used in this

19 section, the term ‘previous owner’ does not include a mort-

20 gator or grantor of an equivalent lien interest in agricul-

21 tural real estate unless such person is also a borrower in

22 the transaction.

23 “(h) **PERSONAL AND NONASSIGNABLE RIGHT.**—The

24 right of first refusal arising under this section is personal

25 to, and not assignable by, the previous owner.

1       “(i) RULE OF INTERPRETATION.—This section shall  
 2 not be interpreted to preclude a borrower from voluntarily  
 3 waiving the right of first refusal arising under this section  
 4 in connection with a voluntary conveyance of agricultural  
 5 real estate in lieu of foreclosure.”.

## 6 **TITLE II—RURAL DEVELOPMENT**

### 7 **SEC. 201. CAPITALIZATION GRANTS TO STATES FOR RURAL** 8 **DEVELOPMENT.**

9       The Rural Development Act of 1972 is amended by  
 10 adding at the end the following:

## 11 **“TITLE VII—CAPITALIZATION** 12 **GRANTS TO STATES FOR** 13 **RURAL DEVELOPMENT**

### 14 **“SEC. 701. PURPOSES.**

15       “The purpose of this title is to provide eligible States  
 16 and territories with a consolidated source of funding for  
 17 rural development, and to encourage States to establish  
 18 revolving funds through which rural development may be  
 19 financed permanently.

### 20 **“SEC. 702. GRANTS.**

21       “(a) GRANT AUTHORITY.—

22               “(1) IN GENERAL.—

23                       “(A) GRANTS TO ELIGIBLE STATES.—Each  
 24 eligible State shall be entitled to receive from  
 25 the Secretary for each fiscal year a grant in an

1 amount equal to the applicable share of 99.25  
2 percent of the amount (if any) appropriated  
3 pursuant to this subsection for the fiscal year.

4 “(B) GRANTS TO ELIGIBLE TERRI-  
5 TORIES.—Each eligible territory shall be enti-  
6 tled to receive from the Secretary for each fiscal  
7 year a grant in an amount equal to the applica-  
8 ble share of 0.75 percent of the amount (if any)  
9 appropriated pursuant to this subsection for the  
10 fiscal year.

11 “(2) SUBJECT TO APPROPRIATIONS.—The au-  
12 thority provided by paragraph (1) shall be effective  
13 only to such extent or in such amounts as are pro-  
14 vided in advance in appropriations Acts.

15 “(3) LIMITATIONS ON AUTHORIZATION OF AP-  
16 PROPRIATIONS.—For grants under paragraph (1),  
17 there are authorized to be appropriated to the Sec-  
18 retary not more than \$836,025,000 for each of fiscal  
19 years 1996 through 2002.

20 “(b) RULES GOVERNING PAYMENTS.—Grants under  
21 this section shall be paid under rules prescribed by the  
22 Secretary, which shall be similar to the rules provided for  
23 in the document published by the Environmental Protec-  
24 tion Agency on January 29, 1988, and entitled ‘SRF Ini-  
25 tial Guidance For State Revolving Funds’.

1       “(c) LIMITATION ON FEDERAL AUTHORITY.—A ju-  
2       risdiction to which funds are provided under this section  
3       shall have sole discretion to determine how such funds are  
4       to be expended and the entities to which such funds are  
5       to be provided, subject to this title.

6       “(d) DEFINITIONS.—As used in this title:

7               “(1) ELIGIBLE STATE.—The term ‘eligible  
8       State’ means a State that meets the following re-  
9       quirements:

10                       “(A) The State has established a rural de-  
11       velopment revolving fund.

12                       “(B) The State has established to the sat-  
13       isfaction of the Secretary that the revolving  
14       fund will be operated and administered in ac-  
15       cordance with section 703(a).

16                       “(C) The State has agreed that the State  
17       agency responsible for administering the revol-  
18       ving fund shall—

19                               “(i) consult with representatives of  
20       local governments, businesses, nonprofit  
21       organizations, and with the State agency  
22       with expertise in rural development and  
23       agriculture, in implementing this title; and

24                               “(ii) consult with general purpose  
25       local governments in developing priorities

1           for funding activities from the revolving  
2           fund, criteria for selecting recipients of as-  
3           sistance from the revolving fund, and the  
4           method of distributing funds from the re-  
5           volving fund.

6           “(D)(i) The State has agreed to submit to  
7           the Secretary biennial reports which describe  
8           the manner in which the amounts paid to the  
9           State under this section are used, and include  
10          evidence that, in each fiscal year covered by the  
11          report, the State has expended for rural devel-  
12          opment from State sources an amount equal to  
13          not less than 20 percent of the total amount  
14          paid to the State under subsection (a) during  
15          the fiscal year.

16          “(ii) As used in clause (i), the term ‘rural  
17          development’ includes—

18                 “(I) rural infrastructure, including  
19                 water and sewer systems, highways, roads,  
20                 and bridges;

21                 “(II) rural education and job training,  
22                 including vocational and technical training;

23                 “(III) rural health services; and

24                 “(IV) rural housing assistance.



1           “(2) ELIGIBLE TERRITORY.—The term ‘eligible  
2 territory’ means a territory that meets the following  
3 requirements:

4           “(A) The territory has agreed to use the  
5 funds provided to the territory under subsection  
6 (a) only for qualified rural development pur-  
7 poses.

8           “(B) The territory has agreed to submit to  
9 the Secretary biennial reports which describe  
10 the manner in which the amounts paid to the  
11 territory under this section are used, and in-  
12 clude evidence that, in each fiscal year covered  
13 by the report, the territory has expended for  
14 rural development from territory sources an  
15 amount equal to not less than 20 percent of the  
16 total amount paid to the territory under sub-  
17 section (a) during the fiscal year.

18           “(3) STATE.—The term ‘State’ means the 50  
19 States.

20           “(4) TERRITORY.—The term ‘territory’ means  
21 the Commonwealth of Puerto Rico, the United  
22 States Virgin Islands, the Commonwealth of the  
23 Northern Mariana Islands, Guam, American Samoa,  
24 and the Trust Territory of the Pacific Islands.

1           “(5) SECRETARY.—The term ‘Secretary’ means  
2 the Secretary of Agriculture.

3           “(6) APPLICABLE SHARE.—

4           “(A) FOR STATES.—The term ‘applicable  
5 share’ means, with respect to a State—

6           “(i) the annual average amount paid  
7 to the State during fiscal years 1991  
8 through 1995 from amounts made avail-  
9 able for loans and grants for rural water  
10 and waste disposal pursuant to section 306  
11 of the Consolidated Farm and Rural De-  
12 velopment Act (as in effect before the ef-  
13 fective date of title II of the Agricultural  
14 Regulatory Relief and Trade Act of 1996);  
15 divided by

16           “(ii) the total amount paid to all  
17 States during such fiscal years from the  
18 amounts so made available.

19           “(B) FOR TERRITORIES.—The term ‘appli-  
20 cable share’ means, with respect to a terri-  
21 tory—

22           “(i) the annual average amount paid  
23 to the territory during fiscal years 1991  
24 through 1995 from amounts made avail-  
25 able for loans and grants for rural water

1 and waste disposal pursuant to section 306  
2 of the Consolidated Farm and Rural De-  
3 velopment Act (as in effect before the ef-  
4 fective date of title II of the Agricultural  
5 Regulatory Relief and Trade Act of 1996);  
6 divided by

7 “(ii) the total amount paid to all terri-  
8 tories during such fiscal years from the  
9 amounts so made available.

10 **“SEC. 703. STATE RURAL DEVELOPMENT REVOLVING**  
11 **FUNDS.**

12 “(a) REQUIREMENTS.—A State rural development  
13 revolving fund shall be operated and administered in ac-  
14 cordance with the following requirements:

15 “(1) GRANTS TO BE DEPOSITED INTO THE  
16 FUND.—Any amount paid to the State under section  
17 702(a) shall be immediately deposited into the fund.

18 “(2) USE OF AMOUNTS.—

19 “(A) IN GENERAL.—The amounts in the  
20 fund shall be made available in perpetuity and  
21 be used only for qualified rural development  
22 purposes.

23 “(B) EXCEPTION.—Notwithstanding sub-  
24 paragraph (A), any amounts in the fund which  
25 are not immediately to be used in accordance

1 with subparagraph (A) may be invested in in-  
2 terest-bearing securities.

3 “(C) PROHIBITION.—The amounts in the  
4 fund may not be used to guarantee the repay-  
5 ment of principal or interest on any loan made  
6 from the fund.

7 “(3) LIMITATIONS ON TERM OF LOANS.—Loans  
8 may be made from the fund at or below market in-  
9 terest rates (including interest-free), and shall not  
10 be made for a period that exceeds the lesser of—

11 “(A) the life of the activities so financed;

12 or

13 “(B) 40 years.

14 “(4) CREDITING OF REPAYMENTS.—The fund  
15 will be credited with all repayments of principal and  
16 interest on loans and investments made from the  
17 fund.

18 “(5) LIMIT ON PERCENTAGE OF FEDERAL  
19 FUNDS USED FOR GRANTS.—Not more than 30 per-  
20 cent of the amounts in the fund may be used to  
21 make grants during any fiscal year.

22 “(6) MINIMUM PERCENTAGE OF RURAL DEVEL-  
23 OPMENT FUNDS USED FOR COMMUNITIES WITH POP-  
24 ULATIONS OF 10,000 OR LESS.—Not less than 80  
25 percent of the amounts in the fund shall be used for

1 the benefit of communities with populations of  
2 10,000 or fewer individuals.

3 “(7) LIMIT ON PERCENTAGE OF RURAL DEVEL-  
4 OPMENT FUNDS USED FOR COMMUNITIES WITH POP-  
5 ULATIONS EXCEEDING 10,000 BUT NOT EXCEEDING  
6 25,000.—Not more than 20 percent of the amounts  
7 in the fund may be used for the benefit of commu-  
8 nities with populations exceeding 10,000 but not ex-  
9 ceeding 25,000 individuals.

10 “(8) MINIMUM PERCENTAGE OF FEDERAL  
11 FUNDS USED FOR TECHNICAL ASSISTANCE RELATED  
12 TO WATER AND WASTE DISPOSAL.—Not less than 1  
13 percent of the amounts paid to the State under sec-  
14 tion 702(a) during the fiscal year shall be used to  
15 provide financing pursuant to subsection (b)(2) of  
16 this section.

17 “(9) PRIORITY TO BE GIVEN IN MAKING  
18 GRANTS FOR TECHNICAL ASSISTANCE RELATED TO  
19 WATER AND WASTE DISPOSAL.—In making grants  
20 pursuant to subsection (b)(2), priority shall be given  
21 to organizations with experience in providing tech-  
22 nical assistance and training to associations serving  
23 rural areas.

24 “(10) ACCOUNTING FOR FUNDS BY RECIPI-  
25 ENTS.—An amount in the fund shall not be provided

1 to any entity unless, as a condition of providing the  
2 amount, the entity agrees to account for the amount  
3 in accordance with generally accepted accounting  
4 principles.

5 “(11) REASONABLE ASSURANCE OF LOAN RE-  
6 PAYMENT.—A loan shall not be made to an entity  
7 from the fund unless the entity provides reasonable  
8 assurance of a source of funds for repayment of the  
9 loan.

10 “(12) CERTIFICATION BY LOCAL GOVERNMENTS  
11 OF DIRECT BENEFIT TO LOCAL RESIDENTS.—An  
12 amount in the fund shall not be provided to any en-  
13 tity for any activity to be conducted in an area un-  
14 less the entity has provided the State with a certifi-  
15 cation from the unit of local government for the area  
16 that the activity will directly benefit the residents of  
17 the area.

18 “(13) POWERS OF FUND ADMINISTRATOR.—  
19 The fund shall be administered by an instrumentality  
20 of the State with such powers as may be required  
21 to operate the fund in accordance with this title.

22 “(b) QUALIFIED RURAL DEVELOPMENT PURPOSE.—  
23 As used in this title, the term ‘qualified rural development  
24 purpose’ means any of the following:

1           “(1) WATER AND WASTE DISPOSAL AND ESSEN-  
2           TIAL COMMUNITY FACILITIES PROGRAMS.—To make  
3           loans or grants, or to guarantee the repayment of  
4           principal or interest on loans made, to associations,  
5           including corporations not operated for profit, In-  
6           dian tribes on Federal and State reservations and  
7           other federally recognized Indian tribes, and public  
8           and quasi-public agencies, all primarily serving  
9           farmers, ranchers, farm tenants, farm laborers,  
10          rural businesses, and other rural residents—

11                   “(A) to provide for the conservation, devel-  
12                   opment, use, and control of water, and the in-  
13                   stallation or improvement of drainage or waste  
14                   disposal facilities, and to furnish financial as-  
15                   sistance or other aid in planning projects for  
16                   such purposes;

17                   “(B) to provide for essential community  
18                   facilities, including necessary related equipment;  
19                   or

20                   “(C) to finance specific projects for works  
21                   for the development, storage, treatment, purifi-  
22                   cation, or distribution of water or the collection,  
23                   treatment, or disposal of waste in rural areas.

24           “(2) RURAL WATER AND WASTE DISPOSAL CIR-  
25          CUIT RIDER TECHNICAL ASSISTANCE AND TRAINING

1 PROGRAM.—To make grants to private nonprofit or-  
2 ganizations to enable such organizations to provide  
3 to associations described in paragraph (1) technical  
4 assistance and training—

5 “(A) to identify, and evaluate alternative  
6 solutions to, problems relating to the obtaining,  
7 storage, treatment, purification, or distribution  
8 of water or the collection, treatment, or disposal  
9 of waste in rural areas;

10 “(B) to prepare applications to receive fi-  
11 nancial assistance for any purpose specified in  
12 paragraph (1) from any public or private  
13 source; or

14 “(C) to improve the operation and mainte-  
15 nance practices at any existing works for the  
16 storage, treatment, purification, or distribution  
17 of water or the collection, treatment, or disposal  
18 of waste in rural areas.

19 “(3) RURAL BUSINESS AND INDUSTRY.—

20 “(A) IN GENERAL.—To make loans or  
21 grants to public, private, or cooperative organi-  
22 zations organized not for profit, to Indian tribes  
23 on Federal and State reservations or other fed-  
24 erally recognized Indian tribal groups, or to  
25 make loans, or guarantee the repayment of



1 principal or interest on loans made, to private  
2 or cooperative organizations organized for prof-  
3 it, for the purposes of—

4 “(i) improving, developing, or financ-  
5 ing business, industry, and employment  
6 and improving the economic climate in  
7 rural communities; or

8 “(ii) the conservation, development,  
9 and use of water for aquaculture purposes  
10 in rural areas.

11 “(B) INTERMEDIARY RELENDING.—To  
12 make loans to nonprofit organizations for the  
13 purpose of funding revolving loan funds oper-  
14 ated in accordance with rules similar to the  
15 rules governing the operation of the State rural  
16 development revolving fund established pursu-  
17 ant to section 702(d)(1)(A), or to guarantee the  
18 repayment of principal or interest on loans  
19 made by such revolving loan funds to organiza-  
20 tions organized for profit for the purposes de-  
21 scribed in subparagraph (A) of this paragraph.

22 “(4) SOLID WASTE MANAGEMENT.—To make  
23 loans or grants to nonprofit organizations for the  
24 provision of regional technical assistance to local and  
25 regional governments and related agencies for the

1 purpose of improving the planning and management  
2 of solid waste disposal facilities.

3 “(5) RURAL BUSINESS ENTERPRISE.—To make  
4 loans or grants to public bodies and private non-  
5 profit corporations for measures designed to finance  
6 and facilitate development of small and emerging  
7 private business enterprises or the creation, expan-  
8 sion, and operation of rural distance learning net-  
9 works or rural learning programs that provide edu-  
10 cational instruction or job training instruction relat-  
11 ed to potential employment or job advancement to  
12 adult students, including the development, construc-  
13 tion or acquisition of land, buildings, plants, equip-  
14 ment, access streets and roads, parking areas, utility  
15 extensions, necessary water supply and waste dis-  
16 posal facilities, refinancing, services and fees, or for  
17 the purpose of demonstrating the effectiveness of  
18 statewide nonprofit public television systems whose  
19 coverage area is primarily rural in providing infor-  
20 mation on agriculture and other issues of impor-  
21 tance to farmers and other rural residents.

22 “(6) RURAL TECHNOLOGY AND COOPERATIVE  
23 DEVELOPMENT.—To make loans or grants to any  
24 organization or institution, including an accredited  
25 institution of higher education, no part of the net

1 earnings of which inures, or may lawfully inure, to  
2 the benefit of any private shareholder or individual,  
3 for the purpose of enabling the organization or insti-  
4 tution to establish and operate centers for rural  
5 technology or cooperative development—

6 “(A) the primary objective of which may  
7 be to improve the economic condition of rural  
8 areas by promoting the development (through  
9 technological innovation, cooperative develop-  
10 ment, and adaptation of existing technology)  
11 and commercialization of—

12 “(i) new services and products that  
13 can be produced or provided in rural areas;

14 “(ii) new processes that can be uti-  
15 lized in the production of products in rural  
16 areas; and

17 “(iii) new enterprises that can add  
18 value to on-farm production through proc-  
19 essing or marketing; and

20 “(B) the activities of which may include—

21 “(i) programs for technology research,  
22 investigations, and basic feasibility studies  
23 in any field or discipline for the purpose of  
24 generating principles, facts, technical  
25 knowledge, new technology, or other infor-

1           mation that may be useful to rural indus-  
2           tries, cooperatives, agribusinesses, and  
3           other persons or entities in rural areas  
4           served by such centers in the development  
5           and commercialization of new products,  
6           processes, or services;

7           “(ii) programs for the collection, in-  
8           terpretation, and dissemination of prin-  
9           ciples, facts, technical knowledge, new  
10          technology, or other information that may  
11          be useful to rural industries, cooperatives,  
12          agribusinesses, and other persons in rural  
13          areas served by the center in the develop-  
14          ment and commercialization of new prod-  
15          ucts, processes, or services;

16          “(iii) programs providing training and  
17          instruction for individuals residing in rural  
18          areas served by the center with respect to  
19          the development (through technological in-  
20          novation, cooperative development, and ad-  
21          aptation of existing technology) and com-  
22          mercialization of new products, processes,  
23          or services;

24          “(iv) programs providing loans and  
25          grants to individuals, small businesses, and

1 cooperatives in rural areas served by the  
2 center for purposes of generating, evaluat-  
3 ing, developing, and commercializing new  
4 products, processes, or services;

5 “(v) programs providing technical as-  
6 sistance and advisory services to individ-  
7 uals, small businesses, cooperatives, and  
8 industries in rural areas served by the cen-  
9 ter for purposes of developing and commer-  
10 cializing new products, processes, or serv-  
11 ices; or

12 “(vi) programs providing research and  
13 support to individuals, small businesses,  
14 cooperatives, and industries in rural areas  
15 served by the center for purposes of devel-  
16 oping new agricultural enterprises to add  
17 value to on-farm production through proc-  
18 essing or marketing.

19 “(7) DISTANCE LEARNING AND MEDICAL  
20 LINKS.—To make loans or grants to encourage and  
21 improve the use of telecommunications, computer  
22 networks, and related advanced technologies, by per-  
23 sons associated with end users of such facilities, in-  
24 cluding students and teachers, medical professionals,  
25 small businesses, and other residents living in rural

1 areas associated with rural community facilities in  
2 rural areas.

3 “(8) PROVISION OF SECURITY FOR CERTAIN  
4 STATE OBLIGATIONS USED TO RAISE FUNDS FOR  
5 RURAL DEVELOPMENT.—To provide security for, or  
6 to make principal or interest payments on revenue  
7 or general obligation bonds issued by the State if the  
8 proceeds from the sale of such bonds is deposited in  
9 the State rural development revolving fund estab-  
10 lished pursuant to section 702(d)(1)(A).

11 “(9) LIMITED ADMINISTRATIVE COSTS.—To  
12 pay the costs of administering the State rural devel-  
13 opment revolving fund established pursuant to sec-  
14 tion 702(d)(1)(A), except that amounts expended  
15 from the fund during any fiscal year for this purpose  
16 may not exceed 3 percent of the total amount paid  
17 to the State under section 702(a) for the fiscal year.

18 “(10) FINANCIAL SUPPORT FOR LOCAL FINANC-  
19 ING OF RURAL DEVELOPMENT.—To guarantee, or  
20 purchase insurance for, local obligations the pro-  
21 ceeds of which shall be used for another qualified  
22 rural development purpose.

23 “(11) LOCAL SHARE REQUIREMENTS OF OTHER  
24 FEDERAL GRANT-IN-AID PROGRAMS RELATED TO  
25 RURAL DEVELOPMENT.—To pay the local share re-

1        requirements of another Federal grant-in-aid program  
2        related to rural development to the extent not ex-  
3        pressly prohibited by the law providing for the  
4        grant-in-aid program.

5            “(12) INTERSTATE RURAL DEVELOPMENT AC-  
6        TIVITIES.—To participate with other States or terri-  
7        tories in arrangements for the financing of a quali-  
8        fied rural development purpose which is of interstate  
9        character.

10           “(13) ASSISTANCE TO OTHER STATES FOR  
11        RURAL DEVELOPMENT.—To make loans to another  
12        State or territory for a qualified rural development  
13        purpose.

14           “(c) OTHER DEFINITIONS.—

15            “(1) AQUACULTURE.—The term ‘aquaculture’  
16        means the culture or husbandry of aquatic animals  
17        or plants by private industry for commercial pur-  
18        poses including the culture and growing of fish by  
19        private industry for the purpose of creating or aug-  
20        menting publicly owned and regulated stocks of fish.

21            “(2) RURAL; RURAL AREA.—

22            “(A) IN GENERAL.—The terms ‘rural’ and  
23        ‘rural area’ means all area of a State or terri-  
24        tory that is not within the outer boundary of  
25        any city having a population of 50,000 or more

1 individuals and its immediately adjacent urban-  
2 ized and urbanizing areas with a population  
3 density of more than 100 individuals per square  
4 mile, according to the latest census data avail-  
5 able.

6 “(B) COLONIAS INCLUDED.—The terms  
7 ‘rural’ and ‘rural area’ include any identifiable  
8 community that—

9 “(i) is in the State of Arizona, Cali-  
10 fornia, New Mexico, or Texas;

11 “(ii) is in the United States-Mexico  
12 border region;

13 “(iii) is determined to be a colonia on  
14 the basis of objective criteria, including  
15 lack of potable water supply, lack of ade-  
16 quate sewage systems, and lack of decent,  
17 safe, and sanitary housing; and

18 “(iv) was in existence as a colonia be-  
19 fore October 1, 1989.

20 **“SEC. 704. ENFORCEMENT PROVISIONS.**

21 “(a) REVIEW AND MONITORING.—The Rural Eco-  
22 nomic and Community Development Director of a jurisdic-  
23 tion to which a payment is made under section 702 shall  
24 review and monitor compliance by the jurisdiction with  
25 this title.



1       “(b) ENFORCEMENT RECOMMENDATIONS.—If the  
2 Rural Economic and Community Development Director of  
3 a jurisdiction, after reasonable notice to the jurisdiction,  
4 finds that there has been a failure by the jurisdiction to  
5 comply substantially with any provision or requirement of  
6 this title, the Director shall notify the Secretary of the  
7 noncompliance and recommend that the Secretary take 1  
8 or more of the following actions:

9           “(1) Suspend payments to the jurisdiction  
10       under section 702 until the Director is satisfied that  
11       the noncompliance has ceased or that the noncompli-  
12       ance will be corrected promptly.

13           “(2) Recover any funds expended in violation of  
14       this title.

15           “(3) Limit further payment to the jurisdiction  
16       under section 702 to activities not affected by the  
17       noncompliance, until the Director is satisfied that  
18       the noncompliance has ceased or that the noncompli-  
19       ance will be corrected promptly.

20           “(4) Offset the amounts improperly expended  
21       against any other amount that is or will be payable  
22       to the jurisdiction under section 702.

23           “(5) Refer the matter to the Attorney General  
24       of the United States.

1           “(6) Disqualify the jurisdiction from the receipt  
2 of payments under section 702 for 12 months.

3           “(7) Reduce payments to the jurisdiction under  
4 section 702 for 12 months.

5           “(c) IMPOSITION OF PENALTIES.—Within 90 days  
6 after receiving notice and a recommendation from the  
7 Rural Economic and Community Development Director of  
8 a jurisdiction pursuant to subsection (b) and after provid-  
9 ing reasonable notice to the jurisdiction and opportunity  
10 for a hearing, the Secretary shall, pursuant to a written  
11 ruling which shall be based on the recommendation of the  
12 Director and the hearing, take any action described in  
13 subsection (b) as the Secretary deems appropriate.

14           “(d) RURAL ECONOMIC AND COMMUNITY DEVELOP-  
15 MENT DIRECTOR.—As used in this section, the term  
16 ‘Rural Economic and Community Development Director’  
17 means, with respect to a jurisdiction, the officer or em-  
18 ployee of the United States Department of Agriculture  
19 who is holding such position with respect to the jurisdic-  
20 tion.”.

21 **SEC. 202. ELIMINATION OF OTHER RURAL DEVELOPMENT**  
22 **PROGRAMS.**

23           (a) UNDER THE CONSOLIDATED FARM AND RURAL  
24 DEVELOPMENT ACT.—

1           (1) Section 304 of the Consolidated Farm and  
2 Rural Development Act (7 U.S.C. 1924), as amend-  
3 ed by sections 102(a)(1)(B)(i) and 108(f)(3) of this  
4 Act, is amended by striking subsection (b) and re-  
5 designating subsection (c) as subsection (b).

6           (2) Section 306 of such Act (7 U.S.C. 1926),  
7 as amended by sections 108(f)(5) and 108(f)(6) of  
8 this Act, is repealed.

9           (3) Section 306A of such Act (7 U.S.C. 1926a)  
10 is repealed.

11           (4) Section 306B of such Act (7 U.S.C. 1926b)  
12 is repealed.

13           (5) Section 306C of such Act (7 U.S.C. 1926c),  
14 as amended by sections 108(f)(7) and 108(f)(8) of  
15 this Act, is repealed.

16           (6) Section 310A of such Act (7 U.S.C. 1931),  
17 as amended by section 108(f)(17) of this Act, is re-  
18 pealed.

19           (7) Section 310B of such Act (7 U.S.C. 1932),  
20 as amended by section 104(f)(2) and paragraphs  
21 (18), (19), and (20) of section 108(f) of this Act, is  
22 repealed.

23           (8) Section 312 of such Act (7 U.S.C. 1942),  
24 as amended by sections 102(b)(1)(B)(i),

1 102(b)(1)(B)(ii), 102(b)(3), 103(c)(1), and 105(a)  
2 of this Act, is amended—

3 (A) in the 1st sentence of subsection (a)—

4 (i) by striking clauses (5), (6), (10),  
5 and (11);

6 (ii) by adding “or” at the end of  
7 clause (8);

8 (iii) by striking the comma at the end  
9 of clause (9) and inserting a period; and

10 (iv) by redesignating clauses (7), (8),  
11 and (9) as clauses (5), (6), and (7), respec-  
12 tively; and

13 (B) by striking subsections (b), (c), and  
14 (d) and redesignating subsection (e) as sub-  
15 section (b).

16 (9) Section 365 of such Act (7 U.S.C. 2008) is  
17 repealed.

18 (10) Section 366 of such Act (7 U.S.C. 2008a)  
19 is repealed.

20 (11) Section 367 of such Act (7 U.S.C. 2008b)  
21 is repealed.

22 (12) Section 368 of such Act (7 U.S.C. 2008c)  
23 is repealed.

24 (b) UNDER THE FOOD, AGRICULTURE, CONSERVA-  
25 TION, AND TRADE ACT OF 1990.—

1           (1) Section 2281 of the Food, Agriculture, Con-  
2           servation, and Trade Act of 1990 (42 U.S.C. 5177a)  
3           is repealed.

4           (2) Subtitle B of title XXIII of such Act (7  
5           U.S.C. 2007–2007e) is repealed.

6           (3) Section 2322 of such Act (7 U.S.C.  
7           1926–1) is repealed.

8           (4) Section 2324 of such Act (7 U.S.C. 1926  
9           note) is repealed.

10          (5) Section 2348 of such Act (7 U.S.C. 2662a)  
11          is repealed.

12          (6) Section 2381 of such Act (7 U.S.C. 3125b)  
13          is repealed.

14          (7) Section 2382 of such Act (13 U.S.C. 141  
15          note) is repealed.

16          (8) Section 2385 of such Act (7 U.S.C.  
17          950aaa–4 note) is repealed.

18          (9) Section 2391 of such Act (7 U.S.C. 2662  
19          note) is repealed.

20          (10) Section 2392 of such Act (13 U.S.C. 141  
21          note) is repealed.

22          (11) Section 2517 of such Act (104 Stat. 4077)  
23          is repealed.

24          (c) INDIAN SUBSISTENCE FARMING DEMONSTRA-  
25          TION GRANT PROGRAM.—Subtitle C of title IX of the

1 Food, Agriculture, Conservation, and Trade Act Amend-  
2 ments of 1991 (7 U.S.C. 5930 note) is repealed.

3 (d) INTERMEDIARY RELENDING PROGRAM.—Section  
4 407 of the Human Services Reauthorization Act of 1986  
5 (42 U.S.C. 9812a) is repealed.

6 (e) UNDER THE FOOD SECURITY ACT OF 1985.—  
7 Section 1323 of the Food Security Act of 1985 (7 U.S.C.  
8 1932 note) is repealed.

9 (f) UNDER THE RURAL DEVELOPMENT ACT OF  
10 1972.—

11 (1) Title V of the Rural Development Act of  
12 1972 (7 U.S.C. 2661–2669) is repealed.

13 (2) Section 603 of such Act (7 U.S.C. 2204a)  
14 is amended by striking subsection (c).

15 (g) UNDER THE RURAL ELECTRIFICATION ACT OF  
16 1936.—

17 (1) Section 3 of the Rural Electrification Act of  
18 1936 (7 U.S.C. 903) is repealed.

19 (2) Section 5 of such Act (7 U.S.C. 905) is re-  
20 pealed.

21 (3) Section 311 of such Act (7 U.S.C. 940a) is  
22 repealed.

23 (4) Title V of such Act (7 U.S.C. 950aa–  
24 950aa–1) is repealed.

1 **SEC. 203. CONFORMING AMENDMENTS.**

2 (a) CONSOLIDATED FARM AND RURAL DEVELOP-  
3 MENT ACT AMENDMENTS.—

4 (1) Section 307(a)(3) of the Consolidated Farm  
5 and Rural Development Act (7 U.S.C. 1927(a)(3))  
6 is amended—

7 (A) by striking subparagraphs (A) and  
8 (C); and

9 (B) in subparagraph (B)—

10 (i) by striking “(B)”;

11 (ii) by redesignating clauses (i) and  
12 (ii) as subparagraphs (A) and (B), respec-  
13 tively; and

14 (iii) by redesignating subclauses (I)  
15 and (II) of subparagraph (A) (as so redesi-  
16 gnated by clause (ii) of this subparagraph)  
17 as clauses (i) and (ii), respectively.

18 (2) Section 307(a) of such Act (7 U.S.C.  
19 1927(a)) is amended by striking paragraph (4).

20 (3) Section 307(a)(5) of such Act (7 U.S.C.  
21 1927(a)(5)) is amended—

22 (A) by striking “(A) Except as provided in  
23 subparagraph (B), the” and inserting “The”;  
24 and

25 (B) by striking subparagraph (B).

1           (4) Section 307(a)(6)(B) of such Act (7 U.S.C.  
2 1927(a)(6)(B)) is amended—

3           (A) by adding “and” at the end of clause  
4 (i); and

5           (B) by striking clauses (ii), (iii), (iv), (v),  
6 and (vi) and redesignating clause (vii) as clause  
7 (ii).

8           (5) Section 307(c) of such Act (7 U.S.C.  
9 1927(c)) is amended by striking “, and for obliga-  
10 tions in connection with loans to associations under  
11 section 306, shall take liens on the facility or such  
12 other security as he may determine to be necessary”.

13           (6) Section 309(g)(1) of such Act (7 U.S.C.  
14 1929(g)(1)) is amended by striking “the last sen-  
15 tence of section 306(a)(1),”.

16           (7) Section 309A(a) of such Act (7 U.S.C.  
17 1929a(a)) is amended by inserting “(as in effect be-  
18 fore the effective date of title II of the Agricultural  
19 Regulatory Relief and Trade Act of 1996)” after  
20 each of “304(b)”, “306(a)(1)”, “306(a)(14)”,  
21 “310B”, and “312(b)”.

