

107TH CONGRESS
1ST SESSION

S. 1571

To provide for the continuation of agricultural programs through fiscal year
2006.

IN THE SENATE OF THE UNITED STATES

OCTOBER 18, 2001

Mr. LUGAR introduced the following bill; which was read twice and referred
to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To provide for the continuation of agricultural programs
through fiscal year 2006.

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 “Farm and Ranch Equity Act of 2001”.

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

Sec. 1. Short title; table of contents.

TITLE I—COMMODITY PROGRAMS

Sec. 101. Short title.

Sec. 102. Purposes.

Subtitle A—Farm Financial Protection

- Sec. 111. Definitions.
- Sec. 112. Risk management contract.
- Sec. 113. Whole farm revenue insurance.
- Sec. 114. Risk management stabilization accounts.
- Sec. 115. Risk management options available in marketplace.
- Sec. 116. Conforming amendments.

Subtitle B—Phase Out of Commodity Programs

- Sec. 121. Prohibition on agricultural price support and production adjustment.
- Sec. 122. Agricultural Market Transition Act.
- Sec. 123. Agricultural Adjustment Act of 1938.
- Sec. 124. Commodity Credit Corporation Charter Act.
- Sec. 125. Agricultural Act of 1949.
- Sec. 126. Agricultural Adjustment Act.
- Sec. 127. Agricultural Act of 1970.
- Sec. 128. General commodity provisions.
- Sec. 129. Specific commodity provisions.
- Sec. 130. Effect of amendments.
- Sec. 131. Crop.

TITLE II—CONSERVATION

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- Sec. 202. Conservation reserve program.
- Sec. 203. Wetlands reserve program.
- Sec. 204. Farmland and grassland protection program.
- Sec. 205. Wildlife Habitat Incentive Program.

Subtitle B—Miscellaneous Reforms and Extensions

- Sec. 211. Privacy of personal information relating to natural resources conservation programs.
- Sec. 212. Reform and consolidation of conservation programs.
- Sec. 213. Certification of private providers of technical assistance.
- Sec. 214. National environmental benefits index.
- Sec. 215. Extension of conservation authorities.
- Sec. 216. Technical amendments.
- Sec. 217. Effect of amendments.

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- Sec. 301. Levels of assistance.
- Sec. 302. Food Aid Consultative Group.
- Sec. 303. Assistance for stockpiling and rapid transportation, delivery, and distribution of shelf-stable prepackaged foods.
- Sec. 304. Prepositioning.
- Sec. 305. Expiration date.
- Sec. 306. Micronutrient fortification pilot program.
- Sec. 307. Farmer-to-farmer program.
- Sec. 308. Bill Emerson Humanitarian Trust.

Subtitle B—Agricultural Trade Act of 1978

- Sec. 321. Export credit guarantee program.
- Sec. 322. Market access program.
- Sec. 323. Export enhancement program.
- Sec. 324. Foreign market development cooperator program.
- Sec. 325. Food for progress.
- Sec. 326. Exporter assistance initiative.

Subtitle C—Miscellaneous Agricultural Trade Provisions

- Sec. 331. Emerging markets.
- Sec. 332. Sense of the Senate concerning unilateral sanctions.
- Sec. 333. Biotechnology and agricultural trade program.
- Sec. 334. Dairy export incentive program.

TITLE IV—NUTRITION PROGRAMS

- Sec. 401. Short title.

Subtitle A—Food Stamp Program

- Sec. 411. Categorical eligibility for recipients of cash assistance.
- Sec. 412. Disregarding of infrequent and unanticipated income.
- Sec. 413. Simplified treatment of individuals complying with child support orders.
- Sec. 414. Coordinated and simplified definition of income.
- Sec. 415. Exclusion of interest and dividend income.
- Sec. 416. Alignment of standard deduction with poverty line.
- Sec. 417. Simplified dependent care deduction.
- Sec. 418. Alternative procedures to assist elderly and disabled persons.
- Sec. 419. Simplified determination of housing costs.
- Sec. 420. Simplified determination of utility costs.
- Sec. 421. Simplified determination of earned income.
- Sec. 422. Simplified determination of deductions.
- Sec. 423. Simplified resource eligibility limit.
- Sec. 424. Exclusion of licensed vehicles from financial resources.
- Sec. 425. Exclusion of retirement accounts from financial resources.
- Sec. 426. Coordinated and simplified definition of resources.
- Sec. 427. Alternative issuance systems in disasters.
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- Sec. 626. Water and waste facility grants for Native American tribes.
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- Sec. 628. Rural cooperative development grants.
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- Sec. 641. Alternative Agricultural Research and Commercialization Corporation.
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- Sec. 701. Definitions.
- Sec. 702. National Agricultural Research, Extension, Education, and Economics Advisory Board.
- Sec. 703. Grants and fellowships for food and agricultural sciences education.
- Sec. 704. Policy research centers.
- Sec. 705. Nutrition education program.
- Sec. 706. Animal health and disease research programs.
- Sec. 707. Education grants programs for Hispanic-serving institutions.
- Sec. 708. Competitive grants for international agricultural science and education programs.
- Sec. 709. Indirect costs.
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- Sec. 713. Special authorization for biosecurity planning and response.
- Sec. 714. Availability of competitive grant funds.
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- Sec. 717. Aquaculture.
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Subtitle B—Food, Agriculture, Conservation, and Trade Act of 1990

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- Sec. 760. Grants to upgrade agricultural and food sciences facilities at 1890 land-grant colleges, including Tuskegee University.
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- Sec. 1001. Agriculture Infrastructure Security Fund.
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- Sec. 1011. Outreach and assistance for socially disadvantaged farmers and ranchers.

1 **TITLE I—COMMODITY** 2 **PROGRAMS**

3 **SEC. 101. SHORT TITLE.**

4 This title may be cited as the “Farm Financial Pro-
 5 tection Act”.

6 **SEC. 102. PURPOSES.**

7 The purposes of this title are—

- 8 (1) to encourage producers to select strategies
 9 for managing risk in the farming or ranching oper-
 10 ation of the producer by providing financial assist-
 11 ance that can be applied to the risk management
 12 strategy that the producer believes best addresses
 13 the unique financial, business, and agricultural con-
 14 ditions of the farm or ranch of the producer; and
 15 (2) to provide new programs that—

1 (A) allow producers to address the risk
2 management strategies that best suit the farm-
3 ing or ranching operation of the producer; and

4 (B) do not distort commercial markets and
5 are consistent with international obligations of
6 the United States.

7 **Subtitle A—Farm Financial** 8 **Protection**

9 **SEC. 111. DEFINITIONS.**

10 In this subtitle:

11 (1) **ADJUSTED GROSS REVENUE.**—The term
12 “adjusted gross revenue” means the adjusted gross
13 income for all agricultural enterprises of a producer
14 in an applicable year, excluding revenue earned from
15 nonagricultural sources, as determined by the
16 Secretary—

17 (A) by taking into account gross receipts
18 from the sale of crops and livestock on all agri-
19 cultural enterprises of the producer, including
20 insurance indemnities resulting from losses in
21 the agricultural enterprises;

22 (B) by including all farm payments paid by
23 the Secretary for all agricultural enterprises of
24 the producer, including—

1 (i) a voucher received under section
2 112; and

3 (ii) any marketing loan gains de-
4 scribed in section 1001(3)(A) of the Food
5 Security Act of 1985 (7 U.S.C.
6 1308(3)(A));

7 (C) by deducting the cost or basis of live-
8 stock or other items purchased for resale, such
9 as feeder livestock, on all agricultural enter-
10 prises of the producer; and

11 (D) as represented on—

12 (i) a schedule F of the Federal income
13 tax returns of the producer; or

14 (ii) a comparable tax form related to
15 the agricultural enterprises of the pro-
16 ducer, as approved by the Secretary.

17 (2) AGRICULTURAL COMMODITY.—The term
18 “agricultural commodity” means any agricultural
19 commodity, food, feed, fiber, or livestock.

20 (3) AGRICULTURAL ENTERPRISE.—The term
21 “agricultural enterprise” means the production and
22 marketing of all agricultural commodities (including
23 livestock but excluding tobacco) on a farm or ranch.

24 (4) APPLICABLE YEAR.—The term “applicable
25 year” means the year during which the producer

1 elects to receive a voucher under a risk management
2 contract.

3 (5) AVERAGE ADJUSTED GROSS REVENUE.—

4 The term “average adjusted gross revenue” means—

5 (A) the average of the adjusted gross rev-
6 enue of a producer for each of the preceding 5
7 taxable years; or

8 (B) in the case of a beginning farmer or
9 rancher or other producer that does not have
10 adjusted gross revenue for each of the pre-
11 ceding 5 taxable years, the estimated income of
12 the producer that will be earned from all agri-
13 cultural enterprises for the applicable year, as
14 determined by the Secretary.

15 (6) PRODUCER.—The term “producer” means
16 an individual or entity, as determined by the Sec-
17 retary for an applicable year, that—

18 (A) shares in the risk of producing, or pro-
19 vides a material contribution in producing, an
20 agricultural commodity for the applicable year;

21 (B) has a substantial beneficial interest in
22 the agricultural enterprise in which the agricul-
23 tural commodity is produced;

24 (C)(i) during each of the preceding 5 tax-
25 able years, has filed—

1 (I) a schedule F of the Federal in-
2 come tax returns; or

3 (II) a comparable tax form related to
4 the agricultural enterprises of the indi-
5 vidual or entity, as approved by the Sec-
6 retary; or

7 (ii) is a beginning farmer or rancher or
8 other producer that does not have adjusted
9 gross revenue for each of the preceding 5 tax-
10 able years, as determined by the Secretary; and

11 (D)(i) has earned at least \$20,000 in aver-
12 age adjusted gross revenue for each of the pre-
13 ceding 5 taxable years;

14 (ii) is a limited resource farmer or rancher,
15 as determined by the Secretary; or

16 (iii) in the case of a beginning farmer or
17 rancher or other producer that does not have
18 adjusted gross revenue for each of the pre-
19 ceding 5 taxable years, has at least \$20,000 in
20 estimated income from all agricultural enter-
21 prises for the applicable year, as determined by
22 the Secretary.

23 (7) RISK MANAGEMENT CONTRACT.—The term
24 “risk management contract” means a contract en-

1 tered into under section 112 annually for each appli-
2 cable year.

3 (8) SECRETARY.—The term “Secretary” means
4 the Secretary of Agriculture.

5 **SEC. 112. RISK MANAGEMENT CONTRACT.**

6 (a) OFFER.—The Secretary shall offer to enter into
7 a risk management contract annually for each of the 2003
8 through 2006 crops with each producer that is engaged
9 in the production of an agricultural commodity for an ap-
10 plicable year.

11 (b) VOUCHER.—

12 (1) IN GENERAL.—Under a risk management
13 contract, the Secretary shall pay to a producer a
14 voucher that is equivalent in value to the average
15 adjusted gross revenue of the producer.

16 (2) PAYMENT RATE.—The payment rate for a
17 voucher each year shall be equal to the total of—

18 (A) 6 percent for the amount of the aver-
19 age adjusted gross revenue of a producer that
20 is less than \$250,000;

21 (B) 4 percent for the amount of the aver-
22 age adjusted gross revenue of a producer that
23 is \$250,000 or more but less than \$500,000;

24 (C) 1 percent for the amount of the aver-
25 age adjusted gross revenue of a producer that

1 is \$500,000 or more but less than \$1,000,000;
2 and

3 (D) 0 percent for the amount of the aver-
4 age adjusted gross revenue of a producer that
5 is \$1,000,000 or more.

6 (c) ELIGIBILITY.—

7 (1) IN GENERAL.—An individual or entity may
8 not receive directly or indirectly a voucher that is
9 equal in value to more than \$30,000 in a year.

10 (2) INELIGIBLE ENTITIES.—An entity shall be
11 ineligible to receive a voucher under this section if
12 the entity is—

13 (A) an agency of the Federal Government,
14 a State, or a political subdivision of a State;

15 (B) an entity that has shares traded on a
16 public stock exchange; or

17 (C) another entity, as determined by the
18 Secretary.

19 (3) VERIFICATION.—The Secretary shall deter-
20 mine which individuals or entities are eligible for a
21 voucher under this section by using social security
22 numbers or taxpayer identification numbers, respec-
23 tively.

24 (d) TERMS.—

1 (1) IN GENERAL.—In exchange for a voucher
2 under a risk management contract, a producer
3 shall—

4 (A) purchase whole farm revenue insurance
5 coverage under section 525 of the Federal Crop
6 Insurance Act (as added by section 113(a)) that
7 provides a revenue guarantee of at least 80 per-
8 cent of the average adjusted gross revenue of
9 the producer at a payment rate of 100 percent;

10 (B) contribute an amount that is at least
11 equal to the amount of the voucher to an Ac-
12 count established under section 114; or

13 (C) redeem the voucher for a cash payment
14 and use the payment to carry out 1 or more
15 risk management strategies for the farm under
16 section 115 that are sufficient to guarantee a
17 net income from all agricultural enterprises of
18 the producer for the applicable year that is at
19 least 80 percent of the average adjusted gross
20 revenue of the producer.

21 (2) CONSERVATION COMPLIANCE.—In addition
22 to implementing 1 of the risk management strategies
23 under paragraph (1), a producer shall agree, in ex-
24 change for a voucher, to—

1 (A) comply with applicable highly erodible
2 land conservation requirements under subtitle B
3 of title XII of the Food Security Act of 1985
4 (16 U.S.C. 3811 et seq.); and

5 (B) comply with applicable wetland con-
6 servation requirements under subtitle C of title
7 XII of that Act (16 U.S.C. 3821 et seq.).

8 (3) EXCESS VOUCHER AMOUNTS.—

9 (A) WHOLE FARM REVENUE INSURANCE
10 COVERAGE.—If a producer elects to use a
11 voucher to purchase whole farm revenue insur-
12 ance coverage under section 525 of the Federal
13 Crop Insurance Act (as added by section
14 113(a)) and the amount of the voucher exceeds
15 the premium for the coverage, the producer
16 may only deposit the amount of the voucher
17 that exceeds the premium into an Account in
18 accordance with section 114.

19 (B) RISK MANAGEMENT OPTIONS.—If a
20 producer elects to use a voucher to carry out 1
21 or more risk management strategies under sec-
22 tion 115 and the amount of the voucher exceeds
23 the amount necessary to carry out the strate-
24 gies, the producer may only deposit the amount
25 of the voucher that exceeds the amount nec-

1 essary to carry out the strategies into an Ac-
2 count in accordance with section 114.

3 (4) TENANTS AND SHARECROPPERS.—In car-
4 rying out this subtitle, the Secretary shall provide
5 adequate safeguards to protect the interests of ten-
6 ants and sharecroppers.

7 (e) ADMINISTRATION.—

8 (1) APPLICATION.—A producer that elects to
9 enter into a risk management contract for an appli-
10 cable year shall submit an application to the Sec-
11 retary prior to the beginning of the calendar year in
12 which the voucher would be paid.

13 (2) PAYMENT OF VOUCHER.—The Secretary
14 shall make available to the producer the full amount
15 of the voucher required to be paid for the applicable
16 year not earlier than October 1 of the applicable
17 year.

18 (3) INTERNET.—The Secretary shall facilitate
19 the contract process required under this section, to
20 the maximum extent practicable, by using the Inter-
21 net.

22 (4) COMPLIANCE.—The Secretary shall perform
23 random audits of producers that enter into risk
24 management contracts to ensure that the producers
25 comply with the risk management contracts.

1 (5) VIOLATIONS.—If a producer has accepted a
 2 risk management payment for an applicable year
 3 and the producer fails to comply with subsection (d)
 4 with respect to the applicable year, the producer—

5 (A) shall refund to the Secretary an
 6 amount equal to the amount of the voucher;
 7 and

8 (B) may be determined to be ineligible to
 9 receive a voucher under this subtitle for a pe-
 10 riod of not to exceed 5 years, as determined by
 11 the Secretary.

12 (f) SHARING OF BENEFITS.—The Secretary shall
 13 provide for the sharing of benefits under this subtitle
 14 among all producers on a farm on a fair and equitable
 15 basis.

16 (g) COMMODITY CREDIT CORPORATION.—The Sec-
 17 retary shall use the funds, facilities, and authorities of the
 18 Commodity Credit Corporation to carry out this section.

19 **SEC. 113. WHOLE FARM REVENUE INSURANCE.**

20 (a) IN GENERAL.—The Federal Crop Insurance Act
 21 (7 U.S.C. 1501 et. seq.) is amended by adding at the end
 22 the following:

23 **“SEC. 525. WHOLE FARM REVENUE INSURANCE.**

24 “(a) DEFINITIONS.—In this section:

1 “(1) ADJUSTED GROSS REVENUE.—The term
2 ‘adjusted gross revenue’ means the adjusted gross
3 income for all agricultural enterprises of a producer,
4 excluding revenue earned from nonagricultural
5 sources, as determined by the Secretary—

6 “(A) by taking into account gross receipts
7 from the sale of all crops and livestock on all
8 agricultural enterprises of the producer, includ-
9 ing insurance indemnities resulting from losses
10 in the agricultural enterprises;

11 “(B) by deducting the cost or basis of live-
12 stock or other items purchased for resale, such
13 as feeder livestock, on all agricultural enter-
14 prises of the producer; and

15 “(C) as represented on—

16 “(i) a schedule F of the Federal in-
17 come tax returns; or

18 “(ii) a comparable tax form related to
19 the agricultural enterprises of the pro-
20 ducer, as approved by the Secretary.

21 “(2) AGRICULTURAL COMMODITY.—The term
22 ‘agricultural commodity’ means any agricultural
23 commodity, livestock (as defined in section
24 523(b)(1)), food, feed, or fiber.

1 “(3) AGRICULTURAL ENTERPRISE.—The term
2 ‘agricultural enterprise’ means the production and
3 marketing of all agricultural commodities (including
4 livestock) on a farm or ranch.

5 “(4) AVERAGE ADJUSTED GROSS REVENUE.—
6 The term ‘average adjusted gross revenue’ means—

7 “(A) the average adjusted gross revenue of
8 a producer for the preceding 5 taxable years; or

9 “(B) in the case of a beginning farmer or
10 rancher or other producer that does not have
11 adjusted gross revenue for each of the pre-
12 ceding 5 taxable years, the estimated income of
13 the producer that will be earned from all agri-
14 cultural enterprises for the applicable year, as
15 determined by the Secretary.

16 “(b) REVENUE INSURANCE.—If a producer elects to
17 use a voucher in accordance with section 112(d)(1)(A) of
18 the Farm and Ranch Equity Act of 2001, the producer
19 may use the voucher to obtain insurance that provides a
20 revenue guarantee for all agricultural enterprises of the
21 producer.

22 “(c) REVENUE GUARANTEE.—The amount of the
23 revenue guarantee for a policy of revenue insurance under
24 this section for the agricultural enterprises of a producer
25 shall be equal to the product obtained by multiplying—

1 “(1) the coverage level; by

2 “(2) the average adjusted gross revenue of the
3 producer.

4 “(d) COVERAGE LEVEL.—The coverage level for
5 whole farm revenue insurance under this section shall be
6 80 percent of the average adjusted gross revenue of a pro-
7 ducer.

8 “(e) PURCHASE OF MULTIPERIL OR REVENUE COV-
9 ERAGES.—A producer that purchases coverage under this
10 section shall not be required to purchase other policies of
11 multiperil or revenue coverage under this title.

12 “(f) ADMINISTRATION.—In providing a policy of
13 whole farm revenue insurance to a producer under this
14 section, the Secretary shall—

15 “(1) offer the policy through a reinsurance
16 agreement with a private insurance company;

17 “(2) ensure that the policy is actuarially sound;

18 “(3) require the producer to pay administrative
19 fees and premiums for the policy in accordance with
20 subsections (c)(10) and (d), respectively, of section
21 508; and

22 “(4) pay a portion of the premium for the pol-
23 icy in an amount that does not exceed the amount
24 authorized under section 508(e)(2)(F).

1 “(g) DELIVERY REQUIRED.—Notwithstanding any
 2 other provision of law, each insurance company that is re-
 3 insured under the Standard Reinsurance Agreement shall
 4 offer a whole farm revenue insurance policy described in
 5 this section.

6 “(h) REINSURANCE YEARS.—This section shall apply
 7 to each of the 2003 through 2006 reinsurance years.”.

8 (b) CONFORMING AMENDMENT.—Section
 9 508(e)(2)(F) of the Federal Crop Insurance Act (7 U.S.C.
 10 1508(e)(2)(F)) is amended by inserting “(including whole
 11 farm revenue insurance)” after “not based on individual
 12 yield”.

13 **SEC. 114. RISK MANAGEMENT STABILIZATION ACCOUNTS.**

14 (a) DEFINITION OF ACCOUNT.—In this section, the
 15 term “Account” means a Risk Management Stabilization
 16 Account that is established in the name of a participating
 17 producer in a bank or financial institution that is selected
 18 by the producer and approved by the Secretary, consisting
 19 of—

- 20 (1) contributions of the producer; and
 21 (2) matching contributions of the Secretary.