22           (8) Section 309A(a) of such Act (7 U.S.C.  
23 1929a(a)) is amended by inserting “prior to the re-  
24 peal of such sections by the Agricultural Regulatory  
25 Relief and Trade Act of 1996,” after “312(b),”.



1           (9) Section 309A(g)(8) of such Act (7 U.S.C.  
2 1929a(g)(8)) is amended—

3           (A) by striking “make grants under sec-  
4 tions 306(a) and 310B of this title,”; and

5           (B) by striking “including costs of the Sec-  
6 retary incidental to guaranteeing rural develop-  
7 ment loans under this title,”.

8           (10) Section 310C(a) of such Act (7 U.S.C.  
9 1933(a)) is amended—

10           (A) by redesignating clauses (1), (2), and  
11 (3) as clauses (A), (B), and (C), respectively;

12           (B) by inserting “(1)” after “(a)”; and

13           (C) by adding after and below the end the  
14 following:

15           “(2) As used in paragraph (1), the terms ‘rural’ and  
16 ‘rural area’ shall not include any area in any city or town  
17 which has a population in excess of 10,000 inhabitants.”.

18           (11) Section 316(a) of such Act (7 U.S.C.  
19 1946(a)), as amended by section 108(f)(24) of this  
20 Act, is amended by striking paragraph (3).

21           (12) Section 331(b) of such Act (7 U.S.C.  
22 1981(b)) is amended—

23           (A) by adding “and” at the end of para-  
24 graph (7);

1 (B) in paragraph (8), by striking “; and”  
2 and inserting a period; and

3 (C) by striking paragraph (9).

4 (13) Section 333A(a) of such Act (7 U.S.C.  
5 1983a(a)) is amended by striking paragraph (4).

6 (14) Section 344 of such Act (7 U.S.C. 1992),  
7 as amended by section 108(f)(36) of this Act, is re-  
8 pealed.

9 (b) DEPARTMENT OF AGRICULTURE REORGANIZA-  
10 TION ACT OF 1994 AMENDMENTS.—

11 (1) Section 232(c) of the Department of Agri-  
12 culture Reorganization Act of 1994 (7 U.S.C.  
13 6942(e)) is amended by striking paragraphs (1) and  
14 (2) and inserting the following:

15 “(1) Electric and telephone loan programs and  
16 water and waste facility activities authorized by law,  
17 including the Rural Electrification Act of 1936 (7  
18 U.S.C. 901 et seq.).

19 “(2) Water and waste facility programs and ac-  
20 tivities authorized by law, including the provisions of  
21 sections 309 and 309A of the Consolidated Farm  
22 and Rural Development Act (7 U.S.C. 1929 and  
23 1929a) relating to assets, terms, and conditions of  
24 water and sewer programs, and section 35 of the

1 Bankhead-Jones Farm Tenant Act (7 U.S.C.  
2 1013a).”.

3 (2) Section 233(b) of such Act (7 U.S.C.  
4 6943(b)) is amended—

5 (A) by striking paragraph (2); and

6 (B) in paragraph (3)—

7 (i) by striking “(3)” and inserting  
8 “(2)”; and

9 (ii) by striking “programs authorized  
10 by sections 365 through” and inserting  
11 “activities under section”.

12 (3) Section 234(b) of such Act (7 U.S.C.  
13 6944(b)) is amended—

14 (A) in paragraph (1)—

15 (i) by striking “and title V of”; and

16 (ii) by striking “and 950aa et seq.”;

17 and

18 (B) by striking paragraph (3).

19 (c) NORTH AMERICAN FREE TRADE AGREEMENT IM-  
20 PLEMENTATION ACT AMENDMENT.—Section 321(h)(2) of  
21 the North American Free Trade Agreement Implementa-  
22 tion Act (19 U.S.C. 3391(h)(2)) is amended by inserting  
23 “(as in effect before the effective date of title II of the  
24 Agricultural Regulatory Relief and Trade Act of 1996)”  
25 before the period.

1 (d) FOOD, AGRICULTURE, CONSERVATION, AND  
2 TRADE ACT OF 1990 AMENDMENTS.—

3 (1) Section 2375(e) of the Food, Agriculture,  
4 Conservation, and Trade Act of 1990 (7 U.S.C.  
5 6613(e)) is amended by inserting “(as in effect be-  
6 fore the effective date of title II)” before the comma.

7 (2) Effective 5 years after the effective date of  
8 this title, section 2375 of the Food, Agriculture,  
9 Conservation, and Trade Act of 1990 (7 U.S.C.  
10 6613) is amended by striking subsection (e).

11 (e) COOPERATIVE FORESTRY ASSISTANCE ACT OF  
12 1978 AMENDMENT.—Section 10(b)(3) of the Cooperative  
13 Forestry Assistance Act of 1978 (7 U.S.C. 2106(b)(3))  
14 is amended by striking “the first clause of section  
15 306(a)(7)” and inserting “section 310C(a)(2)”.

16 (f) THE ROBERT T. STAFFORD DISASTER RELIEF  
17 AND EMERGENCY ASSISTANCE ACT AMENDMENT.—Sec-  
18 tion 310(a) of The Robert T. Stafford Disaster Relief and  
19 Emergency Assistance Act (42 U.S.C. 5153(a)) is amend-  
20 ed by striking paragraph (4) and redesignating para-  
21 graphs (5) through (7) as paragraphs (4) through (6), re-  
22 spectively.

23 (g) COMMUNITY ECONOMIC DEVELOPMENT ACT OF  
24 1981 AMENDMENTS.—Section 628 of the Community

1 Economic Development Act of 1981 (42 U.S.C. 9817) is  
2 amended—

3 (1) by striking “, as amended” and all that fol-  
4 lows through “1972” and inserting “and the Con-  
5 solidated Farm and Rural Development Act”; and

6 (2) by redesignating paragraph (3) as para-  
7 graph (2).

8 (h) AGRICULTURAL ACT OF 1970 AMENDMENT.—

9 Section 901(b) of the Agricultural Act of 1970 (42 U.S.C.  
10 3122(b)) is amended by striking “as defined in the private  
11 business enterprise exception in section 306(a)(7) of the  
12 Consolidated Farmers Home Administration Act of 1961,  
13 as amended (7 U.S.C. 1926)” and inserting “(as defined  
14 in section 703(c)(2)(A) of the Rural Development Act of  
15 1972)”.

16 (i) RURAL ELECTRIFICATION ACT OF 1936 AMEND-  
17 MENTS.—

18 (1) Section 4 of the Rural Electrification Act of  
19 1936 (7 U.S.C. 904) is amended—

20 (A) by inserting “(as in effect before the  
21 effective date of title II of the Agricultural Reg-  
22 ulatory Relief and Trade Act of 1996)” after  
23 “3(d) and 3(e)”; and

24 (B) by striking “and section 5”.

1           (2) Section 7 of such Act (7 U.S.C. 907) is  
2 amended by striking “authorized in section 3 of”  
3 and inserting “appropriated to carry out”.

4           (3) Section 12 of such Act (7 U.S.C. 912) is  
5 amended—

6           (A) in subsection (a)—

7                   (i) by inserting “(as in effect before  
8 the effective date of title II of the Agricul-  
9 tural Regulatory Relief and Trade Act of  
10 1996)” after “section 5”; and

11                   (ii) by inserting “(as in effect before  
12 the effective date of title II of the Agricul-  
13 tural Regulatory Relief and Trade Act of  
14 1996)” before the period; and

15           (B) in subsection (b)(3)(D), by striking the  
16 third sentence.

17           (4) Section 201 of such Act (7 U.S.C. 922) is  
18 amended by striking “pursuant to section 3 of the  
19 Rural Electrification Act of 1936, as amended,”.

20           (5) Section 301(a) of such Act (7 U.S.C.  
21 931(a)) is amended—

22           (A) in paragraph (2), by inserting “(as in  
23 effect before the effective date of title II of the  
24 Agricultural Regulatory Relief and Trade Act of  
25 1996)” after “5”; and

1 (B) in paragraph (3), by striking “notwith-  
2 standing section 3(a) of title I,”.

3 (6) Section 302 of such Act (7 U.S.C. 932) is  
4 amended—

5 (A) in each of subsections (a) and (b)(1),  
6 by inserting “(before the effective date of title  
7 II of the Agricultural Regulatory Relief and  
8 Trade Act of 1996)” after “5”; and

9 (B) in subsection (b)(2), by striking “pur-  
10 suant to section 3(a) of this Act” and inserting  
11 “before the effective date of title II of the Agri-  
12 cultural Regulatory Relief and Trade Act of  
13 1996”.

14 (7) Section 406(a) of such Act (7 U.S.C.  
15 946(a)) is amended in the 2nd sentence by inserting  
16 “(as in effect before the effective date of title II of  
17 the Agricultural Regulatory Relief and Trade Act of  
18 1996)” before the period.

19 **SEC. 204. SAVINGS PROVISION.**

20 This title and the amendments made by this title  
21 shall not be construed to affect any obligation entered into  
22 before the effective date of this title.

23 **SEC. 205. EFFECTIVE DATE.**

24 This title and the amendments made by this title  
25 shall take effect on October 1, 1996.

1       **TITLE III—CONSERVATION**

2       **SEC. 300. SHORT TITLE.**

3           This title may be cited as the “Conservation Consoli-  
4       dation and Regulatory Reform Act of 1996”.

5       **Subtitle A—Consolidation of Con-**  
6       **servation Financial Assistance**  
7       **Programs of the Department of**  
8       **Agriculture**

9       **SEC. 301. PURPOSE OF SUBTITLE.**

10          It is the purpose of this subtitle to consolidate into  
11       a single program all current authorities of the Secretary  
12       of Agriculture with respect to conservation programs  
13       under which the Secretary contributes to the cost of con-  
14       servation measures undertaken on private lands.

15       **PART 1—AGRICULTURAL CONSERVATION**

16                       **ASSISTANCE PROGRAM**

17       **SEC. 311. DEFINITIONS.**

18          For purposes of this part:

19               (1) **AGRICULTURAL CONSERVATION ASSISTANCE**  
20       **PROGRAM.**—The term “Agricultural Conservation  
21       Assistance Program” means the program established  
22       under section 312 to provide technical and financial  
23       assistance to the owners and operators of private ag-  
24       ricultural lands for conservation and improvement of  
25       soil, water, and related natural resources.



1           (2) AGRICULTURAL COMMODITY.—The term  
2           “agricultural commodity” means any annual or pe-  
3           rennial crop (including forage or hay), aquaculture  
4           product, nursery product, silviculture product, and  
5           water-dependent crop (such as cranberries, taro, wa-  
6           tercress, or rice).

7           (3) AGRICULTURAL LANDS.—The term “agri-  
8           cultural lands” includes cropland, nonindustrial for-  
9           est land, other lands used to produce or support the  
10          production of an agricultural commodity, and such  
11          other lands as the Secretary considers to be appro-  
12          priate for inclusion.

13          (4) SECRETARY.—The term “Secretary” means  
14          the Secretary of Agriculture.

15          (5) ELIGIBLE PRACTICE.—The term “eligible  
16          practice” means the establishment of a terrace,  
17          grassed waterway, contour grass strip, filterstrip,  
18          shelterbelt, permanent wildlife habitat, site-specific  
19          input management, or other activity that the Sec-  
20          retary determines improves or protects soil, water,  
21          and related natural resources.

1 **SEC. 312. PROVISION OF TECHNICAL AND FINANCIAL AS-**  
2 **SISTANCE FOR ELIGIBLE PRACTICES TO CON-**  
3 **SERVE AND IMPROVE SOIL, WATER, AND RE-**  
4 **LATED NATURAL RESOURCES.**

5 (a) AGRICULTURAL CONSERVATION ASSISTANCE  
6 PROGRAM.—Beginning with fiscal year 1997, the Sec-  
7 retary of Agriculture shall carry out a program (to be  
8 known as the “Agricultural Conservation Assistance Pro-  
9 gram”) to provide technical and financial assistance to the  
10 owners and operators of private agricultural lands who re-  
11 quest such assistance to plan, develop, and implement eli-  
12 gible practices applicable to such lands and intended to  
13 effectuate one or more of the following purposes:

14 (1) Control of erosion and sedimentation from  
15 such lands.

16 (2) Conservation of water resources on such  
17 lands and promotion of water conservation practices.

18 (3) Improvement of water quality in rural  
19 America.

20 (4) Control of salinity resulting from the use of  
21 such lands.

22 (5) Enhancement, restoration, or creation of  
23 wetlands and riparian areas.

24 (6) Improvement in the production and utiliza-  
25 tion of timber.

26 (7) Improvement of wildlife habitat.

1           (b) CONTRACTS.—Subject to subsection (c), the Sec-  
2 retary shall provide technical and financial assistance  
3 under the Agricultural Conservation Assistance Program  
4 on the basis of a contract between the Secretary and an  
5 owner or operator of agricultural lands. The Secretary  
6 may not enter into a contract with an operator who is not  
7 also owner of the agricultural lands unless the actual  
8 owner of the lands concurs in the contract. The contract  
9 shall describe the eligible practice for which the assistance  
10 is being provided and specify the manner in which the eli-  
11 gible practice will be carried out consistent with the cost-  
12 share plan developed under section 313.

13           (c) PRIORITIZATION AND APPROVAL OF CON-  
14 TRACTS.—

15           (1) APPROVAL BY COUNTY OR AREA COMMIT-  
16 TEE.—Each contract under the Agricultural Con-  
17 servation Assistance Program shall be subject to the  
18 approval of the county or area committee established  
19 under section 8(b)(5) of the Soil Conservation and  
20 Domestic Allotment Act (16 U.S.C. 590h(b)(5)) for  
21 the county or area within which the agricultural land  
22 subject to the contract is located.

23           (2) PRIORITIZATION BY SECRETARY.—Before  
24 contracts are considered for approval by a county or  
25 area committee under paragraph (1), the Secretary

1        may evaluate and prioritize cost-share plans pre-  
2        pared under section 313 for farms in the county or  
3        area on the basis of the effectiveness of the plans in  
4        meeting State and Federal environmental require-  
5        ments. In conducting the evaluation, the Secretary  
6        shall consider recommendations made by the Natu-  
7        ral Resources Conservation Service in conjunction  
8        with State and local soil conservation districts. If the  
9        Secretary conducts such an evaluation for a county  
10       or area, the county or area committee shall first con-  
11       sider for approval those contracts whose accompany-  
12       ing cost-share plans are considered by the Secretary  
13       to have a higher priority.

14       (d) TERM OF CONTRACT.—The term of a contract  
15       under the Agricultural Conservation Assistance Program  
16       may not exceed five years, except that the Secretary may  
17       enter into a longer contract if the Secretary determines  
18       that a longer contract term is essential to accomplish one  
19       of the purposes specified in subsection (a).

20       (e) OWNER AND OPERATOR RESPONSIBILITIES.—  
21       Under the terms of a contract under the Agricultural Con-  
22       servation Assistance Program, the owner or operator en-  
23       tering into the contract shall agree to comply with the  
24       terms and conditions of the cost-share plan prepared by  
25       the owner or operator under section 313.

1 **SEC. 313. COST-SHARE PLANS.**

2 (a) SUBMISSION OF COST-SHARE PLAN.—To be eligi-  
3 ble to enter into a contract under the Agricultural Con-  
4 servation Assistance Program, an owner or operator shall  
5 prepare and submit to the Secretary of Agriculture a plan  
6 of farming operations or land use practices that incor-  
7 porates such soil and water conservation practices and  
8 principles as may be determined by the Secretary to be  
9 practicable to achieve the purposes for which the assist-  
10 ance is provided.

11 (b) USE OF EXISTING PLANS.—For purposes of sat-  
12 isfying the requirements of subsection (a), at the option  
13 of the owner or operator, the owner or operator may rely  
14 on a conservation plan developed pursuant to section 1212  
15 of the Food Security Act of 1985 (16 U.S.C. 3812) or  
16 any other conservation or natural resource plan required  
17 for participation in any program within the jurisdiction  
18 of the Secretary.

19 **SEC. 314. FINANCIAL ASSISTANCE UNDER CONTRACT.**

20 (a) DETERMINATION OF AMOUNT.—Subject to sub-  
21 sections (b) and (c), the amount of financial assistance  
22 that may be provided under a contract under the Agricul-  
23 tural Conservation Assistance Program shall be such por-  
24 tion of the cost of planning, developing, or implementing  
25 the eligible practice described in the contract as the Sec-  
26 retary of Agriculture determines to be necessary to achieve

1 the purposes for which the assistance is provided. In deter-  
2 mining the level of assistance, the Secretary shall con-  
3 sider—

4 (1) the amount of expected conservation or en-  
5 vironmental benefit accruing to society;

6 (2) the total cost of carrying out the eligible  
7 practice;

8 (3) the degree to which appropriate eligible  
9 practices will be implemented in the absence of fi-  
10 nancial assistance under the Agricultural Conserva-  
11 tion Assistance Program; and

12 (4) in order to avoid duplication of assistance,  
13 the degree to which the owner or operator benefits  
14 from other public conservation programs.

15 (b) COST-SHARE REQUIREMENT.—The Federal  
16 share of cost-sharing payments under a contract under the  
17 Agricultural Conservation Assistance Program shall not  
18 exceed 50 percent of the total cost of the eligible practice  
19 covered by the contract, as determined by the Secretary.  
20 However, the Secretary may exceed the percentage limita-  
21 tion if the Secretary determines that a larger Federal  
22 share is essential to accomplish one of the purposes speci-  
23 fied in section 312(a), except that in no case may the Fed-  
24 eral share exceed 75 percent.

1           (c) PER PERSON LIMITATION ON FINANCIAL ASSIST-  
2 ANCE.—The total annual amount of payments to a person  
3 under one or more contracts under the Agricultural Con-  
4 servation Assistance Program may not exceed \$5,000.  
5 However, the Secretary may exceed the limitation on the  
6 annual amount of payments on a case-by-case basis if the  
7 Secretary determines that a larger payment is essential  
8 to accomplish one of the purposes specified in section  
9 312(a).

10          (d) TIME FOR PAYMENT.—In the case of multiyear  
11 contract under the Agricultural Conservation Assistance  
12 Program, the Secretary may make the entire Federal pay-  
13 ment under the contract in the first year of the contract  
14 to advance implementation of the eligible practice for  
15 which the payment is being made. Payments may not be  
16 made beyond the term of the contract.

17          (e) TREATMENT OF PAYMENTS.—Payments under  
18 the Agricultural Conservation Assistance Program shall be  
19 treated in the same manner as payments made under the  
20 agricultural conservation program authorized by the Soil  
21 Conservation and Domestic Allotment Act (16 U.S.C.  
22 590a et seq.), as in effect on the day before the date of  
23 the enactment of this Act.

1 **SEC. 315. TERMINATION OF CONTRACTS.**

2 (a) **TERMINATION FOR VIOLATION.**—The Secretary  
3 may terminate a contract entered into with an owner or  
4 operator under the Agricultural Conservation Assistance  
5 Program if—

6 (1) the owner or operator agrees to such termi-  
7 nation; or

8 (2) the owner or operator violates the terms  
9 and conditions of the contract.

10 (b) **VOLUNTARY MODIFICATION OR TERMINATION.**—  
11 An owner or operator of a livestock operation who enters  
12 into a contract under the Agricultural Conservation As-  
13 sistance Program may modify or terminate the contract  
14 with the consent of the Secretary.

15 (c) **REPAYMENT.**—On the violation of a term or con-  
16 dition of the contract under the Agricultural Conservation  
17 Assistance Program at any time by the owner or operator,  
18 the owner or operator shall refund any cost-sharing pay-  
19 ment already received under section 314 and forfeit any  
20 future payments under the contract. On the transfer of  
21 the right and interest of an owner in land subject to the  
22 contract, the owner shall refund all cost-sharing payments  
23 received by the owner under the contract unless the trans-  
24 feree of the right and interest agrees to assume all obliga-  
25 tions of the owner under the contract.



1 **SEC. 316. AUTHORIZATION OF APPROPRIATIONS; REGULA-**  
2 **TIONS.**

3 (a) AUTHORIZATION OF APPROPRIATIONS.—There  
4 are authorized to be appropriated such sums as may be  
5 necessary to carry out this part during each of the fiscal  
6 years 1997 through 2002.

7 (b) FINAL REGULATIONS.—Not later than 120 days  
8 after the date of the enactment of this Act, the Secretary  
9 shall issue regulations to implement the Agricultural Con-  
10 servation Assistance Program.

11 **PART 2—CONFORMING AMENDMENTS**

12 **SEC. 321. REPEAL OF GREAT PLAINS CONSERVATION PRO-**  
13 **GRAM.**

14 (a) REPEAL.—Section 16 of the Soil Conservation  
15 and Domestic Allotment Act (16 U.S.C. 590p) is repealed.

16 (b) CONFORMING AMENDMENTS.—(1) Section  
17 1271(c)(3)(C) of the Food, Agriculture, Conservation, and  
18 Trade Act of 1990 (16 U.S.C. 2106a(c)(3)(C)) is amended  
19 by striking “and the Agricultural Conservation Program  
20 established under section 16(b) of the Soil Conservation  
21 and Domestic Allotment Act (16 U.S.C. 590p(b)),”.

22 (2) Subparagraph (A) of section 1211(3) of the Food  
23 Security Act of 1985 (16 U.S.C. 3811(3)) is amended to  
24 read as follows:

25 “(A) a payment made pursuant to a con-  
26 tract entered into under the Agricultural Con-

1           servation Assistance Program established under  
2           section 312 of the Conservation Consolidation  
3           and Regulatory Reform Act of 1996 or the  
4           Water Quality Conservation Program estab-  
5           lished under section 342 of such Act;”.

6 **SEC. 322. REPEAL OF CRITICAL LANDS RESOURCE CON-**  
7                   **SERVATION PROGRAM IN GREAT PLAINS**  
8                   **AREA.**

9           Section 1511 of the Food and Agriculture Act of  
10          1977 (16 U.S.C. 590q–3) is repealed.

11 **SEC. 323. REPEAL OF AGRICULTURAL CONSERVATION PRO-**  
12                   **GRAM.**

13          (a) REPEAL.—The Soil Conservation and Domestic  
14          Allotment Act (16 U.S.C. 590a et seq.) is repealed, except  
15          for sections 1, 2, 6, 8(b)(5), and 17(b) of such Act (16  
16          U.S.C. 590a, 590b, 590f, 590h(b)(5), and 590q(b)).

17          (b) CONFORMING AMENDMENTS.—(1) Section 22(a)  
18          of the Agricultural Adjustment Act (7 U.S.C. 624(a)), re-  
19          enacted with amendments by the Agricultural Marketing  
20          Agreement Act of 1937, is amended by striking “or the  
21          Soil Conservation and Domestic Allotment Act, as amend-  
22          ed,”.

23          (2) Section 6(b) of the Department of Agriculture  
24          Organic Act of 1956 (16 U.S.C. 590h–4) is repealed.

1 (3) Section 2 of the Act of December 20, 1944 (12  
2 U.S.C. 1150a) is amended by striking “sections 7 to 17  
3 of the Soil Conservation and Domestic Allotment Act;”.

4 **SEC. 324. MODIFICATION OF DEPARTMENT INVOLVEMENT**  
5 **IN COLORADO RIVER BASIN SALINITY CON-**  
6 **TROL PROGRAM.**

7 Section 202(c) of the Colorado River Basin Salinity  
8 Control Act (43 U.S.C. 1592(c)) is amended by striking  
9 paragraph (1) and inserting the following:

10 “(1) The Secretary of Agriculture shall implement sa-  
11 linity control measures, including watershed enhancement  
12 and cost-sharing efforts with livestock and crop producers,  
13 as part of the Agricultural Conservation Assistance Pro-  
14 gram established under section 312 of the Conservation  
15 Consolidation and Regulatory Reform Act of 1996.”.

16 **SEC. 325. REPEAL OF RURAL ENVIRONMENTAL CONSERVA-**  
17 **TION PROGRAM.**

18 Title X of the Agricultural Act of 1970 (16 U.S.C.  
19 1501 et seq.) is repealed.

20 **SEC. 326. REPEAL OF WATER QUALITY INCENTIVE**  
21 **PROJECTS.**

22 (a) REPEAL.—Chapter 2 of subtitle D of title XII  
23 of the Food Security Act of 1985 (16 U.S.C. 3838–  
24 3838F) is repealed.

1 (b) CONFORMING AMENDMENTS.—Such title is fur-  
 2 ther amended—

3 (1) in section 1211(3) (16 U.S.C. 3811(3)), by  
 4 striking subparagraph (D);

5 (2) in section 1231(b)(4)(A) (16 U.S.C.  
 6 3831(b)(4)(A)), by striking “the water quality incen-  
 7 tives program established under chapter 2” and in-  
 8 sserting “a contract entered into under the Agricul-  
 9 tural Conservation Assistance Program established  
 10 under section 312 of the Conservation Consolidation  
 11 and Regulatory Reform Act of 1996”; and

12 (3) in section 1245 (16 U.S.C. 3845)—

13 (A) in subsection (a), by striking “chapters  
 14 1 and 2 of subtitle D.” and the second sentence  
 15 and inserting “chapter 1 of subtitle D.”; and

16 (B) in subsection (b), by striking “chapters  
 17 1 and 2 of subtitle D” and inserting “chapter  
 18 1 of subtitle D”.

19 **SEC. 327. REPEAL OF TREE PLANTING INITIATIVE.**

20 Section 1256 of the Food Security Act of 1985 (Pub-  
 21 lic Law 99–198; 16 U.S.C. 2101 note) is repealed.

22 **SEC. 328. REPEAL OF INTEGRATED FARM MANAGEMENT**  
 23 **PROGRAM OPTION.**

24 Section 1451 of the Food, Agriculture, Conservation,  
 25 and Trade Act of 1990 (7 U.S.C. 5822) is repealed.

1 **SEC. 329. REPEAL OF SPECIAL AREAS CONSERVATION PRO-**  
2 **GRAM AND RESERVOIR SEDIMENTATION**  
3 **PROGRAM.**

4 Subtitles A, B, and F and section 1552 of title XV  
5 of the Agriculture and Food Act of 1981 (16 U.S.C.  
6 3401–3420, 3441–3445, 3471) are repealed.

7 **SEC. 330. REPEAL OF SMALL WATERSHED EASEMENT PUR-**  
8 **CHASE AUTHORITY.**

9 Section 3A of the Watershed Protection and Flood  
10 Prevention Act (16 U.S.C. 1003a) is repealed.

11 **SEC. 331. REPEAL OF FINANCIAL ASSISTANCE PROGRAMS**  
12 **UNDER COOPERATIVE FORESTRY ASSIST-**  
13 **ANCE ACT OF 1978.**

14 (a) REPEALS.—Sections 4, 6, and 7 of the Coopera-  
15 tive Forestry Assistance Act of 1978 (16 U.S.C. 2103,  
16 2103b, 2103c) are repealed.

17 (b) CONFORMING AMENDMENTS.—The Cooperative  
18 Forestry Assistance Act of 1978 is further amended—

19 (1) in section 12(a) (16 U.S.C. 2108(a)), by  
20 striking “money appropriated under section 4 of this  
21 Act or”; and

22 (2) in section 19(b)(2) (16 U.S.C.  
23 2113(b)(2))—

24 (A) by inserting “and” after the semicolon  
25 in subparagraph (B);

1 (B) by striking “; and” at the end of sub-  
2 paragraph (C) and inserting a period; and  
3 (C) by striking subparagraph (D).

4 **SEC. 332. REPEAL OF WATER BANK ACT.**

5 The Water Bank Act (16 U.S.C. 1301–1311) is re-  
6 pealed.

7 **SEC. 333. EFFECTIVE DATE OF REPEALS.**

8 (a) **EFFECTIVE DATE.**—The amendments made by  
9 this part shall take effect on September 30, 1996.

10 (b) **EFFECT OF REPEAL.**—The amendments made by  
11 this part shall not affect the validity of any contract or  
12 agreement, or the terms and conditions of such a contract  
13 or agreement, entered into before the effective date of the  
14 amendments under a provision of law repealed by this  
15 part.

16 **Subtitle B—Water Quality Con-**  
17 **servation Program for Livestock**  
18 **Operations**

19 **SEC. 341. PURPOSE OF SUBTITLE AND DEFINITIONS.**

20 (a) **PURPOSE.**—It is the purpose of this subtitle to  
21 establish a program under section 342 that, in a manner  
22 maximizing environmental benefits per dollar expended,  
23 provides to the owners and operators of livestock oper-  
24 ations—

1           (1) flexible technical and financial assistance to  
2 address the most serious threats to water quality;

3           (2) assistance in complying with title XII of the  
4 Food Security Act of 1985 (16 U.S.C. 3801 et seq.)  
5 and Federal and State environmental laws, and to  
6 encourage environmental enhancement; and

7           (3) a consolidated and simplified conservation  
8 planning process to reduce administrative burdens  
9 on the owners and operators of livestock operations.

10 (b) DEFINITIONS.—For purposes of this subtitle:

11           (1) LIVESTOCK WATER QUALITY CONSERVATION  
12 PROGRAM.—The term “Livestock Water Quality  
13 Conservation Program” means the program estab-  
14 lished under section 342 to provide technical and fi-  
15 nancial assistance to the owners and operators of  
16 livestock operations to protect or improve water  
17 quality and enhance environmental protection.

18           (2) LIVESTOCK.—The term “livestock” means  
19 dairy or beef cattle, laying hens, broilers, turkeys,  
20 swine, sheep, lambs, and such other animals as the  
21 Secretary of Agriculture considers appropriate.

22           (3) LIVESTOCK OPERATION.—The term “live-  
23 stock operation” means a farm, ranch, or other fa-  
24 cility used for the purpose of livestock production.

1           (4) SECRETARY.—The term “Secretary” means  
2           the Secretary of Agriculture.

3           (5) ELIGIBLE PRACTICE.—The term “eligible  
4           practice” means the establishment of an animal  
5           waste management facility, terrace, grassed water-  
6           way, contour grass strip, filterstrip, permanent wild-  
7           life habitat, or other activity that the Secretary de-  
8           termines improves or protects water quality in a cost  
9           effective manner.

10 **SEC. 342. PROVISION OF TECHNICAL AND FINANCIAL AS-**  
11 **SISTANCE FOR WATER QUALITY CONSERVA-**  
12 **TION FOR LIVESTOCK OPERATIONS.**

13           (a) LIVESTOCK WATER QUALITY CONSERVATION  
14 PROGRAM.—During fiscal years 1996 through 2002, the  
15 Secretary of Agriculture shall carry out a program (to be  
16 known as the “Livestock Water Quality Conservation Pro-  
17 gram”) to provide technical and financial assistance to the  
18 owners and operators of livestock operations who request  
19 such assistance to plan, develop, and implement eligible  
20 practices in connection with such livestock operations in-  
21 tended to protect or improve water quality and enhance  
22 environmental protection.

23           (b) CONTRACTS.—Subject to subsection (e), the Sec-  
24 retary shall provide assistance under the Livestock Water  
25 Quality Conservation Program on the basis of a contract



1 between the Secretary and an owner or operator of a live-  
2 stock operation. The Secretary may not enter into a con-  
3 tract with an operator who is not also owner of the live-  
4 stock operation unless the actual owner concurs in the  
5 contract.

6 (c) TYPES OF ASSISTANCE.—Under a contract en-  
7 tered into under subsection (b), the Secretary may provide  
8 the owner or operator of a livestock operation who imple-  
9 ments a eligible practice with technical assistance and  
10 cost-sharing payments.

11 (d) APPLICATION AND TERM.—A contract entered  
12 into under subsection (b) may apply to one or more eligible  
13 practices. The contract shall have a term of not more than  
14 10 years, as determined appropriate by the Secretary  
15 based on the eligible practice or practices that are the  
16 basis of the contract.

17 (e) APPROVAL BY COUNTY OR AREA COMMITTEE.—  
18 Each contract under subsection (b) shall be subject to the  
19 approval of the county or area committee established  
20 under section 8(b)(5) of the Soil Conservation and Domes-  
21 tic Allotment Act (16 U.S.C. 590h(b)(5)) for the county  
22 or area within which the livestock operation subject to the  
23 contract is located. In considering contracts for approval,  
24 the county or area committee shall first consider for ap-

1 proval those contracts that are given a higher priority by  
2 the Secretary under section 344.

3 **SEC. 343. ASSISTANCE UNDER CONTRACT.**

4 (a) **COST-SHARING PAYMENTS.**—The Federal share  
5 of cost-sharing payments under a contract under the Live-  
6 stock Water Quality Conservation Program to implement  
7 one or more eligible practices shall not exceed 75 percent  
8 of the total cost of the practice or practices, as determined  
9 by the Secretary of Agriculture. The Secretary may fur-  
10 ther reduce the Federal share on account of payments re-  
11 ceived by the owner or operator from a State or local gov-  
12 ernment for the same eligible practice.