22 (b) ESTABLISHMENT.—If a producer elects to use a
 23 voucher in accordance with section 112(d)(1)(B), the pro-
 24 ducer shall establish an Account under which—

1 (1) the producer shall provide monetary con-
2 tributions to the Account;

3 (2) the Secretary shall provide matching con-
4 tributions to the Account; and

5 (3) the producer may withdraw accumulated
6 funds from the Account.

7 (c) DEPOSITS.—

8 (1) PRODUCER CONTRIBUTION.—A producer
9 shall deposit an amount that is at least equal to the
10 amount of the voucher determined under section
11 112(b).

12 (2) MATCHING CONTRIBUTION.—

13 (A) IN GENERAL.—Subject to subpara-
14 graph (C), the Secretary shall provide a match-
15 ing contribution that is equal to the amount de-
16 posited by the producer into the Account.

17 (B) VALUE.—Before a voucher is depos-
18 ited into an Account under subparagraph (A),
19 the voucher shall have no value during the ap-
20 plicable year.

21 (C) CONTRIBUTIONS EXCEEDING VOUCH-
22 ER.—The amount of any producer contributions
23 into the Account that exceed the amount of the
24 voucher shall not be eligible for matching con-
25 tributions.

1 (3) INTEREST.—Funds deposited into the Ac-
2 count may earn interest at the commercial rates pro-
3 vided by the bank or financial institution in which
4 the Account is established.

5 (d) MAXIMUM ACCOUNT BALANCE.—The balance of
6 an Account of a producer may not exceed 150 percent of
7 the average adjusted gross revenue of the producer.

8 (e) USE.—Funds credited to the Account—

9 (1) shall be available for withdrawal by a pro-
10 ducer, in accordance with subsection (f); and

11 (2) may be used for purposes determined by the
12 producer.

13 (f) WITHDRAWAL.—

14 (1) IN GENERAL.—Subject to paragraphs (2)
15 and (3), a producer may withdraw funds from the
16 Account if the estimated net income for an applica-
17 ble year from the agricultural enterprises of the pro-
18 ducer is less than the average adjusted gross rev-
19 enue of the producer.

20 (2) AMOUNT.—The amount of a withdrawal by
21 a producer from an Account may not exceed the dif-
22 ference between (as determined by the Secretary)—

23 (A) the average adjusted gross revenue of
24 the producer; and

1 (B) the estimated net income for the agri-
 2 cultural enterprises of the producer for the year
 3 for which a withdrawal occurs.

4 (3) RETIREMENT.—A producer that ceases to
 5 be actively engaged in farming, as determined by the
 6 Secretary—

7 (A) may withdraw the full balance from,
 8 and close, the Account; and

9 (B) may not establish another Account.

10 (g) ADMINISTRATION.—The Secretary shall admin-
 11 ister this section through the Farm Service Agency and
 12 local and county offices of the Department of Agriculture.

13 (h) COMMODITY CREDIT CORPORATION.—The Sec-
 14 retary shall use the funds, facilities, and authorities of the
 15 Commodity Credit Corporation to carry out this section.

16 **SEC. 115. RISK MANAGEMENT OPTIONS AVAILABLE IN MAR-**
 17 **KETPLACE.**

18 (a) DEFINITION OF REGULATED EXCHANGE.—The
 19 term “regulated exchange” means a board of trade (as
 20 defined in section 1a of the Commodity Exchange Act (7
 21 U.S.C. 1a)) that is designated as a contract market under
 22 section 2(a)(1)(C) of that Act (7 U.S.C. 2a(a)(1)(C)).

23 (b) FARM PRICE PROTECTION.—If a producer elects
 24 to use a voucher in accordance with section 112(d)(1)(C),
 25 the producer shall redeem the voucher for a cash payment

1 and use the payment to carry out 1 or more risk manage-
2 ment strategies for the farm described in subsection (c)
3 during the applicable year that are sufficient to guarantee
4 a net income from all agricultural enterprises of the pro-
5 ducer for the applicable year that is at least 80 percent
6 of the average adjusted gross revenue of the producer.

7 (c) RISK MANAGEMENT STRATEGIES.—A producer
8 may use a cash payment obtained under subsection (b)
9 to purchase—

10 (1) crop or revenue insurance available under
11 the Federal Crop Insurance Act (7 U.S.C. 1501 et
12 seq.) (other than whole farm revenue insurance
13 under section 525 of that Act) or private insurance
14 (such as hail coverage);

15 (2) a future or option on a regulated exchange,
16 as determined by the Secretary;

17 (3) an agricultural trade option, purchased
18 other than on a regulated exchange, for an agricul-
19 tural commodity produced by the producer that is—

20 (A) an equity option (as defined in section
21 1256(g) of the Internal Revenue Code of 1986);

22 or

23 (B) a hedging transaction (as defined in
24 section 1256(e)(2) of that Code);

25 (4) a cash forward or other marketing contract;

1 (5) a trust that is authorized by Federal law for
2 eligible farming businesses that may be established
3 to accept tax deductible contributions; or

4 (6) other type of farm price protection that is
5 available in the private sector and approved by the
6 Secretary.

7 **SEC. 116. CONFORMING AMENDMENTS.**

8 Section 506(m) of the Federal Crop Insurance Act
9 (7 U.S.C. 1506(m)) is amended—

10 (1) in paragraph (1), by striking “participation
11 in the multiple peril crop insurance program” and
12 inserting “a covered person to participate in the
13 multiple peril crop insurance program (including
14 whole farm revenue insurance under section 525) or
15 entering into a risk management contract under sec-
16 tion 112 of the Farm Financial Protection Act”;

17 (2) by striking “policyholder” each place it ap-
18 pears and inserting “covered person”; and

19 (3) in paragraph (2), by striking “POLICY-
20 HOLDERS” and inserting “COVERED PERSONS”.

1 **Subtitle B—Phase Out of**
2 **Commodity Programs**

3 **SEC. 121. PROHIBITION ON AGRICULTURAL PRICE SUP-**
4 **PORT AND PRODUCTION ADJUSTMENT.**

5 (a) **IN GENERAL.**—Notwithstanding any other provi-
6 sion of law, except as otherwise provided in this subtitle
7 and effective beginning with the 2003 crop or the 2003
8 marketing, reinsurance, fiscal, or calendar year (as appli-
9 cable) for each agricultural commodity, the Secretary of
10 Agriculture and the Commodity Credit Corporation may
11 not provide loans, purchases, payments, or other oper-
12 ations or take any other action to support the price, or
13 adjust or control the production, of an agricultural com-
14 modity by using the funds, facilities, and authorities of
15 the Commodity Credit Corporation or under the authority
16 of any law.

17 (b) **EXCEPTIONS.**—Subsection (a) shall not apply
18 to—

19 (1) any activities under the Agricultural Adjust-
20 ment Act (7 U.S.C. 601 et seq.), reenacted with
21 amendments by the Agricultural Marketing Act of
22 1937;

23 (2) section 32 of the Act of August 24, 1935
24 (7 U.S.C. 612c; 49 Stat. 774, chapter 641);

1 (3) part I of subtitle B of title III of the Agri-
2 cultural Adjustment Act of 1938 (7 U.S.C. 1311 et
3 seq.); and

4 (4) sections 106, 106A, and 106B of the Agri-
5 cultural Act of 1949 (7 U.S.C. 1445, 1445–1, 1445–
6 2).

7 **SEC. 122. AGRICULTURAL MARKET TRANSITION ACT.**

8 (a) REPEALS.—

9 (1) 2003 AND SUBSEQUENT CROPS.—Effective
10 beginning with the 2003 crop, the Agricultural Mar-
11 ket Transition Act (7 U.S.C. 7201 et seq.) is re-
12 pealed, other than the following:

13 (A) Subtitle A (7 U.S.C. 7201 et seq.).

14 (B) Sections 131, 132, and 133 (7 U.S.C.
15 7231, 7232, 7233).

16 (C) Subsections (a) through (d) of section
17 134 (7 U.S.C. 7234).

18 (D) Section 135 (7 U.S.C. 7235).

19 (E) Sections 141 and 142 (7 U.S.C. 7251,
20 7252).

21 (F) Chapter 2 of subtitle D (7 U.S.C.
22 7271 et seq.).

23 (G) Sections 161 through 165 (7 U.S.C.
24 7281 et seq.).

25 (H) Subtitle H (7 U.S.C. 7331 et seq.).

1 (2) 2003 AND SUBSEQUENT CALENDAR
2 YEARS.—Effective January 1, 2003, sections 141
3 and 142 of the Agricultural Market Transition Act
4 (7 U.S.C. 7251, 7252) are repealed.

5 (3) 2006 AND SUBSEQUENT CROPS.—Effective
6 beginning with the 2006 crop, the following provi-
7 sions of the Agricultural Market Transition Act (7
8 U.S.C. 7231 et seq.) are repealed:

9 (A) Subtitle C (7 U.S.C. 7231 et seq.).

10 (B) Chapter 2 of subtitle D (7 U.S.C.
11 7271 et seq.), other than section 156(f) (7
12 U.S.C. 7272(f)).

13 (b) AVAILABILITY OF NONRECOURSE MARKETING
14 ASSISTANCE LOANS.—Section 131 of the Agricultural
15 Market Transition Act (7 U.S.C. 7231) is amended —

16 (1) in subsection (a) by striking “2002” and in-
17 serting “2005”; and

18 (2) by striking subsection (b) and inserting the
19 following:

20 “(b) ELIGIBLE PRODUCTION.—The producers on a
21 farm shall be eligible for a marketing assistance loan
22 under subsection (a) for any quantity of a loan commodity
23 produced on the farm.”.

1 (c) LOAN RATES FOR MARKETING ASSISTANCE
2 LOANS.—Section 132 of the Agricultural Market Transi-
3 tion Act (7 U.S.C. 7232) is amended to read as follows:

4 **“SEC. 132. LOAN RATES FOR MARKETING ASSISTANCE**
5 **LOANS.**

6 “(a) WHEAT.—The loan rate for a marketing assist-
7 ance loan under section 131 for wheat shall be 90 percent
8 for the 2003 crop, 85 percent for the 2004 crop, and 80
9 percent for the 2005 crop, of the simple average price re-
10 ceived by producers of wheat, as determined by the Sec-
11 retary, during the marketing years for the immediately
12 preceding 5 crops of wheat, excluding the year in which
13 the average price was the highest and the year in which
14 the average price was the lowest in the period.

15 “(b) FEED GRAINS.—

16 “(1) CORN.—The loan rate for a marketing as-
17 sistance loan under section 131 for corn shall be 90
18 percent for the 2003 crop, 85 percent for the 2004
19 crop, and 80 percent for the 2005 crop, of the sim-
20 ple average price received by producers of corn, as
21 determined by the Secretary, during the marketing
22 years for the immediately preceding 5 crops of corn,
23 excluding the year in which the average price was
24 the highest and the year in which the average price
25 was the lowest in the period.

1 “(2) OTHER FEED GRAINS.—The loan rate for
2 a marketing assistance loan under section 131 for
3 grain sorghum, barley, and oats, respectively, shall
4 be established at such level as the Secretary deter-
5 mines is fair and reasonable in relation to the rate
6 that loans are made available for corn, taking into
7 consideration the feeding value of the commodity in
8 relation to corn.

9 “(c) UPLAND COTTON.—The loan rate for a mar-
10 keting assistance loan under section 131 for upland cotton
11 shall be 90 percent for the 2003 crop, 85 percent for the
12 2004 crop, and 80 percent for the 2005 crop, of the simple
13 average price received by producers of upland cotton, as
14 determined by the Secretary, during the marketing years
15 for the immediately preceding 5 crops of upland cotton,
16 excluding the year in which the average price was the
17 highest and the year in which the average price was the
18 lowest in the period.

19 “(d) EXTRA LONG STAPLE COTTON.—The loan rate
20 for a marketing assistance loan under section 131 for
21 extra long staple cotton shall be 90 percent for the 2003
22 crop, 85 percent for the 2004 crop, and 80 percent for
23 the 2005 crop, of the simple average price received by pro-
24 ducers of extra long staple cotton, as determined by the
25 Secretary, during the marketing years for the immediately

1 preceding 5 crops of extra long staple cotton, excluding
2 the year in which the average price was the highest and
3 the year in which the average price was the lowest in the
4 period.

5 “(e) RICE.—The loan rate for a marketing assistance
6 loan under section 131 for rice shall be 90 percent for
7 the 2003 crop, 85 percent for the 2004 crop, and 80 per-
8 cent for the 2005 crop, of the simple average price re-
9 ceived by producers of rice, as determined by the Sec-
10 retary, during the marketing years for the immediately
11 preceding 5 crops of rice, excluding the year in which the
12 average price was the highest and the year in which the
13 average price was the lowest in the period.

14 “(f) OILSEEDS.—

15 “(1) SOYBEANS.—The loan rate for a mar-
16 keting assistance loan under section 131 for soy-
17 beans shall be 90 percent for the 2003 crop, 85 per-
18 cent for the 2004 crop, and 80 percent for the 2005
19 crop, of the simple average price received by pro-
20 ducers of soybeans, as determined by the Secretary,
21 during the marketing years for the immediately pre-
22 ceding 5 crops of soybeans, excluding the year in
23 which the average price was the highest and the year
24 in which the average price was the lowest in the pe-
25 riod.

1 “(2) SUNFLOWER SEED, CANOLA, RAPESEED,
2 SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The
3 loan rate for a marketing assistance loan under sec-
4 tion 131 for sunflower seed, canola, rapeseed, saf-
5 flower, mustard seed, and flaxseed, individually,
6 shall be 90 percent for the 2003 crop, 85 percent for
7 the 2004 crop, and 80 percent for the 2005 crop, of
8 the simple average price received by producers of
9 sunflower seed, individually, as determined by the
10 Secretary, during the marketing years for the imme-
11 diately preceding 5 crops of sunflower seed, individ-
12 ually, excluding the year in which the average price
13 was the highest and the year in which the average
14 price was the lowest in the period.

15 “(3) OTHER OILSEEDS.—The loan rates for a
16 marketing assistance loan under section 131 for
17 other oilseeds shall be established at such level as
18 the Secretary determines is fair and reasonable in
19 relation to the loan rate available for soybeans, ex-
20 cept in no event shall the rate for the oilseeds (other
21 than cottonseed) be less than the rate established for
22 soybeans on a per-pound basis for the same crop.”.

23 (d) PEANUT PROGRAM.—Section 155 of the Agricul-
24 tural Market Transition Act (7 U.S.C. 7271) is amended

1 by striking subsections (h) and (i) and inserting the fol-
 2 lowing:

3 “(h) PHASED REDUCTION OF LOAN RATE.—For
 4 each of the 2003, 2004, and 2005 crops of quota and addi-
 5 tional peanuts, the Secretary shall lower the loan rate for
 6 each succeeding crop in a manner that progressively and
 7 uniformly lowers the loan rate for quota and additional
 8 peanuts to \$0 for the 2006 crop.

9 “(i) CROPS.—This section shall be effective only for
 10 the 1996 through 2005 crops.”.

11 (e) SUGAR PROGRAM.—Section 156 of the Agricul-
 12 tural Market Transition Act (7 U.S.C. 7272) is
 13 amended—

14 (1) in subsection (e), by striking paragraph (1)
 15 and inserting the following:

16 “(1) LOANS.—The Secretary shall carry out
 17 this section through the use of recourse loans.”;

18 (2) in subsection (f), by striking “2003” each
 19 place it appears and inserting “2006”;

20 (3) by redesignating subsection (i) as subsection
 21 (j);

22 (4) by inserting after subsection (h) the fol-
 23 lowing:

24 “(i) PHASED REDUCTION OF LOAN RATE.—For each
 25 of the 2003, 2004, and 2005 crops of sugar beets and

1 sugarcane, the Secretary shall lower the loan rate for each
2 succeeding crop in a manner that progressively and uni-
3 formly lowers the loan rate for sugar beets and sugarcane
4 to \$0 for the 2006 crop.”; and

5 (5) in subsection (j) (as redesignated), by strik-
6 ing “2002” and inserting “2005”.

7 (f) CONFORMING AMENDMENTS.—

8 (1) FLOOD RISK REDUCTION.—Section 385 of
9 the Federal Agriculture Improvement and Reform
10 Act of 1996 (7 U.S.C. 7334) is repealed.

11 (2) CONSERVATION FARM OPTION.—Section
12 1240M of the Food Security Act of 1985 (16 U.S.C.
13 3839bb) is repealed.

14 **SEC. 123. AGRICULTURAL ADJUSTMENT ACT OF 1938.**

15 (a) REPEALS.—

16 (1) 2003 AND SUBSEQUENT MARKETING YEARS
17 AND CROPS.—Effective beginning with the 2003
18 marketing or crop year (as applicable), the Agricul-
19 tural Adjustment Act of 1938 (7 U.S.C. 1281 et
20 seq.) is repealed, other than the following:

21 (A) The first section (7 U.S.C. 1281).

22 (B) Section 301 (7 U.S.C. 1301).

23 (C) Part I of subtitle B of title III (7
24 U.S.C. 1311 et seq.).

1 (D) Part VI of subtitle B of title III (7
2 U.S.C. 1357 et seq.).

3 (E) Subtitle C of title III (7 U.S.C. 1361
4 et seq.).

5 (F) Subtitle F of title III (7 U.S.C. 1381
6 et seq.).

7 (G) Title V (7 U.S.C. 1501 et seq.).

8 (2) 2006 AND SUBSEQUENT MARKETING YEARS
9 AND CROPS.—Effective beginning with the 2006
10 marketing year or crop year (as applicable), part VI
11 of subtitle B of title III (7 U.S.C. 1357 et seq.) is
12 repealed.

13 (b) PEANUT QUOTA.—

14 (1) EXTENSION.—Sections 358–1, 358b(c),
15 358c(d), and 358e(i) of the Agricultural Adjustment
16 Act of 1938 (7 U.S.C. 1358–1, 1358b(c), 1358c(d),
17 1359a(i)) are amended by striking “2002” each
18 place it appears and inserting “2005”.

19 (2) PEANUT QUOTA.—Part VI of subtitle B of
20 title III of the Agricultural Adjustment Act of 1938
21 (7 U.S.C. 1357 et seq.) is amended by adding at the
22 end the following:

23 **“SEC. 358f. PHASED INCREASE IN QUOTA.**

24 “For each of the 2003, 2004, and 2005 crops of
25 quota peanuts, the Secretary shall increase the marketing

1 quota and allotment for each succeeding marketing year
2 in a manner that progressively and uniformly increases the
3 marketing quota to anticipate the elimination of the mar-
4 keting quota for the 2006 crop.”.

5 (c) CONFORMING AMENDMENTS.—

6 (1) REFERENCES TO PARITY PRICES.—Section
7 302 of the Agricultural Act of 1948 (7 U.S.C.
8 1301a) is amended by striking subsection (f).

9 (2) TRANSFER OF ACREAGE ALLOTMENTS.—
10 Section 706 of the Food and Agriculture Act of
11 1965 (7 U.S.C. 1305) is repealed.

12 (3) PROJECTED YIELDS.—Section 708 of the
13 Food and Agriculture Act of 1965 (7 U.S.C. 1306)
14 is repealed.

15 (4) WHEAT DIVERSION PROGRAMS.—Section
16 327 of the Food and Agriculture Act of 1962 (7
17 U.S.C. 1339b) is repealed.

18 (5) FARM MARKETING QUOTAS.—The Joint
19 Resolution entitled “Joint Resolution relating to
20 corn and wheat marketing quotas under the Agricul-
21 tural Adjustment Act of 1938, as amended”, ap-
22 proved May 26, 1941 (7 U.S.C. 1330 and 1340), is
23 repealed.

1 (6) COTTON ACREAGE ALLOTMENTS.—The Act
2 of March 29, 1949 (63 Stat. 17, chapter 38; 7
3 U.S.C. 1344a), is repealed.

4 (7) RECONCENTRATION OF COTTON.—The Act
5 of June 16, 1938 (52 Stat. 762, chapter 480; 7
6 U.S.C. 1383a), is repealed.

7 (8) REQUIREMENTS FOR CORN.—Section 308 of
8 the Agricultural Act of 1956 (7 U.S.C. 1442) is re-
9 pealed.

10 (9) FIELD MEASUREMENT.—Section 1112 of
11 the Omnibus Budget Reconciliation Act of 1987
12 (101 Stat. 1330–8) is amended by striking sub-
13 section (c).

14 **SEC. 124. COMMODITY CREDIT CORPORATION CHARTER**
15 **ACT.**

16 (a) IN GENERAL.—Section 5 of the Commodity Cred-
17 it Corporation Charter Act (15 U.S.C. 714e) is
18 amended—

19 (1) by striking subsection (a); and

20 (2) by redesignating subsections (b) through (g)
21 as subsections (a) through (f), respectively.

22 (b) CONFORMING AMENDMENT.—Section 619 of the
23 Agricultural Trade Development and Assistance Act of
24 1954 (7 U.S.C. 1738r) is amended by striking “section
25 5(f) of the Commodity Credit Corporation Charter Act”

1 and inserting “section 5(e) of the Commodity Credit Cor-
2 poration Charter Act (15 U.S.C. 714c(e))”.