13 (b) **TECHNICAL ASSISTANCE.**—

14 (1) **FUNDING.**—The Secretary shall allocate  
15 funding under this subtitle for the provision of tech-  
16 nical assistance according to the purpose and pro-  
17 jected cost for which the technical assistance is pro-  
18 vided in a fiscal year. The allocated amount may  
19 vary according to the type of expertise required,  
20 quantity of time involved, and other factors as deter-  
21 mined appropriate by the Secretary. Funding shall  
22 not exceed the projected cost to the Secretary of the  
23 technical assistance provided in a fiscal year.

24 (2) **OTHER AUTHORITIES.**—The receipt of tech-  
25 nical assistance under this subtitle shall not affect

1 the eligibility of an owner or operator of a livestock  
2 operation to receive technical assistance under other  
3 authorities of law available to the Secretary.

4 (c) NON-FEDERAL ASSISTANCE.—The Secretary may  
5 request the services of a State water quality agency, State  
6 fish and wildlife agency, State forestry agency, or any  
7 other governmental or private resource considered appro-  
8 priate to assist in providing the technical assistance nec-  
9 essary for the development and implementation of an eligi-  
10 ble practice.

11 (d) LIMITATIONS ON PAYMENTS.—The total amount  
12 of cost-sharing payments made to a person under the  
13 Livestock Water Quality Conservation Program may not  
14 exceed—

15 (1) \$10,000 for any fiscal year; or

16 (2) \$50,000 for any multiyear contract.

17 (e) TREATMENT OF PAYMENTS.—Payments under  
18 the Livestock Water Quality Conservation Program shall  
19 be treated in the same manner as payments made under  
20 the agricultural conservation program authorized by the  
21 Soil Conservation and Domestic Allotment Act (16 U.S.C.  
22 590a et seq.), as in effect on the day before the date of  
23 the enactment of this Act.

1 **SEC. 344. PRIORITIES IN EVALUATION OF CONTRACT OF-**  
2 **FERS.**

3 In evaluating contract offers under the Livestock  
4 Water Quality Conservation Program, the Secretary of  
5 Agriculture shall accord a higher priority to eligible prac-  
6 tices for lands on which livestock production has been de-  
7 termined to contribute to, or create, the potential for fail-  
8 ure to meet applicable water quality standards or other  
9 environmental objectives of a Federal or State law. In  
10 evaluating the contract offers, and the accompanying  
11 water quality plan prepared under section 345, the Sec-  
12 retary shall consider recommendations made by the Natu-  
13 ral Resources Conservation Service in conjunction with  
14 State and local soil conservation districts.

15 **SEC. 345. WATER QUALITY PLANS.**

16 (a) WATER QUALITY PLAN REQUIRED.—To be eligi-  
17 ble to enter into a contract under the Livestock Water  
18 Quality Conservation Program, an owner or operator of  
19 a livestock operation shall prepare and submit to the Sec-  
20 retary of Agriculture a plan of livestock operations that  
21 incorporates such water quality conservation practices and  
22 principles as may be determined by the Secretary to be  
23 practicable to achieve the purposes for which the assist-  
24 ance is provided.

25 (b) USE OF EXISTING PLANS.—For purposes of sat-  
26 isfying the requirements of subsection (a), at the option

1 of the owner or operator, the owner or operator may rely  
2 on a conservation plan developed pursuant to section 1212  
3 of the Food Security Act of 1985 (16 U.S.C. 3812) or  
4 any other conservation or natural resource plan required  
5 for participation in any program within the jurisdiction  
6 of the Secretary.

7 **SEC. 346. MODIFICATION AND TERMINATION OF CON-**  
8 **TRACTS.**

9 (a) **TERMINATION FOR VIOLATION.**—The Secretary  
10 of Agriculture may terminate a contract entered into with  
11 an owner or operator of a livestock operation under the  
12 Livestock Water Quality Conservation Program if the  
13 owner or operator violates the terms and conditions of the  
14 contract.

15 (b) **VOLUNTARY MODIFICATION OR TERMINATION.**—  
16 An owner or operator of a livestock operation who enters  
17 into a contract under the Livestock Water Quality Con-  
18 servation Program may modify or terminate the contract  
19 with the consent of the Secretary.

20 (c) **REPAYMENT.**—On the violation of a term or con-  
21 dition of the contract under the Livestock Water Quality  
22 Conservation Program at any time by the owner or opera-  
23 tor of a livestock operation, the owner or operator shall  
24 refund any financial assistance received under section 344  
25 and forfeit any future payments under the contract. On

1 the transfer of the right and interest of an owner in land  
2 subject to the contract, the owner shall refund all financial  
3 assistance received by the owner under the contract unless  
4 the transferee of the right and interest agrees to assume  
5 all obligations of the owner under the contract.

6 **SEC. 347. USE OF FUNDS OF COMMODITY CREDIT COR-**  
7 **PORATION.**

8 Notwithstanding any other law, the Secretary of Ag-  
9 riculture shall allocate \$380,000,000 of the funds of the  
10 Commodity Credit Corporation for the seven-fiscal year  
11 period beginning on October 1, 1995, to carry out the  
12 Livestock Water Quality Conservation Program.

13 **SEC. 348. REGULATIONS.**

14 Not later than 180 days after the date of the enact-  
15 ment of this Act, the Secretary of Agriculture shall issue  
16 regulations to implement the Livestock Water Quality  
17 Conservation Program.

18 **Subtitle C—Highly Erodible**  
19 **Cropland Conservation**

20 **SEC. 351. DEFINITIONS APPLICABLE TO HIGHLY ERODIBLE**  
21 **CROPLAND CONSERVATION.**

22 (a) CONSERVATION PLAN AND CONSERVATION SYS-  
23 TEM.—Section 1201(a) of the Food Security Act of 1985  
24 (16 U.S.C. 3801(a)) is amended—

1           (1) by redesignating paragraphs (2) through  
2           (16) as paragraphs (4) through (18), respectively;  
3           and

4           (2) by inserting after paragraph (1) the follow-  
5           ing new paragraphs:

6           “(2) CONSERVATION PLAN.—The term ‘con-  
7           servation plan’ means the document that—

8                   “(A) applies to highly erodible cropland;

9                   “(B) implements the conservation system  
10                  applicable to such highly erodible cropland and  
11                  contains the decisions of the person with re-  
12                  spect to location, land use, tillage systems, and  
13                  conservation treatment measures and schedule;  
14                  and

15                  “(C) is approved by the local soil conserva-  
16                  tion district, in consultation with the local com-  
17                  mittees established under section 8(b)(5) of the  
18                  Soil Conservation and Domestic Allotment Act  
19                  (16 U.S.C. 590h(b)(5)) and the Secretary, or  
20                  by the Secretary.

21           “(3) CONSERVATION SYSTEM.—The term ‘con-  
22           servation system’ means a combination of one or  
23           more conservation measures or management prac-  
24           tices that—

1           “(A) are based upon local resource condi-  
2           tions, available conservation technology, and the  
3           standards and guidelines contained in the Natu-  
4           ral Resources Conservation Service field office  
5           technical guides; and

6           “(B) are designed to achieve, in a cost ef-  
7           fective and technically practicable manner, a  
8           substantial reduction in soil erosion or a sub-  
9           stantial improvement in soil conditions on a  
10          field or group of fields containing highly erod-  
11          ible cropland when compared to the level of ero-  
12          sion or soil conditions that existed before the  
13          application of the conservation measures and  
14          management practices.”.

15          (b) FIELD.—Paragraph (7) of such section, as redes-  
16          ignated by subsection (a)(1), is amended to read as fol-  
17          lows:

18                 “(7) FIELD.—The term ‘field’ means a part of  
19                 a farm which is separated from the balance of the  
20                 farm by permanent boundaries such as fences,  
21                 roads, permanent waterways, or other similar fea-  
22                 tures. At the option of the owner or operator of the  
23                 farm, croplines may also be used to delineate a field  
24                 if farming practices make it probable that such  
25                 croplines are not subject to change. Any highly erod-



1       ible land on which an agricultural commodity is pro-  
2       duced after December 23, 1985, and that is not ex-  
3       empt under section 1212 shall be considered as part  
4       of the field in which such land was included on De-  
5       cember 23, 1985, unless the Secretary permits modi-  
6       fication of the boundaries of the field to carry out  
7       this title.”.

8       (c) HIGHLY ERODIBLE LAND.—Paragraph (9) of  
9       such section, as redesignated by subsection (a)(1), is  
10      amended by adding at the end the following new subpara-  
11      graph:

12               “(C) Not later than 60 days after the date of  
13      the enactment of this subparagraph, the Secretary  
14      shall publish in the Federal Register the universal  
15      soil loss equation and wind erosion equation used by  
16      the Department of Agriculture as of that date. The  
17      Secretary may not change such equations after that  
18      date except following notice and comment in a man-  
19      ner consistent with section 553 of title 5, United  
20      States Code.”.

21      (d) CONFORMING AMENDMENTS.—Section 1212 of  
22      such Act (16 U.S.C. 3812) is amended—

23               (1) in subsection (a)(2), by striking “that docu-  
24      ments the decisions of the person with respect to lo-  
25      cation, land use, tillage systems, and conservation

1 treatment measures and schedule and that is based  
2 on the local Soil Conservation Service technical  
3 guide and approved by the local soil conservation  
4 district, in consultation with the local committees es-  
5 tablished under section 8(b)(5) of the Soil Conserva-  
6 tion and Domestic Allotment Act (16 U.S.C.  
7 590h(b)(5)) and the Secretary, or by the Secretary”;

8 (2) in subsection (c)(3), by striking “based on  
9 the local Soil Conservation Service technical guide  
10 and approved by the local soil conservation district,  
11 in consultation with the local committees established  
12 under section 8(b)(5) of the Soil Conservation and  
13 Domestic Allotment Act (16 U.S.C. 590h(b)(5)) and  
14 the Secretary”;

15 (3) in subsection (e)(1)(A), by striking “con-  
16 servation compliance plan” and inserting “conserva-  
17 tion plan”;

18 (4) in subsection (f)(1), by striking “that docu-  
19 ments the decisions of such person with respect to  
20 location, land use, tillage systems, and conservation  
21 treatment measures and schedules prepared under  
22 subsection (a)”;

23 (5) in subsection (f)(3), by striking “prepared  
24 under subsection (a)”;

1           (6) in subsection (f)(4), by striking “that docu-  
2           ments the decisions of such person with respect to  
3           location, land use, tillage systems, and conservation  
4           treatment measures and schedules prepared under  
5           subsection (a)”.

6 **SEC. 352. DEVELOPMENT AND IMPLEMENTATION OF CON-**  
7                           **SERVATION PLANS AND CONSERVATION SYS-**  
8                           **TEMS.**

9           (a) DEVELOPMENT AND IMPLEMENTATION.—The  
10 Food Security Act of 1985 is amended—

11           (1) by redesignating section 1213 (16 U.S.C.  
12           3813) as section 1214; and

13           (2) by inserting after section 1212 (16 U.S.C.  
14           3812) the following new section:

15 **“SEC. 1213. DEVELOPMENT AND IMPLEMENTATION OF CON-**  
16                           **SERVATION PLANS AND CONSERVATION SYS-**  
17                           **TEMS.**

18           “(a) TECHNICAL REQUIREMENTS.—In connection  
19 with the standards and guidelines contained in Natural  
20 Resources Conservation Service field office technical  
21 guides applicable to the development and use of conserva-  
22 tion measures and management practices as part of a con-  
23 servation system, the Secretary shall ensure that such  
24 standards and guidelines permit a person to use a con-  
25 servation system that—

1           “(1) is technically and economically feasible;

2           “(2) is based on local resource conditions and  
3           available conservation technology;

4           “(3) is cost-effective; and

5           “(4) does not cause undue economic hardship  
6           on the person applying the conservation system  
7           under the person’s conservation plan.

8           “(b) MEASUREMENT OF EROSION REDUCTION.—For  
9           the purpose of determining whether there is a substantial  
10           reduction in soil erosion on a field containing highly erod-  
11           ible cropland, the measurement of erosion reduction  
12           achieved by the application of a conservation system under  
13           a person’s conservation plan shall be based upon the level  
14           of erosion at the time of the measurement compared to  
15           the level of erosion that existed before the implementation  
16           of the conservation measures and management practices  
17           provided for in the conservation system.

18           “(c) RESIDUE MEASUREMENT.—

19           “(1) RESPONSIBILITIES OF THE SECRETARY.—  
20           For the purpose of measuring the level of residue on  
21           a field, the Secretary shall—

22                   “(A) take into account any residue incor-  
23                   porated into the top two inches of soil, as well  
24                   as the growing crop, in such measurement; and

1           “(B) provide for the acceptance and use of  
2           information and data voluntarily provided by  
3           the producer regarding the field.

4           “(2) ACCEPTANCE OF PRODUCER MEASURE-  
5           MENTS.—Annual residue measurements supplied by  
6           a producer, and certified by a third person approved  
7           by the Secretary, shall be used by the Secretary if  
8           such measurements indicate that, on the basis of a  
9           five-year average, the residue level for the field  
10          meets the level required in the conservation plan.

11          “(d) CERTIFICATION OF COMPLIANCE.—

12           “(1) IN GENERAL.—For the purpose of deter-  
13          mining the eligibility of a person for program bene-  
14          fits specified in section 1211 at the time application  
15          is made for such benefits, the Secretary shall permit  
16          the person to certify that the person is complying  
17          with the person’s conservation plan.

18           “(2) STATUS REVIEWS.—If a person makes a  
19          certification under paragraph (1), the Secretary  
20          shall not be required to carry out a review of the  
21          status of compliance of the person with the con-  
22          servation plan under which such conservation system  
23          is being applied.

24           “(3) REVISIONS AND MODIFICATIONS.—The  
25          Secretary shall permit a person who makes a certifi-

1 cation under paragraph (1) with respect to a con-  
2 servation plan to revise the conservation plan in any  
3 manner, so long as the same level of conservation  
4 treatment provided for by the conservation system  
5 under the person's conservation plan is maintained.

6 The Secretary may not revise the person's conserva-  
7 tion plan without the concurrence of the person.

8 “(e) TECHNICAL ASSISTANCE.—The Secretary shall  
9 provide technical assistance to a person throughout the de-  
10 velopment, revision, and application of the conservation  
11 plan and any conservation system of the person. At the  
12 request of the person, the Secretary may provide technical  
13 assistance regarding conservation measures and manage-  
14 ment practices for other lands of the person that do not  
15 contain highly erodible cropland.

16 “(f) ENCOURAGEMENT OF ON-FARM RESEARCH.—In  
17 order to encourage on-farm conservation research, the  
18 Secretary shall allow a person to include in the person's  
19 conservation plan or a conservation system under the plan,  
20 on a field trial basis, practices that are not currently ap-  
21 proved but that the Secretary considers have a reasonable  
22 likelihood of success.”.

23 (b) TREATMENT OF TECHNICAL DETERMINA-  
24 TIONS.—Section 226(d)(1) of the Department of Agri-  
25 culture Reorganization Act of 1994 (7 U.S.C. 6932(d)(1))

1 is amended by adding at the end the following new sen-  
2 tence: “In the case of a technical determination of the  
3 Natural Resources Conservation Service regarding use of  
4 a conservation system under subtitle B of title XII of the  
5 Food Security Act of 1985 (16 U.S.C. 3811 et seq.), the  
6 Consolidated Farm Service Agency may overrule the de-  
7 termination if the Agency determines that strict applica-  
8 tion of the determination causes undue economic hardship  
9 on the person using the conservation system.”.

10 (c) PROVISION OF TECHNICAL ASSISTANCE BY  
11 OTHER SOURCES.—Section 1243 of the Food Security Act  
12 for 1985 (16 U.S.C. 3843) is amended by adding at the  
13 end the following new subsection:

14 “(g) In the preparation and application of a conserva-  
15 tion compliance plan under subtitle B or similar plan re-  
16 quired as a condition for assistance from the Department  
17 of Agriculture, the Secretary shall permit persons to se-  
18 cure technical assistance from approved sources, as deter-  
19 mined by the Secretary, other than the Natural Resources  
20 Conservation Service. If the Secretary rejects a technical  
21 determination made by such a source, the basis of Sec-  
22 retary’s determination must be supported by clear and  
23 convincing evidence.”.

1 **SEC. 353. EXPEDITED PROCEDURES FOR GRANTING**  
2 **VARIANCES FROM CONSERVATION PLANS.**

3 Section 1212(f) of the Food Security Act of 1985 (16  
4 U.S.C. 3812(f)(4)) is amended—

5 (1) in paragraph (4)(C), by striking “problem”  
6 and inserting “problem, including pest and disease  
7 problems”; and

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

10 “(5) After consultation with local conservation  
11 districts, the Secretary shall establish expedited pro-  
12 cedures for the consideration and granting of tem-  
13 porary variances under paragraph (4)(C). If the re-  
14 quest for a temporary variance under such para-  
15 graph involves the use of practices or measures to  
16 control pests or disease problems, the Secretary shall  
17 make a decision on whether to grant the variance  
18 within 30 days of receiving the request. If the Sec-  
19 retary fails to render a decision within that time pe-  
20 riod, the temporary variance shall be deemed to have  
21 been granted.”.

22 **SEC. 354. GOOD FAITH EXEMPTION.**

23 (a) **GRACE PERIOD TO RESUME CONSERVATION**  
24 **COMPLIANCE.**—Paragraph (1) of section 1212(f) of the  
25 Food Security Act of 1985 (16 U.S.C. 3812(f)) is amend-  
26 ed—



1           (1) by striking “Except to the extent provided  
2           in paragraph (2), no” and inserting “No”; and

3           (2) by striking “such person has—” and all  
4           that follows through the period at the end of sub-  
5           paragraph (B) and inserting the following: “such  
6           person has acted in good faith and without the in-  
7           tent to violate the provisions of this subtitle. A per-  
8           son who meets the requirements of this paragraph  
9           shall be allowed a period of one year in which to im-  
10          plement the measures and practices necessary to be  
11          considered to be actively applying the person’s con-  
12          servation plan.”.

13          (b) SPECIAL PENALTIES REGARDING CERTAIN  
14 HIGHLY ERODIBLE CROPLAND.—Paragraph (2) of such  
15 section is amended by striking “meets the requirements  
16 of paragraph (1)” and inserting “with respect to highly  
17 erodible cropland that was not in production prior to De-  
18 cember 23, 1985, has acted in good faith and without the  
19 intent to violate such provisions”.

20          (c) CONFORMING AMENDMENT.—Paragraph (4) of  
21 such section is amended by striking the last sentence.

22 **SEC. 355. CONSERVATION RESERVE LANDS.**

23          Section 1212(a)(3) of the Food Security Act of 1985  
24 (16 U.S.C. 3812(a)(3)) is amended by striking “shall, if  
25 the conservation plan established under this subtitle for

1 such land requires structures to be constructed,” and in-  
2 serting “shall only be required to apply a conservation  
3 plan established under this subtitle. The person shall not  
4 be required to meet a higher conservation standard than  
5 the standard applied to other highly erodible cropland lo-  
6 cated within the same area. If the person’s conservation  
7 plan requires structures to be constructed, the person  
8 shall”.

9 **SEC. 356. INVESTIGATION OF POSSIBLE COMPLIANCE DEFICIENCIES.**  
10

11 Subtitle B of title XII of the Food Security Act of  
12 1985 is amended by adding at the end the following new  
13 section:

14 **“SEC. 1215. NOTICE AND INVESTIGATION OF POSSIBLE  
15 COMPLIANCE DEFICIENCIES.**

16 “(a) SPECIAL RULE DURING PROVISION OF ON-SITE  
17 TECHNICAL ASSISTANCE.—Employees of the Department  
18 of Agriculture who observe possible compliance defi-  
19 ciencies or other potential violations of a conservation plan  
20 or provision of this subtitle while providing on-site tech-  
21 nical assistance shall provide to the responsible persons,  
22 within 45 days, information regarding those actions need-  
23 ed in order to come into compliance. The employees shall  
24 provide this information in lieu of reporting the observa-  
25 tions as compliance violations. The person shall attempt

1 to correct such deficiencies as soon as practicable. If such  
2 corrective action is not fully implemented within 1 year,  
3 a review of the status of compliance of the person with  
4 the conservation plan may then be conducted.

5 “(b) NOTICE OF POSSIBLE VIOLATIONS.—Any inter-  
6 ested person (other than an employee of an agency of the  
7 Department of Agriculture administering this Act) may  
8 file, in accordance with rules prescribed by the Secretary,  
9 a written complaint of possible compliance deficiencies or  
10 other potential violations of a conservation plan or provi-  
11 sion of this subtitle. The identity of any person filing a  
12 complaint under this subsection shall be considered to be  
13 confidential information. The identity of such person, and  
14 any portion of the complaint to the extent that it would  
15 indicate the identity of such person, are specifically ex-  
16 empt from disclosure under section 552 of title 5, United  
17 States Code (commonly known as the Freedom of Infor-  
18 mation Act), as provided in subsection (b)(3) of such sec-  
19 tion. The Secretary is not required to take action on com-  
20 plaints or allegations that are anonymous or are not sub-  
21 mitted in writing.

22 “(c) INVESTIGATION OF COMPLAINTS.—

23 “(1) COMMENCING OR EXPANDING AN INVES-  
24 TIGATION.—If there appears to be, in the opinion of  
25 the Secretary, reasonable grounds for investigating a

1 complaint or allegation made under subsection (b),  
2 the Secretary may commence an investigation of the  
3 alleged violation of a conservation plan or provision  
4 of this subtitle specified in the complaint or allega-  
5 tion. In the course of the investigation, if the Sec-  
6 retary determines that violations are indicated other  
7 than the alleged violations specified in the complaint  
8 or allegation, the Secretary may expand the inves-  
9 tigation to include such additional violations.

10 “(2) ISSUANCE OF FORMAL COMPLAINT BY SEC-  
11 RETARY; PROCESS.—In the opinion of the Secretary,  
12 if an investigation under this subsection substan-  
13 tiates the existence of violations of a conservation  
14 plan or provision of this subtitle, the Secretary may  
15 cause a formal complaint to be issued. The Sec-  
16 retary shall have the complaint served by registered  
17 mail or certified mail or otherwise on the person  
18 concerned and afford such person an opportunity for  
19 a hearing on the complaint.

20 “(d) NOTIFICATION REQUIREMENTS REGARDING  
21 SUBJECT OF COMPLAINT.—Whenever the Secretary initi-  
22 ates an investigation on the basis of a complaint or allega-  
23 tion made under subsection (b) or expands such an inves-  
24 tigation, the Secretary shall promptly notify the subject  
25 of the investigation of the existence of the investigation

1 and the nature of the alleged violations of this subtitle  
2 to be investigated. Not later than 180 days after providing  
3 the initial notification, the Secretary shall provide the sub-  
4 ject of the investigation with notice of the status of the  
5 investigation, including whether the Secretary intends to  
6 issue a complaint under subsection (c)(2), terminate the  
7 investigation, or continue or expand the investigation. The  
8 Secretary shall provide additional status reports at the re-  
9 quest of the subject of the investigation and shall promptly  
10 notify the subject of the investigation whenever the Sec-  
11 retary terminates the investigation.”.

12 **SEC. 357. EXPIRATION OF AUTHORITY.**

13 Subtitle B of title XII of the Food Security Act of  
14 1985 is amended by inserting after section 1215, as added  
15 by section 407, the following new section:

16 **“SEC. 1216. EXPIRATION OF SUBTITLE.**

17 “The authorities and requirements contained in this  
18 subtitle shall not apply after December 31, 2002, and any  
19 program ineligibility in effect under section 1211 as of  
20 that date shall expire on that date.”.

1 **Subtitle D—Environmental Con-**  
2 **servation Acreage Reserve Pro-**  
3 **gram**

4 **SEC. 361. WETLANDS RESERVE PROGRAM.**

5 (a) ENROLLMENT.—Section 1237 of the Food Secu-  
6 rity Act of 1985 (16 U.S.C. 3837) is amended by striking  
7 subsection (b) and inserting the following:

8 “(b) ENROLLMENT CONDITIONS.—

9 “(1) MAXIMUM ENROLLMENT.—The total num-  
10 ber of acres enrolled in the wetlands reserve pro-  
11 gram shall not exceed 975,000 acres.

12 “(2) METHODS OF ENROLLMENT.—The Sec-  
13 retary shall ensure, to the maximum extent prac-  
14 ticable, that of the total number of acres enrolled in  
15 the wetlands reserve program—

16 “(A) one-third of the acres are enrolled  
17 through the use of permanent easements;

18 “(B) one-third of the acres are enrolled  
19 through the use of 30-year easements (or ease-  
20 ments of a shorter period if required under ap-  
21 plicable State laws); and

22 “(C) one-third of the acres are enrolled  
23 through the use of restoration cost-share agree-  
24 ments authorized under section 1237A(h).”.

1           “(3) TEMPORARY EMPHASIS ON CERTAIN EN-  
2           ROLLMENT METHODS.—To achieve the enrollment  
3           ratios specified in paragraph (2), the Secretary shall  
4           endeavor, to the maximum extent practicable, to rely  
5           on the enrollment methods described in subpara-  
6           graphs (B) and (C) of paragraph (2) to enroll lands  
7           in the wetlands reserve program until such time as  
8           enrollments under each such subparagraph accounts  
9           for approximately one-third of all lands enrolled in  
10          the wetlands reserve.”

11          (b) ELIGIBILITY.—Section 1237(c) of the Food Secu-  
12          rity Act of 1985 (16 U.S.C. 3837(c)) is amended by strik-  
13          ing “2000” and inserting “2002”.

14          (c) EASEMENTS AND RESTORATION COST-SHARE  
15          AGREEMENTS.—Section 1237A of the Food Security Act  
16          of 1985 (16 U.S.C. 3837a) is amended—

17                 (1) in the section heading, by inserting before  
18                 the period at the end the following: “**AND RES-**  
19                 **TORATION COST-SHARE AGREEMENTS**”;

20                 (2) by striking subsection (c) and inserting the  
21                 following:

22                 “(c) RESTORATION PLANS.—The development of a  
23                 restoration plan, including any compatible use, under this  
24                 section shall be made through the local Natural Resources  
25                 Conservation Service representative.”;

1           (3) in subsection (f), by striking the third sen-  
2           tence and inserting the following: “Compensation  
3           may be provided in not less than 5, nor more than  
4           30, annual payments of equal or unequal size, as  
5           agreed to by the owner and the Secretary.”; and

6           (4) by adding at the end the following:

7           “(h) RESTORATION COST SHARE AGREEMENTS.—  
8           The Secretary may enroll land in the wetland reserve pro-  
9           gram through agreements that require the landowner to  
10          restore wetlands on the land, if the agreement does not  
11          provide the Secretary with an easement. Other than cost  
12          share and technical assistance provided under section  
13          1237C(b), the Secretary may not provide compensation  
14          for an agreement under this subsection.”.

15          (d) COST SHARE AND TECHNICAL ASSISTANCE.—  
16          Section 1237C of the Food Security Act of 1985 (16  
17          U.S.C. 3837c) is amended by striking subsection (b) and  
18          inserting the following:

19          “(b) COST SHARE AND TECHNICAL ASSISTANCE.—

20                  “(1) EASEMENTS.—In the case of an easement  
21                  entered into during the 1996 through 2002 calendar  
22                  years, in making cost share payments under sub-  
23                  section (a)(1), the Secretary shall—

24                          “(A) in the case of a permanent easement,  
25                          pay the owner an amount that is not less than



1           75 percent, but not more than 100 percent, of  
2           the eligible costs; and

3           “(B) in the case of a 30-year easement,  
4           pay the owner an amount that is not less than  
5           50 percent, but not more than 75 percent, of  
6           the eligible costs.

7           “(2) RESTORATION COST-SHARE AGREE-  
8           MENTS.—In making cost share payments in connec-  
9           tion with a restoration cost-share agreement entered  
10          into under section 1237(A)(h), the Secretary shall  
11          pay the owner an amount that is not less than 50  
12          percent, but not more than 75 percent, of the eligi-  
13          ble costs.

14          “(3) TECHNICAL ASSISTANCE.—The Secretary  
15          shall provide owners with technical assistance to as-  
16          sist owners in complying with the terms of ease-  
17          ments and restoration cost-share agreements.”.

18 **SEC. 362. ELIMINATION OF CONSULTATION REQUIRE-**  
19 **MENTS WITH SECRETARY OF THE INTERIOR.**

20          Section 1242 of the Food Security Act of 1985 (16  
21 U.S.C. 3842) is amended—

22           (1) by striking “(a)” before “In carrying out”;

23          and

24           (2) by striking subsection (b).

1 **SEC. 363. REPEAL OF ENVIRONMENTAL EASEMENT PRO-**  
2 **GRAM.**

3 (a) REPEAL.—Chapter 3 of subtitle D of title XII  
4 of the Food Security Act of 1985 (16 U.S.C. 3839–3839d)  
5 is repealed.

6 (b) CONFORMING AMENDMENTS.—(1) Such title is  
7 further amended—

8 (A) in section 1211(3) (16 U.S.C. 3811(3)), by  
9 striking subparagraph (E);

10 (B) in section 1243(f) (16 U.S.C. 3843(f))—

11 (i) in paragraph (1), by striking “and the  
12 Environmental Easement Program under chap-  
13 ter 3, and not more than 10 percent of such  
14 cropland may be subject to an easement ac-  
15 quired under those chapters”; and

16 (ii) by striking paragraph (2).

17 (2) Subsection (c) of section 1437 of the Food, Agri-  
18 culture, Conservation, and Trade Act of 1990 (Public Law  
19 101–624; 16 U.S.C. 3831 note) is amended to read as  
20 follows:

21 “(c) EXTENSION AUTHORITY.—During the 1996  
22 through 2000 calendar years, the Secretary of Agriculture  
23 may extend up to 10 years contracts entered into before  
24 November 28, 1990, under subchapter B of chapter 1 of  
25 subtitle D of title XII of the Food Security Act of 1985  
26 (16 U.S.C. 3831 et seq.) at the option of the owner or

1 operator on land that the Secretary has determined under  
2 the study conducted under subsection (a) should remain  
3 in conserving uses.”.

4 **SEC. 364. EFFECT OF AMENDMENTS ON EXISTING EASE-**  
5 **MENTS.**

6 The amendments made by sections 361 and 363 shall  
7 not affect the validity or terms of any easements acquired  
8 by the Secretary of Agriculture under subchapter C of  
9 chapter 1 of subtitle D of title XII of the Food Security  
10 Act of 1985 (16 U.S.C. 3837 et seq.) or under chapter  
11 3 of such subtitle (16 U.S.C. 3839 et seq.) before the date  
12 of the enactment of this Act or any payments required  
13 to be made in connection with such easements.

14 **SEC. 365. CONSERVATION RESERVE PROGRAM.**

15 (a) PROGRAM EXTENSIONS.—

16 (1) ENVIRONMENTAL CONSERVATION ACREAGE  
17 RESERVE PROGRAM.—Section 1230(a) of the Food  
18 Security Act of 1985 (16 U.S.C. 3830(a)) is amend-  
19 ed by striking “1995” and inserting “2002”.

20 (2) CONSERVATION RESERVE PROGRAM.—Sec-  
21 tion 1231 of the Act (16 U.S.C. 3831) is amended  
22 in subsections (a) and (b)(3), by striking “1995”  
23 each place it appears and inserting “2002”.

1           (3) DUTIES OF OWNERS AND OPERATORS.—  
2           Section 1232(c) of the Act (16 U.S.C. 3832(c)) is  
3           amended by striking “1995” and inserting “2002”.

4           (b) MAXIMUM ENROLLMENT.—Section 1231(d) of  
5           the Food Security Act of 1985 (16 U.S.C. 3831(d)) is  
6           amended striking “total of” and all that follows through  
7           the period at the end of the subsection and inserting “total  
8           of 36,400,000 acres during the 1986 through 2002 cal-  
9           endar years (including contracts extended by the Secretary  
10          pursuant to section 1437(c) of the Food, Agriculture, Con-  
11          servation, and Trade Act of 1990 (Public Law 101–624;  
12          16 U.S.C. 3831 note).”.

13          (c) OPTIONAL CONTRACT TERMINATION BY PRODUC-  
14          ERS.—Section 1235 of the Food Security Act of 1985 (16  
15          U.S.C. 3835) is amended by adding at the end the follow-  
16          ing new subsection:

17          “(e) TERMINATION BY OWNER OR OPERATOR.—

18                 “(1) NOTICE OF TERMINATION.—An owner or  
19                 operator of land subject to a contract entered into  
20                 under this subchapter may terminate the contract by  
21                 submitting to the Secretary written notice of the in-  
22                 tention of the owner or operator to terminate the  
23                 contract.

24                 “(2) APPROVAL OF NOTICE.—The Secretary  
25                 shall accept and approve of the termination of a con-

1       tract entered into under this subchapter if the Sec-  
2       retary determines that the land subject to the con-  
3       tract is not environmentally sensitive.

4               “(3) EFFECTIVE DATE.—Subject to approval by  
5       the Secretary under paragraph (2), the contract ter-  
6       mination shall take effect 60 days after the date on  
7       which the owner or operator submits the written no-  
8       tice under paragraph (1).

9               “(4) PRORATED RENTAL PAYMENT.—Except as  
10       provided in paragraph (7), if a contract entered into  
11       under this subchapter is terminated under this sub-  
12       section before the end of the fiscal year for which a  
13       rental payment is due, the Secretary shall provide a  
14       prorated rental payment covering the portion of the  
15       fiscal year during which the contract was in effect.

16              “(5) RENEWED ENROLLMENT.—The termi-  
17       nation of a contract entered into under this sub-  
18       chapter shall not affect the ability of the owner or  
19       operator who requested the termination to submit a  
20       subsequent bid to enroll the land that was subject to  
21       the contract into the conservation reserve.

22              “(6) CONSERVATION REQUIREMENTS.—If land  
23       that was subject to a contract is returned to produc-  
24       tion of an agricultural commodity, the conservation  
25       requirements under subtitles B and C shall apply to

1 the use of the land to the extent that the require-  
2 ments are similar to those requirements imposed on  
3 other similar lands in the area, except that the re-  
4 quirements may not be more onerous than the re-  
5 quirements imposed on other lands.

6 “(7) REPAYMENT OF COST SHARE.—A person  
7 who terminates a contract entered into under this  
8 subchapter within less than 3 years after entering  
9 into the contract shall reimburse the Secretary for  
10 any cost share assistance provided under the con-  
11 tract.”.

12 (d) USE OF UNEXPENDED FUNDS.—Section 1231 of  
13 the Food Security Act of 1985 (16 U.S.C. 3831) is  
14 amended by adding at the end the following new sub-  
15 section:

16 “(h) USE OF UNEXPENDED FUNDS FROM CONTRACT  
17 TERMINATIONS.—If a contract entered into under this  
18 section is terminated, voluntarily or otherwise, before the  
19 expiration date specified in the contract, the Secretary  
20 may use funds, already available to the Secretary to cover  
21 payments under the contract, but unexpended as a result  
22 of the contract termination, to enroll other eligible lands  
23 in the conservation reserve established under this sub-  
24 chapter.”.

25 (e) FAIR MARKET VALUE RENTAL RATES.—

1           (1) IN GENERAL.—Section 1234(c) of the Food  
2           Security Act of 1985 (16 U.S.C. 3834(c)) is amend-  
3           ed by adding at the end the following new para-  
4           graph:

5           “(5) In the case of a contract covering land which  
6           has not been previously enrolled in the conservation re-  
7           serve, annual rental payments under the contract may not  
8           exceed the average fair market rental rate for comparable  
9           lands in the county in which the lands are located. This  
10          paragraph shall not apply to the extension of an existing  
11          contract.”.

12           (2) APPLICATION OF AMENDMENT.—The  
13          amendment made by paragraph (1) shall apply with  
14          respect to contracts for the enrollment of lands in  
15          the conservation reserve program under section 1231  
16          of the Food Security Act of 1985 (16 U.S.C. 3831))  
17          entered into after the date of the enactment of this  
18          Act.

## 19   **Subtitle E—Wetland Conservation** 20                                   **Reform**

### 21   **SEC. 371. RESTATEMENT OF PROGRAM INELIGIBILITY.**

22           (a) PROGRAM INELIGIBILITY.—Section 1221 of the  
23          Food Security Act of 1985 (16 U.S.C. 3821) is amend-  
24          ed—

1           (1) by redesignating subsection (b) as sub-  
2           section (d); and

3           (2) by striking the section heading and all that  
4           follows through the end of subsection (a) and insert-  
5           ing the following:

6   **“SEC. 1221. PROGRAM INELIGIBILITY.**

7           “(a) PERSONS COVERED.—This section shall apply  
8           with respect to any person who is a party to a production  
9           flexibility contract under the Agricultural Market Transi-  
10          tion Act or who participates in an annual program under  
11          title I of such Act after January 1, 1996.

12          “(b) INELIGIBILITY.—Except as provided in this sub-  
13          title and notwithstanding any other provision of law, any  
14          person described in subsection (a) who produces during  
15          the 1996 crop year or thereafter an agricultural commod-  
16          ity on converted wetland, as determined by the Secretary,  
17          shall be—

18                  “(1) in violation of this section; and

19                  “(2) ineligible for loans or payments in an  
20          amount determined by the Secretary to be propor-  
21          tionate to the severity of the violation.

22          “(c) LOANS AND PAYMENTS.—If a person has been  
23          determined to have committed a violation during a crop  
24          year under subsection (b), the Secretary shall determine



1 which, and the amount, of the following loans and pay-  
2 ments for which the person shall be ineligible:

3           “(1) Any type of price support or payment  
4           made available under the Agricultural Market Tran-  
5           sition Act, the Commodity Credit Corporation Char-  
6           ter Act (15 U.S.C. 714 et seq.), or any other Act.

7           “(2) A farm storage facility loan made under  
8           section 4(h) of the Commodity Credit Corporation  
9           Charter Act (15 U.S.C. 714b(h)).

10           “(3) A loan made, insured, or guaranteed under  
11           the Consolidated Farm and Rural Development Act  
12           (7 U.S.C. 1921 et seq.) or any other provision of law  
13           administered by the Consolidated Farm Service  
14           Agency, if the Secretary determines that the pro-  
15           ceeds of the loan will be used for a purpose that will  
16           contribute to conversion of a wetland (other than as  
17           provided in this subtitle) to produce an agricultural  
18           commodity.

19           “(4) A payment under section 4 or 5 of the  
20           Commodity Credit Corporation Charter Act (15  
21           U.S.C. 714b and 714c) during the crop year for the  
22           storage of an agricultural commodity acquired by  
23           the Commodity Credit Corporation.

24           “(5) During the crop year:

1           “(A) A payment made pursuant to a con-  
2           tract entered into under the Agricultural Con-  
3           servation Assistance Program established under  
4           section 312 of the Conservation Consolidation  
5           and Regulatory Reform Act of 1996 or the  
6           Water Quality Conservation Program estab-  
7           lished under section 342 of such Act.

8           “(B) A payment under section 401 or 402  
9           of the Agricultural Credit Act of 1978 (16  
10          U.S.C. 2201 and 2202).

11          “(C) A payment under subtitle D.

12          “(D) A payment, loan, or other assistance  
13          under section 3 or 8 of the Watershed Protec-  
14          tion and Flood Prevention Act (16 U.S.C. 1003  
15          and 1006a).”.

16          (b) CONFORMING AMENDMENTS.—(1) Subsection (d)  
17          of such section (as redesignated by subsection (a)(1)) is  
18          amended—

19                 (A) by striking “Except” and inserting “WET-  
20                 LAND CONVERSION.—Except”; and

21                 (B) by striking “subsections (a) (1) through  
22                 (3)” and inserting “subsection (c)”.

23          (2) Such section is further amended by adding at the  
24          end the following new subsection:

1       “(e) PRIOR LOANS.—This section shall not apply to  
2 a loan described in subsection (c) made before December  
3 23, 1985.”.

4       **SEC. 372. DELINEATION OF WETLANDS; EXEMPTIONS TO**  
5                                   **PROGRAM INELIGIBILITY.**

6       (a) DELINEATION OF WETLANDS.—Subsection (a) of  
7 section 1222 of the Food Security Act of 1985 (16 U.S.C.  
8 3822) is amended to read as follows:

9       “(a) DELINEATION BY THE SECRETARY.—

10               “(1) IN GENERAL.—Subject to subsection (b),  
11 the Secretary shall delineate, determine, and certify  
12 all wetlands located on subject land on a farm.

13               “(2) WETLAND DELINEATION MAPS.—The Sec-  
14 retary shall delineate wetlands on wetland delinea-  
15 tion maps. On the request of an owner or operator,  
16 the Secretary shall make a reasonable effort to make  
17 an on-site wetland determination prior to delinea-  
18 tion.

19               “(3) CERTIFICATION.—On providing notice to  
20 affected owners or operators, the Secretary shall—

21                       “(A) certify whether a map is sufficient for  
22 the purpose of making a determination of ineli-  
23 gibility for program benefits under section  
24 1221; and

1           “(B) provide an opportunity to appeal the  
2           certification prior to the certification becoming  
3           final.

4           “(4) REVIEW OF MAPPING ON APPEAL.—In the  
5           case of an appeal of the Secretary’s certification, the  
6           Secretary shall review and certify the accuracy of  
7           the mapping of all land subject to the appeal to en-  
8           sure that the subject land has been accurately delin-  
9           eated. Prior to rendering a decision on the appeal,  
10          the Secretary shall conduct an on-site inspection of  
11          the subject land on a farm.”.

12          (b) REQUESTS FOR DELINEATION.—Such section is  
13 further amended—

14           (1) by redesignating subsections (b) through (j)  
15          as subsections (c) through (k), respectively; and

16           (2) by inserting after subsection (a) the follow-  
17          ing new subsection:

18          “(b) REQUESTS FOR DELINEATION.—

19           “(1) IN GENERAL.—Any delineation or deter-  
20          mination of the presence of wetland on subject land  
21          on a farm made under this subtitle shall be valid  
22          until such time as the owner or operator of the land  
23          requests a new delineation or determination.

24           “(2) CHANGE IN DELINEATION.—In the case of  
25          a change in a delineation or determination, the Sec-

1       retary shall promptly notify the owner or operator of  
2       the subject land on a farm that is affected by the  
3       change.

4               “(3) RELIANCE ON PRIOR DELINEATION.—Any  
5       action taken with respect to subject land on a farm  
6       by an owner or operator in reliance on a prior wet-  
7       land delineation or determination by the Secretary  
8       shall not be subject to a subsequent wetland delinea-  
9       tion or determination by the Secretary.”.

10       (c) EXEMPTIONS.—Subsection (c) of such section (as  
11       redesignated by subsection (b)(1)) is amended to read as  
12       follows:

13               “(c) EXEMPTIONS.—No person shall become ineli-  
14       gible under section 1221 for program loans or payments  
15       under the following circumstances:

16               “(1) As the result of the production of an agri-  
17       cultural commodity on the following lands:

18                       “(A) A converted wetland if the conversion  
19                       of the wetland was commenced before December  
20                       23, 1985.

21                       “(B) Land that is a nontidal drainage or  
22                       irrigation ditch excavated in upland.

23                       “(C) Land that is an artificially irrigated  
24                       area that would revert to upland if the irriga-  
25                       tion ceased.

1           “(D) Land that is an artificial lake or  
2 pond created by excavating or diking land (that  
3 is not a wetland) to collect and retain water  
4 and that is used primarily for livestock water-  
5 ing, fish production, irrigation, wildlife, fire  
6 control, flood control, cranberry growing, or rice  
7 production, or as a settling pond.

8           “(E) A wetland that is temporarily or inci-  
9 dentally created as a result of adjacent develop-  
10 ment activity.

11           “(F) Land that contains a wetland one  
12 acre or less in size, as determined by the Sec-  
13 retary. The Secretary shall make a reasonable  
14 effort to make an on-site wetland inspection  
15 whenever requested by an owner or operator re-  
16 questing this exemption.

17           “(2) For the conversion of the following:

18           “(A) An artificial lake or pond created by  
19 excavating or diking land that is not a wetland  
20 to collect and retain water and that is used pri-  
21 marily for livestock watering, fish production,  
22 irrigation, wildlife, fire control, flood control,  
23 cranberry growing, rice production, or as a set-  
24 tling pond.

1           “(B) A wetland that is temporarily or inci-  
2           dentally created as a result of adjacent develop-  
3           ment activity.

4           “(C) A wetland previously identified as a  
5           converted wetland (if the original conversion of  
6           the wetland was commenced before December  
7           23, 1985), but which returned to wetland status  
8           after that date as a result of the lack of mainte-  
9           nance of drainage, dikes, levees, or similar  
10          structures or as a result of the lack of manage-  
11          ment of the lands containing the wetland.

12          “(D) A wetland that is one acre or less in  
13          size, as determined by the Secretary. The Sec-  
14          retary shall make a reasonable effort to make  
15          an on-site wetland inspection whenever re-  
16          quested by an owner or operator requesting this  
17          exemption.”.

18          (d) IDENTIFICATION OF MINIMAL EFFECT EXEMP-  
19          TIONS.—Subsection (e) of such section (as redesignated  
20          by subsection (b)(1)) is amended to read as follows:

21          “(e) IDENTIFICATION OF MINIMAL EFFECT EXEMP-  
22          TIONS.—For purposes of applying the minimal effect ex-  
23          emption under subsection (g)(1), the Secretary shall iden-  
24          tify by regulation categorical minimal effect exemptions on  
25          a regional basis to assist persons in avoiding a violation

1 of the ineligibility provisions of section 1221. The Sec-  
2 retary shall ensure that employees of the Department who  
3 administer this subtitle receive appropriate training to  
4 properly apply the minimal effect exemptions identified by  
5 the Secretary.”.

6 (e) MITIGATION EXEMPTIONS.—Subsection (g)(2) of  
7 such section (as redesignated by subsection (b)(1)) is  
8 amended—

9 (1) in the material preceding the subpara-  
10 graphs, by striking “where such restoration” and in-  
11 serting “through the enhancement of an existing  
12 wetland, or through the creation of a new wetland,  
13 and the restoration, enhancement, or creation”;

14 (2) in subparagraph (A), by inserting “, en-  
15 hancement, or creation” after “restoration”;

16 (3) in subparagraph (D), by inserting “in the  
17 case of enhancement or restoration of wetlands,”  
18 after “(D)”;

19 (4) by redesignating subparagraphs (E) and  
20 (F) as subparagraphs (F) and (G), respectively;

21 (5) by inserting after subparagraph (D) the fol-  
22 lowing new subparagraph:

23 “(E) in the case of creation of wetlands, on  
24 greater than a one-for-one acreage basis if more  
25 acreage is needed to provide equivalent func-



1 tions and values that will be lost as a result of  
2 the wetland conversion that is mitigated;” and  
3 (6) in subparagraph (G) (as so redesignated)—

4 (A) by striking “restored” each place it ap-  
5 pears and inserting “restored, enhanced, or cre-  
6 ated”; and

7 (B) by striking “restoration” and inserting  
8 “restoration, enhancement, or creation”.

9 (f) GOOD FAITH EXEMPTION.—Subsection (i) of  
10 such section (as redesignated by subsection (b)(1)) is  
11 amended to read as follows:

12 “(i) GOOD FAITH EXEMPTION.—

13 “(1) EXEMPTION DESCRIBED.—The Secretary  
14 may waive a person’s ineligibility under section 1221  
15 for program loans, payments, and benefits as the re-  
16 sult of the conversion of a wetland subsequent to  
17 November 28, 1990, or the production of an agricul-  
18 tural commodity on a converted wetland subsequent  
19 to January 1, 1996, if the Secretary determines that  
20 the person has acted in good faith and without in-  
21 tent to violate this subtitle.

22 “(2) PERIOD FOR COMPLIANCE.—A person who  
23 the Secretary determines has acted in good faith and  
24 without intent to violate this subtitle shall be allowed  
25 a period of one year during which to implement the

1 measures and practices necessary to be considered  
2 to actively restoring the subject wetland.”.

3 (g) DETERMINATIONS.—Subsection (k) of such sec-  
4 tion (as redesignated by subsection (b)(1)) is amended—

5 (1) in paragraph (1)—

6 (A) in the first sentence, by striking “and  
7 a representative of the Fish and Wildlife Serv-  
8 ice”; and

9 (B) in the second sentence, by striking “,  
10 who in” and all that follows through “Service”;  
11 and

12 (2) in paragraph (2), by striking “and a rep-  
13 resentative” and all that follows through “national  
14 offices” and inserting “shall report to the Natural  
15 Resources Conservation Service”.

16 (h) MITIGATION BANKING.—Such section is further  
17 amended by adding at the end the following new sub-  
18 section:

19 “(l) MITIGATION BANKING PROGRAM.—The Sec-  
20 retary shall establish a pilot program for mitigation bank-  
21 ing of wetlands to assist owners and operators in comply-  
22 ing with the wetland conservation requirements of this  
23 subtitle.”.

1 **SEC. 373. REPEAL OF CONSULTATION REQUIREMENT WITH**  
 2 **SECRETARY OF THE INTERIOR.**

3 Section 1223 of the Food Security Act of 1985 (16  
 4 U.S.C. 3823) is repealed.

5 **SEC. 374. APPLICATION OF PROGRAM INELIGIBILITY TO**  
 6 **AFFILIATED PERSONS.**

7 The Food Security Act of 1985 is amended by insert-  
 8 ing after section 1222 (16 U.S.C. 3822) the following new  
 9 section:

10 **“SEC. 1223. AFFILIATED PERSONS.**

11 “If a person is affected by a reduction in benefits  
 12 under section 1221 and the affected person is affiliated  
 13 with other persons for the purpose of receiving the bene-  
 14 fits, the benefits of each affiliated person shall be reduced  
 15 under section 1221 in proportion to the interest held by  
 16 the affiliated person.”.

17 **TITLE IV—AGRICULTURAL**  
 18 **TRADE**  
 19 **Subtitle A—Public Law 480 and**  
 20 **Related Law**

21 **SEC. 401. FOOD ASSISTANCE TO DEVELOPING COUNTRIES.**

22 Section 3 of the Agricultural Trade Development and  
 23 Assistance Act of 1954 (7 U.S.C. 1691a) is amended to  
 24 read as follows:

25 **“SEC. 3. FOOD ASSISTANCE TO DEVELOPING COUNTRIES.**

26 “It is the sense of Congress that—

1           “(1) the United States should maintain its role  
2 of world leadership in promoting food security and  
3 economic development in developing countries; and

4           “(2) the President should encourage other ad-  
5 vanced nations to consider appropriate levels of food  
6 assistance to meet the legitimate needs of developing  
7 countries.”.

8 **SEC. 402. TRADE AND DEVELOPMENT ASSISTANCE.**

9           Section 101 of the Agricultural Trade Development  
10 and Assistance Act of 1954 (7 U.S.C. 1701) is amended—

11           (1) by striking “developing countries” each  
12 place it appears and inserting “developing countries  
13 and private entities”; and

14           (2) in subsection (b)—

15           (A) by striking “To carry out” and all that  
16 follows through “section 2, the” and inserting  
17 “The”; and

18           (B) by inserting “and entities” before the  
19 period at the end.

20 **SEC. 403. AGREEMENTS REGARDING ELIGIBLE COUNTRIES**  
21 **AND PRIVATE ENTITIES.**

22           Section 102 of the Agricultural Trade Development  
23 and Assistance Act of 1954 (7 U.S.C. 1702) is amended  
24 to read as follows:

1 **“SEC. 102. AGREEMENTS REGARDING ELIGIBLE COUNTRIES**  
2 **AND PRIVATE ENTITIES.**

3 “(a) PRIORITY.—In selecting agreements to be en-  
4 tered into under this title, the Secretary shall give priority  
5 to agreements providing for the export of agricultural  
6 commodities to developing countries that—

7 “(1) have the demonstrated potential to become  
8 commercial markets for competitively priced United  
9 States agricultural commodities;

10 “(2) are undertaking measures for economic de-  
11 velopment purposes to improve food security and ag-  
12 ricultural development, alleviate poverty, and pro-  
13 mote broad-based equitable and sustainable develop-  
14 ment; and

15 “(3) demonstrate the greatest need for food.

16 “(b) PRIVATE ENTITIES.—An agreement entered  
17 into under this title with a private entity shall require such  
18 security, or such other provisions as the Secretary deter-  
19 mines necessary, to provide reasonable and adequate as-  
20 surance of repayment of the financing extended to the pri-  
21 vate entity.

22 “(c) AGRICULTURAL MARKET DEVELOPMENT  
23 PLAN.—

24 “(1) IN GENERAL.—If there is in effect for a  
25 country a market development plan approved by the  
26 Secretary, for the purposes of the priority set forth

1 in subsection (a), the Secretary shall deem that  
2 country to have the demonstrated potential to be-  
3 come a commercial market for competitively priced  
4 United States agricultural commodities. However,  
5 not more than 50 percent of the agricultural com-  
6 modities sold under this title during a fiscal year  
7 shall be granted the priority because this deeming  
8 rule applies.

9 “(2) REQUIREMENTS.—To be approved by the  
10 Secretary, the agricultural market development plan  
11 shall—

12 “(A) be submitted by a country or private  
13 entity in conjunction with an agricultural trade  
14 organization;

15 “(B) describe a project or program, de-  
16 signed with the cooperation of the agricultural  
17 trade organization, for the development and ex-  
18 pansion of United States agricultural commod-  
19 ity markets in the appropriate developing coun-  
20 try;

21 “(C) use funds raised from the sale of ag-  
22 ricultural commodities received under agree-  
23 ments under section 101;

1           “(D) be implemented and administered in  
2           coordination with the agricultural trade organi-  
3           zation; and

4           “(E) contain additional requirements de-  
5           termined necessary by the Secretary.

6           “(3) AGRICULTURAL TRADE ORGANIZATION.—  
7           For purposes of this subsection, the term ‘agricul-  
8           tural trade organization’ means a United States ag-  
9           ricultural trade organization that promotes the ex-  
10          port and sale of United States agricultural commod-  
11          ities and that does not stand to profit directly from  
12          specific sales of agricultural commodities.”.

13 **SEC. 404. TERMS AND CONDITIONS OF SALES.**

14          Section 103 of the Agricultural Trade Development  
15          and Assistance Act of 1954 (7 U.S.C. 1703) is amended—

16               (1) in subsection (a)(2)(A)—

17                     (A) by striking “a recipient country to  
18                     make” and

19                     (B) by striking “such country” and insert-  
20                     ing “the appropriate country”;

21               (2) in subsection (c), by striking “less than 10  
22               nor”; and

23               (3) in subsection (d)—

24                     (A) by striking “recipient country” and in-  
25                     serting “recipient”; and

1 (B) by striking “7 years” and inserting “5  
2 years”.

3 **SEC. 405. USE OF LOCAL CURRENCY.**

4 Section 104 of the Agricultural Trade Development  
5 and Assistance Act of 1954 (7 U.S.C. 1704) is amended—

6 (1) in subsection (a), by striking “recipient  
7 country” and inserting “recipient”; and

8 (2) in subsection (c)—

9 (A) by striking “recipient country” and in-  
10 sserting “appropriate developing country” each  
11 place it appears; and

12 (B) by striking “recipient countries” and  
13 inserting “appropriate developing countries”.

14 **SEC. 406. PROVISION OF AGRICULTURAL COMMODITIES.**

15 Section 202(e) of the Agricultural Trade Develop-  
16 ment and Assistance Act of 1954 (7 U.S.C. 1722(e)) is  
17 amended—

18 (1) in the subsection heading, by inserting  
19 “INTERGOVERNMENTAL ORGANIZATIONS,” after  
20 “SUPPORT FOR”;

21 (2) in paragraph (1)—

22 (A) by striking “\$13,500,000” and insert-  
23 ing “\$28,000,000”; and

24 (B) by striking “private voluntary organi-  
25 zations and cooperatives to assist such organi-



1 zations and cooperatives” and inserting “eligi-  
2 ble organizations described in subsection (d), to  
3 assist those organizations”; and

4 (3) in paragraphs (2) and (3), by striking “a  
5 private” each place it appears and inserting “an  
6 intergovernmental organization, private”.

7 **SEC. 407. EFFECTIVE USE OF COMMODITIES.**

8 Section 202(f) of the Agricultural Trade Develop-  
9 ment and Assistance Act of 1954 (7 U.S.C. 1722(f)) is  
10 amended—

11 (1) by striking the period at the end of para-  
12 graph (6) and inserting “; and”; and

13 (2) by adding at the end the following:

14 “(7) be permitted to carry out a program under  
15 this title—

16 “(A) in a foreign country in which the  
17 Agency for International Development does not  
18 have a mission, office, or other presence; or

19 “(B) that is not part of the developmental  
20 strategy prepared by such Agency for the coun-  
21 try in which the program is carried out.”

22 **SEC. 408. MONETIZATION.**

23 Section 203 of the Agricultural Trade Development  
24 and Assistance Act of 1954 (7 U.S.C. 1723) is amended—

1 (1) in subsection (a), by inserting “, or in a  
2 country in the same region” after “in the recipient  
3 country”;

4 (2) in subsection (b)—

5 (A) by inserting “or in countries in the  
6 same region” after “in the recipient country”;

7 and

8 (B) by striking “10 percent” and inserting  
9 “15 percent”; and

10 (3) in subsection (c), by inserting “of within a  
11 country in the same region” after “within the recipi-  
12 ent country”.

13 **SEC. 409. GENERAL LEVELS OF ASSISTANCE UNDER PUB-**  
14 **LIC LAW 480.**

15 Section 204(a) of the Agricultural Trade Develop-  
16 ment and Assistance Act of 1954 (7 U.S.C. 1724(a)) is  
17 amended—

18 (1) in paragraph (1), by striking “amount  
19 that” and all that follows through the period at the  
20 end and inserting “amount that for each of fiscal  
21 years 1996 through 2002 is not less than 2,025,000  
22 metric tons.”; and

23 (2) in paragraph (2), by striking “amount  
24 that” and all that follows through the period at the  
25 end and inserting “amount that for each of fiscal

1 years 1996 through 2002 is not less than 1,550,000  
2 metric tons.”.

3 **SEC. 410. USE OF VALUE ADDED COMMODITIES.**

4 Section 204(b)(1) of the Agricultural Trade Develop-  
5 ment and Assistance Act of 1954 (7 U.S.C. 1724(e)) is  
6 amended by inserting “and that not less than 50 percent  
7 of the quantity of such bagged commodities that are whole  
8 grain commodities shall be bagged in the United States”  
9 before the period at the end.

10 **SEC. 411. FOOD AID CONSULTATION GROUP.**

11 (a) MEMBERSHIP.—Section 205(b)(2) of the Agricul-  
12 tural Trade Development and Assistance Act of 1954 (7  
13 U.S.C. 1725(b)(2)) is amended by striking “International  
14 Affairs and Commodity Programs” and inserting “Agri-  
15 culture for Farm and Foreign Agricultural Services”.

16 (b) EXPIRATION DATE.—Section 205(f) of the Agri-  
17 cultural Trade Development and Assistance Act of 1954  
18 (7 U.S.C. 1725(f)) is amended by striking “1995” and  
19 inserting “2002”.

20 **SEC. 412. FOOD FOR DEVELOPMENT.**

21 Sections 301(b) and 303 of the Agricultural Trade  
22 Development and Assistance Act of 1954 (7 U.S.C.  
23 1727(b) and 1727b) are each amended by striking “To  
24 carry out” and all that follows through “section 2, the”  
25 and inserting “The”.

1 **SEC. 413. COMMODITY DETERMINATIONS.**

2 Section 401 of the Agricultural Trade Development  
3 and Assistance Act of 1954 (7 U.S.C. 1731) is amended—

4 (1) by striking subsections (a) through (d) and  
5 inserting the following:

6 “(a) AVAILABILITY OF COMMODITIES.—No agricul-  
7 tural commodity shall be available for disposition under  
8 this Act if the Secretary determines that the disposition  
9 would reduce the domestic supply of the commodity below  
10 the supply needed to meet domestic requirements and pro-  
11 vide adequate carryover (as determined by the Secretary),  
12 unless the Secretary determines that some part of the sup-  
13 ply should be used to carry out urgent humanitarian pur-  
14 poses under this Act.”;

15 (2) by redesignating subsections (e) and (f) as  
16 subsections (b) and (c), respectively; and

17 (3) in subsection (c) (as so redesignated), by  
18 striking “(e)(1)” and inserting “(b)(1)”.

19 **SEC. 414. GENERAL PROVISIONS.**

20 Section 403 of the Agricultural Trade Development  
21 and Assistance Act of 1954 (7 U.S.C. 1733) is amended—

22 (1) in subsection (c)—

23 (A) by inserting “or private entities, as ap-  
24 propriate,” after “commitments from coun-  
25 tries”; and

1 (B) by striking “for use” and inserting “or  
2 use”; and

3 (2) in subsection (f), by inserting “or private  
4 entities as appropriate,” after “from countries”.

5 **SEC. 415. AGREEMENTS.**

6 Section 404 of the Agricultural Trade Development  
7 and Assistance Act of 1954 (7 U.S.C. 1734) is amended—

8 (1) in subsection (a), by inserting “with foreign  
9 countries” after “Before entering into agreements”;

10 (2) in subsection (b)(2)—

11 (A) by inserting “with foreign countries”  
12 after “with respect to agreements entered into”;

13 and

14 (B) by inserting before the semicolon at  
15 the end the following: “and broad-based eco-  
16 nomic growth”; and

17 (3) so that subsection (c)(1) reads as follows:

18 “(1) IN GENERAL.—

19 “(A) TITLES I AND III.—Agreements to  
20 provide assistance on a multi-year basis under  
21 titles I and III may be made available to recipi-  
22 ent countries or to eligible organizations.

23 “(B) TITLE II.—Agreements to provide as-  
24 sistance on a multi-year basis shall be made

1 available to recipient countries and to eligible  
2 organizations.”.

3 **SEC. 416. ADMINISTRATIVE PROVISIONS.**

4 Section 407 of the Agricultural Trade Development  
5 and Assistance Act of 1954 (7 U.S.C. 1736a) is amend-  
6 ed—

7 (1) in subsection (a)(1), by inserting “or pri-  
8 vate entity” after “importing country”;

9 (2) in subsection (c)—

10 (A) in paragraph (1)(A), by inserting “im-  
11 porter or” before “importing country”; and

12 (B) in paragraph (2)(A), by inserting “im-  
13 porter or” before “importing country”; and

14 (3) by striking subsection (h).

15 **SEC. 417. EXPIRATION DATE.**

16 Section 408 of the Agricultural Trade Development  
17 and Assistance Act of 1954 (7 U.S.C. 1736b) is amended  
18 by striking “1995” and inserting “2002”.

19 **SEC. 418. REPEAL OF SECTIONS 409 AND 410.**

20 Sections 409 and 410 of the Agricultural Trade De-  
21 velopment and Assistance Act of 1954 (7 U.S.C. 1736c  
22 and 1736d) are repealed.

1 **SEC. 419. USE OF LOCAL CURRENCY IN TITLE V.**

2 Section 501(a)(6) of the Agricultural Trade Develop-  
3 ment and Assistance Act of 1954 (7 U.S.C. 1737(a)(6))  
4 is amended—

5 (1) by striking “practicable”, and all that fol-  
6 lows through “under this section” and inserting  
7 “that local currencies can be used to meet the costs  
8 of a program established under this section, aug-  
9 ment funds of the United States that are available  
10 for such a program”; and

11 (2) by inserting “, within the country where the  
12 program is conducted” before the period at the end.

13 **SEC. 420. TITLE V FUNDING LEVEL.**

14 Section 501(c) of the Agricultural Trade Develop-  
15 ment and Assistance Act of 1954 (7 U.S.C. 1737(c)) is  
16 amended—

17 (1) by striking “0.2” and inserting “0.4”; and

18 (2) by striking “1991 through 1995” and in-  
19 serting “1996 through 2002”.

20 **SEC. 421 FOOD FOR PROGRESS.**

21 Section 1110 of the Food Security Act of 1985 (7  
22 U.S.C. 1736o) is amended—

23 (1) in the first sentence of subsection (b)(1), by  
24 inserting “intergovernmental organizations,” after  
25 “private voluntary organizations,”;

1           (2) in subsection (g), by striking “1995” and  
2           inserting “2002”;

3           (3) in subsection (k), by striking “1995” and  
4           inserting “2002”;

5           (4) in subsection (l)(1)—

6                 (A) by striking “1995” and inserting  
7                 “2002”; and

8                 (B) in inserting “, and to provide adminis-  
9                 trative and technical assistance for monetiza-  
10                tion programs,” after “monitoring of food as-  
11                sistance programs”; and

12           (5) in subsection (m)—

13                 (A) by striking “with respect to the inde-  
14                 pendent states of the former Soviet Union”;  
15                 and

16                 (B) in paragraph (2), by striking “in the  
17                 independent states”.