3 (c) CROPS.—The amendments made by this section
4 apply beginning with the 2006 crop.

5 **SEC. 125. AGRICULTURAL ACT OF 1949.**

6 (a) IN GENERAL.—The Agricultural Act of 1949 (7
7 U.S.C. 1421 et seq.) is repealed, other than the following:

8 (1) The first section (7 U.S.C. 1421 note).

9 (2) Sections 106, 106A, and 106B (7 U.S.C.
10 1445, 1445–1, 1445–2).

11 (3) Section 416 (7 U.S.C. 1431)

12 (b) CONFORMING AMENDMENTS.—

13 (1) AMOUNT OF ASSESSMENTS.—Section 4609
14 of the Omnibus Trade and Competitiveness Act of
15 1988 (7 U.S.C. 624 note; Public Law 100–418) is
16 repealed.

17 (2) AMERICAN AGRICULTURE PROTECTION PRO-
18 GRAM.—Section 1002 of the Food and Agriculture
19 Act of 1977 (7 U.S.C. 1310) is repealed.

20 (3) ADVANCE RECOURSE LOANS.—Section 13 of
21 the Food Security Improvements Act of 1986 (7
22 U.S.C. 1433c–1) is repealed.

23 (4) CONVERSION INTO FUELS.—Section 2001
24 of the Food and Agriculture Act of 1977 (7 U.S.C.
25 1435) is amended—

1 (A) by striking subsection (a); and

2 (B) in subsection (b)—

3 (i) by striking the subsection designa-
4 tion;

5 (ii) by redesignating paragraphs (1)
6 through (4) as subsections (a) through (d),
7 respectively;

8 (iii) in subsection (a) (as so redesign-
9 nated), by striking “During” and all that
10 follows through “1949, the” and inserting
11 “The”; and

12 (iv) by striking “subsection” each
13 place it appears and inserting “section”.

14 (5) REIMBURSEMENT OF CCC.—Section 412 of
15 the Agricultural Trade Development and Assistance
16 Act of 1954 (7 U.S.C. 1736f) is amended by strik-
17 ing subsection (d).

18 (6) HONEY ASSESSMENTS.—

19 (A) Section 9 of the Honey Research, Pro-
20 motion, and Consumer Information Act (7
21 U.S.C. 4608) is amended—

22 (i) by striking subsection (d);

23 (ii) by redesignating subsections (e)
24 through (i) as subsections (d) through (h),
25 respectively;

1 (iii) in subsection (a), by striking
2 “(d), (e), and (i)” and inserting “(d) and
3 (h)”;

4 (iv) in subsection (f) (as so redesign-
5 nated), by striking “(f)” and inserting
6 “(e)”;

7 (v) in subsection (g)(1) (as so redesign-
8 nated)—

9 (I) in subparagraph (A), by strik-
10 ing “(A)”;

11 (II) by striking subparagraph
12 (B).

13 (B) Section 13(b)(2) of the Honey Re-
14 search, Promotion, and Consumer Information
15 Act (7 U.S.C. 4612(b)(2)) is amended—

16 (i) in subparagraph (A)(ii), by strik-
17 ing “4608(h)(1)” and inserting
18 “4608(g)(1)”;

19 (ii) in subparagraph (B)(ii), by strik-
20 ing “4608(h)(1)” and inserting
21 “4608(g)(1)”.

22 (7) ESSENTIAL AGRICULTURAL USE.—Section
23 273 of the Biomass Energy and Alcohol Fuels Act
24 of 1980 (15 U.S.C. 3391a) is amended—

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

3 (B) by striking paragraph (2); and

4 (C) by redesignating paragraph (3) as
5 paragraph (2).

6 (8) CONSERVATION RESERVE.—

7 (A) RENTAL PAYMENTS.—Section
8 1234(f)(3) of the Food Security Act of 1985
9 (16 U.S.C. 3834(f)(3)) is amended—

10 (i) by striking “this Act,” and insert-
11 ing “this Act or”; and

12 (ii) by striking “, or the Agricultural
13 Act of 1949 (7 U.S.C. 1421 et seq.)”.

14 (B) ENVIRONMENTAL EASEMENT PAY-
15 MENTS.—Section 1239C(f)(3) of the Food Se-
16 curity Act of 1985 (16 U.S.C. 3839c(f)(3)) is
17 amended—

18 (i) by striking “this Act,” and insert-
19 ing “this Act or”; and

20 (ii) by striking “, or the Agricultural
21 Act of 1949 (7 U.S.C. 1421 et seq.)”.

22 (9) TAXABLE YEAR FOR DISASTER PAY-
23 MENTS.—The second sentence of section 451(d) of
24 the Internal Revenue Code of 1986 is amended by

1 striking “the Agricultural Act of 1949, as amended,
2 or”.

3 (10) INTEREST PENALTIES.—Section 3902(h)
4 of title 31, United States Code, is amended—

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

6 (B) by redesignating paragraphs (3) and
7 (4) as paragraphs (2) and (3), respectively.

8 (11) COLORADO RIVER STORAGE PROJECT.—
9 Section 4 of the Act of April 11, 1956 (70 Stat.
10 107, chapter 203; 43 U.S.C. 620c), is amended by
11 striking “, as defined in the Agricultural Act of
12 1949, or any amendment thereof,”.

13 (12) SURPLUS CROPS.—Section 212 of the Rec-
14 lamation Projects Authorization and Adjustment Act
15 of 1992 (Public Law 102–575; 106 Stat. 4625) is
16 repealed.

17 **SEC. 126. AGRICULTURAL ADJUSTMENT ACT.**

18 Effective January 1, 2003, section 8c(5) of the Agri-
19 cultural Adjustment Act (7 U.S.C. 608c(5)), reenacted
20 with amendments by the Agricultural Marketing Agree-
21 ment Act of 1937, is amended by adding at the end the
22 following:

23 “(M) MILK CLASSES.—

1 “(i) IN GENERAL.—Notwithstanding
2 any other provision of this subsection, the
3 Secretary shall establish—

4 “(I) 1 class of milk for fluid
5 milk; and

6 “(II) 1 class of milk for other
7 uses of milk.

8 “(ii) COMPONENT PRICES.—The class-
9 es of milk established under clause (i) shall
10 be used to determine the prices of milk
11 components.”.

12 **SEC. 127. AGRICULTURAL ACT OF 1970.**

13 Section 813 of the Agricultural Act of 1970 (7 U.S.C.
14 1427a) is repealed.

15 **SEC. 128. GENERAL COMMODITY PROVISIONS.**

16 (a) PAYMENT LIMITATIONS.—Section 1001 of the
17 Food Security Act of 1985 (7 U.S.C. 1308) is amended
18 by striking paragraph (1) and inserting the following:

19 “(1) LIMITATION ON VOUCHERS AND PAY-
20 MENTS.—

21 “(A) VOUCHERS.—The total amount of
22 vouchers made under section 112 of the Farm
23 Financial Protection Act made directly or indi-
24 rectly to an individual or entity during any ap-
25 plicable year may not exceed \$30,000.

1 “(B) ENVIRONMENTAL QUALITY INCEN-
2 TIVES PROGRAM.—The total amount of pay-
3 ments made under chapter 4 of subtitle D of
4 title XII of the Food Security Act of 1985 (16
5 U.S.C. 3839aa et seq.) made directly or indi-
6 rectly to an individual or entity during any ap-
7 plicable year may not exceed \$50,000.

8 “(C) ADMINISTRATION.—Notwithstanding
9 any other paragraph of this section, sections
10 1001A(b), 1001B, and 1001C shall apply to an
11 individual or entity that receives a voucher or
12 payment described in this paragraph.”.

13 (b) NORMALLY PLANTED ACREAGE.—Section 1001
14 of the Food and Agriculture Act of 1977 (7 U.S.C. 1309)
15 is repealed.

16 (c) NORMAL SUPPLY.—Section 1019 of the Food Se-
17 curity Act of 1985 (7 U.S.C. 1310a) is repealed.

18 (d) DETERMINATIONS OF THE SECRETARY.—Section
19 1017 of the Food Security Act of 1985 (7 U.S.C. 1385
20 note; Public Law 99–198) is repealed.

21 (e) FINANCIAL IMPACT STUDY.—Section 1147 of the
22 Food, Agriculture, Conservation, and Trade Act of 1990
23 (7 U.S.C. 1421a) is repealed.

1 (f) PLANTING ON SET-ASIDE ACREAGE.—Section
2 814 of the Agricultural Act of 1970 (7 U.S.C. 1434) is
3 repealed.

4 (g) COST OF PRODUCTION STUDY.—Section 808 of
5 the Agricultural Act of 1970 (7 U.S.C. 1441a) is repealed.

6 (h) STORAGE PAYMENTS.—Section 1124 of the Food,
7 Agriculture, Conservation, and Trade Act of 1990 (7
8 U.S.C. 1445e note; Public Law 101–624) is repealed.

9 (i) COMPUTATION OF CARRYOVER.—Section 105 of
10 the Agricultural Act of 1954 (7 U.S.C. 1745) is repealed.

11 (j) ADJUSTMENT OF LOANS.—Section 2(b) of the Act
12 of December 20, 1944 (12 U.S.C. 1150a(b)), is
13 amended—

14 (1) by striking “Agricultural Adjustment Act
15 (of 1933);” and

16 (2) by striking “sections 303” and all that fol-
17 lows through “adjustment payments;”.

18 (k) TARGETED OPTION PAYMENTS.—Section 121 of
19 the Food, Agriculture, Conservation, and Trade Act
20 Amendments of 1991 (105 Stat. 1843) is repealed.

21 **SEC. 129. SPECIFIC COMMODITY PROVISIONS.**

22 (a) MILK.—Section 101 of the Agriculture and Food
23 Act of 1981 (7 U.S.C. 608c note; Public Law 97–98) is
24 amended by striking subsection (b).

25 (b) FEED GRAINS.—

1 (1) RECOURSE LOAN PROGRAM FOR SILAGE.—
2 Section 403 of the Food Security Act of 1985 (7
3 U.S.C. 1444e-1) is repealed.

4 (2) CALCULATION OF REFUNDS.—Section 405
5 of the Food, Agriculture, Conservation, and Trade
6 Act of 1990 (7 U.S.C. 1445j note; Public Law 101-
7 624) is repealed.

8 (3) ACREAGE DIVERSION PROGRAMS.—Section
9 328 of the Food and Agriculture Act of 1962 (7
10 U.S.C. 1339c) is repealed.

11 **SEC. 130. EFFECT OF AMENDMENTS.**

12 (a) IN GENERAL.—Except as otherwise specifically
13 provided in this title and notwithstanding any other provi-
14 sion of law, this subtitle and the amendments made by
15 this subtitle shall not affect the authority of the Secretary
16 of Agriculture to carry out an agricultural market transi-
17 tion, price support, or production adjustment program for
18 any of the 1996 through 2002 crops, or for any of the
19 1996 through 2002 marketing, reinsurance, fiscal, or cal-
20 endar years, as applicable, under a provision of law in ef-
21 fect immediately before the enactment of this subtitle.

22 (b) LIABILITY.—A provision of this title or an
23 amendment made by this subtitle shall not affect the li-
24 ability of any person under any provision of law as in ef-
25 fect immediately before of enactment of this subtitle.

1 **SEC. 131. CROP.**

2 This subtitle and the amendments made by this sub-
 3 title apply beginning with the 2003 crop of each agricul-
 4 tural commodity or the 2003 marketing, reinsurance, fis-
 5 cal, or calendar year, as applicable.

6 **TITLE II—CONSERVATION**
 7 **Subtitle A—Working Land**
 8 **Conservation Programs**

9 **SEC. 201. ENVIRONMENTAL QUALITY INCENTIVES PRO-**
 10 **GRAM.**

11 Chapter 4 of subtitle D of title XII of the Food Secu-
 12 rity Act of 1985 (16 U.S.C. 3839aa et seq.) is amended
 13 to read as follows:

14 **“CHAPTER 4—ENVIRONMENTAL QUALITY**
 15 **INCENTIVES PROGRAM**

16 **“SEC. 1240. PURPOSES.**

17 “The purposes of the environmental quality incen-
 18 tives program established by this chapter are to promote
 19 agricultural production and environmental quality as com-
 20 patible national goals, and to maximize environmental
 21 benefits per dollar expended, by—

22 “(1) assisting producers in complying with this
 23 title, the Federal Water Pollution Control Act (33
 24 U.S.C. 1251 et seq.), the Safe Drinking Water Act
 25 (42 U.S.C. 300f et seq.), the Clean Air Act (42

1 U.S.C. 7401 et seq.), and other Federal, State, and
2 local environmental laws (including regulations);

3 “(2) avoiding, to the maximum extent prac-
4 ticable, the need for resource and regulatory pro-
5 grams by assisting producers in protecting soil,
6 water, air, and related natural resources and meet-
7 ing environmental quality criteria established by
8 Federal, State, and local agencies;

9 “(3) providing flexible technical and financial
10 assistance to producers to install and maintain con-
11 servation systems that enhance soil, water, related
12 natural resources (including grazing land and wet-
13 land), and wildlife while sustaining production of
14 food and fiber;

15 “(4) assisting producers to make beneficial, cost
16 effective changes to cropping systems, grazing man-
17 agement, nutrient management associated with live-
18 stock, pest or irrigation management, or other prac-
19 tices on agricultural land;

20 “(5) facilitating partnerships and joint efforts
21 among producers and governmental and nongovern-
22 mental organizations; and

23 “(6) consolidating and streamlining conserva-
24 tion planning and regulatory compliance processes to

1 reduce administrative burdens on producers and the
2 cost of achieving environmental goals.

3 **“SEC. 1240A. DEFINITIONS.**

4 “In this chapter:

5 “(1) COMPREHENSIVE NUTRIENT MANAGE-
6 MENT.—

7 “(A) IN GENERAL.—The term ‘comprehen-
8 sive nutrient management’ means any combina-
9 tion of structural practices, land management
10 practices, and management activities associated
11 with crop or livestock production described in
12 subparagraph (B) that collectively ensure that
13 the goals of crop or livestock production and
14 preservation of natural resources, especially the
15 preservation and enhancement of water quality,
16 are compatible.

17 “(B) ELEMENTS.—For the purpose of sub-
18 paragraph (A), structural practices, land man-
19 agement practices, and management activities
20 associated with livestock production are—

21 “(i) manure and wastewater handling
22 and storage;

23 “(ii) land treatment practices;

24 “(iii) nutrient management;

25 “(iv) recordkeeping;

1 “(v) feed management; and

2 “(vi) other waste utilization options.

3 “(C) PRACTICE.—

4 “(i) PLANNING.—The development of
5 a comprehensive nutrient management
6 plan shall be a practice that is eligible for
7 incentive payments and technical assist-
8 ance under this chapter.

9 “(ii) IMPLEMENTATION.—The imple-
10 mentation of a comprehensive nutrient
11 plan shall be accomplished through struc-
12 tural and land management practices iden-
13 tified in the plan.

14 “(2) ELIGIBLE LAND.—The term ‘eligible land’
15 means agricultural land (including cropland, range-
16 land, pasture, private nonindustrial forest land, and
17 other land on which crops or livestock are produced),
18 including agricultural land that the Secretary deter-
19 mines poses a serious threat to soil, water, or related
20 resources by reason of the soil types, terrain, cli-
21 matic, soil, topographic, flood, or saline characteris-
22 tics, or other factors or natural hazards.

23 “(3) LAND MANAGEMENT PRACTICE.—The
24 term ‘land management practice’ means a site-spe-
25 cific nutrient or manure management, integrated

1 pest management, irrigation management, tillage or
2 residue management, grazing management, air qual-
3 ity management, or other land management practice
4 carried out on eligible land that the Secretary deter-
5 mines is needed to protect, in the most cost-effective
6 manner, water, soil, or related resources from deg-
7 radation.

8 “(5) LIVESTOCK.—The term ‘livestock’ means
9 dairy cattle, beef cattle, laying hens, broilers, tur-
10 keys, swine, sheep, and such other animals as deter-
11 mined by the Secretary.

12 “(6) MAXIMIZE ENVIRONMENTAL BENEFITS
13 PER DOLLAR EXPENDED.—

14 “(A) IN GENERAL.—The term ‘maximize
15 environmental benefits per dollar expended’
16 means to maximize environmental benefits to
17 the extent the Secretary determines is prac-
18 ticable and appropriate, taking into account the
19 amount of funding made available to carry out
20 this chapter.

21 “(B) LIMITATION.—The term ‘maximize
22 environmental benefits per dollar expended’
23 does not require the Secretary—

24 “(i) to provide the least cost practice
25 or technical assistance; or

1 “(ii) to require the development of a
2 plan under section 1240E as part of an
3 application for payments or technical as-
4 sistance.

5 “(7) PRACTICE.—The term ‘practice’ means 1
6 or more structural practices, land management prac-
7 tices, and comprehensive nutrient management plan-
8 ning practices.

9 “(8) PRODUCER.—The term ‘producer’ means a
10 person that is engaged in livestock or agricultural
11 production, as determined by the Secretary.

12 “(9) STRUCTURAL PRACTICE.—The term ‘struc-
13 tural practice’ means—

14 “(A) the establishment on eligible land of
15 a site-specific animal waste management facil-
16 ity, terrace, grassed waterway, contour grass
17 strip, filterstrip, tailwater pit, permanent wild-
18 life habitat, constructed wetland, or other struc-
19 tural practice that the Secretary determines is
20 needed to protect, in the most cost-effective
21 manner, water, soil, or related resources from
22 degradation; and

23 “(B) the capping of abandoned wells on el-
24 igible land.

1 **“SEC. 1240B. ESTABLISHMENT AND ADMINISTRATION OF**
2 **ENVIRONMENTAL QUALITY INCENTIVES PRO-**
3 **GRAM.**

4 “(a) ESTABLISHMENT.—

5 “(1) IN GENERAL.—During each of the 2003
6 through 2006 fiscal years, the Secretary shall pro-
7 vide technical assistance, cost-share payments, and
8 incentive payments to producers, that enter into con-
9 tracts with the Secretary, through an environmental
10 quality incentives program in accordance with this
11 chapter.

12 “(2) ELIGIBLE PRACTICES.—

13 “(A) STRUCTURAL PRACTICES.—A pro-
14 ducer that implements a structural practice
15 shall be eligible for any combination of technical
16 assistance, cost-share payments, and education.

17 “(B) LAND MANAGEMENT PRACTICES.—A
18 producer that performs a land management
19 practice shall be eligible for any combination of
20 technical assistance, incentive payments, and
21 education.

22 “(C) COMPREHENSIVE NUTRIENT MANAGE-
23 MENT PLANNING.—A producer that develops a
24 comprehensive nutrient management plan shall
25 be eligible for any combination of technical as-
26 sistance, incentive payments, and education.

1 “(3) EDUCATION.—The Secretary may provide
2 conservation education at national, State, and local
3 levels consistent with the purposes of the environ-
4 mental quality incentives program to—

5 “(A) any producer that is eligible for as-
6 sistance under this chapter; or

7 “(B) any producer that is engaged in the
8 production of an agricultural commodity.

9 “(b) APPLICATION AND TERM.—With respect to
10 practices implemented under this chapter—

11 “(1) a contract between a producer and the
12 Secretary may—

13 “(A) apply to 1 or more structural prac-
14 tices, land management practices, and com-
15 prehensive nutrient management planning prac-
16 tices; and

17 “(B) have a term of not less than 3, nor
18 more than 10, years, as determined appropriate
19 by the Secretary, depending on the practice or
20 practices that are the basis of the contract; and

21 “(2) each farm may not adopt more than 1
22 structural practice involving nutrient management
23 during the period of fiscal years 2003 through 2006.

24 “(c) APPLICATION AND EVALUATION.—

1 “(1) IN GENERAL.—The Secretary shall estab-
2 lish an application and evaluation process for award-
3 ing technical assistance, cost-share payments, and
4 incentive payments to a producer in exchange for the
5 performance of 1 or more practices that maximizes
6 environmental benefits per dollar expended.

7 “(2) COMPARABLE ENVIRONMENTAL VALUE.—

8 “(A) IN GENERAL.—The Secretary shall
9 establish a process for selecting applications for
10 technical assistance, cost-share payments, and
11 incentive payments when there are numerous
12 applications for assistance for practices that
13 would provide substantially the same level of
14 environmental benefits.

15 “(B) CRITERIA.—The process under sub-
16 paragraph (A) shall be based on—

17 “(i) a reasonable estimate of the pro-
18 jected cost of the proposals described in
19 the applications; and

20 “(ii) the priorities established under
21 this subtitle and other factors that maxi-
22 mize environmental benefits per dollar ex-
23 pended.

24 “(3) CONSENT OF OWNER.—If the producer
25 making an offer to implement a structural practice

1 is a tenant of the land involved in agricultural pro-
2 duction, for the offer to be acceptable, the producer
3 shall obtain the consent of the owner of the land
4 with respect to the offer.

5 “(4) BIDDING DOWN.—If the Secretary deter-
6 mines that the environmental values of 2 or more
7 applications for technical assistance, cost-share pay-
8 ments, or incentive payments are comparable, the
9 Secretary shall not assign a higher priority to the
10 application only because it would present the least
11 cost to the program established under this chapter.