18 **SEC. 422. FOOD SECURITY COMMODITY RESERVE.**

19           (a) **FOOD SECURITY COMMODITY RESERVE ACT OF**  
20 **1995.**—The title heading of title III of the Agricultural  
21 Act of 1980 (7 U.S.C. 1736f–1 note) is amended by strik-  
22 ing “**FOOD SECURITY WHEAT RESERVE ACT OF 1980**”  
23 and inserting “**FOOD SECURITY COMMODITY RE-**  
24 **SERVE ACT OF 1995**”.



1 (b) SHORT TITLE.—Section 301 of the Act (7 U.S.C.  
2 1736f–1 note) is amended by striking “Food Security  
3 Wheat Reserve Act of 1980” and inserting “Food Security  
4 Commodity Reserve Act of 1995”.

5 (c) IN GENERAL.—Section 302 of the Act (7 U.S.C.  
6 1736f–1) is amended—

7 (1) in the section heading, by striking “**FOOD**  
8 **SECURITY WHEAT RESERVE**” and inserting  
9 “**FOOD SECURITY COMMODITY RESERVE**”;

10 (2) so that subsection (a) reads as follows:

11 “(a) IN GENERAL.—To provide for a reserve solely  
12 to meet emergency humanitarian food needs in developing  
13 countries, the Secretary shall establish a reserve stock of  
14 wheat, rice, corn, or sorghum, or any combination of the  
15 commodities, totaling not more than 4,000,000 metric  
16 tons for use as described in subsection (c).”;

17 (3) so that subsection (b)(1) reads as follows:

18 “(b) COMMODITIES IN RESERVE.—

19 “(1) IN GENERAL.—The reserve established  
20 under this section shall consist of—

21 “(A) wheat in the reserve established  
22 under the Food Security Commodity Reserve  
23 Act of 1980 as of the date of enactment of the  
24 Food For Peace Reauthorization Act of 1995;

1           “(B) wheat, rice, corn, and sorghum (re-  
2           ferred to in this section as ‘eligible commod-  
3           ities’) acquired in accordance with paragraph  
4           (2) to replenish eligible commodities released  
5           from the reserve, including wheat to replenish  
6           wheat released from the reserve established  
7           under the Food Security Wheat Reserve Act of  
8           1980 but not replenished as of the date of en-  
9           actment of the Food For Peace Reauthorization  
10          Act of 1995; and

11           “(C) such rich, corn, and sorghum as the  
12          Secretary of Agriculture (referred to in this sec-  
13          tion as the ‘Secretary’) may, at such time and  
14          in such manner as the Secretary determines ap-  
15          propriate, acquire as a result of exchanging an  
16          equivalent value of wheat in the reserve estab-  
17          lished under this section.”;

18          (4) in subsection (b)(2)—

19           (A) by striking “(2)(A) Subject to” and in-  
20          serting the following:

21          “(2) REPLENISHMENT OF RESERVE.—

22           “(A) IN GENERAL.—Subject to”;

23           (B) in subparagraph (A)—

1 (i) by striking “(i) of this section  
2 stocks of wheat” and inserting “(i) stocks  
3 of eligible commodities”;

4 (ii) in clause (ii), by striking “stocks  
5 of wheat” and inserting “stocks of eligible  
6 commodities”; and

7 (iii) in the second sentence, by strik-  
8 ing “wheat” and inserting “eligible com-  
9 modities”; and

10 (C) in subparagraph (B)—

11 (i) by striking “(B) Not later” and in-  
12 serting “(B) TIME FOR REPLENISHMENT  
13 OF RESERVE.—Not later”; and

14 (ii) in clause (ii), by striking “wheat”  
15 and inserting “eligible commodities”;

16 (5) so that subsections (c) through (f) read as  
17 follows:

18 “(c) RELEASE OF ELIGIBLE COMMODITIES.—

19 “(1) DETERMINATION.—If the Secretary deter-  
20 mines that the amount of commodities allocated for  
21 minimum assistance under section 204(a)(1) of the  
22 Agricultural Trade Development and Assistance Act  
23 of 1954 (7 U.S.C. 1724(a)(1)) less the amount of  
24 commodities allocated for minimum non-emergency  
25 assistance under section 204(a)(2) of the Act (7

1 U.S.C. 1724(a)(2)) will be insufficient to meet the  
2 need for commodities for emergency assistance  
3 under section 202(a) of the Act (7 U.S.C. 1722(a)),  
4 the Secretary in any fiscal year may release from the  
5 reserve—

6 “(A) up to 500,000 metric tons of wheat  
7 or the equivalent value of eligible commodities  
8 other than wheat; and

9 “(B) any eligible commodities which under  
10 subparagraph (A) could have been released but  
11 were not released in prior fiscal years.

12 “(2) AVAILABILITY OF COMMODITIES.—Com-  
13 modities released under paragraph (1) shall be made  
14 available under title II of the Agricultural Trade De-  
15 velopment and Assistance Act of 1954 (7 U.S.C.  
16 1721 et seq.) for emergency assistance.

17 “(3) EXCHANGE.—The Secretary may exchange  
18 an eligible commodity for another United States  
19 commodity of equal value, including powdered milk,  
20 pulses, and vegetable oil.

21 “(4) USE OF NORMAL COMMERCIAL PRAC-  
22 TICES.—To the maximum extent practicable consist-  
23 ent with the fulfillment of the purposes of this sec-  
24 tion and the effective and efficient administration of  
25 this section, the Secretary shall use the usual and

1 customary channels, facilities, arrangements, and  
2 practices of the trade and commerce.

3 “(5) WAIVER OF MINIMUM TONNAGE REQUIRE-  
4 MENTS.—Nothing in this subsection shall require  
5 the exercise of the waiver under section 204(a)(3) of  
6 the Agricultural Trade Development and Assistance  
7 Act of 1954 (7 U.S.C. 1724(a)(3)) as a prerequisite  
8 for the release of eligible commodities under this  
9 subsection.

10 “(d) TRANSPORTATION AND HANDLING COSTS.—

11 “(1) IN GENERAL.—The cost of transportation  
12 and handling of eligible commodities released from  
13 the reserve established under this section shall be  
14 paid by the Commodity Credit Corporation in ac-  
15 cordance with section 406 of the Agricultural Trade  
16 Development and Assistance Act of 1954 (7 U.S.C.  
17 1736).

18 “(2) REIMBURSEMENT.—

19 “(A) IN GENERAL.—The Commodity Cred-  
20 it Corporation shall be reimbursed for the costs  
21 incurred under paragraph (1) from the funds  
22 made available to carry out the Agricultural  
23 Trade Development and Assistance Act of 1954  
24 (7 U.S.C. 1691 et seq.).

1           “(B) BASIS FOR REIMBURSEMENT.—The  
2 reimbursement shall be made on the basis of  
3 the lesser of the actual cost incurred by the  
4 Commodity Credit Corporation less any savings  
5 achieved as a result of decreased storage and  
6 handling costs for the reserve. Such reimburse-  
7 ment may be made from funds appropriated for  
8 that purpose in subsequent years.

9           “(C) DECREASED STORAGE AND HAN-  
10 DLING COSTS.—For purposes of this subsection,  
11 ‘decreased storage and handling costs’ shall  
12 mean the total actual costs for storage and han-  
13 dling incurred by the Commodity Credit Cor-  
14 poration for the reserve established under title  
15 III of the Agricultural Act of 1980 in fiscal  
16 year 1995 less the total actual costs for storage  
17 and handling incurred by the Corporation for  
18 the reserve established under this Act for the  
19 fiscal year for which the savings are calculated.

20           “(e) MANAGEMENT OF RESERVE.—The Secretary  
21 shall provide for—

22           “(1) the management of eligible commodities in  
23 the reserve as to location and quality of commodities  
24 needed to meet emergency situations; and

1           “(2) the periodic rotation of eligible commod-  
2           ities in the reserve to avoid spoilage and deteriora-  
3           tion of such stocks.

4           “(f) TREATMENT OF RESERVE UNDER OTHER  
5 LAW.—Eligible commodities in the reserve established  
6 under this section shall not be—

7           “(1) considered a part of the total domestic  
8           supply (including carryover) for the purpose of ad-  
9           ministering the Agricultural Trade Development and  
10          Assistance Act of 1954 (7 U.S.C. 1691 et seq.); and

11          “(2) subject to any quantitative limitation on  
12          exports that may be imposed under section 7 of the  
13          Export Administration Act of 1979 (50 U.S.C. App.  
14          2406).”;

15          (6) in subsection (g)—

16                 (A) by striking “(g)(1) The” and inserting  
17                 the following:

18          “(g) USE OF COMMODITY CREDIT CORPORATION.—  
19 The”;

20                 (B) by striking “wheat” and inserting “an  
21                 eligible commodity”; and

22                 (C) by striking paragraph (2);

23          (7) in subsection (h)—

24                 (A) by striking “(h) Any” and inserting:

25          “(h) FINALITY OF DETERMINATION.—Any”; and

1 (B) by striking “President or the Secretary  
2 of Agriculture” and inserting “Secretary”; and  
3 (8) in subsection (i)—

4 (A) by striking “(i) The” and inserting:  
5 “(i) TERMINATION OF AUTHORITY.—The”;

6 (B) by striking “wheat” each place it ap-  
7 pears and inserting “eligible commodities”; and

8 (C) by striking “1995” each place it ap-  
9 pears and inserting “2002”.

10 (d) EFFECTIVE DATE.—Section 303 of the Act (7  
11 U.S.C. 1736–1 note) is amended by striking “October 1,  
12 1980” and all that follows through the end of the section  
13 and inserting “on the date of enactment of this Act.”.

14 (e) CONFORMING AMENDMENT.—Section 208(d)(2)  
15 of the Agriculture Trade Suspension Adjustment Act of  
16 1980 (7 U.S.C. 4001(d)(2)) is amended to read as follows:

17 “(2) APPLICABILITY OF CERTAIN PROVI-  
18 SIONS.—Subsections (b)(2), (c), (e), and (f) of sec-  
19 tion 302 of the Food Security Commodity Reserve  
20 Act of 1995 shall apply to commodities in any re-  
21 serve established under paragraph (1), except that  
22 the references to ‘eligible commodities’ in the sub-  
23 sections shall be deemed to be references to ‘agricul-  
24 tural commodities’.”.



1 **Subtitle B—Agricultural Trade Act**  
2 **of 1978**

3 **SEC. 431. AGRICULTURAL EXPORT PROMOTION STRATEGY.**

4 (a) **GENERALLY.**—Section 103 of the Agricultural  
5 Trade Act of 1978 (7 U.S.C. 5603) is amended to read  
6 as follows:

7 **“SEC. 103. AGRICULTURAL EXPORT PROMOTION STRATEGY.**

8 “The Secretary shall periodically prepare an agricul-  
9 tural trade strategy report on the agricultural trade strat-  
10 egy developed by the Secretary to implement the programs  
11 designed to promote the export of United States agricul-  
12 tural commodities. The Secretary shall submit such report  
13 to the Committee on Agriculture and the Committee on  
14 Ways and Means of the House of Representatives and the  
15 Committee on Agriculture, Nutrition, and Forestry and  
16 the Committee on Finance of the Senate.”.

17 (b) **ELIMINATION OF REPORT.**—

18 (1) **IN GENERAL.**—Section 601 of the Act (7  
19 U.S.C. 5711) is repealed.

20 (2) **CONFORMING AMENDMENT.**—The last sen-  
21 tence of section 603 of the Act (7 U.S.C. 5713) is  
22 amended by striking “, in a consolidated report,”  
23 and all that follows through “section 601” and in-  
24 serting “or in a consolidated report”.

1 **SEC. 432. EXPORT CREDITS.**

2 (a) EXPORT CREDIT GUARANTEE PROGRAM.—Sec-  
3 tion 202 of the Agricultural Trade Act of 1978 (7 U.S.C.  
4 5622) is amended—

5 (1) in subsection (f)—

6 (A) by striking “(f) RESTRICTIONS.—The”  
7 and inserting the following:

8 “(f) RESTRICTIONS.—

9 “(1) IN GENERAL.—The”; and

10 (B) by adding at the end the following:

11 “(2) CRITERIA FOR DETERMINATION.—In mak-  
12 ing the determination required under paragraph (1)  
13 with respect to credit guarantees under subsection  
14 (b) for a country, the Secretary may consider, in ad-  
15 dition to financial, macroeconomic, and monetary in-  
16 dicators—

17 “(A) whether an International Monetary  
18 Fund standby agreement, Paris Club reschedul-  
19 ing plan, or other economic restructuring plan  
20 is in place with respect to the country;

21 “(B) the convertibility of the currency of  
22 the country;

23 “(C) whether the country provides ade-  
24 quate legal protection for foreign investments;

25 “(D) whether the country has viable finan-  
26 cial markets;

1           “(E) whether the country provides ade-  
2           quate legal protection for the private property  
3           rights of citizens of the country; and

4           “(F) any other factors that are relevant to  
5           the ability of the country to service the debt of  
6           the country.”;

7           (2) in subsection (h)—

8           (A) by striking “(h) FOREIGN AGRICUL-  
9           TURAL COMPONENTS” and inserting “(h) UNIT-  
10           ED STATES AGRICULTURAL COMMODITIES”;  
11           and

12           (B) by striking the final sentence;

13           (3) in subsection (i)—

14           (A) by striking “INSTITUTIONS.—A finan-  
15           cial” and inserting the following: “INSTITU-  
16           TIONS.—

17           “(1) IN GENERAL.—A financial”;

18           (B) by striking paragraph (1);

19           (C) by striking “(2) is” and inserting the  
20           following:

21           “(A) is”;

22           (D) by striking “(3) is” and inserting the  
23           following:

24           “(B) is”; and

25           (E) by adding at the end the following:

1           “(2) THIRD COUNTRY BANKS.—The Commodity  
2           Credit Corporation may guarantee under subsections  
3           (a) and (b) the repayment of credit made available  
4           to finance an export sale irrespective of whether the  
5           obligor is located in the country to which the export  
6           sale is destined.”; and

7           (4) by striking subsection (k).

8           (b) HIGH VALUE AND VALUE-ADDED PRODUCTS.—  
9           Title I of the Act (7 U.S.C. 5601 et seq.) is amended by  
10          adding at the end the following:

11       **“SEC. 106. HIGH VALUE AND VALUE-ADDED PRODUCTS.**

12           “For the purpose of discouraging unfair trade prac-  
13          tices, in any trade and export programs operated by the  
14          Secretary or the Commodity Credit Corporation, the Sec-  
15          retary shall establish as an objective to expend annually  
16          at least 25 percent of the total funds available (or 25 per-  
17          cent of the value of any commodities employed) for pro-  
18          gram activities involving the export sales of high value ag-  
19          ricultural commodities and value-added products of United  
20          States agricultural commodities.”.

21          (c) FUNDING LEVELS.—Section 211(b) of the Act (7  
22          U.S.C. 5641(b)) is amended—

23               (1) by striking paragraph (2);

24               (2) by redesignating subparagraph (B) of para-  
25          graph (1) as paragraph (2) and indenting the mar-

1       gin of paragraph (2) (as so redesignated) so as to  
2       align with the margin of paragraph (1); and

3               (3) by striking paragraph (1) and inserting the  
4       following:

5               “(1) EXPORT CREDIT GUARANTEES.—The  
6       Commodity Credit Corporation shall make available  
7       for each of fiscal years 1996 through 2002 not less  
8       than \$5,500,000,000 in credit guarantees under  
9       subsections (a) and (b) of section 202.”.

10       (d) DEFINITIONS.—Section 102(7) of the Act (7  
11 U.S.C. 5602(7)) is amended by striking subparagraphs  
12 (A) and (B) and inserting the following:

13               “(A) an agricultural commodity or product  
14       entirely produced in the United States; or

15               “(B) a product of an agricultural commod-  
16       ity—

17                       “(i) 90 percent or more of the agricul-  
18       tural components of which by weight, ex-  
19       cluding packaging and added water, is en-  
20       tirely produced in the United States; and

21                       “(ii) that the Secretary determines to  
22       be a United States high value or value-  
23       added agricultural product.”.

1 **SEC. 433. REGULATIONS.**

2 Section 404 of the Agricultural Trade Act of 1978  
3 (7 U.S.C. 5664) is repealed.

4 **SEC. 434. AGRICULTURAL EMBARGO PROTECTION.**

5 Section 411 of the Agricultural Trade Act of 1978  
6 (7 U.S.C. 5671) is amended—

7 (1) by striking subsections (a) and (b) and in-  
8 serting the following:

9 “(a) IN GENERAL.—Notwithstanding any other pro-  
10 vision of law, if the President or other member of the execu-  
11 tive branch of the Federal Government causes the export  
12 of any agricultural commodity to any country or area of  
13 the world to be suspended or restricted for reasons of na-  
14 tional security, foreign policy, or limited domestic supply  
15 under the Export Administration Act of 1979 (50 U.S.C.  
16 App. 2401 et seq.) or under any other provision of law,  
17 the Secretary shall compensate producers of the commod-  
18 ity involved by making payments available to the produc-  
19 ers, as provided in subsection (b).

20 “(b) AMOUNT OF PAYMENT.—If the Secretary makes  
21 payments available to producers under subsection (a), the  
22 amount of the payment shall be determined by the Sec-  
23 retary based on the Secretary’s estimate of the loss suf-  
24 fered by the producer of the commodity involved due to  
25 the decrease in price of the commodity as a result of the  
26 suspension or restriction of exports.”; and

1 (2) by adding at the end the following:

2 “(f) DEFINITION.—As used in this section, the term  
3 ‘agricultural commodity’ includes plant nutrient fertilizer  
4 materials and any raw materials used to produce plant nu-  
5 trient fertilizer materials, as classified in the Harmonized  
6 Trade Schedule of the United States (19 U.S.C. 1202, 19  
7 U.S.C. 3001 et seq.).”.

8 **SEC. 435. FOREIGN AGRICULTURAL SERVICE.**

9 Section 503 of the Agricultural Trade Act of 1978  
10 (7 U.S.C. 5693) is amended to read as follows:

11 **“SEC. 503. ESTABLISHMENT OF THE FOREIGN AGRICUL-**  
12 **TURAL SERVICE.**

13 “The Service shall assist the Secretary in carrying  
14 out the agricultural trade policy and international co-  
15 operation policy of the United States by—

16 “(1) acquiring information pertaining to agri-  
17 cultural trade;

18 “(2) carrying out market promotion and devel-  
19 opment activities;

20 “(3) providing agricultural technical assistance  
21 and training; and

22 “(4) carrying out the programs authorized  
23 under this Act, the Agricultural Trade Development  
24 and Assistance Act of 1954 (7 U.S.C. 1691 et seq.),  
25 and other Acts.”.

1                   **Subtitle C—Miscellaneous**

2   **SEC. 441. TRIGGERED EXPORT ENHANCEMENT.**

3           (a) READJUSTMENT OF SUPPORT LEVELS.—Section  
4 1302 of the Omnibus Budget Reconciliation Act of 1990  
5 (Public Law 101–508; 7 U.S.C. 1421 note) is repealed.

6           (b) TRIGGERED MARKETING LOANS AND EXPORT  
7 ENHANCEMENT.—Section 4301 of the Omnibus Trade  
8 and Competitiveness Act of 1988 (Public Law 100–418;  
9 7 U.S.C. 1446 note) is repealed.

10          (c) EFFECTIVE DATE.—The amendments made by  
11 this section shall be effective beginning with the 1996  
12 crops of wheat, feed grains, upland cotton, and rice.

13   **SEC. 442. POLICY ON EXPANSION OF INTERNATIONAL MAR-**  
14                   **KETS.**

15          Section 1207 of the Agriculture and Food Act of  
16 1981 (7 U.S.C. 1736m) is repealed.

17   **SEC. 443. POLICY ON MAINTENANCE AND DEVELOPMENT**  
18                   **OF EXPORT MARKETS.**

19          Sections 1121, 1122, and 1123 of the Food Security  
20 Act of 1985 (7 U.S.C. 1736p) are repealed.

21   **SEC. 444. POLICY ON UNFAIR TRADE PRACTICES.**

22          Section 1164 of the Food Security Act of 1985 (Pub-  
23 lic Law 99–198; 99 Stat. 1499) is repealed.



1 **SEC. 445. AGRICULTURAL AID AND TRADE MISSIONS.**

2 (a) IN GENERAL.—The Agricultural Aid and Trade  
3 Missions Act (7 U.S.C. 1736bb et seq.) is repealed.

4 (b) CONFORMING AMENDMENT.—Section 7 of Public  
5 Law 100–277 (7 U.S.C. 1736bb note) is repealed.

6 **SEC. 446. ANNUAL REPORTS BY AGRICULTURAL ATTACHES.**

7 Section 108(b)(1)(B) of the Agricultural Act of 1954  
8 (7 U.S.C. 1748(b)(1)(B)) is amended by striking “includ-  
9 ing fruits, vegetables, legumes, popcorn, and ducks”.

10 **SEC. 447. ORDERLY LIQUIDATION OF STOCKS.**

11 Sections 201 and 207 of the Agricultural Act of 1956  
12 (7 U.S.C. 1851 and 1857) are repealed.

13 **SEC. 448. REGULATIONS.**

14 Section 707 of the Freedom for Russia and Emerging  
15 Eurasian Democracies and Open Markets Support Act of  
16 1992 (Public Law 102–511; 7 U.S.C. 5621 note) is  
17 amended by striking subsection (d).

18 **SEC. 449. EMERGING MARKETS.**

19 (a) PROMOTION OF AGRICULTURAL EXPORTS TO  
20 EMERGING MARKETS.—

21 (1) EMERGING MARKETS.—Section 1542 of the  
22 Food, Agriculture, Conservation, and Trade Act of  
23 1990 (Public Law 101–624; 7 U.S.C. 5622 note) is  
24 amended—

1 (A) in the section heading, by striking  
2 “**EMERGING DEMOCRACIES**” and inserting  
3 “**EMERGING MARKETS**”;

4 (B) by striking “emerging democracies”  
5 each place it appears in subsections (b), (d),  
6 and (e) and inserting “emerging markets”;

7 (C) by striking “emerging democracy”  
8 each place it appears in subsection (c) and in-  
9 serting “emerging market”; and

10 (D) by striking subsection (f) and inserting  
11 the following:

12 “(f) **EMERGING MARKET**.—In this section and sec-  
13 tion 1543, term ‘emerging market’ means any country  
14 that the Secretary determines—

15 “(1) is taking steps toward a market-oriented  
16 economy through the food, agriculture, or rural busi-  
17 ness sectors of the economy of the country; and

18 “(2) has the potential to provide a viable and  
19 significant market for United States agricultural  
20 commodities or products of United States agricul-  
21 tural commodities.”.

22 (2) **FUNDING**.—Section 1542 of the Act is  
23 amended by striking subsection (a) and inserting the  
24 following:

1       “(a) FUNDING.—The Commodity Credit Corporation  
2 shall make available for fiscal years 1996 through 2002  
3 not less than \$1,000,000,000 of direct credits or export  
4 credit guarantees for exports to emerging markets under  
5 section 201 or 202 of the Agricultural Trade Act of 1978  
6 (7 U.S.C. 5621 and 5622), in addition to the amounts  
7 required or authorized under section 211 of the Act (7  
8 U.S.C. 5641) for the program.”.

9           (3) AGRICULTURAL FELLOWSHIP PROGRAM.—  
10       Section 1542 of the Act is amended—

11           (A) in subsection (b), by striking the last  
12 sentence and inserting the following: “The  
13 Commodity Credit Corporation shall give prior-  
14 ity under this subsection to—

15           “(A) projects that encourage the privatization  
16 of the agricultural sector or that benefit private  
17 farms or cooperatives in emerging markets; and

18           “(B) projects for which nongovernmental per-  
19 sons agree to assume a relatively larger share of the  
20 costs.”; and

21           (B) in subsection (d)—

22           (i) in the matter preceding paragraph  
23 (1), by striking “the Soviet Union” and in-  
24 serting “emerging markets”;

25           (ii) in paragraph (1)—

- 1 (I) in subparagraph (A)(i)—  
2 (aa) by striking “1995” and  
3 inserting “2002”; and  
4 (bb) by striking “those sys-  
5 tems, and identify” and potential  
6 reductions in trade barriers, and  
7 identify and carry out”;
- 8 (II) in subparagraph (B), by  
9 striking “shall” and inserting “may”;
- 10 (III) in subparagraph (D), by in-  
11 sserting “(including the establishment  
12 of extension services)” after “tech-  
13 nical assistance”;
- 14 (IV) by striking subparagraph  
15 (F);
- 16 (V) by redesignating subpara-  
17 graph (G), (H), and (I) as subpara-  
18 graph (F), (G), and (H), respectively;  
19 and
- 20 (VI) in subparagraph (H) (as re-  
21 designated by subclause (V)), by strik-  
22 ing “\$10,000,000” and inserting  
23 “\$20,000,000”;
- 24 (iii) in paragraph (2)—

1 (I) by striking “the Soviet  
2 Union” each place it appears and in-  
3 serting “emerging markets”;

4 (II) in subparagraph (A), by  
5 striking “a free market food produc-  
6 tion and distribution system” and in-  
7 serting “free market food production  
8 and distribution systems”;

9 (III) in subparagraph (B)—

10 (aa) in clause (i), by striking  
11 “Government” and inserting  
12 “governments”;

13 (bb) in clause (iii)(II), by  
14 striking “and” at the end;

15 (cc) in clause (iii)(III), by  
16 striking the period at the end  
17 and inserting “; and”; and

18 (dd) by adding at the end of  
19 clause (iii) the following:

20 “(IV) to provide for the exchange  
21 of administrators and faculty mem-  
22 bers from agricultural and other insti-  
23 tutions to strengthen and revise edu-  
24 cational programs in agricultural eco-  
25 nomics, agribusiness, and agrarian

1 law, to support change towards a free  
2 market economy in emerging mar-  
3 kets.”;

4 (IV) by striking subparagraph  
5 (D); and

6 (V) by redesignating subpara-  
7 graph (E) as subparagraph (D); and  
8 (iv) by striking paragraph (3).

9 (4) UNITED STATES AGRICULTURAL COMMOD-  
10 ITY.—Subsections (b) and (c) of section 1542 of the  
11 Act are amended by striking “section 101(6)” each  
12 place it appears and inserting “section 102(7)”.

13 (5) REPORT.—The first sentence of section  
14 1542(e)(2) of the Act is amended by striking “Not”  
15 and inserting “Subject to section 217 of the Depart-  
16 ment of Agriculture Reorganization Act of 1994 (7  
17 U.S.C. 6917), not”.

18 (b) AGRICULTURAL FELLOWSHIP PROGRAM FOR  
19 MIDDLE INCOME COUNTRIES, EMERGING DEMOCRACIES,  
20 AND EMERGING MARKETS.—Section 1543 of the Act (7  
21 U.S.C. 3293) is amended—

22 (1) in the section heading, by striking “**MID-**  
23 **DLE INCOME COUNTRIES AND EMERG-**  
24 **ING DEMOCRACIES**” and inserting “**MID-**  
25 **DLE INCOME COUNTRIES, EMERGING**

1       **DEMOCRACIES, AND EMERGING MAR-**  
2       **KETS”;**

3           (2) in subsection (b), by adding at the end the  
4       following:

5           “(5) EMERGING MARKET.—Any emerging mar-  
6       ket, as defined in section 1542(f).”; and

7           (3) in subsection (e)(1), by striking “food  
8       needs” and inserting “food and fiber needs”.

9       (c) CONFORMING AMENDMENTS.—

10           (1) Section 201(d)(1)(C)(ii) of the Agricultural  
11       Trade Act of 1978 (7 U.S.C. 5621(d)(1)(C)(ii) is  
12       amended by striking “emerging democracies” and  
13       inserting “emerging markets”.

14           (2) Section 202(d)(3)(B) of the Act (7 U.S.C.  
15       5622(d)(3)(B)) is amended by striking “emerging  
16       democracies” and inserting “emerging markets”.

17       **SEC. 450. IMPORT ASSISTANCE FOR CBI BENEFICIARY**  
18           **COUNTRIES AND THE PHILIPPINES.**

19       Section 583 of Public Law 100–202 (101 Stat. 1329–  
20       182) is repealed.

21       **SEC. 451. STUDIES, REPORTS, AND OTHER PROVISIONS.**

22           (a) IN GENERAL.—Sections 1551 through 1555, sec-  
23       tion 1559, and section 1560 of subtitle E of title XV of  
24       the Food, Agriculture, Conservation, and Trade Act of  
25       1990 (Public Law 101–624; 104 Stat. 3696) are repealed.

1 (b) LANGUAGE PROFICIENCY.—Section 1556 of the  
2 Act (Public Law 101–624; 7 U.S.C. 5694 note) is amend-  
3 ed by striking subsection (c).

4 **SEC. 452. MONITORING COMPLIANCE WITH URUGUAY**  
5 **ROUND AGREEMENTS.**

6 Title I of the Agricultural Trade Act of 1978 (7  
7 U.S.C. 5601 et seq.) as amended by section 432(b), is  
8 amended by adding at the end the following:

9 **“SEC. 107. MONITORING COMPLIANCE WITH URUGUAY**  
10 **ROUND AGREEMENTS.**

11 “The Secretary shall monitor compliance with foreign  
12 countries with the provisions of the Agriculture Agreement  
13 of the Uruguay Round of Multilateral Trade Negotiations  
14 of the General Agreement on Tariffs and Trade. If the  
15 Secretary determines that any foreign country has failed  
16 to meet a commitment under the Agreement and that such  
17 failure will adversely affect the ability to export United  
18 States agriculture exports or products to the country, the  
19 Secretary shall—

20 “(1) submit to the United States Trade Rep-  
21 resentative a recommendation as to whether the  
22 President should take action under any provision of  
23 law; and

24 “(2) transmit a copy of the recommendation  
25 and any decision on such recommendation to the



1 Committee on Agriculture and the Committee on  
2 Ways and Means of the House of Representatives  
3 and the Committee on Agriculture, Nutrition, and  
4 Forestry and the Committee on Finance of the Sen-  
5 ate.”.

6 **SEC. 453. LIMITATION ON DURUM WHEAT EXPORT SUB-**  
7 **SIDIES.**

8 Section 301(b) of the Agricultural Trade Act of 1978  
9 (7 U.S.C. 5651(b)) is amended by adding at the end the  
10 following:

11 “(9) SPECIAL RULE FOR NO. 1 AND NO. 2 HARD  
12 AMBER DURUM WHEAT EXPORTS.—In any market-  
13 ing year for which the projected stocks to use ratio  
14 prepared by the Secretary of Agriculture for durum  
15 wheat is less than or equal to 40 percent, or in any  
16 calendar year in which there are in effect any trade  
17 restrictions on the importation of durum wheat into  
18 the United States, including quotas, ad valorem tar-  
19 iffs, or tariff-rate quotas, the Commodity Credit  
20 Corporation may not make available any assistance  
21 (whether in the form of agricultural commodities,  
22 cash payments, or other bonus) under this section  
23 for the export of No. 1 and No. 2 Hard Amber  
24 durum wheat.”.

1 **SEC. 454. MARKET PROMOTION PROGRAM.**

2 Effective as of October 1, 1995, section 211(c)(1) of  
3 the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)(1))  
4 is amended—

5 (1) by striking “and” after “1991 through  
6 1993”; and

7 (2) by striking “through 1997,” and inserting  
8 “through 1995, and not more than \$100,000,000  
9 for each of fiscal years 1996 through 2002.”.

10 **SEC. 455. EXPORT ENHANCEMENT PROGRAM.**

11 (a) **PRIORITY FUNDING FOR WHEAT FLOUR.**—Sec-  
12 tion 301 of the Agricultural Trade Act of 1978 (7 U.S.C.  
13 5651) is amended—

14 (1) by redesignating subsections (d) through (g)  
15 as subsections (e) through (h), respectively; and

16 (2) by adding the following:

17 “(d) **PRIORITY FUNDING FOR WHEAT FLOUR.**—As  
18 determined by the Secretary to be consistent with the  
19 United States obligations under the General Agreements  
20 on Tariffs and Trade, the Commodity Credit Corporation  
21 shall make funds available under this section on an annual  
22 basis for the sale of wheat flour in sufficient amounts to  
23 maintain the percentage of market share of world commer-  
24 cial markets achieved by the United States wheat flour  
25 industry during the Uruguay Round base period years of  
26 1986 through 1988.”.

1 (b) FUNDING LEVELS.—Effective as of October 1,  
2 1995, section 301(e) of the Agricultural Trade Act of  
3 1978 (7 U.S.C. 5651(e)), as redesignated by subsection  
4 (a), is amended to read as follows:

5 “(f) FUNDING LEVELS.—The Commodity Credit  
6 Corporation shall make available to carry out the program  
7 established under this section not more than—

8 “(1) \$350,000,000 for fiscal year 1996;

9 “(2) \$350,000,000 for fiscal year 1997;

10 “(3) \$500,000,000 for fiscal year 1998;

11 “(4) \$550,000,000 for fiscal year 1999;

12 “(5) \$579,000,000 for fiscal year 2000;

13 “(6) \$478,000,000 for fiscal year 2001; and

14 “(7) \$478,000,000 for fiscal year 2002.”.