12 “(d) COST-SHARE PAYMENTS.—

13 “(1) IN GENERAL.—Except as provided in para-
14 graph (2), the Federal share of cost-share payments
15 to a producer proposing to implement 1 or more
16 practices shall be not more than 75 percent of the
17 projected cost of the practice, as determined by the
18 Secretary.

19 “(2) EXCEPTIONS.—

20 “(A) LIMITED RESOURCE AND BEGINNING
21 FARMERS; NATURAL DISASTERS.—The Sec-
22 retary may increase the maximum Federal
23 share under paragraph (1) to not more than 90
24 percent if the producer is a limited resource
25 farmer or a beginning farmer or to address a

1 natural disaster, as determined by the Sec-
2 retary.

3 “(B) COST-SHARE ASSISTANCE FROM
4 OTHER SOURCES.—Any cost-share payments re-
5 ceived by a producer from a State or private or-
6 ganization or person for the implementation of
7 1 or more practices shall be in addition to the
8 Federal share of cost-share payments provided
9 to the producer under paragraph (1).

10 “(3) OTHER PAYMENTS.—A producer shall not
11 be eligible for cost-share payments for practices on
12 eligible land under this chapter if the producer re-
13 ceives cost-share payments or other benefits for the
14 same practice on the same land under chapter 1 and
15 this chapter.

16 “(e) INCENTIVE PAYMENTS.—The Secretary shall
17 make incentive payments in an amount and at a rate de-
18 termined by the Secretary to be necessary to encourage
19 a producer to perform 1 or more practices.

20 “(f) TECHNICAL ASSISTANCE.—

21 “(1) IN GENERAL.—The Secretary shall allo-
22 cate funding under this chapter for the provision of
23 technical assistance according to the purpose and
24 projected cost for which the technical assistance is
25 provided for a fiscal year.

1 “(2) AMOUNT.—The allocated amount may
2 vary according to—

3 “(A) the type of expertise required;

4 “(B) the quantity of time involved; and

5 “(C) other factors as determined appro-
6 priate by the Secretary.

7 “(3) LIMITATION.—Funding for technical as-
8 sistance under this chapter shall not exceed the pro-
9 jected cost to the Secretary of the technical assist-
10 ance provided for a fiscal year.

11 “(4) OTHER AUTHORITIES.—The receipt of
12 technical assistance under this chapter shall not af-
13 fect the eligibility of the producer to receive tech-
14 nical assistance under other authorities of law avail-
15 able to the Secretary.

16 “(5) NON-FEDERAL ASSISTANCE.—

17 “(A) IN GENERAL.—The Secretary may re-
18 quest the services of, and enter into a coopera-
19 tive agreement with, a State water quality
20 agency, State fish and wildlife agency, State
21 forestry agency, or any other governmental or
22 nongovernmental organization or person consid-
23 ered appropriate to assist in providing the tech-
24 nical assistance necessary to develop and imple-
25 ment conservation plans under the program.

1 “(B) PRIVATE SOURCES.—

2 “(i) IN GENERAL.—The Secretary
3 shall ensure that the processes of writing
4 and developing proposals and plans for
5 contracts under this chapter, and of assist-
6 ing in the implementation of practices cov-
7 ered by the contracts, are open to qualified
8 private persons, including—

9 “(I) agricultural producers;

10 “(II) representatives from agri-
11 cultural cooperatives;

12 “(III) agricultural input retail
13 dealers;

14 “(IV) certified crop advisers;

15 “(V) persons providing technical
16 consulting services; and

17 “(VI) other persons, as deter-
18 mined appropriate by the Secretary.

19 “(ii) OTHER CONSERVATION PRO-
20 GRAMS.—The requirements of this sub-
21 paragraph shall also apply to each other
22 conservation program of the Department
23 of Agriculture.

24 “(6) INCENTIVE PAYMENTS FOR TECHNICAL AS-
25 SISTANCE.—

1 “(A) IN GENERAL.—A producer that is eli-
2 gible to receive technical assistance for a prac-
3 tice involving the development of a comprehen-
4 sive nutrient management plan may obtain an
5 incentive payment that can be used to obtain
6 technical assistance associated with the develop-
7 ment of any component of the comprehensive
8 nutrient management plan.

9 “(B) PURPOSE.—The purpose of the pay-
10 ment shall be to provide a producer the option
11 of obtaining technical assistance for developing
12 any component of a comprehensive nutrient
13 management plan from a private person earlier
14 than the producer would otherwise receive the
15 technical assistance from the Secretary.

16 “(C) PAYMENT.—The incentive payment
17 shall be—

18 “(i) in addition to cost-share or incen-
19 tive payments that a producer would other-
20 wise receive for structural practices and
21 land management practices;

22 “(ii) used only to procure technical as-
23 sistance from a private person that is nec-
24 essary to develop any component of a com-
25 prehensive nutrient management plan; and

1 “(iii) in an amount determined appro-
2 priate by the Secretary, taking into
3 account—

4 “(I) the extent and complexity of
5 the technical assistance provided;

6 “(II) the costs that the Secretary
7 would have incurred in providing the
8 technical assistance; and

9 “(III) the costs incurred by the
10 private provider in providing the tech-
11 nical assistance.

12 “(D) ELIGIBLE PRACTICES.—The Sec-
13 retary may determine, on a case by case basis,
14 whether the development of a comprehensive
15 nutrient management plan is eligible for an in-
16 centive payment under this paragraph.

17 “(E) CERTIFICATION BY SECRETARY.—

18 “(i) IN GENERAL.—Only private per-
19 sons that have been certified by the Sec-
20 retary under section 16 of the Soil Con-
21 servation and Domestic Allotment Act
22 shall be eligible to provide technical assist-
23 ance under this subsection.

24 “(ii) QUALITY ASSURANCE.—The Sec-
25 retary shall ensure that certified private

1 providers are capable of providing technical
2 assistance regarding comprehensive nutri-
3 ent management in a manner that meets
4 the specifications and guidelines of the
5 Secretary and that meets the needs of pro-
6 ducers under the environmental quality in-
7 centives program.

8 “(F) ADVANCE PAYMENT.—On the deter-
9 mination of the Secretary that the proposed
10 comprehensive nutrient management of a pro-
11 ducer is eligible for an incentive payment, the
12 producer may receive a partial advance of the
13 incentive payment in order to procure the serv-
14 ices of a certified private provider.

15 “(G) FINAL PAYMENT.—The final install-
16 ment of the incentive payment shall be payable
17 to a producer on presentation to the Secretary
18 of documentation that is satisfactory to the
19 Secretary and that demonstrates—

20 “(i) completion of the technical assist-
21 ance; and

22 “(ii) the actual cost of the technical
23 assistance.

24 “(g) PARTNERSHIPS AND COOPERATION.—

1 “(1) PURPOSES.—The Secretary may designate
2 special projects, as recommended by the State Con-
3 servationist, with advice from the State technical
4 committee, to enhance technical and financial assist-
5 ance provided to several producers within a specific
6 area to address environmental issues affected by ag-
7 ricultural production with respect to—

8 “(A) meeting the purposes and require-
9 ments of—

10 “(i) the Federal Water Pollution Con-
11 trol Act (33 U.S.C. 1251 et seq.) or com-
12 parable State laws in impaired or threat-
13 ened watersheds;

14 “(ii) the Safe Drinking Water Act (42
15 U.S.C. 300f et seq.) or comparable State
16 laws in watersheds providing water for
17 drinking water supplies; or

18 “(iii) the Clean Air Act (42 U.S.C.
19 7401 et seq.) or comparable State laws; or

20 “(B) watersheds of special significance or
21 other geographic areas of environmental sensi-
22 tivity; or

23 “(C) enhancing the technical capacity of
24 producers to facilitate community-based plan-
25 ning, implementation of special projects, and

1 conservation education involving multiple pro-
2 ducers within an area.

3 “(2) INCENTIVES.—To realize the objectives of
4 the special projects under paragraph (1), the Sec-
5 retary shall provide incentives to producers partici-
6 pating in the special projects to encourage partner-
7 ships and sharing of technical and financial re-
8 sources among producers and among producers and
9 governmental and nongovernmental organizations.

10 “(3) FUNDING.—

11 “(A) IN GENERAL.—The Secretary shall
12 make available 5 percent of funds provided for
13 each fiscal year under this chapter to carry out
14 this subsection.

15 “(B) SPECIAL PROJECTS.—The purposes
16 of the special projects under this subsection
17 shall be to encourage—

18 “(i) producers to cooperate in the in-
19 stallation and maintenance of conservation
20 systems that affect multiple agricultural
21 operations;

22 “(ii) sharing of information and tech-
23 nical and financial resources; and

24 “(iii) cumulative environmental bene-
25 fits across operations of producers.

1 “(4) FLEXIBILITY.—

2 “(A) IN GENERAL.—The Secretary may
3 enter into agreements with States, local govern-
4 mental and nongovernmental organizations, and
5 persons to allow greater flexibility to adjust the
6 application of eligibility criteria, approved prac-
7 tices, innovative conservation practices, and
8 other elements of the programs described in
9 subparagraph (B) to better reflect unique local
10 circumstances and goals in a manner that is
11 consistent with the purposes of this chapter.

12 “(B) APPLICABLE PROGRAMS.—Subpara-
13 graph (A) shall apply to—

14 “(i) the environmental quality incen-
15 tives program established by this chapter;

16 “(ii) the program to establish con-
17 servation buffers announced on March 24,
18 1998 (63 Fed. Reg. 14109) or a successor
19 program;

20 “(iii) the conservation reserve en-
21 hancement program announced on May 27,
22 1998 (63 Fed. Reg. 28965) or a successor
23 program; and

24 “(iv) the wetlands reserve program es-
25 tablished under subchapter C of chapter 1.

1 “(5) UNUSED FUNDING.—Any funds made
2 available for a fiscal year under this subsection that
3 are not obligated by June 1 of the fiscal year may
4 be used to carry out other activities under this chap-
5 ter during the fiscal year in which the funding be-
6 comes available.

7 “(h) MODIFICATION OR TERMINATION OF CON-
8 TRACTS.—

9 “(1) VOLUNTARY MODIFICATION OR TERMI-
10 NATION.—The Secretary may modify or terminate a
11 contract entered into with a producer under this
12 chapter if—

13 “(A) the producer agrees to the modifica-
14 tion or termination; and

15 “(B) the Secretary determines that the
16 modification or termination is in the public in-
17 terest.

18 “(2) INVOLUNTARY TERMINATION.—The Sec-
19 retary may terminate a contract under this chapter
20 if the Secretary determines that the producer vio-
21 lated the contract.

22 **“SEC. 1240C. EVALUATION OF OFFERS AND PAYMENTS.**

23 “‘In evaluating applications for technical assistance,
24 cost-share payments, and incentive payments, the Sec-

1 retary shall accord a higher priority to assistance and pay-
2 ments that—

3 “(1) maximize environmental benefits per dollar
4 expended; and

5 “(2)(A) address national conservation priorities
6 involving—

7 “(i) comprehensive nutrient management;

8 “(ii) water quality, particularly in impaired
9 watersheds;

10 “(iii) soil erosion; or

11 “(iv) air quality;

12 “(B) are provided in conservation priority areas
13 established under section 1230(c); or

14 “(C) are provided in special projects under sec-
15 tion 1240B(g) with respect to which State or local
16 governments have provided, or will provide, financial
17 or technical assistance to producers for the same
18 conservation or environmental purposes.

19 **“SEC. 1240D. DUTIES OF PRODUCERS.**

20 “To receive technical assistance, cost-share pay-
21 ments, or incentive payments under this chapter, a pro-
22 ducer shall agree—

23 “(1) to implement an environmental quality in-
24 centives program plan that describes conservation

1 and environmental goals to be achieved through 1 or
2 more practices that are approved by the Secretary;

3 “(2) not to conduct any practices on the farm
4 or ranch that would tend to defeat the purposes of
5 this chapter;

6 “(3) on the violation of a term or condition of
7 the contract at any time the producer has control of
8 the land, to refund any cost-share or incentive pay-
9 ment received with interest, and forfeit any future
10 payments under this chapter, as determined by the
11 Secretary;

12 “(4) on the transfer of the right and interest of
13 the producer in land subject to the contract, unless
14 the transferee of the right and interest agrees with
15 the Secretary to assume all obligations of the con-
16 tract, to refund all cost-share payments and incen-
17 tive payments received under this chapter, as deter-
18 mined by the Secretary;

19 “(5) to supply information as required by the
20 Secretary to determine compliance with the environ-
21 mental quality incentives program plan and require-
22 ments of the program; and

23 “(6) to comply with such additional provisions
24 as the Secretary determines are necessary to carry

1 out the environmental quality incentives program
2 plan.

3 **“SEC. 1240E. ENVIRONMENTAL QUALITY INCENTIVES PRO-**
4 **GRAM PLAN.**

5 “(a) IN GENERAL.—To be eligible to receive technical
6 assistance, cost-share payments, or incentive payments
7 under the environmental quality incentives program, an
8 owner or producer of a livestock or agricultural operation
9 must submit to the Secretary for approval a plan of oper-
10 ations that incorporates practices covered under this chap-
11 ter, and is based on such principles, as the Secretary con-
12 siders necessary to carry out the program, including a de-
13 scription of the practices to be implemented and the objec-
14 tives to be met by the implementation of the plan.

15 “(b) AVOIDANCE OF DUPLICATION.—The Secretary
16 shall, to the maximum extent practicable, eliminate dupli-
17 cation of planning activities under the environmental qual-
18 ity incentives program and comparable conservation pro-
19 grams.

20 **“SEC. 1240F. DUTIES OF THE SECRETARY.**

21 “To the extent appropriate, the Secretary shall assist
22 a producer in achieving the conservation and environ-
23 mental goals of an environmental quality incentives pro-
24 gram plan by—

1 “(1) providing technical assistance in devel-
2 oping and implementing the plan;

3 “(2) providing technical assistance, cost-share
4 payments, or incentive payments for developing and
5 implementing 1 or more practices, as appropriate;

6 “(3) providing the producer with information,
7 education, and training to aid in implementation of
8 the plan; and

9 “(4) encouraging the producer to obtain tech-
10 nical assistance, cost-share payments, or grants from
11 other Federal, State, local, or private sources.

12 **“SEC. 1240G. LIMITATION ON PAYMENTS.**

13 “(a) IN GENERAL.—Subject to subsection (b), the
14 total amount of cost-share and incentive payments paid
15 to a producer under this chapter may not exceed—

16 “(1) \$50,000 for any fiscal year; or

17 “(2) \$150,000 for any multiyear contract.

18 “(b) CONTRIBUTION.—An individual or entity may not
19 receive, directly or indirectly, payments under this chapter
20 that exceed \$50,000 for any fiscal year.

21 “(c) VERIFICATION.—The Secretary shall identify in-
22 dividuals and entities that are eligible for a payment under
23 this chapter using social security numbers and taxpayer
24 identification numbers, respectively.

1 **“SEC. 1240H. CONSERVATION INNOVATION GRANTS.**

2 “(a) IN GENERAL.—From funds made available to
3 carry out this chapter, the Secretary shall use
4 \$100,000,000 for each fiscal year to pay the Federal share
5 of competitive grants that are intended to stimulate inno-
6 vative approaches to leveraging Federal investment in en-
7 vironmental enhancement and protection, in conjunction
8 with agricultural production, through the environmental
9 quality incentives program.

10 “(b) USE.—The Secretary shall award grants under
11 this section to governmental and nongovernmental organi-
12 zations and persons, on a competitive basis, to carry out
13 projects that—

14 “(1) involve producers that are eligible for pay-
15 ments or technical assistance under this chapter;

16 “(2) implement innovative projects, such as—

17 “(A) market-based pollution credit trading;

18 and

19 “(B) provision of funds to promote adop-
20 tion of best management practices and the stor-
21 ing of carbon in the soil; and

22 “(3) leverage funds made available to carry out
23 this chapter with matching funds provided by State
24 and local governments and private organizations to
25 promote environmental enhancement and protection
26 in conjunction with agricultural production.

1 “(b) DEFINITION OF CONSERVATION SYSTEM.—In
2 this section, the term ‘conservation system’ means a set
3 of multiple conservation practices that—

4 “(1) address 1 or more natural resources on a
5 farm or ranch of a producer;

6 “(2) requires planning, implementation, man-
7 agement, and maintenance;

8 “(3) promotes 1 or more conservation purposes
9 identified in the plan developed and approved by the
10 Secretary under section 1240D;

11 “(4) has not been implemented on the applica-
12 ble agricultural land of the producer before receipt
13 of a payment under this section; and

14 “(5) involves—

15 “(A) a basic conservation activity, such as
16 pest management, contour farming, residue
17 management, nutrient management, or similar
18 activities, as determined by the Secretary;

19 “(B) a land use adjustment or protection
20 activity, such as resource-conserving crop rota-
21 tion, controlled, rotational grazing, or similar
22 activities, as determined by the Secretary; or

23 “(C) an activity that fosters the long-term
24 sustainability of all natural resources on the ag-

1 ricultural operation, as determined by the Sec-
2 retary.

3 “(c) ESTABLISHMENT.—

4 “(1) IN GENERAL.—The Secretary shall estab-
5 lish a program that is designed to—

6 “(A) function as part of the environmental
7 quality incentives program under this chapter;
8 and

9 “(B) provide an option for producers to re-
10 ceive a bonus payment for engaging in new and
11 more environmentally beneficial conservation
12 practices on agricultural working land.

13 “(2) CONTRACT.—

14 “(A) IN GENERAL.—In exchange for a pro-
15 ducer entering into a working land environ-
16 mental improvement option contract, the Sec-
17 retary shall provide an annual bonus payment,
18 in an amount determined by the Secretary, to
19 the producer in accordance with the contract.

20 “(B) RELATION TO EQUIP.—A contract
21 under this section may be a component of, or
22 separate from, a contract under section 1240B.

23 “(C) TERM.—A contract entered into
24 under this section shall have a term of not less
25 than 5, nor more than 10, years.

1 “(D) LINKAGE.—The Secretary shall not
2 require that any producer enter into a contract
3 under any other program under this chapter to
4 be eligible to receive a bonus payment under a
5 contract entered into under this section.

6 “(3) CONSERVATION SYSTEM PLAN.—

7 “(A) IN GENERAL.—A conservation system
8 plan developed under this section that incor-
9 porates an integrated approach to conservation
10 of natural resources on the farm or ranch of a
11 producer may be included in a plan developed
12 under section 1240D, under which conservation
13 goals are achieved through individual practices.

14 “(B) ELIGIBLE SYSTEMS.—A conservation
15 system that is eligible for a bonus payment
16 under this section may be associated with a
17 land management practice, structural practice,
18 or comprehensive nutrient management practice
19 that has been otherwise approved by the Sec-
20 retary under this chapter.

21 “(4) IDENTIFICATION OF CONSERVATION SYS-
22 TEMS.—The State Conservationist and State Tech-
23 nical Committee for each State shall identify con-
24 servation activities that, in combination—

1 “(A) address the geographical, agronomic,
2 and environmental conditions that are unique to
3 the State or area; and

4 “(B) qualify as conservation systems under
5 this section.

6 “(5) BONUS PAYMENTS.—A producer that im-
7 plements a conservation system shall be eligible to
8 receive an annual bonus payment that is in addition
9 to any incentive payment, cost share payment, or
10 technical assistance available to the producer under
11 this chapter.

12 “(d) EVALUATION OF CONTRACT OFFERS.—

13 “(1) EVALUATION FACTORS.—In order to maxi-
14 mize environmental benefits per dollar expended
15 under this section, the Secretary shall establish a list
16 of multiple evaluation factors that are to be used to
17 evaluate and rank the conservation systems proposed
18 by producers.

19 “(2) REQUIRED PRIORITY FACTORS.—The Sec-
20 retary shall give priority to offers that—

21 “(A) demonstrate the prior use of a con-
22 servation activity, such as conservation tillage;

23 “(B) address multiple natural resource
24 conservation goals;

1 “(C) implement more comprehensive con-
2 servation systems; or

3 “(D) are submitted by a limited resource
4 farmer, beginning farmer, or Indian tribe (as
5 defined in section 4 of the Indian Self-Deter-
6 mination and Education Assistance Act (25
7 U.S.C. 450b)), as determined by the Secretary.

8 “(3) DISCRETIONARY FACTORS.—Additional
9 evaluation factors may include—

10 “(A) the number of farms and ranches
11 within the soil and water conservation district
12 in which the agricultural operation of the pro-
13 ducer is located;

14 “(B) with respect to the agricultural oper-
15 ation of the producer—

16 “(i) soil erosion;

17 “(ii) the potential for pesticide and
18 nutrient leaching;

19 “(iii) animal waste generation; and

20 “(iv) wetland; and

21 “(C) other factors, as determined by the
22 Secretary.

23 “(4) POINTS.—Each evaluation factor shall be
24 accorded a point value as determined by the Sec-
25 retary.

1 “(5) OFFERS.—Each offer of a producer to
2 enter into a contract under this section shall be
3 ranked by the Secretary according to the number of
4 points assigned the conservation system proposed in
5 the offer.

6 “(e) PROCEDURE FOR RANKING AND SELECTING OF-
7 FERS.—

8 “(1) LOCAL ENVIRONMENTAL PROBLEMS AND
9 PRIORITIES.—Each soil and water conservation dis-
10 trict, or local working group, as designated by the
11 Secretary, shall—

12 “(A) identify the environmental problems
13 that exist within the district; and

14 “(B) determine which conservation systems
15 and practices would best ameliorate the envi-
16 ronmental problems of the district; and

17 “(C) make recommendations to the State
18 conservationist and State technical committee
19 of the respective State concerning the issues de-
20 scribed in subparagraphs (A) and (B).

21 “(2) STATE CONSERVATIONIST.—The State
22 conservationist for each State, in consultation with
23 the State technical committee, shall—

1 “(A) summarize the information and rec-
2 ommendations provided by each soil and water
3 conservation district of the State; and

4 “(B) transmit the information and rec-
5 ommendations to the Secretary (including a de-
6 tailed description of intended priorities for
7 funding within the State).

8 “(3) STATE FUNDING ALLOCATIONS.—

9 “(A) IN GENERAL.—The Secretary may
10 use the information and recommendations sup-
11 plied by each State Conservationist, including
12 natural resource inventories, statistical studies,
13 and reports, to determine funding allocations
14 under this section for each State.

15 “(B) ELEMENTS OF ALLOCATION DETER-
16 MINATIONS.—A funding allocation shall be de-
17 termined on the basis of—

18 “(i) the evaluation factors described in
19 subsection (d); and

20 “(ii) the information and rec-
21 ommendations summarized by State con-
22 servationists under paragraph (2)(A).

23 “(C) NOTIFICATION.—The State conserva-
24 tionist for each State shall be notified of the
25 funding allocation for the State.

1 “(4) RANKING, SELECTION OF OFFERS, AND
2 AWARD OF BONUS PAYMENTS.—

3 “(A) RANKING OFFERS.—The State con-
4 servationist of the appropriate State, in con-
5 sultation with the State technical committee
6 and the soil and water conservation district in
7 which the agricultural operation of a producer
8 is located, shall rank each offer according to—

9 “(i) the criteria established by the
10 Secretary; and

11 “(ii) the number of points awarded to
12 the offer.

13 “(B) ACCEPTANCE OF OFFERS.—Based on
14 the ranking of each offer of a producer by the
15 State and the availability of funds for the State,
16 the State conservationist may accept offers of
17 producers that will receive bonus payments.

18 “(C) DETERMINATION OF BONUS PAY-
19 MENTS.—The State conservationist, in con-
20 sultation with the State technical committee,
21 and in consultation with the soil and water con-
22 servation district in which the agricultural oper-
23 ation of a producer is located, shall determine
24 the amount of the bonus payment applicable to

1 the conservation system that the producer of-
2 fers to implement.

3 “(D) DETERMINATION OF AMOUNT OF
4 BONUS PAYMENTS.—The amount of an annual
5 bonus payment, to the extent practicable, shall
6 be determined by the State conservationist, in
7 consultation with the State technical committee
8 and the soil and water conservation district in
9 which the agricultural operation of the producer
10 is located, using criteria established under the
11 guidelines described in subparagraph (E).

12 “(E) GUIDELINES.—The criteria used to
13 determine the amount of a bonus payment may
14 be—

15 “(i) as objective and transparent as
16 practicable; and

17 “(ii) based on—

18 “(I) to the maximum extent prac-
19 ticable, outcome-based factors relating
20 to the natural resource and environ-
21 mental benefits that result from the
22 adoption, maintenance, and improve-
23 ment in implementation of the con-
24 servation practice carried out by the
25 producer;

1 “(II) system-based factors,
2 including—
3 “(aa) the level and extent of
4 conservation systems to be estab-
5 lished or maintained;
6 “(bb) the cost of the adop-
7 tion, maintenance, and improve-
8 ment in implementation of the
9 conservation system;
10 “(cc) the income loss that
11 would be experienced, or eco-
12 nomic value that would be for-
13 gone, by the producer because of
14 land use adjustments resulting
15 from the adoption, maintenance,
16 and improvement of the con-
17 servation system; and
18 “(dd) the extent to which
19 compensation would ensure main-
20 tenance and improvement of the
21 conservation system; and
22 “(III) such other factors as the
23 Secretary determines to be appro-
24 priate to encourage participation
25 under this section.

1 “(f) LIMITATION ON ASSISTANCE.—The total amount
2 of bonus payments a producer may receive under this sec-
3 tion shall not exceed \$25,000 for any fiscal year.

4 “(g) FUNDING.—Of the funds made available to
5 carry out this chapter, the Secretary shall use to carry
6 out this section—

7 “(1) \$100,000,000 for fiscal year 2003;

8 “(2) \$150,000,000 for fiscal year 2004; and

9 “(3) \$400,000,000 for each of fiscal years 2005
10 and 2006.”.

11 (b) FUNDING.—Section 1241(b) of the Food Security
12 Act of 1985 (16 U.S.C. 3841(b)) is amended—

13 (1) in paragraph (1), by striking
14 “\$130,000,000” and all that follows through
15 “2002,” and inserting “\$750,000,000 for fiscal year
16 2003, \$1,250,000,000 for fiscal year 2004, and
17 \$2,150,000,000 for each of fiscal years 2005
18 through 2006,”; and

19 (2) by striking paragraph (2) and inserting the
20 following:

21 “(2) OBLIGATION OF FUNDS.—

22 “(A) IN GENERAL.—If a contract under
23 the environmental quality incentives program
24 under chapter 4 of subtitle D is terminated
25 prior to the end of the term of the contract and

1 funds obligated for the contract are remaining,
2 the remaining funds may be used to carry out
3 any other contract under the program during
4 the same fiscal year in which the original con-
5 tract was terminated.

6 “(B) ADDITIONAL USES OF FUNDS.—
7 Funding for contracts that terminate under the
8 program administered under subchapter B of
9 chapter 1 may be transferred to, and used to
10 carry out, the program under chapter 4 of sub-
11 title D.”.

12 (c) COOPERATION WITH OTHER GOVERNMENT
13 AGENCIES.—Section 11 of the Commodity Credit Cor-
14 poration Charter Act (15 U.S.C. 714i) is amended in the
15 last sentence by inserting “but excluding transfers and al-
16 lotments for conservation technical assistance” after “ac-
17 tivities”.

18 **SEC. 202. CONSERVATION RESERVE PROGRAM.**

19 (a) EXTENSION OF PROGRAM.—

20 (1) IN GENERAL.—Section 1231 of the Food
21 Security Act of 1985 (16 U.S.C. 3831) is
22 amended—

23 (A) in subsections (a) and (b)(3), by strik-
24 ing “2002” each place it appears and inserting
25 “2006”;

1 (B) in subsection (d)—

2 (i) by striking “2002” and inserting
3 “2006”; and

4 (ii) by striking “36,400,000” and in-
5 sserting “40,000,000”; and

6 (C) in subsection (h)(1), by striking “the
7 2001 and 2002” and inserting “each of the
8 2001 through 2006”.

9 (2) DUTIES OF OWNERS AND OPERATORS.—

10 Section 1232(c) of the Food Security Act of 1985
11 (16 U.S.C. 3832(c)) is amended by striking “2002”
12 and inserting “2006”.

13 (b) CONSERVATION BUFFERS AND CONSERVATION
14 RESERVE ENHANCEMENT PROGRAM.—Section 1231 of
15 the Food Security Act of 1985 (16 U.S.C. 3831) is
16 amended—

17 (1) in subsection (b)(4)—

18 (A) in subparagraph (C), by striking “or”
19 at the end;

20 (B) in subparagraph (D), by striking the
21 period at the end and inserting “; or”; and

22 (C) by adding at the end the following:

23 “(E) if the Secretary determines that the
24 cropland is a part of a field and is no longer

1 feasible to farm as a result of the remainder of
2 the field having been enrolled—

3 “(i) to establish conservation buffers
4 as part of the program announced on
5 March 24, 1998 (63 Fed. Reg. 14109) or
6 a successor program; or

7 “(ii) into the conservation reserve en-
8 hancement program announced on May 27,
9 1998 (63 Fed. Reg. 28965) or a successor
10 program.”; and

11 (2) in subsection (d)—

12 (A) by striking “2002” and inserting
13 “2006”; and

14 (B) by inserting before the period at the
15 end the following: “, of which not less than
16 4,000,000 acres shall be enrolled—

17 “(1) to establish conservation buffers as part of
18 the program announced on March 24, 1998 (63
19 Fed. Reg. 14109) or a successor program; and

20 “(2) through the conservation reserve enhance-
21 ment program announced on May 27, 1998 (63 Fed.
22 Reg. 28965) or a successor program.”.

23 (c) **HARDWOOD TREES.**—Section 1231(e)(2) of the
24 Food Security Act of 1985 (16 U.S.C. 3831(e)(2)) is
25 amended—

1 (1) by striking “In the” and inserting the fol-
2 lowing:

3 “(A) IN GENERAL.—In the”;

4 (2) by striking “The Secretary” and inserting
5 the following:

6 “(B) EXISTING HARDWOOD TREE CON-
7 TRACTS.—The Secretary”; and

8 (3) by adding at the end the following:

9 “(C) EXTENSION OF HARDWOOD TREE
10 CONTRACTS.—

11 “(i) IN GENERAL.—In the case of
12 land devoted to hardwood trees under a
13 contract entered into under this subchapter
14 before the date of enactment of this sub-
15 paragraph, on the request of the owner or
16 operator of the land, the Secretary shall
17 extend the contract for a term of 15 years.

18 “(ii) RENTAL PAYMENTS.—The
19 amount of a rental payment for a contract
20 extended under clause (i) shall be 50 per-
21 cent of the rental payment that was appli-
22 cable to the contract before the contract
23 was extended.”.

1 (d) HAYING AND GRAZING ON BUFFER STRIPS.—
2 Section 1232(a)(7) of the Food Security Act of 1985 (16
3 U.S.C. 3832(a)(7)) is amended—

4 (1) by striking “except that the Secretary—”
5 and inserting “except that—”;

6 (2) in subparagraph (A)—

7 (A) by striking “(A) may” and inserting
8 “(A) the Secretary may”; and

9 (B) by striking “and” at the end;

10 (3) in subparagraph (B)—

11 (A) by striking “(B) shall” and inserting
12 “(B) the Secretary shall”; and

13 (B) by striking the period at the end and
14 inserting a semicolon;

15 (4) in subparagraph (C), by striking the period
16 at the end and inserting “; and”; and

17 (5) by adding at the end the following:

18 “(D) for maintenance purposes, the Sec-
19 retary shall permit harvesting or grazing or
20 other commercial uses of forage, in a manner
21 that is consistent with the purposes of this sub-
22 chapter and a conservation plan approved by
23 the Secretary, on acres enrolled—

24 “(i) to establish conservation buffers
25 as part of the program announced on

1 March 24, 1998 (63 Fed. Reg. 14109) or
2 a successor program; and

3 “(ii) into the conservation reserve en-
4 hancement program announced on May 27,
5 1998 (63 Fed. Reg. 28965) or a successor
6 program.”.

7 (e) COST SHARE FOR HARDWOOD TREES.—Section
8 1234(b)(3) of the Food Security Act of 1985 (16 U.S.C.
9 3834(b)(3)) is amended by striking “4-year” and inserting
10 “5-year”.

11 (f) BASE HISTORY.—Section 1236 of the Food Secu-
12 rity Act of 1985 (16 U.S.C. 3836) is amended by striking
13 subsection (d) and inserting the following:

14 “(d) REDUCTION OR TERMINATION OF CROPLAND.—

15 “(1) IN GENERAL.—In addition to any other
16 remedy available under any other law, the Secretary
17 may reduce or terminate the quantity of cropland
18 base and allotment history preserved under sub-
19 section (c) for acreage with respect to which a viola-
20 tion of a term or condition of a contract covering
21 that acreage occurs.

22 “(2) REQUIRED TERMINATION.—The Secretary
23 shall terminate the cropland base and allotment his-
24 tory for all cropland—

25 “(A) enrolled under this subchapter; and

1 “(B) used for—

2 “(i) the planting of hardwood trees
3 under section 1231(e)(2);

4 “(ii) the pilot program under section
5 1231(h); or

6 “(iii) enrollment—

7 “(I) to establish conservation
8 buffers as part of the program an-
9 nounced on March 24, 1998 (63 Fed.
10 Reg. 14109) or a successor program;
11 or

12 “(II) in the program announced
13 on May 27, 1998 (63 Fed. Reg.
14 28965) or a successor program.”.

15 (g) FUNDING.—Section 1241(a) of the Food Security
16 Act of 1985 (16 U.S.C. 3841(a)) is amended—

17 (1) by striking “1996 through 2002” and in-
18 serting “2003 through 2006”; and

19 (2) in paragraph (1), by inserting “, including
20 technical assistance” before the semicolon at the
21 end.

22 **SEC. 203. WETLANDS RESERVE PROGRAM.**

23 (a) MAXIMUM ENROLLMENT.—Section 1237(b)(1) of
24 the Food Security Act of 1985 (16 U.S.C. 3837(b)(1))

1 is amended by striking “975,000 acres” and inserting
2 “1,975,000 acres”.

3 (b) EXTENSION OF PROGRAM.—Section 1237(c) of
4 the Food Security Act of 1985 (16 U.S.C. 3837(c)) is
5 amended by striking “2002” and inserting “2006”.

6 (c) WETLANDS RESERVE ENHANCEMENT PRO-
7 GRAM.—Section 1237 of the Food Security Act of 1985
8 (16 U.S.C. 3837) is amended by adding at the end the
9 following:

10 “(h) WETLANDS RESERVE ENHANCEMENT PRO-
11 GRAM.—

12 “(1) IN GENERAL.—The Secretary may enter
13 into cooperative agreements with State or local gov-
14 ernments, and with private organizations, to develop,
15 on land that is enrolled, or is eligible to be enrolled,
16 in the wetland reserve established under this sub-
17 chapter, wetland restoration activities in watershed
18 areas.

19 “(2) PURPOSE.—The purpose of the agree-
20 ments shall be to address critical environmental
21 issues, including hypoxia, eutrophication, wildlife
22 habitat, flooding, and groundwater recharge.

23 “(3) LIMITATION.—The total number of acres
24 that may be covered by agreements entered into

1 under this subsection shall not exceed 50,000 acres
2 for each calendar year.”.

3 (d) MONITORING AND MAINTENANCE.—Section
4 1237C(a)(2) of the Food Security Act of 1985 (16 U.S.C.
5 3837c(a)(2)) is amended by striking “assistance” and in-
6 serting “assistance (including monitoring and mainte-
7 nance)”.

8 (e) TECHNICAL ASSISTANCE.—Section 1241(a)(2) of
9 the Food Security Act of 1985 (16 U.S.C. 3841(a)(2)) is
10 amended by inserting “, including technical assistance”
11 before the semicolon at the end.

12 **SEC. 204. FARMLAND AND GRASSLAND PROTECTION PRO-**
13 **GRAM.**

14 Section 388 of the Federal Agriculture Improvement
15 and Reform Act of 1996 (16 U.S.C. 3830 note; Public
16 Law 104–127) is amended to read as follows:

17 **“SEC. 388. FARMLAND AND GRASSLAND PROTECTION PRO-**
18 **GRAM.**

19 “(a) DEFINITION OF AGRICULTURAL LAND.—In this
20 section, the term ‘agricultural land’ means land on a farm
21 or ranch that is—

22 “(1) cropland;

23 “(2) rangeland or grassland;

24 “(3) pastureland; or

25 “(4) private forest land.

1 “(b) ESTABLISHMENT.—The Secretary of Agri-
2 culture shall establish and carry out a farmland protection
3 program under which the Secretary shall purchase con-
4 servation easements or other interests in agricultural land
5 with prime, unique, or other productive soil that is subject
6 to a pending offer for the purpose of protecting topsoil
7 by limiting nonagricultural uses of the land from—

8 “(1) any agency of any State or local govern-
9 ment, or federally recognized Indian tribe, including
10 farmland protection boards and land resource coun-
11 cils established under State law; and

12 “(2) any organization that—

13 “(A) is organized for, and at all times
14 since the formation of the organization has
15 been operated principally for, 1 or more of the
16 conservation purposes specified in clauses (i),
17 (ii), and (iii) of section 170(h)(4)(A) of the In-
18 ternal Revenue Code of 1986;

19 “(B) is an organization described in sec-
20 tion 501(e)(3) of that Code that is exempt from
21 taxation under section 501(a) of that Code;

22 “(C) is described in section 509(a)(2) of
23 that Code; or

1 “(D) is described in section 509(a)(3) of
2 that Code and is controlled by an organization
3 described in section 509(a)(2) of that Code.

4 “(c) CONSERVATION PLAN.—Any agricultural land
5 for which a conservation easement or other interest is pur-
6 chased under this section shall be subject to the require-
7 ments of a conservation plan that ensures that continued
8 agricultural use of the agricultural land—

9 “(1) will not degrade the environment; and

10 “(2) in the case of cropland, will require the
11 conversion of the agricultural land to less intensive
12 uses, at the option of the Secretary.

13 “(d) FUNDING.—

14 “(1) IN GENERAL.—Of the funds of the Com-
15 modity Credit Corporation, the Secretary shall make
16 available \$65,000,000 for each of fiscal years 2003
17 through 2006 for providing technical assistance and
18 purchasing conservation easements under this sec-
19 tion.

20 “(2) COST SHARING.—

21 “(A) FEDERAL SHARE.—The Federal
22 share of the cost of purchasing a conservation
23 easement or other interest described in sub-
24 section (b) shall not exceed 50 percent.

1 “(B) NON-FEDERAL SHARE.—The non-
2 Federal share of the cost of any project relating
3 to the purchase of a conservation easement
4 under this section may be made in the form of
5 donations from any non-Federal source (includ-
6 ing donations of conservation easements in a
7 project area) that materially advance the goals
8 of the project, as determined by the Sec-
9 retary.”.

10 **SEC. 205. WILDLIFE HABITAT INCENTIVE PROGRAM.**

11 Section 387(c) of the Federal Agriculture Improve-
12 ment and Reform Act of 1996 (16 U.S.C. 3836a(c)) is
13 amended by striking “a total of \$50,000,000 shall be
14 made available for fiscal years 1996 through 2002” and
15 inserting “the Secretary shall make available \$50,000,000
16 for each of fiscal years 2003 through 2006”.

17 **Subtitle B—Miscellaneous Reforms**
18 **and Extensions**

19 **SEC. 211. PRIVACY OF PERSONAL INFORMATION RELATING**
20 **TO NATURAL RESOURCES CONSERVATION**
21 **PROGRAMS.**

22 Subtitle E of title XII of the Food Security Act of
23 1985 (16 U.S.C. 3841 et seq.) is amended—

1 (1) by redesignating sections 1244 and 1245
2 (16 U.S.C. 3844, 3845) as sections 1245 and 1246,
3 respectively; and

4 (2) by inserting after section 1243 (16 U.S.C.
5 3843) the following:

6 **“SEC. 1244. PRIVACY OF PERSONAL INFORMATION RELAT-**
7 **ING TO NATURAL RESOURCES CONSERVA-**
8 **TION PROGRAMS.**

9 “(a) INFORMATION RECEIVED FOR TECHNICAL AND
10 FINANCIAL ASSISTANCE.—

11 “(1) IN GENERAL.—In accordance with section
12 552(b)(3) of title 5, United States Code, except as
13 provided in paragraph (3) and subsection (e), infor-
14 mation described in paragraph (2) —

15 “(A) shall not be considered to be public
16 information; and

17 “(B) shall not be released to any person or
18 Federal, State, local, or tribal agency outside
19 the Department of Agriculture.

20 “(2) INFORMATION.—The information referred
21 to in paragraph (1) is information—

22 “(A) provided to, or developed by, the Sec-
23 retary (including a contractor of the Secretary)
24 for the purpose of providing technical or finan-
25 cial assistance to an owner or producer with re-

1 spect to any natural resources conservation pro-
2 gram administered by the Natural Resources
3 Conservation Service or the Farm Service Agen-
4 cy; and

5 “(B) that is proprietary to the agricultural
6 operation or land that is a part of an agricul-
7 tural operation of the owner or producer.

8 “(3) EXCEPTION.—Information compiled by the
9 Secretary, such as a list of owners or producers that
10 have received payments from the Secretary and the
11 amounts received, shall be—

12 “(A) considered to be public information;
13 and

14 “(B) may be released to any person or any
15 Federal, State, local, or tribal agency outside
16 the Department of Agriculture.

17 “(b) INVENTORY, MONITORING, AND SITE SPECIFIC
18 INFORMATION.—Except as provided in subsection (c) and
19 notwithstanding any other provision of law, in order to
20 maintain the personal privacy, confidentiality, and co-
21 operation of owners and producers, and to maintain the
22 integrity of sample sites, the specific geographic locations
23 of the National Resources Inventory of the Department
24 of Agriculture data gathering sites and the information
25 generated by those sites—

1 “(1) shall not be considered to be public infor-
2 mation; and

3 “(2) shall not be released to any person or Fed-
4 eral, State, local, or tribal agency outside the De-
5 partment of Agriculture.