15 (c) HIGH VALUE AND VALUE-ADDED PRODUCTS.—

16 Section 303 of the Act (7 U.S.C. 5653) is repealed.

17 **SEC. 456. MONITORING COMPLIANCE WITH SANITARY AND**  
18 **PHYTOSANITARY MEASURES.**

19 Section 414 of the Agricultural Trade Act of 1978  
20 (7 U.S.C. 5674) is amended by adding at the end the fol-  
21 lowing:

22 “(c) MONITORING COMPLIANCE WITH SANITARY  
23 AND PHYTOSANITARY MEASURES.—The Secretary shall  
24 monitor the compliance of World Trade Organization  
25 member countries with the sanitary and phytosanitary

1 measures of the Agriculture Agreement of the Uruguay  
2 Round of Multilateral Trade Negotiations of the General  
3 Agreement on Tariffs and Trade. If the Secretary deter-  
4 mines that any country has failed to meet the commitment  
5 on sanitary and phytosanitary measures under the Agree-  
6 ment, the Secretary shall—

7           “(1) take any appropriate action under any pro-  
8 vision of law; and

9           “(2) report to the Committee on Agriculture  
10 and the Committee on Ways and Means of the  
11 House of Representatives and the Committee on Ag-  
12 riculture, Nutrition, and Forestry and the Commit-  
13 tee on Finance of the Senate—

14                   “(A) that a country has failed to meet the  
15 sanitary and phytosanitary commitments; and

16                   “(B) any action taken by the Secretary.”.

17 **SEC. 457. AGRICULTURAL TRADE PROGRAM FLEXIBILITY.**

18       (a) IN GENERAL.—If the Secretary determines by  
19 June 1 of any fiscal year that, despite the best efforts  
20 to do so, commodities or funds for that fiscal year for any  
21 program under section 201, 202, 203, or 301 of the Agri-  
22 cultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) or  
23 section 301(b)(2) of the Disaster Assistance Act (7 U.S.C.  
24 1464 note) are not necessary to successfully accomplish  
25 the objectives of that program, the Secretary shall use

1 those commodities and funds for any other program under  
 2 any of such sections, in a manner consistent with United  
 3 States' obligations under the General Agreement on Tar-  
 4 iffs and Trade.

5 (b) LIMITATION.—In exercising the authority under  
 6 subsection (a), the Secretary shall ensure that any funds  
 7 or commodities made available for any other program does  
 8 not exceed 30 percent of the authorized level of the pro-  
 9 gram.

10 **SEC. 458. SUNFLOWER SEED OIL AND COTTONSEED OIL EX-**  
 11 **PORT SALES.**

12 Section 301(b)(2) of the Disaster Assistance Act of  
 13 1988 (7 U.S.C. 1464 note) is amended by striking “1991  
 14 through 1995” and inserting “1996 through 2002”.

15 **SEC. 459. FOREIGN MARKET DEVELOPMENT COOPERATOR**  
 16 **PROGRAM.**

17 The Agricultural Trade Act of 1978 (7 U.S.C. 5601  
 18 et seq.) is amended by adding at the end the following:

19 **“TITLE VII—FOREIGN MARKET**  
 20 **DEVELOPMENT COOPERATOR**  
 21 **PROGRAM**

22 **“SEC. 701. DEFINITION OF ELIGIBLE TRADE ORGANIZA-**  
 23 **TION.**

24 “In this title, the term ‘eligible trade organization’  
 25 means a United States trade organization that—

1           “(1) promotes the export of 1 or more United  
2 States agricultural commodities or products; and

3           “(2) does not have a business interest in or re-  
4 ceive remuneration from specific sales of agricultural  
5 commodities or products.

6 **“SEC. 702. FOREIGN MARKET DEVELOPMENT COOPERATOR**  
7 **PROGRAM.**

8           “(a) IN GENERAL.—The Secretary shall establish  
9 and, in cooperation with eligible trade organizations, carry  
10 out a foreign market development cooperator program to  
11 maintain and develop foreign markets for United States  
12 agricultural commodities and products.

13           “(b) ADMINISTRATION.—Funds made available to  
14 carry out this title shall be used only to provide—

15           “(1) cost-share assistance to an eligible trade  
16 organization under a contract or agreement with the  
17 organization; and

18           “(2) assistance for other costs that are nec-  
19 essary or appropriate to carry out the foreign mar-  
20 ket development program, including contingent li-  
21 abilities that are not otherwise funded.

22 **“SEC. 703. AUTHORIZATION OF APPROPRIATIONS.**

23           “There are authorized to be appropriated to carry out  
24 this title such sums as may be necessary for each of fiscal  
25 years 1996 through 2002.”.

1 **Subtitle D—Dairy Export Programs**

2 **SEC. 461. AUTHORITY TO ASSIST IN ESTABLISHMENT AND**  
3 **MAINTENANCE OF EXPORT TRADING COM-**  
4 **PANY.**

5 The Secretary of Agriculture shall, consistent with  
6 the obligations of the United States as a member of the  
7 World Trade Organization, provide such advice and assist-  
8 ance of the United States dairy industry as may be nec-  
9 essary to enable that industry to establish and maintain  
10 an export trading company under the Export Trading  
11 Company Act of 1982 (15 U.S.C. 4001 et seq.) for the  
12 purpose of facilitating the international market develop-  
13 ment for and exportation of dairy products produced in  
14 the United States.

15 **SEC. 462. STANDBY AUTHORITY TO DESIGNATE ENTITY TO**  
16 **PROVIDE INTERNATIONAL MARKET DEVEL-**  
17 **OPMENT AND EXPORT SERVICES.**

18 (a) DESIGNATION OF ENTITY TO ASSIST IN THE  
19 INTERNATIONAL MARKET DEVELOPMENT FOR AN EX-  
20 PORT OF UNITED STATES DAIRY PRODUCTS.—If—

21 (1) the United States dairy industry has not es-  
22 tablished an export trading company under the Ex-  
23 port Trading Company Act of 1982 (15 U.S.C. 4001  
24 et seq.) for the purpose of facilitating the inter-  
25 national market development for an exportation of

1 dairy products produced in the United States on or  
2 before January 1, 1997; or

3 (2) the quantity of exports of United States  
4 dairy products during the 12-month period preced-  
5 ing January 1, 1998, does not exceed the quantity  
6 of exports of United States dairy products during  
7 the 12-month period preceding January 1, 1997, by  
8 1.5 billion pounds (milk equivalent, total solids  
9 basis);

10 the Secretary of Agriculture is directed to indicate which  
11 entity autonomous of the Government of the United States  
12 is best suited to facilitate the international market devel-  
13 opment for and exportation of United States dairy prod-  
14 ucts.

15 (b) FUNDING OF EXPORT ACTIVITIES.—The Sec-  
16 retary shall assist the entity in identifying sources of fund-  
17 ing for the activities specified in subsection (a) from with-  
18 in the dairy industry and elsewhere.

19 (c) APPLICATION OF SECTION.—This section shall  
20 apply only during the period beginning on January 1,  
21 1998 and ending on September 30, 2000.



1 **SEC. 463. ASSURANCE OF EQUITABLE TREATMENT, FAIR**  
2 **DEALING AND PROTECTION FROM DISCRIMI-**  
3 **NATORY PRACTICES FOR UNITED STATES**  
4 **PARTICIPANTS IN THE WORLD MARKET FOR**  
5 **DAIRY PRODUCTS.**

6 (a) PURPOSE.—The Secretary of Agriculture shall  
7 carry out this section in such a manner as to promote the  
8 efficient operation of Federal dairy programs and to as-  
9 sure their consistency with the rights and obligations of  
10 members of the World Trade Organization as well as the  
11 rights and obligations of non-members of the World Trade  
12 Organization under international law.

13 (b) EFFECTS OF CERTAIN DISCRIMINATORY PRAC-  
14 TICES BY COUNTRIES OF ORIGIN.—In administering im-  
15 port licenses for cheese and non-cheese dairy products, the  
16 Secretary of Agriculture, in the event that it is shown to  
17 the satisfaction of the Secretary that a country of origin  
18 discriminates against a licensee with respect to either the  
19 price or the availability of such a product—

20 (1) shall not impose any penalty with respect to  
21 the failure of that licensee to use any portion of its  
22 license amount during a quota year; and

23 (2) shall adjust the country of origin, if the  
24 Secretary shall obtain prior consent for such an ad-  
25 justment from the government of the exporting  
26 country, as necessary to comply with the commit-

1       ments of the United States with respect to quan-  
2       tities originating under the Uruguay Round Agree-  
3       ments of the General Agreement on Tariffs and  
4       Trade.

5       (c) EXPORT MONOPOLIES.—

6           (1) ENCOURAGEMENT OF FAIR DEALING.—The  
7       Secretary shall not impose any penalty with respect  
8       to the failure of a licensee to use any portion of its  
9       license amount for such a product from a country of  
10      origin that establishes, sanctions, or otherwise per-  
11      mits an internationally integrated state trading en-  
12      terprise or other export monopoly to control the ex-  
13      port of the product concerned.

14          (2) PROTECTION AGAINST DISCRIMINATORY  
15      PRACTICES.—With respect to any country of origin  
16      that—

17           (A) exports cheese or non-cheese dairy  
18      products through an internationally integrated  
19      state trading enterprise or an export monopoly;  
20      and

21           (B) designates an importer or importers to  
22      receive a license for such products;  
23      if, within 3 years of the discriminatory occurrence,  
24      it is shown to the satisfaction of the Secretary that  
25      the licensee has been discriminated against either as

1 to the price or availability of a product by the coun-  
2 try of origin, its designated licensee, or any other  
3 party or agent acting on behalf of the country of ori-  
4 gin or its designated licensee, the Secretary shall re-  
5 voke for a period of time not less than 3 years the  
6 eligibility of the country of origin to designate a li-  
7 censee for the import of cheese under license, except  
8 that the Secretary shall obtain prior consent for  
9 such revocation from the government of the export-  
10 ing country as necessary to comply with the commit-  
11 ments of the United States regarding quantities  
12 originating under the Uruguay Round of the General  
13 Agreement on Tariffs and Trade.

14 (3) ALLOCATION OF AVAILABLE LICENSES.—  
15 Any rights to import made available as a result of  
16 a revocation under paragraph (2) shall, during the  
17 revocation period for such license, be distributed  
18 among historical and other eligible licensees on the  
19 basis of a rank-order lottery system determined ap-  
20 propriate by the Secretary.

21 (d) EQUITABLE TREATMENT OF HISTORICAL LI-  
22 CENSEES.—Consistent with the guarantees provided by  
23 the United States to cheese exporting countries in the  
24 memoranda of understanding executed under the auspices  
25 of the Uruguay Round Agreements of the General Agree-

1 ment on Tariffs and Trade, any license for the import of  
2 cheese held by an historical licensee shall not be reduced  
3 below the amounts in effect as of December 15, 1993 with-  
4 out the consent of the licensee, except in the event that  
5 it is shown to the satisfaction of the Secretary of Agri-  
6 culture that the licensee has engaged in fraudulent or  
7 criminal activity in violation of the regulations governing  
8 such licenses.

9 (e) DEFINITIONS.—For purposes of this section—

10 (1) the terms “country of origin”, “designated  
11 importer”, “historical license”, and “historical li-  
12 censee” shall have the same meaning as when such  
13 terms are used in sections 6.20 through 6.34 of title  
14 7 of the Code of Federal Regulations; and

15 (2) the term “internationally integrated state  
16 trading enterprise” means an entity which—

17 (A) is established or sanctioned by the  
18 country of origin as a statutory export monop-  
19 oly with sole sourcing and pricing rights for  
20 dairy products destined for export;

21 (B) is part of a license system that pro-  
22 hibits United States licensees from purchasing  
23 cheese and non-cheese dairy products from the  
24 vendor of choice in the country of origin, and  
25 that requires licensees to acquire from the en-

1           tity or its captive subsidiary all or substantially  
2           all of any cheese or non-cheese dairy product  
3           for import from the country of origin; and

4           (C) owns or controls licenses for the im-  
5           port of cheese or non-cheese dairy products  
6           from the country of origin, where the prepon-  
7           derance of such licenses are used for the import  
8           of commodity-type cheese and other processing-  
9           type dairy products.

10          (f) APPLICATION OF SECTION.—This section shall  
11          apply on and after January 1, 1997.

12          **SEC. 464. STUDY AND REPORT REGARDING POTENTIAL IM-**  
13                                   **PACT OF URUGUAY ROUND ON PRICES, IN-**  
14                                   **COME AND GOVERNMENT PURCHASES.**

15          (a) STUDY.—The Secretary of Agriculture shall con-  
16          duct a study, on a variety by variety of cheese basis, to  
17          determine the potential impact on milk prices in the  
18          United States, dairy producer income, and Federal dairy  
19          program costs, of the allocation of additional cheese grant-  
20          ed access to the United States as a result of the obliga-  
21          tions of the United States as a member of the World  
22          Trade Organization.

23          (b) REPORT.—Not later than March 31, 1997, the  
24          Secretary shall report to the Committee on Agriculture of

1 the Senate and the House of Representatives the results  
2 of the study conducted under this section.

3 (c) **RULE OF CONSTRUCTION.**—Any limitation im-  
4 posed by Act of Congress on the conduct or completion  
5 of studies or reports to Congress shall not apply to the  
6 study and report required under this section unless such  
7 limitation explicitly references this section in doing so.

## 8 **TITLE V—EXTENSION OF** 9 **RESEARCH AUTHORITIES**

### 10 **SEC. 501. EXTENSION OF NATIONAL GENETIC RESOURCES** 11 **PROGRAM.**

12 Section 1635(b) of the Food, Agriculture, Conserva-  
13 tion, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amend-  
14 ed by striking “1995” and inserting “1997”.

### 15 **SEC. 502. EXTENSION OF NATIONAL AGRICULTURAL** 16 **WEATHER INFORMATION SYSTEM.**

17 Section 1641(c) of the Food, Agriculture, Conserva-  
18 tion, and Trade Act of 1990 (7 U.S.C. 5855(c)) is amend-  
19 ed by striking “1995” and inserting “1997”.

1 **SEC. 503. EXTENSION OF RESEARCH PROGRAM REGARDING**  
2 **PRODUCTION, PREPARATION, PROCESSING,**  
3 **HANDLING, AND STORAGE OF AGRICUL-**  
4 **TURAL PRODUCTS.**

5 Section 1647(a) of the Food, Agriculture, Conserva-  
6 tion, and Trade Act of 1990 (7 U.S.C. 5874(a)) is amend-  
7 ed by striking “1995” and inserting “1997”.

8 **SEC. 504. EXTENSION OF WATER QUALITY RESEARCH, EDU-**  
9 **CATION, AND COORDINATION.**

10 Section 1481(d) of the Food, Agriculture, Conserva-  
11 tion, and Trade Act of 1990 (7 U.S.C. 5501(d)) is amend-  
12 ed by striking “1995” and inserting “1997”.

13 **SEC. 505. EXTENSION OF LIVESTOCK PRODUCT SAFETY**  
14 **AND INSPECTION PROGRAM.**

15 Section 1670(e) of the Food, Agriculture, Conserva-  
16 tion, and Trade Act of 1990 (7 U.S.C. 5923(e)) is amend-  
17 ed by striking “1995” and inserting “1997”.

18 **SEC. 506. EXTENSION OF MESQUITE RESEARCH PROGRAM.**

19 Section 1672(d)(4) of the Food, Agriculture, Con-  
20 servation, and Trade Act of 1990 (7 U.S.C. 5925(d)(4))  
21 is amended by striking “1995” and inserting “1997”.

22 **SEC. 507. EXTENSION OF PRICKLY PEAR RESEARCH PRO-**  
23 **GRAM.**

24 Section 1672(e)(4) of the Food, Agriculture, Con-  
25 servation, and Trade Act of 1990 (7 U.S.C. 5925(e)(4))  
26 is amended by striking “1995” and inserting “1997”.

1 **SEC. 508. EXTENSION OF DEER TICK ECOLOGY AND RELAT-**  
2 **ED RESEARCH PROGRAM.**

3 Section 1672(i) of the Food, Agriculture, Conserva-  
4 tion, and Trade Act of 1990 (7 U.S.C. 5925(i)) is amend-  
5 ed by striking “1995” and inserting “1997”.

6 **SEC. 509. EXTENSION OF AGRICULTURAL TELECOMMUNI-**  
7 **CATIONS PROGRAM.**

8 Section 1673(h) of the Food, Agriculture, Conserva-  
9 tion, and Trade Act of 1990 (7 U.S.C. 5926(h)) is amend-  
10 ed by striking “1995” and inserting “1997”.

11 **SEC. 510. EXTENSION OF NATIONAL CENTERS FOR AGRI-**  
12 **CULTURAL PRODUCT QUALITY RESEARCH.**

13 Section 1675(g)(1) of the Food, Agriculture, Con-  
14 servation, and Trade Act of 1990 (7 U.S.C. 5928(g)(1))  
15 is amended by striking “1995” and inserting “1997”.

16 **SEC. 511. EXTENSION OF PILOT PROJECT TO COORDINATE**  
17 **FOOD AND NUTRITION EDUCATION PRO-**  
18 **GRAMS.**

19 Section 1679(d) of the Food, Agriculture, Conserva-  
20 tion, and Trade Act of 1990 (7 U.S.C. 5932(d)) is amend-  
21 ed by striking “1995” and inserting “1997”.

22 **SEC. 512. EXTENSION OF ASSISTIVE TECHNOLOGY PRO-**  
23 **GRAM FOR FARMERS WITH DISABILITIES.**

24 (a) SPECIAL DEMONSTRATION GRANTS.—Subsection  
25 (a)(6)(B) of section 1680 of the Food, Agriculture, Con-



1 servation, and Trade Act of 1990 (7 U.S.C. 5933) is  
2 amended by striking “1996” and inserting “1997”.

3 (b) NATIONAL GRANT FOR TECHNICAL ASSISTANCE,  
4 TRAINING AND DISSEMINATION.—Subsection (b)(2) of  
5 such section is amended by striking “1996” and inserting  
6 “1997”.

7 **SEC. 513. EXTENSION OF NATIONAL RURAL INFORMATION**  
8 **CENTER CLEARINGHOUSE.**

9 Section 2381(e) Food, Agriculture, Conservation, and  
10 Trade Act of 1990 (7 U.S.C. 3125b(e)) is amended by  
11 striking “1995” and inserting “1997”.

12 **SEC. 514. EXTENSION OF INDIAN SUBSISTENCE FARMING**  
13 **DEMONSTRATION GRANT PROGRAM.**

14 Section 939 of the Food, Agriculture, Conservation,  
15 and Trade Act Amendments of 1991 (7 U.S.C. 5930 note)  
16 is amended by striking “1995” and inserting “1997”.

17 **SEC. 515. EXTENSION OF JOINT COUNCIL ON FOOD AND AG-**  
18 **RICULTURAL SCIENCES.**

19 Section 1407(a) of the National Agricultural Re-  
20 search, Extension, and Teaching Policy Act of 1977 (7  
21 U.S.C. 3122(a)) is amended by striking “1995” and in-  
22 serting “1997”.

1 **SEC. 516. EXTENSION OF NATIONAL AGRICULTURAL RE-**  
2 **SEARCH AND EXTENSION USERS ADVISORY**  
3 **BOARD.**

4 Section 1408(a) of the National Agricultural Re-  
5 search, Extension, and Teaching Policy Act of 1977 (7  
6 U.S.C. 3123(a)) is amended by striking “1995” and in-  
7 serting “1997”.

8 **SEC. 517. EXTENSION OF PROGRAM OF GRANTS AND FEL-**  
9 **LOWSHIPS FOR FOOD AND AGRICULTURAL**  
10 **SCIENCES EDUCATION.**

11 Section 1417(i) of the National Agricultural Re-  
12 search, Extension, and Teaching Policy Act of 1977 (7  
13 U.S.C. 3152(i)) is amended by striking “1995” and in-  
14 serting “1997”.

15 **SEC. 518. EXTENSION OF GRANT PROGRAM FOR RESEARCH**  
16 **ON THE PRODUCTION AND MARKETING OF**  
17 **ALCOHOLS AND INDUSTRIAL HYDRO-**  
18 **CARBONS FROM AGRICULTURAL COMMOD-**  
19 **ITIES AND FOREST PRODUCTS.**

20 Section 1419(d) of the National Agricultural Re-  
21 search, Extension, and Teaching Policy Act of 1977 (7  
22 U.S.C. 3154(d)) is amended by striking “1995” and in-  
23 serting “1997”.

1 **SEC. 519. EXTENSION OF FOOD SCIENCE AND NUTRITION**  
2 **RESEARCH CENTER.**

3 Section 1424(d) of the National Agricultural Re-  
4 search, Extension, and Teaching Policy Act of 1977 (7  
5 U.S.C. 3174(d)) is amended by striking “1995” and in-  
6 serting “1997”.

7 **SEC. 520. EXTENSION OF NUTRITION EDUCATION PRO-**  
8 **GRAM.**

9 Section 1425(e)(3) of the National Agricultural Re-  
10 search, Extension, and Teaching Policy Act of 1977 (7  
11 U.S.C. 3175(e)(3)) is amended by striking “fiscal year  
12 1995” and inserting “each of the fiscal years 1995  
13 through 1997”.

14 **SEC. 521. EXTENSION OF ANIMAL HEALTH SCIENCE RE-**  
15 **SEARCH ADVISORY BOARD.**

16 Section 1432(a) of the National Agricultural Re-  
17 search, Extension, and Teaching Policy Act of 1977 (7  
18 U.S.C. 3194(a)) is amended by striking “1995” and in-  
19 serting “1997”.

20 **SEC. 522. EXTENSION OF ANIMAL HEALTH AND DISEASE**  
21 **RESEARCH PROGRAMS.**

22 Section 1433(a) of the National Agricultural Re-  
23 search, Extension, and Teaching Policy Act of 1977 (7  
24 U.S.C. 3195(a)) is amended by striking “1995” and in-  
25 serting “1997”.

1 **SEC. 523. EXTENSION OF RESEARCH ON NATIONAL OR RE-**  
2 **GIONAL ANIMAL HEALTH OR DISEASE PROB-**  
3 **LEMS.**

4           Section 1434(a) of the National Agricultural Re-  
5 search, Extension, and Teaching Policy Act of 1977 (7  
6 U.S.C. 3196(a)) is amended by striking “1995” and in-  
7 serting “1997”.

8 **SEC. 524. EXTENSION OF RESIDENT INSTRUCTION PRO-**  
9 **GRAM AT 1890 LAND-GRANT COLLEGES.**

10           Section 1446(f) of the National Agricultural Re-  
11 search, Extension, and Teaching Policy Act of 1977 (7  
12 U.S.C. 3222a(f)) is amended by striking “1995” and in-  
13 serting “1997”.

14 **SEC. 525. EXTENSION OF GRANT PROGRAM TO UPGRADE**  
15 **AGRICULTURAL AND FOOD SCIENCES FACILI-**  
16 **TIES AT 1890 LAND-GRANT COLLEGES.**

17           Section 1447(b) of the National Agricultural Re-  
18 search, Extension, and Teaching Policy Act of 1977 (7  
19 U.S.C. 3222b(b)) is amended by striking “1995” and in-  
20 serting “1997”.

21 **SEC. 526. EXTENSION OF NATIONAL RESEARCH AND TRAIN-**  
22 **ING CENTENNIAL CENTERS.**

23           Section 1448 of the National Agricultural Research,  
24 Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
25 3222c) is amended—

1           (1) in subsection (a)(1), by striking “1995” and  
2           inserting “1997”; and

3           (2) in subsection (f), by striking “1995” and  
4           inserting “1997”.

5 **SEC. 527. EXTENSION OF MISCELLANEOUS RESEARCH PRO-**  
6 **GRAMS.**

7           Section 1463 of the National Agricultural Research,  
8           Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
9           3311) is amended by striking “1995” both places it ap-  
10          pears and inserting “1997”.

11 **SEC. 528. EXTENSION OF EXTENSION EDUCATION PRO-**  
12 **GRAM.**

13          Section 1464 of the National Agricultural Research,  
14          Extension, and Teaching Policy Act of 1977 (7 U.S.C.  
15          3312) is amended by striking “fiscal year 1995” and in-  
16          serting “each of the fiscal years 1995 through 1997”.

17 **SEC. 529. EXTENSION OF RESEARCH AND PILOT PROJECT**  
18 **FOR THE DEVELOPMENT OF SUPPLEMENTAL**  
19 **AND ALTERNATIVE CROPS.**

20          Section 1473D(a) of the National Agricultural Re-  
21          search, Extension, and Teaching Policy Act of 1977 (7  
22          U.S.C. 3319d(a)) is amended by striking “1995” and in-  
23          serting “1997”.

1 **SEC. 530. EXTENSION OF AQUACULTURE ASSISTANCE PRO-**  
2 **GRAMS.**

3 (a) AQUACULTURE RESEARCH FACILITIES.—Section  
4 1476(b) of the National Agricultural Research, Extension,  
5 and Teaching Policy Act of 1977 (7 U.S.C. 3323(b)) is  
6 amended by striking “1995” and inserting “1997”.

7 (b) RESEARCH AND EXTENSION.—Section 1477 of  
8 such Act (7 U.S.C. 3324) is amended by striking “1995”  
9 and inserting “1997”.

10 **SEC. 531. EXTENSION OF RANGELAND RESEARCH PRO-**  
11 **GRAM.**

12 (a) ADVISORY BOARD.—Section 1482(a) of the Na-  
13 tional Agricultural Research, Extension, and Teaching  
14 Policy Act of 1977 (7 U.S.C. 3335(a)) is amended by  
15 striking “1995” and inserting “1997”.

16 (b) RESEARCH PROGRAM.—Section 1483(a) of such  
17 Act (7 U.S.C. 3336(a)) is amended by striking “1995”  
18 and inserting “1997”.

19 **SEC. 532. EXTENSION OF DAIRY GOAT RESEARCH PRO-**  
20 **GRAM.**

21 Section 1432(b)(5) of the Agriculture and Food Act  
22 of 1981 (7 U.S.C. 3222 note) is amended by striking  
23 “1995” and inserting “1997”.

1 **SEC. 533. EXTENSION OF CONSTRUCTION PROGRAM FOR**  
2 **FEDERAL AGRICULTURAL RESEARCH FACILI-**  
3 **TIES.**

4 Section 1431 of the Food Security Act of 1985 (Pub-  
5 lic Law 99–198; 99 Stat. 1556) is amended by striking  
6 “1995” both places it appears and inserting “1997”.

7 **SEC. 534. EXTENSION OF THE COMPETITIVE, SPECIAL, AND**  
8 **FACILITIES RESEARCH GRANT ACT.**

9 The Competitive, Special, and Facilities Research  
10 Grant Act (7 U.S.C. 450i) is amended in subsection  
11 (b)(10) by striking “fiscal year 1995” and inserting “each  
12 of the fiscal years 1995 through 1997”.

13 **SEC. 535. EXTENSION OF THE RESEARCH FACILITIES ACT.**

14 Section 4(a) of the Research Facilities Act (7 U.S.C.  
15 390c(a)) is amended by striking “1995” and inserting  
16 “1997”.

17 **SEC. 536. EXTENSION OF CRITICAL AGRICULTURAL MATE-**  
18 **RIALS RESEARCH.**

19 Section 16(a) of the Critical Agricultural Materials  
20 Act (7 U.S.C. 178n(a)) is amended by striking “1995”  
21 and inserting “1997”.

22 **SEC. 537. EXTENSION OF PSEUDORABIES ERADICATION**  
23 **PROGRAM.**

24 Section 2506(d) of the Food, Agriculture, Conserva-  
25 tion, and Trade Act of 1990 (21 U.S.C. 114i(d)) is  
26 amended by striking “1995” and inserting “1997”.

1 **TITLE VI—ISSUANCE OF ORDERS**  
2 **FOR PROMOTION, RESEARCH,**  
3 **AND INFORMATION ACTIVI-**  
4 **TIES REGARDING AGRICUL-**  
5 **TURAL COMMODITIES**

6 **SEC. 601. SHORT TITLE.**

7 This title may be cited as the “Commodity Pro-  
8 motion, Research and Information Act of 1996”.

9 **SEC. 602. FINDINGS AND PURPOSE.**

10 (a) FINDINGS.—Congress finds the following:

11 (1) The production of agricultural commodities  
12 plays a significant role in the economy of the United  
13 States. Thousands of producers in the United States  
14 are involved in the production of agricultural com-  
15 modities, and such commodities are consumed by  
16 millions of people throughout the United States and  
17 foreign countries.

18 (2) Agricultural commodities must be of high  
19 quality, readily available, handled properly, and mar-  
20 keted efficiently to ensure that consumers have an  
21 adequate supply.

22 (3) The maintenance and expansion of existing  
23 markets and the development of new markets for ag-  
24 ricultural commodities through generic promotion,  
25 research, and information programs are vital to the



1 welfare of persons engaged in the production, mar-  
2 keting, and consumption of such commodities, as  
3 well as to the general economy of the United States.

4 (4) Generic promotion, research, and informa-  
5 tion activities for agricultural commodities play a  
6 unique role in advancing the demand for such com-  
7 modities, since such activities increase the total mar-  
8 ket for a product to the benefit of consumers and all  
9 producers. These generic activities complement  
10 branded advertising initiatives, which are aimed at  
11 increasing the market share of individual competi-  
12 tors, and are of particular benefit to small producers  
13 who lack the resources or market power to advertise  
14 on their own. These generic activities do not impede  
15 the branded advertising efforts of individual firms,  
16 but instead increase general market demand for an  
17 agricultural commodity using methods that individ-  
18 ual companies do not have the incentive to employ.

19 (5) Generic promotion, research, and informa-  
20 tion activities for agricultural commodities, paid by  
21 the producers and others in the industry who reap  
22 the benefits of such activities, provide a unique op-  
23 portunity for producers to inform consumers about  
24 a particular agricultural commodity.

1           (6) It is important to ensure that generic pro-  
2           motion, research, and information activities for agri-  
3           cultural commodities be carried out in an effective  
4           and coordinated manner designed to strengthen the  
5           position of the commodities in the marketplace and  
6           to maintain and expand their markets and uses.  
7           Independent evaluation of the effectiveness of the  
8           generic promotion activities of these programs will  
9           assist the Secretary of Agriculture and the Congress  
10          in ensuring that these objectives are met.

11          (7) The cooperative development, financing, and  
12          implementation of a coordinated national program of  
13          research, promotion, and information regarding agri-  
14          cultural commodities are necessary to maintain and  
15          expand existing markets and to develop new markets  
16          for these commodities.

17          (8) Agricultural commodities move in interstate  
18          and foreign commerce, and agricultural commodities  
19          and their products that do not move in such chan-  
20          nels of commerce directly burden or affect interstate  
21          commerce in agricultural commodities and their  
22          products.

23          (b) PURPOSE.—It is the purpose of this title to au-  
24          thorize the establishment, through the exercise by the Sec-  
25          retary of Agriculture of the authority provided in this title,

1 of an orderly program for developing, financing and carry-  
2 ing out an effective, continuous, and coordinated program  
3 of generic promotion, research, and information regarding  
4 agricultural commodities designed to—

5 (1) strengthen the position of agricultural com-  
6 modity industries in the marketplace;

7 (2) maintain and expand existing domestic and  
8 foreign markets and uses for agricultural commod-  
9 ities; and

10 (3) develop new markets and uses for agricul-  
11 tural commodities.

12 (c) **RULE OF CONSTRUCTION.**—This title shall not be  
13 construed to provide for the control of production or other-  
14 wise limit the right of any person to produce, to handle,  
15 or to import an agricultural commodity.

16 **SEC. 603. DEFINITIONS.**

17 In this title:

18 (1) **AGRICULTURAL COMMODITY.**—The term  
19 “agricultural commodity” means—

20 (A) agricultural, horticultural, viticultural,  
21 and dairy products;

22 (B) livestock and the products of livestock;

23 (C) the products of poultry and bee rais-  
24 ing;

25 (D) the products of forestry;

1           (E) other commodities raised or produced  
2           on farms, as determined appropriate by the  
3           Secretary; and

4           (F) products processed or manufactured  
5           from products specified in the preceding sub-  
6           paragraphs, as determined appropriate by the  
7           Secretary.

8           (2) BOARD.—The term “board” means a board  
9           established under an order issued under section 604.