6 “(c) EXCEPTIONS.—

7 “(1) RELEASE AND DISCLOSURE FOR ENFORCE-
8 MENT.—The Secretary may release or disclose to the
9 Attorney General information covered by subsection
10 (a) or (b) to the extent necessary to enforce the nat-
11 ural resources conservation programs referred to in
12 subsection (a).

13 “(2) DISCLOSURE TO COOPERATING PERSONS
14 AND AGENCIES.—

15 “(A) IN GENERAL.—The Secretary may re-
16 lease or disclose information covered by sub-
17 section (a) or (b) to a person or Federal, State,
18 local, or tribal agency working in cooperation
19 with the Secretary in providing technical and fi-
20 nancial assistance described in subsection (a) or
21 collecting information from National Resources
22 Inventory data gathering sites.

23 “(B) USE OF INFORMATION.—The person
24 or Federal, State, local, or tribal agency that
25 receives information described in subparagraph

1 (A) may release the information only for the
2 purpose of assisting the Secretary—

3 “(i) in providing the requested tech-
4 nical or financial assistance; or

5 “(ii) in collecting information from
6 National Resources Inventory data gath-
7 ering sites.

8 “(3) STATISTICAL AND AGGREGATE INFORMA-
9 TION.—Information covered by subsection (b) may
10 be disclosed to the public if the information has been
11 transformed into a statistical or aggregate form that
12 does not allow the identification of any individual
13 owner, producer, or specific data gathering site.

14 “(4) CONSENT OF OWNER OR PRODUCER.—

15 “(A) IN GENERAL.—An owner or producer
16 may consent to the disclosure of information
17 described in subsection (a) or (b).

18 “(B) CONDITION OF OTHER PROGRAMS.—
19 The participation of the owner or producer in,
20 and the receipt of any benefit by the owner or
21 producer under, this title or any other program
22 administered by the Secretary may not be con-
23 ditioned on the owner or operator providing
24 consent under this paragraph.

1 “(d) VIOLATIONS; PENALTIES.—Section 1770(c)
2 shall apply with respect to the release of information col-
3 lected in any manner or for any purpose prohibited by this
4 section.”.

5 **SEC. 212. REFORM AND CONSOLIDATION OF CONSERVA-**
6 **TION PROGRAMS.**

7 (a) IN GENERAL.—The Secretary of Agriculture shall
8 develop a plan for—

9 (1) consolidating conservation programs admin-
10 istered by the Secretary that are targeted at agricul-
11 tural land; and

12 (2) to the maximum extent practicable—

13 (A) designing forms that are applicable to
14 all such conservation programs;

15 (B) reducing and consolidating paperwork
16 requirements for such programs;

17 (C) developing universal classification sys-
18 tems for all information obtained on the forms
19 that can be used by other agencies of the De-
20 partment of Agriculture;

21 (D) ensuring that the information and
22 classification systems developed under this
23 paragraph can be shared with other agencies of
24 the Department through computer technologies
25 used by agencies; and

1 (E) developing 1 format for a conservation
2 plan that can be applied to all conservation pro-
3 grams targeted at agricultural land.

4 (b) REPORT.—Not later than 180 days after the date
5 of enactment of this Act, the Secretary shall submit to
6 the Committee on Agriculture of the House of Representa-
7 tives and the Committee on Agriculture, Nutrition, and
8 Forestry of the Senate a report that describes the plan
9 developed under subsection (a), including any rec-
10 ommendations for implementation of the plan.

11 (c) NATIONAL CONSERVATION PLAN.—Not later
12 than 180 days after the date of enactment of this Act,
13 the Secretary shall submit to the Committee on Agri-
14 culture of the House of Representatives and the Com-
15 mittee on Agriculture, Nutrition, and Forestry of the Sen-
16 ate a plan and estimated budget for implementing the ap-
17 praisal of the soil, water, and related resources of the Na-
18 tion contained in the National Conservation Program
19 under section 5 of the Soil and Water Resources Conserva-
20 tion Act of 1977 (16 U.S.C. 2004) as the primary vehicle
21 for managing conservation on agricultural land in the
22 United States.

1 **SEC. 213. CERTIFICATION OF PRIVATE PROVIDERS OF**
2 **TECHNICAL ASSISTANCE.**

3 The Soil Conservation and Domestic Allotment Act
4 is amended by inserting after section 15 (16 U.S.C. 590o)
5 the following:

6 **“SEC. 16. CERTIFICATION OF PRIVATE PROVIDERS OF**
7 **TECHNICAL ASSISTANCE.**

8 “(a) ESTABLISHMENT.—The Secretary of Agri-
9 culture shall establish procedures for certifying private
10 persons to provide technical assistance to agricultural pro-
11 ducers and landowners participating in conservation pro-
12 grams administered by the Secretary.

13 “(b) STANDARDS.—The Secretary shall establish
14 standards for the conduct of—

15 “(1) the certification process conducted by the
16 Secretary; and

17 “(2) periodic recertification by the Secretary of
18 private providers.

19 “(c) CERTIFICATION REQUIRED.—A private provider
20 may not provide technical assistance under any conserva-
21 tion program administered by the Secretary without cer-
22 tification approved by the Secretary.

23 “(d) FEE.—In exchange for certification, a private
24 provider shall pay a fee to the Secretary in an amount
25 determined by the Secretary.

1 “(e) PROVIDER.—Except as provided in section
2 1240B(f)(6) of the Food Security Act of 1985 (7 U.S.C.
3 3839aa–(f)(6)), the Secretary shall determine under what
4 individual cases and conservation programs technical as-
5 sistance may be delivered by private providers or by the
6 Secretary.

7 “(f) OTHER REQUIREMENTS.—The Secretary may
8 establish other requirements as the Secretary determines
9 are necessary to carry out this section.”.

10 **SEC. 214. NATIONAL ENVIRONMENTAL BENEFITS INDEX.**

11 (a) STUDY.—Not later than January 1, 2003, the
12 Secretary of Agriculture shall request the National Acad-
13 emy of Sciences to conduct a study—

14 (1) to identify the natural resources targeted in
15 conservation programs administered by the Sec-
16 retary;

17 (2) to identify the environmental goals of the
18 conservation programs; and

19 (3) to develop a single environmental benefits
20 index that may be applied to all conservation pro-
21 grams that would allow—

22 (A) personnel and funding of the Depart-
23 ment of Agriculture to be better targeted at
24 conservation priorities;

1 (B) to facilitate the more effective partici-
2 pation of owners and producers in the conserva-
3 tion programs; and

4 (C) to maximize environmental benefits per
5 dollar expended.

6 (b) REPORTS.—Not later than 18 months after the
7 date on which the study under subsection (a) is com-
8 menced, the Secretary shall submit to the Committee on
9 Agriculture of the House of Representatives and the Com-
10 mittee on Agriculture, Nutrition, and Forestry of the Sen-
11 ate a report that—

12 (1) describes the results of the study conducted
13 under subsection (a); and

14 (2) includes any appropriate recommendations
15 and a model environmental benefits index described
16 in subsection (a)(3).

17 (c) FUNDING.—Of the funds of the Commodity Cred-
18 it Corporation, the Secretary shall make available to carry
19 out this section \$2,000,000 for fiscal year 2003.

20 **SEC. 215. EXTENSION OF CONSERVATION AUTHORITIES.**

21 (a) ECARP AUTHORITY.—Section 1230(a)(1) of the
22 Food Security Act of 1985 (16 U.S.C. 3830(a)(1)) is
23 amended by striking “2002” and inserting “2006”.

24 (b) FLOOD RISK REDUCTION.—Section 385(a) of the
25 Federal Agriculture Improvement and Reform Act of 1996

1 (7 U.S.C. 7334(a)) is amended by striking “2002” and
2 inserting “2006”.

3 (c) RESOURCE CONSERVATION AND DEVELOPMENT
4 PROGRAM.—Section 1538 of the Agriculture and Food
5 Act of 1981 (16 U.S.C. 3461) is amended in the first sen-
6 tence by striking “2002” and inserting “2006”.

7 **SEC. 216. TECHNICAL AMENDMENTS.**

8 (a) DELINEATION OF WETLANDS; EXEMPTIONS TO
9 PROGRAM INELIGIBILITY.—

10 (1) REFERENCES TO PRODUCER.—Section
11 322(e) of the Federal Agriculture Improvement and
12 Reform Act of 1996 (Public Law 104–127; 110
13 Stat. 991) is amended by inserting “each place it
14 appears” before “and inserting”.

15 (2) GOOD FAITH EXEMPTION.—Section
16 1222(h)(2) of the Food Security Act of 1985 (16
17 U.S.C. 3822(h)(2)) is amended by striking “to ac-
18 tively” and inserting “to be actively”.

19 (3) DETERMINATIONS.—Section 1222(j) of the
20 Food Security Act of 1985 (16 U.S.C. 3822(j)) is
21 amended by striking “National” and inserting “Nat-
22 ural”.

23 (b) WILDLIFE HABITAT INCENTIVE PROGRAM.—Sec-
24 tion 387 of the Federal Agriculture Improvement and Re-
25 form Act of 1996 (16 U.S.C. 3836a) is amended in the

1 section heading by striking “**INCENTIVES**” and inserting
2 “**INCENTIVE**”.

3 **SEC. 217. EFFECT OF AMENDMENTS.**

4 (a) **IN GENERAL.**—Except as otherwise specifically
5 provided in this title and notwithstanding any other provi-
6 sion of law, this title and the amendments made by this
7 title shall not affect the authority of the Secretary of Agri-
8 culture to carry out a conservation program for any of
9 the 1996 through 2002 fiscal or calendar years under a
10 provision of law in effect immediately before the date of
11 enactment of this Act.

12 (b) **LIABILITY.**—A provision of this title or an
13 amendment made by this title shall not affect the liability
14 of any person under any provision of law as in effect im-
15 mediately before the date of enactment of this Act.

16 **TITLE III—TRADE**
17 **Subtitle A—Agricultural Trade De-**
18 **velopment and Assistance Act of**
19 **1954 and Related Statutes**

20 **SEC. 301. LEVELS OF ASSISTANCE.**

21 Section 204(a) of the Agricultural Trade Develop-
22 ment and Assistance Act of 1954 (7 U.S.C. 1724(a)) is
23 amended by striking “2002” each place it appears and
24 inserting “2006”.

1 **SEC. 302. FOOD AID CONSULTATIVE GROUP.**

2 Section 205(f) of the Agricultural Trade Develop-
3 ment and Assistance Act of 1954 (7 U.S.C. 1725(f)) is
4 amended by striking “2002” and inserting “2006”.

5 **SEC. 303. ASSISTANCE FOR STOCKPILING AND RAPID**
6 **TRANSPORTATION, DELIVERY, AND DIS-**
7 **TRIBUTION OF SHELF-STABLE PRE-**
8 **PACKAGED FOODS.**

9 Section 208(f) of the Agricultural Trade Develop-
10 ment and Assistance Act of 1954 (7 U.S.C. 1726b(f)) is
11 amended by striking “and 2002” and inserting “through
12 2006”.

13 **SEC. 304. PREPOSITIONING.**

14 Section 407(c)(4) of the Agricultural Trade Develop-
15 ment and Assistance Act of 1954 (7 U.S.C. 1736a(c)(4))
16 is amended by striking “and 2002” and inserting
17 “through 2006”.

18 **SEC. 305. EXPIRATION DATE.**

19 Section 408 of the Agricultural Trade Development
20 and Assistance Act of 1954 (7 U.S.C. 1736b) is amended
21 by striking “2002” and inserting “2006”.

22 **SEC. 306. MICRONUTRIENT FORTIFICATION PILOT PRO-**
23 **GRAM.**

24 Section 415 of the Agricultural Trade Development
25 and Assistance Act of 1954 (7 U.S.C. 1736g-2) is amend-
26 ed by striking subsection (d).

1 **SEC. 307. FARMER-TO-FARMER PROGRAM.**

2 Section 501(c) of the Agricultural Trade Develop-
3 ment and Assistance Act of 1954 (7 U.S.C. 1737(c)) is
4 amended—

5 (1) by striking “2002” and inserting “2006”;

6 and

7 (2) by striking “0.4” and inserting “0.5”.

8 **SEC. 308. BILL EMERSON HUMANITARIAN TRUST.**

9 Section 302 of the Bill Emerson Humanitarian Trust
10 Act (7 U.S.C. 1736f–1) is amended in subsection
11 (b)(2)(B)(i) and paragraphs (1) and (2) of subsection (h)
12 by striking “2002” each place it appears and inserting
13 “2006”.

14 **Subtitle B—Agricultural Trade Act**
15 **of 1978**

16 **SEC. 321. EXPORT CREDIT GUARANTEE PROGRAM.**

17 (a) REAUTHORIZATION.—Section 211(b)(1) of the
18 Agricultural Trade Act of 1978 (7 U.S.C. 5641(b)(1)) is
19 amended by striking “2002” and inserting “2006”.

20 (b) PROCESSED AND HIGH-VALUE PRODUCTS.—Sec-
21 tion 202(k)(1) of the Agricultural Trade Act of 1978 (7
22 U.S.C. 5622(k)(1)) is amended by striking “, 2001, and
23 2002” and inserting “through 2006”.

24 (c) COMMERCIAL SALES TO CHINA.—The Secretary
25 of Agriculture shall evaluate the eligibility of the People’s
26 Republic of China for financing under the export credit

1 guarantee program in light of the country risk profile and
2 bank credit ceiling analyses for that country, which, as
3 of the date of enactment of this Act, may preclude financ-
4 ing under the program.

5 **SEC. 322. MARKET ACCESS PROGRAM.**

6 (a) FUNDING.—Section 211(c)(1) of the Agricultural
7 Trade Act of 1978 (7 U.S.C. 5641(c)(1)) is amended by
8 striking “not less than \$200,000,000” and all that follows
9 through “1996 through 2002” and inserting
10 “\$110,000,000 for fiscal year 2003, \$110,000,000 for fis-
11 cal year 2004, and \$130,000,000 for each of fiscal years
12 2005 and 2006”.

13 (b) UNITED STATES QUALITY EXPORT INITIA-
14 TIVE.—

15 (1) FINDINGS.—Congress finds that—

16 (A) the market access program and foreign
17 market development program target generic and
18 value-added products, with little emphasis on
19 the high quality of a United States product;
20 and

21 (B) new promotional tools are needed to
22 enable United States products to compete in
23 higher margin, international markets on the
24 basis of quality.

1 (2) AMENDMENT.—Section 203 of the Agricul-
2 tural Trade Act of 1978 (7 U.S.C. 5623) is amend-
3 ed by adding at the end the following:

4 “(h) UNITED STATES QUALITY EXPORT INITIA-
5 TIVE.—

6 “(1) IN GENERAL.—Using the authorities under
7 this section, the Secretary shall develop a competi-
8 tion in which, using practical and objective criteria,
9 several products are selected to carry the ‘U.S.
10 Quality’ seal.

11 “(2) PROMOTIONAL ACTIVITIES.—Products se-
12 lected under paragraph (1) shall be promoted using
13 the ‘U.S. Quality’ seal at trade fairs in key markets
14 through electronic and print media.”.

15 **SEC. 323. EXPORT ENHANCEMENT PROGRAM.**

16 Section 301(e)(1)(G) of the Agricultural Trade Act
17 of 1978 (7 U.S.C. 5651(e)(1)(G)) is amended by striking
18 “fiscal year 2002” and inserting “each of fiscal years
19 2002 through 2006”.

20 **SEC. 324. FOREIGN MARKET DEVELOPMENT COOPERATOR**
21 **PROGRAM.**

22 The Agricultural Trade Act of 1978 is amended by
23 striking section 703 (7 U.S.C. 5723) and inserting the fol-
24 lowing:

1 **“SEC. 703. FUNDING.**

2 “(a) COMMODITY CREDIT CORPORATION.—The Sec-
3 retary shall use the funds, facilities, and authorities of the
4 Commodity Credit Corporation to carry out this title.

5 “(b) FUNDING.—

6 “(1) COMMODITY CREDIT CORPORATION.—Of
7 the funds of the Commodity Credit Corporation, the
8 Secretary shall make available to carry out this
9 title—

10 “(A) \$31,500,000 for fiscal year 2003;

11 “(B) \$36,000,000 for fiscal year 2004;

12 “(C) \$37,500,000 for fiscal year 2005; and

13 “(D) \$43,250,000 for fiscal year 2006.

14 “(2) NEW ENTRANTS AND MARKETS.—

15 “(A) GOALS.—The Secretary shall
16 encourage—

17 “(i) the participation of additional eli-
18 gible trade organizations; and

19 “(ii) the development of new markets
20 for United States agricultural commodities
21 in foreign countries.

22 “(B) TARGETED FUNDING.—Of funds
23 made available under paragraph (1), the Sec-
24 retary shall use to accomplish the goals under
25 subparagraph (A)—

26 “(i) \$2,000,000 for fiscal year 2003;

1 “(ii) \$4,250,000 for fiscal year 2004;

2 “(iii) \$5,000,000 for fiscal year 2005;

3 and

4 “(iv) \$7,875,000 for fiscal year 2006.

5 “(3) USE OF UNOBLIGATED FUNDS.—For each
6 fiscal year, funds described in paragraph (2)(B) that
7 are not obligated by July 1 of the fiscal year may
8 be used for any purpose authorized under this
9 title.”.

10 **SEC. 325. FOOD FOR PROGRESS.**

11 (a) IN GENERAL.—The Agricultural Trade Act of
12 1978 (7 U.S.C. 5601 et seq.) is amended by adding at
13 the end the following:

14 **“TITLE VIII—FOOD FOR**
15 **PROGRESS**

16 **“SEC. 801. DEFINITIONS.**

17 “In this title:

18 “(1) COOPERATIVE.—The term ‘cooperative’
19 means a private sector organization the members of
20 which—

21 “(A) own and control the organization;

22 “(B) share in the profits of the organiza-
23 tion; and

1 “(C) are provided services (such as busi-
2 ness services and outreach in cooperative devel-
3 opment) by the organization.

4 “(2) CORPORATION.—The term ‘Corporation’
5 means the Commodity Credit Corporation.

6 “(3) DEVELOPING COUNTRY.—The term ‘devel-
7 oping country’ means a foreign country that has—

8 “(A) a shortage of foreign exchange earn-
9 ings; and

10 “(B) difficulty meeting all of the food
11 needs of the country through commercial chan-
12 nels.

13 “(4) ELIGIBLE COMMODITY.—The term ‘eligible
14 commodity’ means an agricultural commodity ac-
15 quired by the Secretary or the Corporation for dis-
16 position in a program authorized under this title
17 through—

18 “(A) commercial purchases; or

19 “(B) inventories of the Corporation.

20 “(5) ELIGIBLE ORGANIZATION.—The term ‘eli-
21 gible organization’ means a private voluntary organi-
22 zation, cooperative, or intergovernmental organiza-
23 tion, as determined by the Secretary.

1 “(6) EMERGING AGRICULTURAL COUNTRY.—

2 The term ‘emerging agricultural country’ means a
3 foreign country that—

4 “(A) is an emerging democracy; and

5 “(B) has made a commitment to introduce
6 or expand free enterprise elements in the agri-
7 cultural economy of the country.

8 “(7) FOOD SECURITY.—The term ‘food secu-
9 rity’ means access by all people at all times to suffi-
10 cient food and nutrition for a healthy and productive
11 life.

12 “(8) INTERGOVERNMENTAL ORGANIZATION.—

13 “(A) IN GENERAL.—The term ‘intergov-
14 ernmental organization’ means an organization
15 that operates on a local level to solve develop-
16 ment problems in a foreign country in which
17 the organization is located.

18 “(B) EXCLUSION.—The term ‘intergovern-
19 mental organization’ does not include an orga-
20 nization that is primarily an agency or instru-
21 mentality of the government of a foreign coun-
22 try.

23 “(9) PRIVATE VOLUNTARY ORGANIZATION.—

1 “(A) IN GENERAL.—The term ‘private vol-
2 untary organization’ means a nonprofit, inter-
3 governmental organization that—

4 “(i) receives—

5 “(I) funds from private sources;

6 and

7 “(II) voluntary contributions of

8 money, staff time, or in-kind support

9 from the public; and

10 “(ii) is engaged in or is planning to

11 engage in nonreligious voluntary, chari-

12 table, or development assistance activities.

13 “(B) IN UNITED STATES.—The term ‘pri-
14 vate voluntary organization’, when used with re-
15 spect to an organization in the United States,
16 means an organization described in section
17 501(c)(3) of the Internal Revenue Code of 1986
18 that is exempt from taxation under section
19 501(a) of the Code.

20 “(10) PRODUCED IN THE UNITED STATES.—

21 The term ‘produced in the United States’, used with

22 respect to a product of an agricultural commodity,

23 excludes a product of an agricultural commodity

24 that contains 1 or more ingredients that are not pro-

25 duced in the United States if those ingredients are

1 commercially available in the United States at fair
2 and reasonable prices.

3 “(11) PROGRAM.—The term ‘program’ means a
4 food or nutrition assistance or development initiative
5 proposed by an eligible organization and approved by
6 the Secretary under this title.

7 “(12) RECIPIENT COUNTRY.—The term ‘recipi-
8 ent country’ means a developing country covered by
9 a program.

10 **“SEC. 802. FOOD FOR PROGRESS PROGRAM.**

11 “(a) IN GENERAL.—To provide agricultural commod-
12 ities to support the introduction or expansion of free trade
13 enterprises in national economies, and to provide food or
14 nutrition assistance, the Secretary shall establish the Food
15 for Progress Program under which the Secretary may
16 enter into agreements (including multiyear agreements)
17 with—

18 “(1) the governments of emerging democracies;

19 “(2) private voluntary organizations;

20 “(3) nonprofit agricultural organizations and
21 cooperatives;

22 “(4) intergovernmental organizations; and

23 “(5) other private entities.

24 “(b) CONSIDERATIONS.—In determining whether to
25 enter into an agreement to establish a program under sub-

1 section (a), the Secretary shall take into consideration
2 whether a potential recipient country is committed to car-
3 rying out, or is carrying out, policies that promote—

4 “(1) economic freedom;

5 “(2) private production of food commodities for
6 domestic consumption; and

7 “(3) the creation and expansion of efficient do-
8 mestic markets for the purchase and sale of those
9 commodities.

10 “(c) TERMS.—

11 “(1) IN GENERAL.—The Secretary may provide
12 agricultural commodities under this title on—

13 “(A) a grant basis; or

14 “(B) subject to paragraph (2), credit
15 terms.

16 “(2) CREDIT TERMS.—Payment for agricultural
17 commodities made available under this title that are
18 purchased on credit terms shall be made on the
19 same basis as payments made under section 103 of
20 the Agricultural Trade Development and Assistance
21 Act of 1954 (7 U.S.C. 1703).

22 “(3) NO EFFECT ON DOMESTIC PROGRAMS.—
23 The Secretary shall not make an agricultural com-
24 modity available for disposition under this section in
25 any amount that will reduce the amount of the com-

1 modity that is traditionally made available through
2 donations to domestic feeding programs or agencies,
3 as determined by the Secretary.

4 “(d) REPORTS.—Each eligible organization that en-
5 ters into an agreement under this title shall submit to the
6 Secretary, at such time as the Secretary may request, a
7 report containing such information as the Secretary may
8 request relating to the use of commodities and funds pro-
9 vided to the eligible organization under this title.

10 “(e) COORDINATION.—To ensure that the provision
11 of commodities under this section is coordinated with and
12 complements other foreign assistance provided by the
13 United States, assistance under this section shall be co-
14 ordinated through the mechanism designated by the Presi-
15 dent to coordinate assistance under the Agricultural Trade
16 Development and Assistance Act of 1954 (7 U.S.C. 1691
17 et seq.).

18 “(f) QUALITY ASSURANCE.—The Secretary shall en-
19 sure, to the maximum extent practicable, that each eligible
20 organization participating in 1 or more programs under
21 this section—

22 “(1) uses eligible commodities made available
23 under this title—

24 “(A) in an effective manner;

25 “(B) in the areas of greatest need; and

1 “(C) in a manner that promotes the pur-
2 poses of this title;

3 “(2) in using eligible commodities, assesses and
4 takes into account the needs of recipient countries
5 and the target populations of those countries;

6 “(3) to the maximum extent practicable con-
7 sistent with the purposes of this title, uses the low-
8 est cost means of delivering eligible commodities and
9 providing other assistance authorized under this
10 title;

11 “(4) works with recipient countries and indige-
12 nous institutions or groups in recipient countries to
13 design and carry out mutually acceptable programs
14 authorized in subsection (g)(2)(C)(i);

15 “(5) monitors and reports on the distribution or
16 sale of eligible commodities provided under this title
17 using methods that, as determined by the Secretary,
18 facilitate accurate and timely reporting;

19 “(6) periodically evaluates the effectiveness of
20 the program of the eligible organization, including,
21 as applicable, an evaluation of whether the develop-
22 ment or food and nutrition purposes of the program
23 can be sustained in a recipient country if the assist-
24 ance provided to the recipient country is reduced
25 and eventually terminated; and

1 “(7) considers means of improving the oper-
2 ation of the program of the eligible organization.

3 “(g) TRANSSHIPMENT AND RESALE.—

4 “(1) IN GENERAL.—The transshipment or re-
5 sale of an eligible commodity to a country other than
6 a recipient country shall be prohibited unless the
7 transshipment or resale is approved by the Sec-
8 retary.

9 “(2) MONETIZATION.—

10 “(A) IN GENERAL.—Subject to subpara-
11 graphs (B) through (D), an eligible commodity
12 provided under this section may be sold for for-
13 eign currency or United States dollars or
14 bartered only with the approval of the Sec-
15 retary.

16 “(B) SALE OR BARTER OF FOOD ASSIST-
17 ANCE.—The sale or barter of eligible commod-
18 ities under this title may be conducted only
19 within a recipient country or countries adjacent
20 to the recipient country, unless, as determined
21 by the Secretary—

22 “(i) the sale or barter within the re-
23 cipient country or adjacent countries is not
24 practicable; and

1 “(ii) the sale or barter within coun-
2 tries other than the recipient country or
3 adjacent countries will not disrupt com-
4 mercial markets for the agricultural com-
5 modity involved.

6 “(C) HUMANITARIAN OR DEVELOPMENT
7 PURPOSES.—The Secretary may authorize the
8 use of proceeds or exchanges to reimburse,
9 within a recipient country or other country in
10 the same region, the costs incurred by an eligi-
11 ble organization for—

12 “(i)(I) programs targeted at hunger
13 and malnutrition; or

14 “(II) development programs involving
15 food security or education;

16 “(ii) transportation, storage, and dis-
17 tribution of eligible commodities provided
18 under this title; and

19 “(iii) administration, sales, moni-
20 toring, and technical assistance.

21 “(D) EXCEPTION.—The Secretary shall
22 not approve the use of proceeds described in
23 subparagraph (C) to fund any administrative
24 expenses of a foreign government.

1 “(h) DISPLACEMENT OF COMMERCIAL SALES.—In
2 carrying out this title, the Secretary shall, to the max-
3 imum extent practicable consistent with the purposes of
4 this title, avoid—

5 “(1) displacing any commercial export sale of
6 United States commodities that would otherwise be
7 made;

8 “(2) disrupting world prices of agricultural
9 commodities; or

10 “(3) disrupting normal patterns of commercial
11 trade with foreign countries.

12 “(i) DEADLINE FOR PROGRAM ANNOUNCEMENTS.—

13 “(1) IN GENERAL.—Before the beginning of the
14 applicable fiscal year, the Secretary shall, to the
15 maximum extent practicable—

16 “(A) make all determinations concerning
17 program agreements and resource requests for
18 programs under this title; and

19 “(B) announce those determinations.

20 “(2) REPORT.—Not later than November 1 of
21 the applicable fiscal year, the Secretary shall submit
22 to the Committee on Agriculture of the House of
23 Representatives and the Committee on Agriculture,
24 Nutrition, and Forestry of the Senate a list of pro-
25 grams, countries, and commodities, and the total

1 amount of funds for transportation and administra-
2 tive costs, approved under this title.

3 “(j) MILITARY DISTRIBUTION OF ASSISTANCE.—

4 “(1) IN GENERAL.—The Secretary shall ensure,
5 to the maximum extent practicable, that agricultural
6 commodities made available under this section are
7 provided without regard to—

8 “(A) the political affiliation, geographic lo-
9 cation, ethnic, tribal, or religious identity of the
10 recipient; or

11 “(B) any extraneous factors.

12 “(2) PROHIBITION ON HANDLING OF COMMOD-
13 ITIES BY THE MILITARY.—

14 “(A) IN GENERAL.—Except as provided in
15 subparagraph (B), the Secretary shall not enter
16 into an agreement under this title to provide
17 agricultural commodities if the agreement re-
18 quires or permits the distribution, handling, or
19 allocation of agricultural commodities by the
20 military forces of any foreign government or in-
21 surgent group.

22 “(B) EXCEPTION.—The Secretary may au-
23 thorize the distribution, handling, or allocation
24 of commodities by the military forces of a coun-
25 try in exceptional circumstances in which—

1 “(i) nonmilitary channels are not
2 available for distribution, handling, or allo-
3 cation;

4 “(ii) the distribution, handling, or al-
5 location is consistent with paragraph (1);
6 and

7 “(iii) the Secretary determines that
8 the distribution, handling, or allocation is
9 necessary to meet the emergency health,
10 safety, or nutritional requirements of the
11 population of a recipient country.

12 “(3) ENCOURAGEMENT OF SAFE PASSAGE.—In
13 entering into an agreement under this title that in-
14 volves 1 or more areas within a recipient country
15 that is experiencing protracted warfare or civil un-
16 rest, the Secretary shall, to the maximum extent
17 practicable, encourage all parties to the conflict to—

18 “(A) permit safe passage of the commod-
19 ities and other relief supplies; and

20 “(B) establish safe zones for—

21 “(i) medical and humanitarian treat-
22 ment; and

23 “(ii) evacuation of injured persons.

1 “(k) BUDGET.—The cost of commodities made avail-
2 able under this section, and the expenses incurred in con-
3 nection with the provision of those commodities—

4 “(1) shall be in addition to the level of assist-
5 ance provided under the Agricultural Trade Develop-
6 ment and Assistance Act of 1954 (7 U.S.C. 1691 et
7 seq.); and

8 “(2) may not be considered expenditures for
9 international affairs and finance.

10 “(l) INTERNATIONAL EDUCATION AND NUTRITION
11 PROGRAM.—

12 “(1) IN GENERAL.—In cooperation with other
13 countries, the Secretary shall establish an initiative
14 within the Food for Progress Program under this
15 title to be known as the ‘International Education
16 and Nutrition Program’, through which the Sec-
17 retary may provide to eligible organizations agricul-
18 tural commodities and technical and nutritional as-
19 sistance in connection with education programs to
20 improve food security and enhance educational op-
21 portunities for preschool age and primary school age
22 children in recipient countries.

23 “(2) AGREEMENTS.—In carrying out this sub-
24 section, the Secretary may enter into agreements
25 with eligible organizations—

1 “(A) to purchase, acquire, and donate eli-
2 gible commodities to eligible organizations; and

3 “(B) to provide technical and nutritional
4 assistance.

5 “(3) OTHER DONOR COUNTRIES.—The Sec-
6 retary shall encourage other donor countries, directly
7 or through eligible organizations—

8 “(A) to donate goods and funds to recipi-
9 ent countries; and

10 “(B) to provide technical and nutritional
11 assistance to recipient countries.

12 “(4) PRIVATE SECTOR.—The President and the
13 Secretary are urged to encourage the support and
14 active involvement of the private sector, foundations,
15 and other individuals and organizations in programs
16 and activities assisted under this subsection.

17 “(5) GRADUATION.—An agreement with an eli-
18 gible organization under this subsection shall include
19 provisions—

20 “(A) to estimate the period of time re-
21 quired until the recipient country or eligible or-
22 ganization is able to provide sufficient assist-
23 ance without additional assistance under this
24 subsection; or

1 “(B) to provide other long-term benefits to
2 targeted populations of the recipient country.

3 “(6) ANNUAL REPORT.—The Secretary shall
4 submit to the Committee on Agriculture of the
5 House of Representatives and the Committee on Ag-
6 riculture, Nutrition, and Forestry of the Senate an
7 annual report that describes—

8 “(A) the results of the implementation of
9 this subsection during the year covered by the
10 report, including the impact on the enrollment,
11 attendance, and performance of children in
12 preschools and primary schools targeted under
13 the initiative established under this subsection;
14 and

15 “(B) the level of commitments by, and the
16 potential for obtaining additional goods and as-
17 sistance from, other countries for subsequent
18 years.

19 “(m) COMMODITY CREDIT CORPORATION.—

20 “(1) IN GENERAL.—Subject to paragraphs (4)
21 through (6), the Secretary may use the funds, facili-
22 ties, and authorities of the Corporation to carry out
23 this title.

24 “(2) FUNDING.—

1 “(A) IN GENERAL.—Subject to paragraph
2 (3), from the funds of the Corporation, the Sec-
3 retary shall make available to carry out this
4 title \$490,000,000 for each of fiscal years 2003
5 through 2006.

6 “(B) AUTHORIZATION OF APPROPRIA-
7 TIONS.—In addition to funds made available
8 under subparagraph (A), there are authorized
9 to be appropriated such sums as are necessary
10 to carry out this title.

11 “(3) INTERNATIONAL EDUCATION AND NUTRI-
12 TION PROGRAM.—Of the funds made available under
13 paragraph (2), the Secretary may use not more than
14 \$300,000,000 for each fiscal year to carry out the
15 initiative established under subsection (1).

16 “(4) LIMITATION ON PURCHASES OF COMMOD-
17 ITIES.—The Corporation may purchase agricultural
18 commodities for disposition under this title only if
19 Corporation inventories are insufficient to satisfy
20 commitments made in agreements entered into
21 under this title.

22 “(5) ELIGIBLE COSTS AND EXPENSES.—

23 “(A) IN GENERAL.—Subject to subpara-
24 graph (B), with respect to an eligible com-

1 commodity made available under this title, the Cor-
2 poration may pay—

3 “(i) the costs of acquiring the eligible
4 commodity;

5 “(ii) the costs associated with pack-
6 aging, enriching, preserving, and fortifying
7 of the eligible commodity;

8 “(iii) the processing, transportation,
9 handling, and other incidental costs in-
10 curred before the date on which the com-
11 modity is delivered free on board vessels in
12 United States ports;

13 “(iv) the vessel freight charges from
14 United States ports or designated Cana-
15 dian transshipment ports, as determined
16 by the Secretary, to designated ports of
17 entry abroad;

18 “(v) the costs associated with trans-
19 porting the eligible commodity from United
20 States ports to designated points of entry
21 abroad in a case in which—

22 “(I) a recipient country is land-
23 locked;

1 “(II) ports of a recipient country
2 cannot be used effectively because of
3 natural or other disturbances;

4 “(III) carriers to a specific coun-
5 try are unavailable; or

6 “(IV) substantial savings in costs
7 or time may be gained by the use of
8 points of entry other than ports;

9 “(vi) the transportation and associ-
10 ated distribution costs incurred in moving
11 the commodity (including repositioned
12 commodities) from designated points of
13 entry or ports of entry abroad to storage
14 and distribution sites;

15 “(vii) the charges for general average
16 contributions arising out of the ocean
17 transport of commodities transferred; and

18 “(viii) the costs, in addition to costs
19 authorized by clauses (i) through (vii), of
20 providing—

21 “(I) assistance in the administra-
22 tion, sale, and monitoring of food as-
23 sistance activities under this title; and

24 “(II) technical assistance for
25 monetization programs.

1 “(B) FUNDING.—Except for costs de-
2 scribed in subparagraph (A)(i), not more than
3 \$40,000,000 of funds made available under
4 paragraph (2) may be used to cover costs under
5 this paragraph unless authorized in advance in
6 an appropriation Act.

7 “(6) PAYMENT OF ADMINISTRATIVE COSTS.—
8 An eligible organization that receives payment for
9 administrative costs through monetization of the eli-
10 gible commodity under subsection (g)(2) shall not be
11 eligible to receive payment for the same administra-
12 tive costs through direct payments under paragraph
13 (5)(A)(viii)(I).”.

14 (b) CONFORMING AMENDMENT.—The Food Security
15 Act of 1985 is amended by striking section 1110 (7 U.S.C.
16 1736o).

17 **SEC. 326. EXPORTER ASSISTANCE INITIATIVE.**

18 (a) FINDINGS.—Congress find that—

19 (1) information in the possession of Federal
20 agencies other than the Department of Agriculture
21 that is necessary for the export of agricultural com-
22 modities and products is available only from multiple
23 disparate sources; and

24 (2) because exporters often need access to in-
25 formation quickly, exporters lack the time to search

1 multiple sources to access necessary information,
2 and exporters often are unaware of where the nec-
3 essary information can be located.

4 (b) AMENDMENT.—Title I of the Agricultural Trade
5 Act of 1978 (7 U.S.C. 5601 et seq.) is amended by adding
6 at the end the following:

7 **“SEC. 107. EXPORTER ASSISTANCE INITIATIVE.**

8 “(a) IN GENERAL.—In order to create a single source
9 of information for exports of agricultural products, the
10 Secretary shall develop a website on the Internet that col-
11 lates onto a single website all information from all agen-
12 cies of the Federal Government that is relevant to the ex-
13 port of agricultural products.

14 “(b) AUTHORIZATION OF APPROPRIATIONS.—There
15 are authorized to be appropriated to carry out subsection
16 (a)—

17 “(1) \$1,000,000 for each of fiscal years 2003
18 and 2004; and

19 “(2) \$500,000 for each of fiscal years 2005 and
20 2006.”.

21 **Subtitle C—Miscellaneous**
22 **Agricultural Trade Provisions**

23 **SEC. 331. EMERGING MARKETS.**

24 Section 1542 of the Food, Agriculture, Conservation,
25 and Trade Act of 1990 (7 U.S.C. 5622 note; Public Law

1 101–624) is amended in subsections (a) and (d)(1)(A)(i)
2 by striking “2002” each place it appears and inserting
3 “2006”.

4 **SEC. 332. SENSE OF THE SENATE CONCERNING UNILAT-**
5 **ERAL SANCTIONS.**

6 It is the sense of the Senate that—

7 (1) the current statutory prohibition on the im-
8 position of unilateral sanctions involving agricultural
9 commodities, medicine, and medical devices should
10 apply to all foreign countries, except when—

11 (A) the United States is at war with, or
12 hostilities are imminent with, a particular coun-
13 try;

14 (B) an agricultural commodity, medicine,
15 or medical device can be used for dual pur-
16 poses; or

17 (C) a particular country sponsors ter-
18 rorism;

19 (2) the International Trade Commission should
20 periodically review and report to the President on
21 each unilateral sanction in effect to determine the
22 cost-effectiveness of the sanction, including—

23 (A) the economic activity that is prohib-
24 ited, restricted, or conditioned by the unilateral
25 agricultural sanction; and

1 (B) the national interest that would be
2 jeopardized if the unilateral sanction were
3 ended; and

4 (3) in response to the report of the Inter-
5 national Trade Commission, the President should
6 recommend whether the unilateral sanction should
7 be continued, modified, or repealed.

8 **SEC. 333. BIOTECHNOLOGY AND AGRICULTURAL TRADE**
9 **PROGRAM.**

10 Section 1542 of the Food, Agriculture, Conservation,
11 and Trade Act of 1990 (7 U.S.C. 5622 note; Public Law
12 101–624) is amended by adding at the end the following:

13 “(g) BIOTECHNOLOGY AND AGRICULTURAL TRADE
14 PROGRAM.—

15 “(1) IN GENERAL.—The Secretary of Agri-
16 culture shall establish a program to enhance foreign
17 acceptance of agricultural biotechnology and United
18 States agricultural products developed through bio-
19 technology.

20 “(2) FOCUS.—The program shall address the
21 continuing and increasing market access, regulatory,
22 and marketing issues relating to export commerce of
23 United States agricultural biotechnology products.

24 “(3) EDUCATION AND OUTREACH.—

1 “(A) FOREIGN MARKETS.—Support for
2 United States agricultural market development
3 organizations to carry out education and other
4 outreach efforts concerning biotechnology shall
5 target such educational initiatives as—

6 “(i) producers, buyers, consumers,
7 and media in foreign markets through ini-
8 tiatives in foreign markets; and

9 “(ii) government officials, scientists,
10 and trade officials from foreign countries
11 through exchange programs.

12 “(B) FUNDING FOR EDUCATION AND OUT-
13 REACH.—Funding for activities under subpara-
14 graph (A) may be—

15 “(i) used through—

16 “(I) the emerging markets pro-
17 gram under this section;

18 “(II) the emerging markets pro-
19 gram under section 1542 (7 U.S.C.
20 3292); or

21 “(III) the Cochran Fellowship
22 Program under section 1543 (7
23 U.S.C. 3293); or

24 “(ii) applied directly to foreign market
25 development cooperators through the for-

1 eign market development cooperator pro-
2 gram under section 702 of the Agricultural
3 Trade Act of 1978 (7 U.S.C. 5722).

4 “(4) RAPID RESPONSE.—

5 “(A) IN GENERAL.—The Secretary shall
6 assist agricultural exporters of the United
7 States in cases in which the exporters are
8 harmed by unwarranted and arbitrary barriers
9 to trade due to—

10 “(i) marketing of biotechnology prod-
11 ucts;

12 “(ii) food safety;

13 “(iii) disease; or

14 “(iv) other sanitary or phytosanitary
15 concerns.

16 “(B) AUTHORIZATION OF APPROPRIA-
17 TIONS.—There is authorized to be appropriated
18 to carry out this paragraph \$1,000,000 for each
19 of fiscal years 2003 through 2006.