10          (3) CONFLICT OF INTEREST.—The term “con-  
11          flict of interest” means a situation in which a mem-  
12          ber or employee of a board has a direct or indirect  
13          financial interest in a person that performs a service  
14          for, or enters into a contract with, a board for any-  
15          thing of economic value.

16          (4) DEPARTMENT.—The term “Department”  
17          means the Department of Agriculture.

18          (5) FIRST HANDLER.—The term “first han-  
19          dler” means the first person who buys or takes pos-  
20          session of an agricultural commodity from a pro-  
21          ducer for marketing. If a producer markets the agri-  
22          cultural commodity directly to consumers, the pro-  
23          ducer shall be considered to be the first handler with  
24          respect to the agricultural commodity grown by the  
25          producer.

1           (6) HANDLE.—The term “handle” means re-  
2 receipt of a agricultural commodity by a first handler,  
3 including an agricultural commodity produced by a  
4 first handler.

5           (7) IMPORTER.—The term “importer” means  
6 any person who imports an agricultural commodity  
7 from outside of the United States for sale in the  
8 United States as a principal or as an agent, broker,  
9 or consignee or any person.

10          (8) INFORMATION.—The term “information”  
11 means information and programs that are designed  
12 to increase efficiency in processing and the develop-  
13 ment of new markets, marketing strategies, in-  
14 creased marketing efficiency, and activities to en-  
15 hance the image of agricultural commodities on a  
16 national or international basis.

17          (9) MARKET.—The term “market” means to  
18 sell or to otherwise dispose of an agricultural com-  
19 modity in interstate, foreign, or intrastate com-  
20 merce.

21          (10) ORDER.—The term “order” means an  
22 order issued under section 604.

23          (11) PERSON.—The term “person” means any  
24 individual, group of individuals, partnership, cor-

1       poration, association, cooperative, or any other legal  
2       entity.

3               (12) PRODUCER.—The term “producer” means  
4       any person engaged in the production and sale of an  
5       agricultural commodity in the United States and  
6       who owns, or shares the ownership and risk of loss  
7       of, the agricultural commodity.

8               (13) PROMOTION.—The term “promotion”  
9       means any action taken by a board under an order,  
10       including paid advertising, to present a favorable  
11       image of an agricultural commodity to the public to  
12       improve the competitive position of the agricultural  
13       commodity in the marketplace and to stimulate sales  
14       of the agricultural commodity.

15              (14) RESEARCH.—The term “research” means  
16       any type of test, study, or analysis designed to ad-  
17       vance the image, desirability, use, marketability, pro-  
18       duction, product development, or quality of an agri-  
19       cultural commodity.

20              (15) SECRETARY.—The term “Secretary”  
21       means the Secretary of Agriculture.

22              (16) STATE.—The term “State” means any of  
23       the States, the District of Columbia, the Common-  
24       wealth of Puerto Rico, or any territory or possession  
25       of the United States.

1           (17) SUSPEND.—The term “suspend” means to  
2           issue a rule under section 553 of title 5, United  
3           States Code, to temporarily prevent the operation of  
4           an order during a particular period of time specified  
5           in the rule.

6           (18) TERMINATE.—The term “terminate”  
7           means to issue a rule under section 553 of title 5,  
8           United States Code, to cancel permanently the oper-  
9           ation of an order beginning on a date certain speci-  
10          fied in the rule.

11          (19) UNITED STATES.—The term “United  
12          States” means collectively the several States, the  
13          District of Columbia, the Commonwealth of Puerto  
14          Rico and the territories and possessions of the Unit-  
15          ed States.

16 **SEC. 604. ISSUANCE OF ORDERS.**

17          (a) ISSUANCE AUTHORIZED.—

18               (1) IN GENERAL.—To effectuate the purpose of  
19               this title, the Secretary may issue, and amend from  
20               time to time, orders applicable to—

21                       (A) the producers of an agricultural com-  
22                       modity;

23                       (B) the first handlers of the agricultural  
24                       commodity and other persons in the marketing  
25                       chain as appropriate; and

1           (C) the importers of the agricultural com-  
2           modity, if imports of the agricultural commod-  
3           ity are subject to assessment under section  
4           606(f).

5           (2) NATIONAL SCOPE.—Each order issued  
6           under this section shall be national in scope.

7           (b) PROCEDURE FOR ISSUANCE.—

8           (1) RECEIPT OR DEVELOPMENT OF PROPOSED  
9           ORDER.—A proposed order with regard to an agri-  
10          cultural commodity may be—

11           (A) prepared by the Secretary at any time  
12           with respect to the agricultural commodity; or

13           (B) submitted to the Secretary by—

14           (i) an association of producers of the  
15           agricultural commodity; or

16           (ii) any other person that may be af-  
17           fected by the issuance of an order with re-  
18           spect to the agricultural commodity.

19           (2) CONSIDERATION OF PROPOSED ORDER.—If  
20           the Secretary determines that a proposed order is  
21           consistent with and will effectuate the purpose of  
22           this title, the Secretary shall publish the proposed  
23           order in the Federal Register and give due notice  
24           and opportunity for public comment on the proposed  
25           order.



1           (3) EXISTENCE OF OTHER ORDERS.—In decid-  
2           ing whether a proposal for an order is consistent  
3           with and will effectuate the purpose of this title, the  
4           Secretary may consider the existence of other Fed-  
5           eral promotion, research, and information programs  
6           or orders issued or developed pursuant to any other  
7           law.

8           (4) PREPARATION OF FINAL ORDER.—After no-  
9           tice and opportunity for public comment under para-  
10          graph (2) regarding a proposed order, the Secretary  
11          shall take into consideration the comments received  
12          in preparing a final order, the Secretary shall ensure  
13          that the final order is in conformity with the terms,  
14          conditions, and requirements of this title.

15          (c) ISSUANCE AND EFFECTIVE DATE.—If the Sec-  
16          retary determines that the final order developed with re-  
17          gard to an agricultural commodity is consistent with and  
18          will effectuate the purpose of this title, the Secretary shall  
19          issue the final order. Except in the case of an order for  
20          which an initial referendum is conducted under section  
21          611(a), the final order shall be issued and become effective  
22          not later than 270 days after the publication of the pro-  
23          posed order that was the basis for the final order.

1 (d) AMENDMENTS.—From time to time the Secretary  
2 may amend any order, consistent with the requirements  
3 of section 613.

4 **SEC. 605. REQUIRED TERMS IN ORDERS.**

5 (a) IN GENERAL.—Each order shall contain the  
6 terms and conditions specified in this section.

7 (b) BOARD.—

8 (1) ESTABLISHMENT.—Each order shall estab-  
9 lish a board to carry out a program of generic pro-  
10 motion, research, and information regarding the ag-  
11 ricultural commodity covered by the order intended  
12 to effectuate the purpose of this title.

13 (2) BOARD MEMBERSHIP.—

14 (A) NUMBER OF MEMBERS.—Each board  
15 shall consist of the number of members consid-  
16 ered by the Secretary, in consultation with the  
17 agricultural commodity industry involved, to be  
18 appropriate to administer the order. In addition  
19 to members, the Secretary may also provide for  
20 alternates on the board.

21 (B) APPOINTMENT.—The Secretary shall  
22 appoint the members and any alternates of a  
23 board from among producers of the agricultural  
24 commodity and first handlers and others in the  
25 marketing chain as appropriate. If imports of

1 the agricultural commodity covered by an order  
2 are subject to assessment under section 606(f),  
3 the Secretary shall also appoint importers as  
4 members of the board and as alternatives if al-  
5 ternates are included on the board. The Sec-  
6 retary may appoint one or more members of the  
7 general public to each board.

8 (C) NOMINATIONS.—The Secretary may  
9 make appointments from nominations made  
10 pursuant to the method set forth in the order.

11 (D) GEOGRAPHICAL REPRESENTATION.—  
12 To ensure fair and equitable representation of  
13 the agricultural commodity industry covered by  
14 an order, the composition of each board shall  
15 reflect the geographical distribution of the pro-  
16 duction of the agricultural commodity involved  
17 and the quantity or value of the agricultural  
18 commodity imported into the United States.

19 (3) REAPPORTIONMENT OF BOARD MEMBER-  
20 SHIP.—In accordance with rules issued by the Sec-  
21 retary, at least once in each five-year period, but not  
22 more frequently than once in each three-year period,  
23 each board shall—

24 (A) review the geographical distribution of  
25 the production of the agricultural commodity in

1 the United States covered by the order involved  
2 and the quantity or value of the agricultural  
3 commodity imported into the United States;  
4 and

5 (B) if warranted, recommend to the Sec-  
6 retary the reapportionment of the board mem-  
7 bership to reflect changes in the geographical  
8 distribution of the production of the agricul-  
9 tural commodity and the quantity or value of  
10 the imported agricultural commodity.

11 (4) NOTICE.—

12 (A) VACANCIES.—Each order shall provide  
13 for notice of board vacancies to the agricultural  
14 commodity industry involved.

15 (B) MEETINGS.—Each board shall provide  
16 the Secretary with prior notice of meetings of  
17 the board to permit the Secretary, or a des-  
18 ignated representative of the Secretary, to at-  
19 tend the meetings.

20 (5) TERM OF OFFICE.—

21 (A) IN GENERAL.—The members and any  
22 alternates of a board shall serve for a term of  
23 three years, except that the members and any  
24 alternates initially appointed to a board shall

1 serve terms of not more than two, three, and  
2 four years, as specified by the order.

3 (B) LIMITATION ON CONSECUTIVE  
4 TERMS.—A member or alternate may serve not  
5 more than two consecutive terms.

6 (C) CONTINUATION OF TERM.—Notwith-  
7 standing subparagraph (B), each member or al-  
8 ternate shall continue to serve until a successor  
9 is appointed by the Secretary.

10 (D) VACANCIES.—A vacancy arising before  
11 the expiration of a term of office of an incum-  
12 bent member or alternate of a board shall be  
13 filled in a manner provided for in the order.

14 (6) COMPENSATION.—

15 (A) IN GENERAL.—Members and any al-  
16 ternates of a board shall serve without com-  
17 pensation.

18 (B) TRAVEL EXPENSES.—If approved by a  
19 board, members or alternates shall be reim-  
20 bursed for reasonable travel expenses, which  
21 may include a per diem allowance or actual sub-  
22 sistence incurred while away from their homes  
23 or regular places of business in the performance  
24 of services for the board.

1           (c) POWERS AND DUTIES OF A BOARD.—Each order  
2 shall specify the powers and duties of the board estab-  
3 lished under the order, which shall include the power and  
4 duty—

5           (1) to administer the order in accordance with  
6 its terms and conditions and to collect assessments;

7           (2) to develop and recommend to the Secretary  
8 for approval such bylaws as may be necessary for  
9 the functioning of the board and such rules as may  
10 be necessary to administer the order, including ac-  
11 tivities authorized to be carried out under the order;

12           (3) to meet, organize, and select from among  
13 members of the board a chairperson, other officers,  
14 and committees and subcommittees, as the board de-  
15 termines to be appropriate;

16           (4) to employ persons, other than the members,  
17 as the board considers necessary to assist the board  
18 in carrying out its duties, and to determine the com-  
19 pensation and specify the duties of the persons;

20           (5) subject to subsection (e), to develop and  
21 carry out generic promotion, research, and informa-  
22 tion activities relating to the agricultural commodity  
23 covered by the order;

24           (6) to prepare and submit for the approval of  
25 the Secretary, before the beginning of each fiscal

1 year, rates of assessment under section 607 and an  
2 annual budget of the anticipated expenses to be in-  
3 curred in the administration of the order, including  
4 the probable cost of each promotion, research, and  
5 information activity proposed to be developed or car-  
6 ried out by the board;

7 (7) to borrow funds necessary for the start-up  
8 expenses of the order;

9 (8) subject to subsection (f), to enter into con-  
10 tracts or agreements to develop and carry out ge-  
11 neric promotion, research, and information activities  
12 relating to the agricultural commodity covered by  
13 the order;

14 (9) to pay the cost of the activities with assess-  
15 ments collected under section 607, earnings from in-  
16 vested assessments, and other funds;

17 (10) to keep records that accurately reflect the  
18 actions and transactions of the board, to keep and  
19 report minutes of each meeting of the board to the  
20 Secretary, and to furnish the Secretary with any in-  
21 formation or records the Secretary requests;

22 (11) to receive, investigate, and report to the  
23 Secretary complaints of violations of the order; and

1           (12) to recommend to the Secretary such  
2           amendments to the order as the board considers ap-  
3           propriate.

4           (d) PROHIBITED ACTIVITIES.—A board may not en-  
5           gage in, and shall prohibit the employees and agents of  
6           the board from engaging in—

7           (1) any action that would be a conflict of inter-  
8           est;

9           (2) any action undertaken for the purpose of in-  
10          fluencing any legislation or governmental action or  
11          policy other than recommending to the Secretary  
12          amendments to the order; and

13          (3) any advertising, including promotion, re-  
14          search, and information activities authorized to be  
15          carried out under the order, that may be false or  
16          misleading or disparaging to another agricultural  
17          commodity.

18          (e) ACTIVITIES AND BUDGETS.—

19          (1) SUBMISSION TO SECRETARY.—Each order  
20          shall require the board established under the order  
21          to submit to the Secretary for approval plans and  
22          projects for promotion, research, or information re-  
23          lating to the agricultural commodity covered by the  
24          order.



1           (2) BUDGETS.—Each order shall require the  
2 board established under the order to submit to the  
3 Secretary for approval a budget of its anticipated  
4 annual expenses and disbursements to be paid to ad-  
5 minister the order. The budget shall be submitted  
6 before the beginning of a fiscal year and as fre-  
7 quently as may be necessary after the beginning of  
8 the fiscal year. Each order shall also require that the  
9 Secretary be reimbursed for all expenses incurred by  
10 the Secretary in the implementation, administration,  
11 and supervision of the order, including all referenda  
12 costs incurred in connection with the order.

13           (3) INCURRING EXPENSES.—A board may incur  
14 the expenses described in paragraph (2) and other  
15 expenses for the administration, maintenance, and  
16 functioning of the board as authorized by the Sec-  
17 retary.

18           (4) PAYING EXPENSES.—Expenses incurred  
19 under paragraph (3) shall be paid by a board using  
20 assessments collected under section 607, earnings  
21 obtained from assessments, and other income of the  
22 board. Any funds borrowed by the board shall be ex-  
23 pended only for start-up costs and capital outlays.

24           (5) LIMITATION ON SPENDING.—For fiscal  
25 years beginning three or more years after the date

1 of the establishment of a board, the board may not  
2 expend for administration (except for reimburse-  
3 ments to the Secretary required under paragraph  
4 (2)), maintenance, and functioning of the board in  
5 a fiscal year an amount that exceeds 15 percent of  
6 the assessment and other income received by the  
7 board for the fiscal year.

8 (f) CONTRACTS AND AGREEMENTS.—

9 (1) IN GENERAL.—Each order shall provide  
10 that, with the approval of the Secretary, the board  
11 established under the order may—

12 (A) enter into contracts and agreements to  
13 carry out generic promotion, research, and in-  
14 formation activities relating to the agricultural  
15 commodity covered by the order, including con-  
16 tracts and agreements with producer associa-  
17 tions or other entities as considered appropriate  
18 by the Secretary; and

19 (B) may pay the cost of approved generic  
20 promotion, research, and information activities  
21 using assessments collected under section 607,  
22 earnings obtained from assessments, and other  
23 income of the board.

1           (2) REQUIREMENTS.—Each contract or agree-  
2           ment shall provide that any person who enters into  
3           the contract or agreement with the board shall—

4                   (A) develop and submit to the board a pro-  
5                   posed activity together with a budget that speci-  
6                   fies the cost to be incurred to carry out the ac-  
7                   tivity;

8                   (B) keep accurate records of all of its  
9                   transactions relating to the contract or agree-  
10                  ment;

11                  (C) account for funds received and ex-  
12                  pended in connection with the contract or  
13                  agreement;

14                  (D) make periodic reports to the board of  
15                  activities conducted under the contract or  
16                  agreement; and

17                  (E) make such other reports, as the board  
18                  or the Secretary considers relevant.

19           (g) RECORDS OF BOARD.—

20                   (1) IN GENERAL.—Each order shall require the  
21                   board established under the order—

22                           (A) to maintain such records as the Sec-  
23                           retary may require and to make the records  
24                           available to the Secretary for inspection and  
25                           audit;

1 (B) to collect and submit to the Secretary,  
2 at any time the Secretary may specify, any in-  
3 formation the Secretary may request; and

4 (C) to account for the receipt and dis-  
5 bursement of all funds in the possession, or  
6 under the control of, the board.

7 (2) AUDITS.—Each order shall require the  
8 board established under the order to have—

9 (A) its records audited by an independent  
10 auditor at the end of each fiscal year; and

11 (B) a report of the audit submitted di-  
12 rectly to the Secretary.

13 (h) PERIODIC EVALUATION.—Each order shall re-  
14 quire the board established under the order to provide for  
15 the independent evaluation of all generic promotion, re-  
16 search, and information activities undertaken under the  
17 order, at such the intervals as the Secretary shall pre-  
18 scribe. Such evaluations, or summaries thereof, shall be  
19 made available to the public. The costs of preparing and  
20 disseminating the evaluations or summaries shall be paid  
21 from assessments collected under section 607.

22 (i) BOOKS AND RECORDS OF PERSONS COVERED BY  
23 ORDER.—

24 (1) IN GENERAL.—Each order shall require  
25 that producers, first handlers and other persons in

1 the marketing chain as appropriate, and importers  
2 covered by the order shall—

3 (A) maintain records sufficient to ensure  
4 compliance with the order and regulations;

5 (B) submit to the board established under  
6 the order any information required by the board  
7 to carry out its responsibilities under the order;  
8 and

9 (C) make the records available, during nor-  
10 mal business hours, for inspection by employees  
11 or agents of the board or the Department, in-  
12 cluding any records necessary to verify informa-  
13 tion required under subparagraph (A).

14 (2) TIME REQUIREMENT.—Any record required  
15 under paragraph (1) to be maintained shall be main-  
16 tained for such time period as the Secretary may  
17 prescribe.

18 (3) OTHER INFORMATION.—The Secretary may  
19 use, and may authorize the board to use under this  
20 title, information regarding persons subject to an  
21 order that is accumulated by the Department under  
22 any other law.

23 (4) CONFIDENTIALITY OF INFORMATION.—

24 (A) IN GENERAL.—Except as otherwise  
25 provided in this title, all information obtained

1 under paragraph (1) or as part of a referendum  
2 under section 611 shall be kept confidential by  
3 all officers, employees, and agents of the De-  
4 partment and of the board.

5 (B) DISCLOSURE.—Information referred to  
6 in subparagraph (A) may be disclosed only if—

7 (i) the Secretary considers the infor-  
8 mation relevant; and

9 (ii) the information is revealed in a  
10 judicial proceeding or administrative hear-  
11 ing brought at the direction or on the re-  
12 quest of the Secretary or to which the Sec-  
13 retary or any officer of the Department is  
14 a party.

15 (C) OTHER EXCEPTIONS.—This paragraph  
16 shall not be construed to prohibit the issuance  
17 of general statements based upon reports or on  
18 information relating to a number of persons  
19 subject to an order if the statements do not re-  
20 veal the information furnished by the person, or  
21 the publication, by direction of the Secretary, of  
22 the name of any person violating any order and  
23 a statement of the particular provisions of the  
24 order violated by the person.

1 (D) PENALTY.—Any person who willfully  
2 violates the provisions of this subsection shall  
3 be subject, on conviction, to a fine of not more  
4 than \$1,000 or to imprisonment for not more  
5 than 1 year, or both.

6 (5) WITHHOLDING INFORMATION.—This sub-  
7 section shall not be construed to authorize the with-  
8 holding of information from Congress.

9 **SEC. 606. PERMISSIVE TERMS IN ORDERS.**

10 (a) EXEMPTIONS.—An order issued under this title  
11 may contain authority for the Secretary to exempt from  
12 the order any de minimis quantity of an agricultural com-  
13 modity otherwise covered by the order and authority for  
14 the board established under the order to require satisfac-  
15 tory safeguards against improper use of the exemption.

16 (b) DIFFERENT PAYMENT AND REPORTING SCHED-  
17 ULES.—An order issued under this title may contain au-  
18 thority for the board established under the order to des-  
19 ignate different payment and reporting schedules to recog-  
20 nize differences in agricultural commodity industry mar-  
21 keting practices and procedures used in different produc-  
22 tion and importing areas.

23 (c) ACTIVITIES.—An order issued under this title  
24 may contain authority to develop and carry out research,  
25 promotion, and information activities designed to expand,

1 improve, or make more efficient the marketing or use of  
2 the agricultural commodity covered by the order in domes-  
3 tic and foreign markets. Section 605(e) shall apply with  
4 respect to activities authorized under this subsection.

5 (d) RESERVE FUNDS.—An order issued under this  
6 title may contain authority to reserve funds from assess-  
7 ments collected under section 607 to permit an effective  
8 and continuous coordinated program of research, pro-  
9 motion and information in years when the yield from as-  
10 sessments may be reduced, except that the amount of  
11 funds reserved may not exceed the greatest aggregate  
12 amount of the anticipated disbursements specified in  
13 budgets approved under section 605 by the Secretary for  
14 any two fiscal years.

15 (e) CREDITS.—An order issued under this title may  
16 contain authority to provide credits of assessments for  
17 those individuals who contribute to other similar generic  
18 research, promotion and information programs at the  
19 State, regional, or local level.

20 (f) ASSESSMENT OF IMPORTS.—An order issued  
21 under this title may contain authority for the board estab-  
22 lished under the order to assess under section 607 an im-  
23 ported agricultural commodity, or products of such an ag-  
24 ricultural commodity, at a rate comparable to the rate de-



1 terminated by the appropriate board for the domestic agri-  
2 cultural commodity covered by the order.

3 (g) OTHER AUTHORITY.—An order issued under this  
4 title may contain authority to take any other action that—

5 (1) is not inconsistent with the purpose of this  
6 title, any term or condition specified in section 605,  
7 any rule issued to carry out this title; and

8 (2) is necessary to administer the order.

9 **SEC. 607. ASSESSMENTS.**

10 (a) ASSESSMENTS AUTHORIZED.—While an order is-  
11 sued under this title is in effect with respect to a agricul-  
12 tural commodity, assessments shall be—

13 (1) paid with respect to the agricultural com-  
14 modity produced and marketed in the United States;  
15 and

16 (2) paid with respect to the agricultural com-  
17 modity imported into the United States, if the im-  
18 ported agricultural commodity is covered by the  
19 order pursuant to section 606(f).

20 (b) COLLECTION.—Assessments required under an  
21 order shall be remitted to the board established under the  
22 order at the time and in the manner prescribed by the  
23 order.

24 (c) LIMITATION ON ASSESSMENTS.—Not more than  
25 one assessment may be levied under subsection (a) with

1 respect to any agricultural commodity handled or im-  
2 ported.

3 (d) ASSESSMENT RATES.—The board shall rec-  
4 ommend to the Secretary one or more rates of assessment  
5 to be levied under subsection (a). If approved by the Sec-  
6 retary, the rates shall take effect. An order may provide  
7 that an assessment rate may not be increased unless ap-  
8 proved by a referendum conducted pursuant to section  
9 611.

10 (e) LATE-PAYMENT AND INTEREST CHARGES.—

11 (1) IN GENERAL.—Late-payment and interest  
12 charges may be levied on each person subject to an  
13 order who fails to remit an assessment in accordance  
14 with subsection (b).

15 (2) RATE.—The rate for the charges shall be  
16 specified by the Secretary.

17 (f) INVESTMENT OF ASSESSMENTS.—Pending dis-  
18 bursement of assessments under a budget approved by the  
19 Secretary, a board may invest assessments collected under  
20 this section in—

21 (1) obligations of the United States or any  
22 agency thereof;

23 (2) general obligations of any State or any po-  
24 litical subdivision thereof;

1           (3) interest-bearing accounts or certificates of  
2           deposit of financial institutions that are members of  
3           the Federal Reserve system; or

4           (4) obligations fully guaranteed as to principal  
5           and interest by the United States.

6           (g) REFUND OF ASSESSMENTS FROM ESCROW AC-  
7           COUNT.—

8           (1) ESCROW ACCOUNT.—During the period be-  
9           ginning on the effective date of an order and ending  
10          on the date the Secretary announces the results of  
11          a referendum that is conducted under section  
12          611(b)(1) with respect to the order, the board estab-  
13          lished under the order shall—

14                 (A) maintain an escrow account of the  
15                 kind described in subsection (f)(3) to be used to  
16                 refund assessments; and

17                 (B) deposit funds in the account in accord-  
18                 ance with paragraph (2).

19          (2) AMOUNT TO BE DEPOSITED.—The board  
20          shall deposit in the account 10 percent of the assess-  
21          ments collected during the period referred to in  
22          paragraph (1).

23          (3) RIGHT TO RECEIVE REFUND.—Subject to  
24          paragraphs (4), (5), and (6), persons subject to an

1 order shall receive a refund of assessments collected  
2 during the period referred to in paragraph (1) if—

3 (A) the assessments were remitted on be-  
4 half of the person; and

5 (B) the order is not approved in the ref-  
6 erendum.

7 (4) FORM OF DEMAND.—A person subject to an  
8 order shall make the demand for a refund at such  
9 time and in such form as specified by the order.

10 (5) PAYMENT OF REFUND.—A person entitled  
11 to a refund shall be paid promptly after the board  
12 receives satisfactory proof that the assessment for  
13 which the refund is demanded was paid on behalf of  
14 the person who makes the demand.

15 (6) PRORATION.—If the funds in the escrow ac-  
16 count required by paragraph (1) are insufficient to  
17 pay the amount of all refunds that persons subject  
18 to an order otherwise would have a right to receive  
19 under this subsection, the board shall prorate the  
20 amount of the funds among all the persons.

21 (7) CLOSING OF ESCROW ACCOUNT.—If the  
22 order is approved in a referendum conducted under  
23 section 611(b)(1)—

24 (A) the escrow account shall be closed; and

1           (B) the funds shall be available to the  
2           board for disbursement as authorized in the  
3           order.

4 **SEC. 608. PETITION AND REVIEW OF ORDERS.**

5           (a) PETITION.—

6           (1) IN GENERAL.—A person subject to an order  
7           issued under this title may file with the Secretary a  
8           petition—

9           (A) stating that the order, any provision of  
10          the order, or any obligation imposed in connec-  
11          tion with the order, is not established in accord-  
12          ance with law; and

13          (B) requesting a modification of the order  
14          or an exemption from the order.

15          (2) HEARING.—The Secretary shall give the pe-  
16          titioner an opportunity for a hearing on the petition,  
17          in accordance with regulations issued by the Sec-  
18          retary.

19          (3) RULING.—After the hearing, the Secretary  
20          shall make a ruling on the petition. The ruling shall  
21          be final, subject to review as set forth in subsection  
22          (b).

23          (4) LIMITATION ON PETITION.—Any petition  
24          filed under this subsection challenging an order, any  
25          provision of the order, or any obligation imposed in

1 connection therewith, must be filed within two years  
2 of the effective date of the order, provision, or obli-  
3 gation subject to challenge in the petition.

4 (b) REVIEW.—

5 (1) COMMENCEMENT OF ACTION.—The district  
6 court of the United States for any district in which  
7 a person who is a petitioner under subsection (a) re-  
8 sides or carries on business shall have jurisdiction to  
9 review the final ruling on the petition of the person,  
10 if a complaint for that purpose is filed not later than  
11 20 days after the date of the entry of the final rul-  
12 ing by the Secretary under subsection (a)(3).

13 (2) PROCESS.—Service of process in a proceed-  
14 ing may be made on the Secretary by delivering a  
15 copy of the complaint to the Secretary.

16 (3) REMANDS.—If the court determines that  
17 the ruling is not in accordance with law, the court  
18 shall remand the matter to the Secretary with direc-  
19 tions—

20 (A) to make such ruling as the court deter-  
21 mines to be in accordance with law; or

22 (B) to take such further action as, in the  
23 opinion of the court, the law requires.

24 (c) EFFECT ON ENFORCEMENT PROCEEDINGS.—The  
25 pendency of a petition filed under subsection (a) or an

1 action commenced under subsection (b) shall not operate  
2 as a stay of any action authorized by section 609 to be  
3 taken to enforce this title, including any rule, order, or  
4 penalty in effect under this title.

5 **SEC. 609. ENFORCEMENT.**

6 (a) JURISDICTION.—The district courts of the United  
7 States shall have jurisdiction specifically to enforce, and  
8 to prevent and restrain a person from violating, an order  
9 or regulation issued under this title.

10 (b) REFERRAL TO ATTORNEY GENERAL.—A civil ac-  
11 tion authorized to be brought under this section shall be  
12 referred to the Attorney General for appropriate action,  
13 except that the Secretary is not required to refer to the  
14 Attorney General a violation of this title if the Secretary  
15 believes that the administration and enforcement of this  
16 title would be adequately served by providing a suitable  
17 written notice or warning to the person who committed  
18 the violation or by an administrative action under this sec-  
19 tion.

20 (c) CIVIL PENALTIES AND ORDERS.—

21 (1) CIVIL PENALTIES.—A person who willfully  
22 violates an order or regulation issued by the Sec-  
23 retary under this Act may be assessed by the Sec-  
24 retary a civil penalty of not less than \$1,000 and not  
25 more than \$10,000 for each violation.

1           (2) SEPARATE OFFENSE.—Each violation and  
2 each day during which there is a failure to comply  
3 with an order or regulation issued by the Secretary  
4 shall be considered to be a separate offense.

5           (3) CEASE-AND-DESIST ORDERS.—In addition  
6 to, or in lieu of, a civil penalty, the Secretary may  
7 issue an order requiring a person to cease and desist  
8 from violating the order or regulation.

9           (4) NOTICE AND HEARING.—No order assessing  
10 a penalty or cease-and-desist order may be issued by  
11 the Secretary under this subsection unless the Sec-  
12 retary provides notice and an opportunity for a hear-  
13 ing on the record with respect to the violation.

14           (5) FINALITY.—An order assessing a penalty or  
15 a cease-and-desist order issued under this subsection  
16 by the Secretary shall be final and conclusive unless  
17 the person against whom the order is issued files an  
18 appeal from the order with the United States court  
19 of appeals, as provided in subsection (d).

20 (d) REVIEW BY COURT OF APPEALS.—

21           (1) IN GENERAL.—A person against whom an  
22 order is issued under subsection (c) may obtain re-  
23 view of the order by—



1 (A) filing, not later than 30 days after the  
2 person receives notice of the order, a notice of  
3 appeal in—

4 (i) the United States court of appeals  
5 for the circuit in which the person resides  
6 or carries on business; or

7 (ii) the United States Court of Ap-  
8 peals for the District of Columbia Circuit,  
9 and

10 (B) simultaneously sending a copy of the  
11 notice of appeal by certified mail to the Sec-  
12 retary.

13 (2) RECORD.—The Secretary shall file with the  
14 court a certified copy of the record on which the  
15 Secretary has determined that the person has com-  
16 mitted a violation.

17 (3) STANDARD OF REVIEW.—A finding of the  
18 Secretary under this section shall be set aside only  
19 if the finding is found to be unsupported by substan-  
20 tial evidence on the record.

21 (e) FAILURE TO OBEY ORDERS.—A person who fails  
22 to obey a valid cease-and-desist order issued by the Sec-  
23 retary under this section, after an opportunity for a hear-  
24 ing, shall be subject to a civil penalty assessed by the Sec-  
25 retary of not less than \$1,000 and not more than \$10,000

1 for each offense. Each day during which the failure contin-  
2 ues shall be considered to be a separate violation of the  
3 order.

4 (f) FAILURE TO PAY PENALTIES.—If a person fails  
5 to pay a civil penalty imposed under this section by the  
6 Secretary, the Secretary shall refer the matter to the At-  
7 torney General for recovery of the amount assessed in the  
8 district court of the United States for any district in which  
9 the person resides or carries on business. In the action,  
10 the validity and appropriateness of the order imposing the  
11 civil penalty shall not be subject to review.

12 (g) ADDITIONAL REMEDIES.—The remedies provided  
13 in this section shall be in addition to, and not exclusive  
14 of, other remedies that may be available.

15 **SEC. 610. INVESTIGATIONS AND POWER TO SUBPOENA.**

16 (a) INVESTIGATIONS.—The Secretary may make such  
17 investigations as the Secretary considers necessary—

18 (1) for the effective administration of this title;

19 or

20 (2) to determine whether any person subject to  
21 this title has engaged, or is about engage, in any ac-  
22 tion that constitutes or will constitute a violation of  
23 this title or any order or regulation issued under this  
24 title.

1           (b) SUBPOENAS, OATHS, AND AFFIRMATIONS.—For  
2 the purpose of any investigation under subsection (a), the  
3 Secretary may administer oaths and affirmations, sub-  
4 poena witnesses, compel the attendance of witnesses, take  
5 evidence, and require the production of any records or doc-  
6 uments that are relevant to the inquiry. The attendance  
7 of witnesses and the production of records or documents  
8 may be required from any place in the United States.

9           (c) AID OF COURTS.—In the case of contumacy by,  
10 or refusal to obey a subpoena issued to, any person, the  
11 Secretary may invoke the aid of any court of the United  
12 States within the jurisdiction of which the investigation  
13 or proceeding is carried on, or where the person resides  
14 or carries on business, in order to require the attendance  
15 and testimony of the person or the production of records  
16 or documents. The court may issue an order requiring the  
17 person to appear before the Secretary to produce records  
18 or documents or to give testimony regarding the matter  
19 under investigation.

20           (d) CONTEMPT.—Any failure to obey the order of the  
21 court may be punished by the court as a contempt of the  
22 court.

23           (e) PROCESS.—Process in any case under this section  
24 may be served in the judicial district in which the person

1 resides or carries on business or wherever the person may  
2 be found.

3 **SEC. 611. REFERENDA.**

4 (a) INITIAL REFERENDUM.—

5 (1) OPTIONAL REFERENDUM.—For the purpose  
6 of ascertaining whether the persons to be covered by  
7 an order favor the order going into effect, the order  
8 may provide for the Secretary to conduct an initial  
9 referendum among those persons to be subject to an  
10 assessment under section 607 who, during a rep-  
11 resentative period determined by the Secretary, en-  
12 gaged in—

13 (A) the production or handling of the agri-  
14 cultural commodity covered by the order; or

15 (B) the importation of the agricultural  
16 commodity.

17 (2) PROCEDURE.—The results of the referen-  
18 dum shall be determined in accordance with sub-  
19 section (c). The Secretary may require that the agri-  
20 cultural commodity industry involved post a bond or  
21 other collateral to cover the cost of the referendum.

22 (b) REQUIRED REFERENDA.—

23 (1) IN GENERAL.—For the purpose of  
24 ascertaining whether the persons covered by an  
25 order favor the continuation, suspension, or termi-

1 nation of the order, the Secretary shall conduct a  
2 referendum among persons subject to such assess-  
3 ments who, during a representative period deter-  
4 mined by the Secretary, have engaged in—

5 (A) the production or handling of the agri-  
6 cultural commodity covered by the order; or

7 (B) the importation of the agricultural  
8 commodity.

9 (2) TIME FOR REFERENDUM.—The referendum  
10 shall be conducted not later than 36 months after  
11 assessments first begin under the order.

12 (3) EXCEPTION.—This subsection shall not  
13 apply if an initial referendum was conducted under  
14 subsection (a).

15 (c) SUBSEQUENT REFERENDA.—The Secretary shall  
16 conduct a subsequent referendum not later than 7 years  
17 after assessments first begin under the order, or at the  
18 request of the board established under the order, or at  
19 the request of 10 percent or more of the number of per-  
20 sons eligible to vote under subsection (b)(1), to determine  
21 if the persons favor the continuation, suspension or termi-  
22 nation of the order.

23 (d) OTHER REFERENDA.—The Secretary may con-  
24 duct a referendum at any time in order to determine  
25 whether the continuance, suspension, or termination of the

1 order or a provision thereof is favored by persons eligible  
2 to vote under subsection (b)(1).

3 (e) APPROVAL OF ORDER.—An order may provide for  
4 its approval in a referendum—

5 (1) by a majority of those persons voting;

6 (2) by persons voting who represent a majority  
7 of the volume of the agricultural commodity; or

8 (3) by a majority of those persons voting who  
9 represent a majority of the volume of the agricul-  
10 tural commodity.

11 (f) COSTS OF REFERENDA.—The board established  
12 under an order with respect to which a referendum is con-  
13 ducted under this section shall reimburse the Secretary  
14 for any expenses incurred by the Secretary to conduct the  
15 referendum.

16 (g) MANNER OF CONDUCTING REFERENDA.—

17 (1) IN GENERAL.—A referendum conducted  
18 under this section shall be conducted in the manner  
19 determined by the Secretary to be appropriate.

20 (2) ADVANCE REGISTRATION.—If the Secretary  
21 determines that an advance registration of eligible  
22 voters in a referendum is necessary before the voting  
23 period in order to facilitate the conduct of the ref-  
24 erendum, the Secretary may institute the advance  
25 registration procedures by mail, or in person

1 through the use of national and local offices of the  
2 Department.

3 (3) VOTING.—Eligible voters may vote by mail  
4 ballot in the referendum or in person if so prescribed  
5 by the Secretary.

6 (4) NOTICE.—Not later than 30 days before a  
7 referendum is conducted under this section with re-  
8 spect to an order, the Secretary shall notify the agri-  
9 cultural commodity industry involved, in such man-  
10 ner as determined by the Secretary, of the period  
11 during which voting in the referendum will occur.  
12 Such notice shall explain any registration and voting  
13 procedures established under this subsection.

14 **SEC. 612. SUSPENSION OR TERMINATION.**

15 (a) MANDATORY SUSPENSION OR TERMINATION.—  
16 The Secretary shall suspend or terminate an order or a  
17 provision of an order whenever the Secretary finds that  
18 an order or a provision of an order obstructs or does not  
19 tend to effectuate the purpose of this title, or whenever  
20 the Secretary determines that the order or a provision of  
21 an order is not favored by those voting in referenda con-  
22 ducted under section 611.

23 (b) SUSPENSION OR TERMINATION.—If, as a result  
24 of referenda conducted under section 611, the Secretary

1 determines that an order is not approved, the Secretary  
2 shall—

3           (1) not later than 180 days after making the  
4 determination, suspend or terminate, as the case  
5 may be, collection of assessments under the order;  
6 and

7           (2) as soon as practicable, suspend or termi-  
8 nate, as the case may be, activities under the order  
9 in an orderly manner.

10 **SEC. 613. AMENDMENTS TO ORDERS.**

11       The provisions of this title applicable to an order shall  
12 be applicable to amendments to an order, except that the  
13 provisions of section 611 shall not apply to amendments.

14 **SEC. 614. EFFECT ON OTHER LAWS.**

15       This title shall not be construed to affect or preempt  
16 any other Federal or State law authorizing promotion or  
17 research relating to an agricultural commodity.

18 **SEC. 615. REGULATIONS.**

19       The Secretary may issue the regulations as may be  
20 necessary to carry out the provisions of this title and the  
21 power vested in the Secretary under this title.

22 **SEC. 616. AUTHORIZATION OF APPROPRIATIONS.**

23       (a) IN GENERAL.—There are authorized to be appro-  
24 priated such sums as may be necessary to carry out this  
25 title.



1 (b) LIMITATION ON EXPENDITURES FOR ADMINIS-  
2 TRATIVE EXPENSES.—Funds appropriated to carry out  
3 this title may not be expended for the payment of expenses  
4 incurred by a board to administer an order.

5 **TITLE VII—MISCELLANEOUS**  
6 **PROVISIONS**

7 **Subtitle A—General Conservation**  
8 **Provisions**

9 **SEC. 701. CLARIFICATION OF EFFECT OF RESOURCE PLAN-**  
10 **NING ON ALLOCATION OR USE OF WATER.**

11 (a) NATIONAL FOREST SYSTEM RESOURCE PLAN-  
12 NING.—Section 6 of the Forest and Rangeland Renewable  
13 Resources Planning Act of 1974 (16 U.S.C. 1604) is  
14 amended by adding at the end the following new sub-  
15 section:

16 “(n) LIMITATION ON AUTHORITY.—Nothing in this  
17 section shall be construed to supersede, abrogate or other-  
18 wise impair any right or authority of a State to allocate  
19 quantities of water (including boundary waters). Nothing  
20 in this section shall be implemented, enforced, or con-  
21 strued to allow any officer or agency of the United States  
22 to utilize directly or indirectly the authorities established  
23 under this section to impose any requirement not imposed  
24 by the State which would supersede, abrogate, or other-  
25 wise impair rights to the use of water resources allocated

1 under State law, interstate water compact, or Supreme  
2 Court decree, or held by the United States for use by a  
3 State, its political subdivisions, or its citizens. No water  
4 rights arise in the United States or any other person  
5 under the provisions of this Act.”.

6 (b) AUTHORIZATION TO GRANT RIGHTS-OF-WAY.—  
7 Section 501 of the Federal Land Policy and Management  
8 Act of 1976 (43 U.S.C. 1761) is amended as it applies  
9 to the Secretary of Agriculture—

10 (1) in subsection (c)(1)—

11 (A) by striking subparagraph (B);

12 (B) in subparagraph (D), by striking  
13 “originally constructed”;

14 (C) in subparagraph (G), by striking  
15 “1996” and inserting “1998”; and

16 (D) by redesignating subparagraphs (C)  
17 through (G) as subparagraphs (B) through (F),  
18 respectively;

19 (2) in subsection (c)(3)(A), by striking the sec-  
20 ond and third sentences; and

21 (3) by adding at the end the following new sub-  
22 section:

23 “(e) EFFECT ON VALID EXISTING RIGHTS.—Not-  
24 withstanding any provision of this section, the Secretary  
25 of Agriculture may not require, as a condition of, or in

1 connection with, the renewal of a right-of-way under this  
2 section, a restriction or limitation on the operation, use,  
3 repair, or replacement of an existing water supply facility  
4 which is located on or above National Forest lands or the  
5 exercise and use of existing water rights, if such condition  
6 would reduce the quantity of water which would otherwise  
7 be made available for use by the owner of such facility  
8 or water rights, or cause an increase in the cost of the  
9 water supply provided from such facility.”.

10 **SEC. 702. PAYMENT OF FILING FEES BY UNITED STATES IN**  
11 **CONNECTION WITH WATER RIGHTS ADJU-**  
12 **DICATIONS.**

13 (a) PAYMENT OF FILING FEES.—Subsection (a) of  
14 section 208 of the Act of July 10, 1952 (43 U.S.C. 666;  
15 commonly referred to as the “McCarran Amendment”),  
16 is amended in the second sentence by striking “and (2)  
17 shall” and inserting “(2) pay any filing fee that is assessed  
18 against the United States as a claimant in a water rights  
19 adjudication, is generally applicable to all such claimants,  
20 and is used to pay administrative and judicial expenses  
21 attributable to water rights adjudications, and (3)”.

22 (b) APPLICATION OF AMENDMENT.—The amend-  
23 ments made by subsection (a) shall apply to any suit for  
24 the adjudication of water rights under State law pending

1 on the date of the enactment of this Act or commenced  
2 after such date.

3 **SEC. 703. PROVISION OF TECHNICAL ASSISTANCE TO**  
4 **STATE FORESTERS.**

5 Effective September 30, 1996, section 5 of the Coop-  
6 erative Forestry Assistance Act of 1978 (16 U.S.C.  
7 2103a) is amended—

8 (1) by striking subsections (b) and (h); and

9 (2) by redesignating subsections (c), (d), (e),  
10 (f), and (g) as subsections (b), (c), (d), (e), and (f),  
11 respectively.

12 **SEC. 704. REPEAL OF STATE TECHNICAL COMMITTEES.**

13 (a) REPEAL.—Subtitle G of title XII of the Food Se-  
14 curity Act of 1985 (16 U.S.C. 3861 and 3862) is repealed.

15 (b) CONFORMING AMENDMENT.—Section 1628 of the  
16 Food, Agriculture, Conservation, and Trade Act of 1990  
17 (7 U.S.C. 5831) is amended by striking “, subtitle G of  
18 title XIV” both places it appears.

19 **SEC. 705. REPEAL OF COMPOSTING RESEARCH AND EXTEN-**  
20 **SION PROGRAM.**

21 Section 1456 of the Food, Agriculture, Conservation,  
22 and Trade Act of 1990 (7 U.S.C. 3130) is repealed.

1 **SEC. 706. REPEAL OF FARMS FOR THE FUTURE ACT OF**  
2 **1990.**

3 The Farms for the Future Act of 1990 (chapter 2  
4 of subtitle E of title XIV of Public Law 101–624; 7 U.S.C.  
5 4201 note) is repealed.

6 **SEC. 707. ADMINISTRATION OF ENVIRONMENTAL PRO-**  
7 **GRAMS.**

8 (a) REPEAL.—Subtitle F of the Food, Agriculture,  
9 Conservation, and Trade Act of 1990 (7 U.S.C. 5401–  
10 5403) is repealed.

11 (b) CONFORMING AMENDMENTS.—Such Act is fur-  
12 ther amended—

13 (1) in section 1482(d) (7 U.S.C. 5502(d)), by  
14 striking “in conjunction with the report required  
15 under section 1473(e). The report” and inserting “,  
16 which”; and

17 (2) in section 1499(a) (7 U.S.C. 5506(a)), by  
18 striking the last sentence.

19 **SEC. 708. PRIVATE GRAZING LANDS CONSERVATION AS-**  
20 **SISTANCE.**

21 (a) ASSISTANCE AUTHORIZED.—The Secretary of  
22 Agriculture shall establish a program to provide technical,  
23 educational, and related assistance to owners of private  
24 grazing land, managers of private grazing land, and local  
25 conservation districts managing private grazing land, to  
26 assist such owners and managers to voluntarily conserve

1 or enhance private grazing land. Assistance shall be pro-  
2 vided only at the request of the owner or manager of the  
3 private grazing land.

4 (b) PERSONNEL.—The Secretary shall make avail-  
5 able sufficient personnel of the Natural Resources Con-  
6 servation Service to deliver and coordinate the provision  
7 of assistance under this section to owners and managers  
8 of private grazing lands. Such personnel shall be trained  
9 in pasture and range management.

10 (c) BUDGET PROPOSAL.—The budget of the Presi-  
11 dent for a fiscal year submitted to Congress under section  
12 1105 of title 31, United States Code, shall specify, as part  
13 of the budget of the Department of Agriculture and the  
14 Natural Resources Conservation Service, the amount re-  
15 quested for that fiscal year to carry out this section.

16 (d) PRIVATE GRAZING LAND DEFINED.—For the  
17 purpose of this section, the term “private grazing lands”  
18 means privately owned, State owned, tribal, and non-fed-  
19 erally owned rangelands, pasturelands, grazed forestlands,  
20 and haylands.

21 (e) AUTHORIZATION OF APPROPRIATIONS.—There  
22 are authorized to be appropriated to carry out this section  
23 \$20,000,000 for fiscal year 1996, \$40,000,000 for fiscal  
24 year 1997, and \$60,000,000 for each fiscal year there-  
25 after.

## **Subtitle B—Inspection**

### **SEC. 721. FEDERAL AND STATE COOPERATION UNDER FEDERAL MEAT INSPECTION ACT.**

(a) REMOVAL OF INTRASTATE DISTRIBUTION LIMITATION.—Subsection (a)(1) of section 301 of the Federal Meat Inspection Act (21 U.S.C. 661) is amended by striking “solely for distribution within such State” at the end of paragraph (1).

(b) USE OF STATE INSPECTORS.—Subsection (a) of such section is amended by adding at the end the following new paragraph:

“(5) In addition to appointing inspectors under section 21, the Secretary may enter into agreements to utilize officers and employees of a State or the District of Columbia to conduct such examinations, investigations, and inspections authorized under this Act as the Secretary determines practicable.”.

(c) TERMINATION OF DESIGNATION OF STATE AS SUBJECT TO FEDERAL INSPECTION FOR INTRASTATE DISTRIBUTION.—Subsection (c)(3) of such section is amended by striking “, with respect to the operations and transactions within such State which are regulated under subparagraph (1), he” and inserting “with respect to all establishments within its jurisdiction which do not operate under Federal inspection under title I and at which any

1 cattle, sheep, swine, goats, or equines are slaughtered for  
2 use as human food (or their carcasses or parts or products  
3 thereof are prepared for use as human food), and with  
4 respect to the distribution of carcasses, parts thereof,  
5 meat, or meat food products of such animals within the  
6 States, the Secretary”.

7 (d) EXPANSION OF STATE INSPECTION AUTHOR-  
8 ITY.—Such section is further amended—

9 (1) by redesignating subsection (d) as sub-  
10 section (e); and

11 (2) by inserting after subsection (c) the follow-  
12 ing new subsection:

13 “(d)(1) Except as provided in paragraph (2), car-  
14 casses, parts of carcasses, meat, and meat food products  
15 of cattle, sheep, swine, goats, or equines prepared under  
16 State inspection in any State (other than a State des-  
17 igned under subsection (c)) in compliance with the meat  
18 inspection law of the State shall be eligible for sale or  
19 transportation in interstate commerce, and for entry into  
20 and use in the preparation of products in establishments  
21 at which Federal inspection is maintained under title I,  
22 in the same manner and to the same extent as products  
23 prepared at such establishments.



1       “(2) State inspected articles described in paragraph  
2 (1), and federally inspected articles prepared (in whole or  
3 in part) from such State inspected articles—

4           “(A) shall not be eligible for sale or transpor-  
5 tation in foreign commerce; and

6           “(B) shall be separated at all times from all  
7 other federally inspected articles in any federally in-  
8 spected establishment that engages in the prepara-  
9 tion, sale, or transportation of carcasses, parts of  
10 carcasses, meat, or meat food products, for foreign  
11 commerce.

12       “(3) All carcasses, parts of carcasses, meat, and meat  
13 food products that are inspected in a program of inspec-  
14 tion in a State (other than a State designated under sub-  
15 section (c)) pursuant to State law shall be identified as  
16 so inspected only by official marks that identify the State  
17 and are such design as the State shall prescribe. Federally  
18 inspected articles prepared (in whole or in part) from such  
19 State inspected articles shall be identified as so inspected  
20 only by the same official marks as prescribed by the Sec-  
21 retary for articles slaughtered or prepared under title I.

22       “(4) Except as provided in paragraph (5), the opera-  
23 tor of an establishment operated under Federal or State  
24 inspection who wishes to transfer to State or Federal in-

1 spection, as the case may be, may do so only on October  
2 1 of any year. Such transfer shall occur only if—

3 “(A) the operator provides written notice of the  
4 intention to transfer to both inspection agencies at  
5 least six months in advance of that date; and

6 “(B) the Secretary determines that the transfer  
7 will effectuate the purposes set forth in section 2  
8 and will not adversely affect the stability of the total  
9 State and Federal inspection systems.

10 “(5) The Secretary may permit the operator of an  
11 establishment to transfer from State to Federal inspection  
12 at any time if the operator presents clear and convincing  
13 evidence to the Secretary that the establishment intends  
14 to, and will be able to, engage in foreign commerce to a  
15 substantial extent in a manner which would require Fed-  
16 eral inspection.

17 “(6) For purposes of this subsection, the term ‘inter-  
18 state commerce’ means commerce between States or be-  
19 tween a State and the District of Columbia.”.

20 (e) PROHIBITION ON ADDITIONAL OR DIFFERENT  
21 STATE REQUIREMENTS.—Section 408 of such Act (21  
22 U.S.C. 678) is amended to read as follows:

23 **“SEC. 408. PREEMPTION.**

24 “(a) PREMISES, FACILITIES AND OPERATIONS.—Re-  
25 quirements within the scope of this Act with respect to

1 premises, facilities and operations of any establishment at  
2 which inspection is provided under title I, which are in  
3 addition to, or different than those made under this Act  
4 may not be imposed by any State or Territory or the Dis-  
5 trict of Columbia. However, any such jurisdiction may im-  
6 pose recordkeeping and other requirements within the  
7 scope of section 202, if consistent with such section, with  
8 respect to any such establishment.

9       “(b) MARKING, LABELING, PACKAGING, AND INGRE-  
10 DIENTS.—(1) Except as provided in paragraph (2), mark-  
11 ing, labeling, packaging, or ingredient requirements in ad-  
12 dition to (or different than) those made under this Act  
13 may not be imposed by any State or Territory or the Dis-  
14 trict of Columbia with respect to articles prepared at any  
15 establishment under Federal inspection in accordance with  
16 the requirements of title I or with respect to articles pre-  
17 pared for commerce at any State inspected establishment  
18 in accordance with the requirements of section 301(d).

19       “(2) A State or territory or the District of Columbia  
20 may, consistent with the requirements under this Act, ex-  
21 ercise concurrent jurisdiction with the Secretary over arti-  
22 cles distributed in commerce or otherwise subject to this  
23 Act, for the purpose of preventing the distribution for  
24 human food purposes of any such articles which are not  
25 in compliance with the requirements under this Act and

1 are outside of any federally or State inspected establish-  
2 ment, or in the case of imported articles, which are not  
3 at such an establishment, after their entry into the United  
4 States.

5 “(c) OTHER MATTERS.—This Act shall not preclude  
6 any State or Territory or the District of Columbia from  
7 imposing a requirement or taking other action, consistent  
8 with this Act, with respect to any other matters regulated  
9 under this Act.”.

10 **SEC. 722. FEDERAL AND STATE COOPERATION UNDER THE**  
11 **POULTRY PRODUCTS INSPECTION ACT.**

12 (a) REMOVAL OF INTRASTATE DISTRIBUTION LIM-  
13 ITATION.—Subsection (a)(1) of section 5 of the Poultry  
14 Products Inspection Act (21 U.S.C. 454) is amended by  
15 striking “solely for distribution within such State” at the  
16 end of paragraph (1).

17 (b) USE OF STATE INSPECTORS.—Subsection (a) of  
18 such section is amended by adding at the end the following  
19 new paragraph:

20 “(5) The Secretary may enter into agreements  
21 to utilize officers and employees of a State or the  
22 District of Columbia to conduct such examinations,  
23 investigations, and inspections authorized under this  
24 Act as the Secretary determines practicable.”.

1           (c) TERMINATION OF DESIGNATION OF STATE AS  
2 SUBJECT TO FEDERAL INSPECTION FOR INTRASTATE  
3 DISTRIBUTION.—Subsection (c)(3) of such section is  
4 amended by striking “, with respect to the operations and  
5 transactions within such State which are regulated under  
6 subparagraph (1) of this paragraph (c), he” and inserting  
7 “with respect to all establishments within its jurisdiction  
8 which do not operate under Federal inspection under this  
9 Act and at which any poultry are slaughtered, or any poul-  
10 try products are processed, for use as human food, and  
11 with respect to the distribution of poultry products within  
12 the States, the Secretary”.

13           (d) EXPANSION OF STATE INSPECTION AUTHOR-  
14 ITY.—Such section is further amended—

15                 (1) by redesignating subsection (d) as sub-  
16                 section (e); and

17                 (2) by inserting after subsection (c) the follow-  
18                 ing new subsection:

19           “(d)(1) Except as provided in paragraph (2), poultry  
20 products processed under State inspection in any State  
21 (other than a State designated under subsection (c)) in  
22 compliance with the poultry products inspection law of the  
23 State shall be eligible for sale or transportation in inter-  
24 state commerce, and for entry into and use in the prepara-  
25 tion of products in establishments at which Federal in-

1 spection is maintained under this Act, in the same manner  
2 and to the same extent as poultry products processed at  
3 such establishments. Poultry products complying with the  
4 requirements of the poultry product inspection laws of the  
5 State (other than a State designated under subsection (c))  
6 in which the products were processed shall be considered  
7 as complying with this Act.

8 “(2) State inspected poultry products described in  
9 paragraph (1), and federally inspected poultry products  
10 processed (in whole or in part) from such State inspected  
11 poultry products—

12 “(A) shall not be eligible for sale or transpor-  
13 tation in foreign commerce; and

14 “(B) shall be separated at all times from all  
15 other federally inspected poultry products in any  
16 federally inspected establishment that engages in the  
17 processing, sale, or transportation of poultry prod-  
18 ucts for foreign commerce.

19 “(3) All poultry products that are inspected in a pro-  
20 gram of inspection in a State (other than a State des-  
21 ignated under subsection (c)) pursuant to State law shall  
22 be identified as so inspected only by official marks that  
23 identify the State and are such design as the State shall  
24 prescribe. Federally inspected poultry products processed  
25 (in whole or in part) from such State inspected poultry

1 products shall be identified as so inspected only by the  
2 same official marks as prescribed by the Secretary for  
3 poultry products processed under this Act (other than this  
4 section or section 11).

5 “(4) Except as provided in paragraph (5), the opera-  
6 tor of an establishment operated under Federal or State  
7 inspection who wishes to transfer to State or Federal in-  
8 spection, as the case may be, may do so only on October  
9 1 of any year. Such transfer shall occur only if—

10 “(A) the operator provides written notice of the  
11 intention to transfer to both inspection agencies at  
12 least six months in advance of that date; and

13 “(B) the Secretary determines that the transfer  
14 will effectuate the legislative policy set forth in sec-  
15 tion 3 and will not adversely affect the stability of  
16 the total State and Federal inspection systems.

17 “(5) The Secretary may permit the operator of an  
18 establishment to transfer from State to Federal inspection  
19 at any time if the operator presents clear and convincing  
20 evidence to the Secretary that the establishment intends  
21 to, and will be able to, engage in foreign commerce to a  
22 substantial extent in a manner which would require Fed-  
23 eral inspection.

1           “(6) For purposes of this subsection, the term ‘inter-  
2 state commerce’ means commerce between States or be-  
3 tween a State and the District of Columbia.”.

4           (e) PROHIBITION ON ADDITIONAL OR DIFFERENT  
5 STATE REQUIREMENTS.—Section 23 of such Act (21  
6 U.S.C. 467e) is amended to read as follows:

7           **“SEC. 23. PREEMPTION.**

8           “(a) PREMISES, FACILITIES AND OPERATIONS.—Re-  
9 quirements within the scope of this Act with respect to  
10 premises, facilities and operations of any official establish-  
11 ment, which are in addition to, or different than those  
12 made under this Act may not be imposed by any State  
13 or territory or the District of Columbia. However, any  
14 such jurisdiction may impose recordkeeping and other re-  
15 quirements within the scope of section 11(b), if consistent  
16 with such section, with respect to any such establishment.

17           “(b) MARKING, LABELING, PACKAGING, AND INGRE-  
18 DIENTS.—(1) Except as provided in paragraph (2), mark-  
19 ing, labeling, packaging, or ingredient requirements in ad-  
20 dition to (or different than) those made under this Act  
21 may not be imposed by any State or territory or the Dis-  
22 trict of Columbia with respect to articles prepared at any  
23 establishment under Federal inspection in accordance with  
24 the requirements of this Act or with respect to articles  
25 prepared for commerce at any State inspected establish-



1 ment in accordance with the requirements of section 5(d).  
2 Further storage or handling requirements found by the  
3 Secretary to unduly interfere with the free flow of poultry  
4 products in commerce shall not be imposed by any State  
5 or territory or the District of Columbia.

6 “(2) A State or territory or the District of Columbia  
7 may, consistent with the requirements of this Act, exercise  
8 concurrent jurisdiction with the Secretary over articles  
9 distributed in commerce or otherwise subject to this Act,  
10 for the purpose of preventing the distribution for human  
11 food purposes of any such articles which are not in compli-  
12 ance with the requirements of this Act and are outside  
13 of any federally or State inspected establishment, or in  
14 the case of imported articles, which are not at such an  
15 establishment, after their entry into the United States.

16 “(c) OTHER MATTERS.—This Act shall not preclude  
17 any State or territory or the District of Columbia from  
18 making requirements or taking other action, consistent  
19 with this Act, with respect to any other matters regulated  
20 under this Act.”.

21 **SEC. 723. ESTABLISHMENT OF SAFE MEAT AND POULTRY**

22 **INSPECTION PANEL.**

23 (a) ESTABLISHMENT OF PANEL.—The Federal Meat  
24 Inspection Act (21 U.S.C. 601 et seq.) is amended by add-  
25 ing at the end the following new section:

1 **“SEC. 411. SAFE MEAT AND POULTRY INSPECTION PANEL.**

2       “(a) ESTABLISHMENT.—There is hereby established  
3 in the Department of Agriculture a permanent advisory  
4 panel to be known as the ‘Safe Meat and Poultry Inspec-  
5 tion Panel’.

6       “(b) PURPOSE.—The Safe Meat and Poultry Inspec-  
7 tion Panel shall review, evaluate, and make comments and  
8 recommendations in the form of a report to the Secretary  
9 on the adequacy, necessity, safety, cost-effectiveness, and  
10 scientific merit of the following:

11           “(1) Inspection procedures of, and work rules  
12 and worker relations involving Federal employees  
13 employed in, plants inspected under this Act.

14           “(2) Informal petitions or proposals for changes  
15 in inspection procedures, processes, and techniques  
16 of plants inspected under this Act.

17           “(3) Formal changes in meat inspection regula-  
18 tions, either in notice, proposed, or final form, pro-  
19 mulgated by virtue of authority granted by this Act  
20 and within the time limits prescribed for formal  
21 comments on such changes.

22           “(4) Such other matters as may be referred to  
23 the panel by the Secretary regarding the quality or  
24 effectiveness of a safe and cost-effective meat inspec-  
25 tion system under this Act.

1           “(c) COMPOSITION OF PANEL.—The Safe Meat and  
2 Poultry Inspection Panel shall be composed of 7 members,  
3 not less than 5 of which members shall be from the food,  
4 meat, and poultry science profession, appointed to stag-  
5 gered terms not to exceed three years by the Secretary  
6 from nominations received from the National Institutes of  
7 Health and the American Meat Science Association and  
8 based upon the professional qualifications of the nominees.

9           “(d) NOMINATIONS.—In constituting the original  
10 Safe Meat and Poultry Inspection Panel, the Secretary  
11 shall initially solicit 6 nominees from the National Insti-  
12 tutes of Health and 6 nominees from the American Meat  
13 Science Association for membership on the panel. Any  
14 subsequent vacancy on the panel shall be filled by the Sec-  
15 retary after soliciting 2 nominees from the National Insti-  
16 tutes of Health and 2 nominees from the American Meat  
17 Science Association. Nominees shall have a background in  
18 public health issues and a scientific expertise in food,  
19 meat, and poultry sciences or in veterinary science. The  
20 Secretary may require nominees to submit such additional  
21 information as the Secretary may deem necessary prior  
22 to completing the selection process. Should any list of  
23 nominees provided under this subsection be unsatisfactory,  
24 the Secretary may request an additional set of nominees  
25 from the nominating entities.

1       “(e) COMPENSATION.—Each member of the panel  
2 shall receive per diem compensation at a rate not in excess  
3 of that fixed for GS–18 of the General Schedule as may  
4 be determined by the Secretary, except that any such  
5 member who holds another office or position under the  
6 Federal Government the compensation of which exceeds  
7 such rate may elect to receive compensation at the rate  
8 provided for such other office or position in lieu of the  
9 compensation provided by this subsection.

10       “(f) CONFLICT OF INTEREST.—The Secretary shall  
11 promulgate regulations regarding conflicts of interest with  
12 respect to the members of the panel.

13       “(g) PUBLICATION IN FEDERAL REGISTER.—Any re-  
14 port of the panel to the Secretary shall be published in  
15 the Federal Register.

16       “(h) SECRETARIAL RESPONSE.—Within 90 days of  
17 the publication of a panel report under this section, the  
18 Secretary shall publish in the Federal Register any re-  
19 sponse required of the Secretary to that report.

20       “(i) FUNDING.—From funds available to the Sec-  
21 retary, the Secretary shall allocate such sums as may be  
22 necessary to carry out this section.”.

23       (b) CROSS REFERENCE IN POULTRY PRODUCTS IN-  
24 SPECTION ACT.—The Poultry Products Inspection Act

1 (21 U.S.C. 451 et seq.) is amended by adding at the end  
2 thereof the following new section:

3 **“SEC. 30. SAFE MEAT AND POULTRY INSPECTION PANEL.**

4 “The advisory panel known as the ‘Safe Meat and  
5 Poultry Inspection Panel’ established in section 411 of the  
6 Federal Meat Inspection Act shall also review, evaluate  
7 and make comments and recommendations in the form of  
8 a report to the Secretary on the adequacy, necessity, safe-  
9 ty, cost-effectiveness, and scientific merit of the following:

10 (1) Inspection procedures of, and work rules  
11 and worker relations involving Federal employees  
12 employed in, plants inspected under this Act.

13 (2) Informal petitions or proposals for changes  
14 in inspection procedures, processes, or techniques of  
15 plants inspected under this Act.

16 (3) Formal changes in poultry inspection regu-  
17 lations, either in notice, proposed, or final form, pro-  
18 mulgated by virtue of authority granted by this Act  
19 and within the time limits prescribed for formal  
20 comments on such changes.

21 (4) Such other matters as may be referred to  
22 the panel by the Secretary regarding the quality or  
23 effectiveness of a safe and cost-effective poultry in-  
24 spection system under this Act.”.

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