20 “(4) FUNDING.—

21 “(A) COMMODITY CREDIT CORPORATION.—
22 The Secretary shall use the funds, facilities,
23 and authorities of the Commodity Credit Cor-
24 poration to carry out this subsection.

1 “(B) FUNDING AMOUNT.—Of the funds of
 2 the Commodity Credit Corporation, the Sec-
 3 retary shall make available to carry out this
 4 subsection \$15,000,000 for each of fiscal years
 5 2003 through 2006.”.

6 **SEC. 334. DAIRY EXPORT INCENTIVE PROGRAM.**

7 Section 153(a) of the Food Security Act of 1985 (15
 8 U.S.C. 713a–14(a)) is amended by striking “2002” and
 9 inserting “2006”.

10 **TITLE IV—NUTRITION**
 11 **PROGRAMS**

12 **SEC. 401. SHORT TITLE.**

13 This title may be cited as the “Food Stamp Sim-
 14 plification Act of 2001”.

15 **Subtitle A—Food Stamp Program**

16 **SEC. 411. CATEGORICAL ELIGIBILITY FOR RECIPIENTS OF**
 17 **CASH ASSISTANCE.**

18 Section 5(a) of the Food Stamp Act of 1977 (7
 19 U.S.C. 2014(a)) is amended—

20 (1) in the second sentence, by striking “receives
 21 benefits” and inserting “receives cash assistance”;
 22 and

23 (2) in the third sentence, by striking “receives
 24 benefits” and inserting “receives cash assistance”.

1 **SEC. 412. DISREGARDING OF INFREQUENT AND UNANTICI-**
2 **PATED INCOME.**

3 Section 5(d)(2) of the Food Stamp Act of 1977 (7
4 U.S.C. 2014(d)(2)) is amended by striking “\$30” and in-
5 serting “\$100”.

6 **SEC. 413. SIMPLIFIED TREATMENT OF INDIVIDUALS COM-**
7 **PLYING WITH CHILD SUPPORT ORDERS.**

8 (a) EXCLUSION.—Section 5(d)(6) of the Food Stamp
9 Act of 1977 (7 U.S.C. 2014(d)(6)) is amended by adding
10 at the end the following: “including child support pay-
11 ments made by a household member to or for an individual
12 who is not a member of the household if the household
13 member is legally obligated to make the payments,”.

14 (b) SIMPLIFIED PROCEDURE.—Section 5 of the Food
15 Stamp Act of 1977 (7 U.S.C. 2014) is amended—

16 (1) in subsection (e), by striking paragraph (4)
17 and inserting the following:

18 “(4) DEDUCTION FOR CHILD SUPPORT PAY-
19 MENTS.—

20 “(A) IN GENERAL.—In lieu of providing an
21 exclusion for legally obligated child support pay-
22 ments made by a household member under sub-
23 section (d)(6), a State agency may elect to pro-
24 vide a deduction for the amount of the pay-
25 ments.

1 “(B) ORDER OF DETERMINING DEDUC-
2 TIONS.—A deduction under this paragraph shall
3 be determined before the computation of the ex-
4 cess shelter expense deduction under paragraph
5 (7).”; and

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

7 “(n) STATE OPTIONS TO SIMPLIFY DETERMINATION
8 OF CHILD SUPPORT PAYMENTS MADE BY HOUSEHOLD
9 MEMBERS.—

10 “(1) IN GENERAL.—Regardless of whether a
11 State agency elects to provide a deduction under
12 subsection (e)(4), the Secretary shall establish sim-
13 plified procedures to allow State agencies to deter-
14 mine the amount of the legally obligated child sup-
15 port payments made, including procedures to allow
16 the State agency to rely on information from the
17 agency responsible for implementing the program
18 under part D of title IV of the Social Security Act
19 (42 U.S.C. 661 et seq.) concerning payments made
20 in prior months in lieu of obtaining current informa-
21 tion from the household.

22 “(2) DURATION OF DETERMINATION OF
23 AMOUNT OF SUPPORT PAYMENTS.—If a State agen-
24 cy makes a determination of the amount of support
25 payments of a household under paragraph (1), the

1 amount of the exclusion or deduction for the house-
2 hold shall not change until the eligibility of the
3 household is next redetermined under section
4 11(e)(4).”.

5 **SEC. 414. COORDINATED AND SIMPLIFIED DEFINITION OF**
6 **INCOME.**

7 Section 5(d) of the Food Stamp Act of 1977 (7
8 U.S.C. 2014(d)) is amended—

9 (1) by striking “and (15)” and inserting
10 “(15)”; and

11 (2) by inserting before the period at the end the
12 following: “, (16) at the option of the State agency,
13 any educational loans on which payment is deferred,
14 grants, scholarships, fellowships, veterans’ edu-
15 cational benefits, and the like (other than loans,
16 grants, scholarships, fellowships, veterans’ edu-
17 cational benefits, and the like excluded under para-
18 graph (3)), to the extent that they are required to
19 be excluded under title XIX of the Social Security
20 Act (42 U.S.C. 1396 et seq.), (17) at the option of
21 the State agency, any State complementary assist-
22 ance program payments that are excluded for the
23 purpose of determining eligibility for medical assist-
24 ance under section 1931 of the Social Security Act
25 (42 U.S.C. 1396u–1), (18) at the option of the State

1 agency, any types of income that the State agency
2 does not consider when determining eligibility for, or
3 the amount of, cash assistance under a program
4 funded under part A of title IV of the Social Secu-
5 rity Act (42 U.S.C. 601 et seq.) or medical assist-
6 ance under section 1931 of the Social Security Act
7 (42 U.S.C. 1396u-1), except that this paragraph
8 does not authorize a State agency to exclude wages
9 or salaries, benefits under title I, II, IV, X, XIV, or
10 XVI of the Social Security Act (42 U.S.C. 1381 et
11 seq.), regular payments from a government source
12 (such as unemployment benefits and general assist-
13 ance), worker's compensation, or such other types of
14 income the consideration of which the Secretary de-
15 termines by regulation to be essential to equitable
16 determinations of eligibility and benefit levels”.

17 **SEC. 415. EXCLUSION OF INTEREST AND DIVIDEND IN-**
18 **COME.**

19 Section 5(d) of the Food Stamp Act of 1977 (7
20 U.S.C. 2014(d)) (as amended by section 414(2)) is
21 amended by inserting before the period at the end the fol-
22 lowing: “, and (19) any interest or dividend income re-
23 ceived by a member of the household”.

1 **SEC. 416. ALIGNMENT OF STANDARD DEDUCTION WITH**
2 **POVERTY LINE.**

3 Section 5(e) of the Food Stamp Act of 1977 (7
4 U.S.C. 2014(e)) is amended by striking paragraph (1) and
5 inserting the following:

6 “(1) STANDARD DEDUCTION.—

7 “(A) IN GENERAL.—Subject to the other
8 provisions of this paragraph, the Secretary shall
9 allow a standard deduction for each household
10 that is—

11 “(i) equal to the applicable percentage
12 specified in subparagraph (D) of the in-
13 come standard of eligibility established
14 under subsection (c)(1); but

15 “(ii) not less than the minimum de-
16 duction specified in subparagraph (E).

17 “(B) GUAM.—The Secretary shall allow a
18 standard deduction for each household in Guam
19 that is—

20 “(i) equal to the applicable percentage
21 specified in subparagraph (D) of twice the
22 income standard of eligibility established
23 under subsection (c)(1) for the 48 contig-
24 uous States and the District of Columbia;
25 but

1 “(ii) not less than the minimum de-
2 duction for Guam specified in subpara-
3 graph (E).

4 “(C) HOUSEHOLDS OF 6 OR MORE MEM-
5 BERS.—The income standard of eligibility es-
6 tablished under subsection (c)(1) for a house-
7 hold of 6 members shall be used to calculate the
8 standard deduction for each household of 6 or
9 more members.

10 “(D) APPLICABLE PERCENTAGE.—For the
11 purpose of subparagraph (A), the applicable
12 percentage shall be—

13 “(i) 8 percent for fiscal year 2002;

14 “(ii) 8.5 percent for each of fiscal
15 years 2003 through 2005;

16 “(iii) 9 percent for each of fiscal years
17 2006 through 2008;

18 “(iv) 9.5 percent for each of fiscal
19 years 2009 and 2010; and

20 “(v) 10 percent for each fiscal year
21 thereafter.

22 “(E) MINIMUM DEDUCTION.—The min-
23 imum deduction shall be \$134, \$229, \$189,
24 \$269, and \$118 for the 48 contiguous States
25 and the District of Columbia, Alaska, Hawaii,

1 Guam, and the Virgin Islands of the United
2 States, respectively.”.

3 **SEC. 417. SIMPLIFIED DEPENDENT CARE DEDUCTION.**

4 Section 5(e)(3) of the Food Stamp Act of 1977 (7
5 U.S.C. 2014(e)(3)) is amended by adding at the end the
6 following:

7 “(C) STANDARD DEPENDENT CARE AL-
8 LOWANCES.—

9 “(i) ESTABLISHMENT OF ALLOW-
10 ANCES.—

11 “(I) IN GENERAL.—In deter-
12 mining the dependent care deduction
13 under this paragraph, in lieu of re-
14 quiring the household to establish the
15 actual dependent care costs of the
16 household, a State agency may use
17 standard dependent care allowances
18 established under subclause (II) for
19 each dependent for whom the house-
20 hold incurs costs for care.

21 “(II) AMENDMENT TO STATE
22 PLAN.—A State agency that elects to
23 use standard dependent care allow-
24 ances under subclause (I) shall submit
25 for approval by the Secretary an

1 amendment to the State plan of oper-
2 ation under section 11(d) that—

3 “(aa) describes the allow-
4 ances that the State agency will
5 use; and

6 “(bb) includes supporting
7 documentation.

8 “(ii) HOUSEHOLD ELECTION.—

9 “(I) IN GENERAL.—Except as
10 provided in clause (iii), a household
11 may elect to have the dependent care
12 deduction of the household based on
13 actual dependent care costs rather
14 than the allowances established under
15 clause (i).

16 “(II) FREQUENCY.—The Sec-
17 retary may by regulation limit the fre-
18 quency with which households may
19 make the election described in sub-
20 clause (I) or reverse the election.

21 “(iii) MANDATORY DEPENDENT CARE
22 ALLOWANCES.—The State agency may
23 make the use of standard dependent care
24 allowances established under clause (i)

1 mandatory for all households that incur
2 dependent care costs.”.

3 **SEC. 418. ALTERNATIVE PROCEDURES TO ASSIST ELDERLY**
4 **AND DISABLED PERSONS.**

5 Section 5(e)(6) of the Food Stamp Act of 1977 (7
6 U.S.C. 2014(e)(6)) is amended—

7 (1) in subparagraph (A), by striking “A house-
8 hold” and inserting “At the option of the State
9 agency, a household”;

10 (2) in subparagraph (B)(i), by striking “shall
11 offer an eligible household under subparagraph (A)”
12 and inserting “that elects to offer a deduction under
13 subparagraph (A) shall offer an eligible household”;
14 and

15 (3) by adding at the end the following:

16 “(C) ALTERNATIVE PROCEDURES TO AS-
17 SIST ELDERLY AND DISABLED MEMBERS WITH
18 MEDICAL EXPENSES.—Any State agency that
19 elects not to offer the deduction under this
20 paragraph shall establish procedures to treat an
21 application from an elderly or disabled member
22 for an allotment under this Act as an applica-
23 tion for coverage under section 1902(a)(10)(E)
24 of the Social Security Act (42 U.S.C.

1 1396a(a)(10)(E)) unless the member declines
2 the coverage.”.

3 **SEC. 419. SIMPLIFIED DETERMINATION OF HOUSING**
4 **COSTS.**

5 (a) IN GENERAL.—Section 5(e)(7) of the Food
6 Stamp Act of 1977 (7 U.S.C. 2014(e)(7)) is amended—

7 (1) in subparagraph (A)—

8 (A) by striking “A household” and insert-
9 ing the following:

10 “(i) IN GENERAL.—A household”; and

11 (B) by adding at the end the following:

12 “(ii) INCLUSION OF CERTAIN PAY-
13 MENTS.—In determining the shelter ex-
14 penses of a household under this para-
15 graph, the State agency shall include any
16 required payment to the landlord of the
17 household without regard to whether the
18 required payment is designated to pay spe-
19 cific charges.”; and

20 (2) by adding at the end the following:

21 “(D) HOMELESS HOUSEHOLDS.—

22 “(i) ALTERNATIVE DEDUCTION.—In
23 lieu of the deduction provided under sub-
24 paragraph (A), a State agency may elect to
25 allow a household in which all members are

1 homeless individuals, but that is not receiv-
 2 ing free shelter throughout the month, to
 3 receive a deduction of \$143 per month.

4 “(ii) INELIGIBILITY.—The State agen-
 5 cy may make a household with extremely
 6 low shelter costs ineligible for the alter-
 7 native deduction under clause (i).”.

8 (b) CONFORMING AMENDMENTS.—Section 5 of the
 9 Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

10 (1) in subsection (e)—

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

12 (B) by redesignating paragraphs (6) and
 13 (7) as paragraphs (5) and (6), respectively; and

14 (2) in subsection (k)(4)(B), by striking “sub-
 15 section (e)(7)” and inserting “subsection (e)(6)”.

16 **SEC. 420. SIMPLIFIED DETERMINATION OF UTILITY COSTS.**

17 Section 5(e)(6)(C)(iii) of the Food Stamp Act of
 18 1977 (as amended by section 419(b)(1)(B)) is amended—

19 (1) in subclause (I)(bb), by inserting “(without
 20 regard to subclause (III))” after “Secretary finds”;

21 and

22 (2) by adding at the end the following:

23 “(III) INAPPLICABILITY OF CER-
 24 TAIN RESTRICTIONS.—Clauses (ii)(II)
 25 and (ii)(III) shall not apply in the

1 case of a State agency that has made
2 the use of a standard utility allowance
3 mandatory under subclause (I).”.

4 **SEC. 421. SIMPLIFIED DETERMINATION OF EARNED IN-**
5 **COME.**

6 Section 5(f)(1) of the Food Stamp Act of 1977 (7
7 U.S.C. 2014(f)(1)) is amended by adding at the end the
8 following:

9 “(C) SIMPLIFIED DETERMINATION OF
10 EARNED INCOME.—

11 “(i) IN GENERAL.—A State agency
12 may elect to determine monthly earned in-
13 come by multiplying weekly income by 4
14 and biweekly income by 2.

15 “(ii) ADJUSTMENT OF EARNED IN-
16 COME DEDUCTION.—A State agency that
17 makes an election described in clause (i)
18 shall adjust the earned income deduction
19 under subsection (e)(2)(B) to the extent
20 necessary to prevent the election from re-
21 sulting in increased costs to the food
22 stamp program, as determined consistent
23 with standards promulgated by the Sec-
24 retary.”.

1 **SEC. 422. SIMPLIFIED DETERMINATION OF DEDUCTIONS.**

2 Section 5(f)(1) of the Food Stamp Act of 1977 (7
3 U.S.C. 2014(f)(1)) (as amended by section 421) is amend-
4 ed by adding at the end the following:

5 “(D) SIMPLIFIED DETERMINATION OF DE-
6 Ductions.—

7 “(i) IN GENERAL.—Except as pro-
8 vided in clause (ii), for the purposes of
9 subsection (e), a State agency may elect to
10 disregard until the next redetermination of
11 eligibility under section 11(e)(4) 1 or more
12 types of changes in the circumstances of a
13 household that affect the amount of deduc-
14 tions the household may claim under sub-
15 section (e).

16 “(ii) CHANGES THAT MAY NOT BE
17 DISREGARDED.—Under clause (i), a State
18 agency may not disregard—

19 “(I) any reported change of resi-
20 dence; or

21 “(II) under standards prescribed
22 by the Secretary, any change in
23 earned income.”.

24 **SEC. 423. SIMPLIFIED RESOURCE ELIGIBILITY LIMIT.**

25 Section 5(g)(1) of the Food Stamp Act of 1977 (7
26 U.S.C. 2014(g)(1)) is amended by striking “a member

1 who is 60 years of age or older” and inserting “an elderly
2 or disabled member”.

3 **SEC. 424. EXCLUSION OF LICENSED VEHICLES FROM FI-**
4 **NANCIAL RESOURCES.**

5 (a) IN GENERAL.—Section 5(g)(2) of the Food
6 Stamp Act of 1977 (7 U.S.C. 2014(g)(2)) is amended—

7 (1) in subparagraph (B)—

8 (A) in clause (iii), by adding “and” at the
9 end;

10 (B) by striking clause (iv); and

11 (C) by redesignating clause (v) as clause
12 (iv);

13 (2) by striking subparagraph (C) and inserting
14 the following:

15 “(C) EXCLUDED VEHICLES.—The Sec-
16 retary shall exclude from financial resources
17 any licensed vehicle used for household trans-
18 portation.”; and

19 (3) by striking subparagraph (D).

20 (b) CONFORMING AMENDMENT.—Section 17 of the
21 Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by
22 striking subsection (h).

1 **SEC. 425. EXCLUSION OF RETIREMENT ACCOUNTS FROM FI-**
 2 **NANCIAL RESOURCES.**

3 Section 5(g)(2)(B) of the Food Stamp Act of 1977
 4 (7 U.S.C. 2014(g)(2)(B)) (as amended by section
 5 424(a)(1)) is amended by striking clause (iv) and inserting
 6 the following:

7 “(iv) any savings account (other than
 8 a retirement account (including an indi-
 9 vidual account)).”.

10 **SEC. 426. COORDINATED AND SIMPLIFIED DEFINITION OF**
 11 **RESOURCES.**

12 Section 5(g) of the Food Stamp Act of 1977 (7
 13 U.S.C. 2014(g)) is amended by adding at the end the fol-
 14 lowing:

15 “(6) EXCLUSION OF TYPES OF FINANCIAL RE-
 16 SOURCES NOT CONSIDERED UNDER CERTAIN OTHER
 17 FEDERAL PROGRAMS.—

18 “(A) IN GENERAL.—Subject to subpara-
 19 graph (B), the Secretary shall promulgate regu-
 20 lations under which a State agency may, at the
 21 option of the State agency, exclude from finan-
 22 cial resources under this subsection any types
 23 of financial resources that the State agency
 24 does not consider when determining eligibility
 25 for—

1 “(i) cash assistance under a program
 2 funded under part A of title IV of the So-
 3 cial Security Act (42 U.S.C. 601 et seq.);
 4 or

5 “(ii) medical assistance under section
 6 1931 of the Social Security Act (42 U.S.C.
 7 1396u-1).

8 “(B) LIMITATIONS.—Subparagraph (A)
 9 does not authorize a State agency to exclude—

10 “(i) cash;

11 “(ii) amounts in any account in a fi-
 12 nancial institution that are readily avail-
 13 able to the household; or

14 “(iii) any other similar type of re-
 15 source the inclusion in financial resources
 16 of which the Secretary determines by regu-
 17 lation to be essential to equitable deter-
 18 minations of eligibility under the food
 19 stamp program, except to the extent that
 20 any of those types of resources are ex-
 21 cluded under another paragraph of this
 22 subsection.”.

23 **SEC. 427. ALTERNATIVE ISSUANCE SYSTEMS IN DISASTERS.**

24 Section 5(h)(3)(B) of the Food Stamp Act of 1977
 25 (7 U.S.C. 2014(h)(3)(B)) is amended—

1 (1) in the first sentence, by inserting “issuance
2 methods and” after “shall adjust”; and

3 (2) in the second sentence, by inserting “, any
4 conditions that make reliance on electronic benefit
5 transfer systems described in section 7(i) impracti-
6 cable,” after “personnel”.

7 **SEC. 428. SIMPLIFIED REPORTING SYSTEMS.**

8 Section 6(c)(1) of the Food Stamp Act of 1977 (7
9 U.S.C. 2015(c)(1)) is amended—

10 (1) in subparagraph (B), by striking “monthly”
11 and inserting “periodic”; and

12 (2) by adding at the end the following:

13 “(D) FREQUENCY OF REPORTING.—

14 “(i) IN GENERAL.—Except as pro-
15 vided in subparagraphs (A) and (C), a
16 State agency may require households that
17 report on a periodic basis to submit
18 reports—

19 “(I) not less often than once each
20 6 months; but

21 “(II) not more often than once
22 each month.

23 “(ii) REPORTING BY HOUSEHOLDS
24 WITH EXCESS INCOME.—A household re-
25 quired to report less often than once each

1 3 months shall, notwithstanding subpara-
2 graph (B), report in a manner prescribed
3 by the Secretary if the income of the
4 household for any month exceeds the
5 standard established under section
6 5(c)(2).”.

7 **SEC. 429. SIMPLIFIED TIME LIMIT.**

8 (a) IN GENERAL.—Section 6(o) of the Food Stamp
9 Act of 1977 (7 U.S.C. 2015(o)) is amended—

10 (1) in paragraph (2)—

11 (A) by striking “36-month” and inserting
12 “12-month”;

13 (B) by striking “3” and inserting “6”; and

14 (C) in subparagraph (D), by striking “(4),
15 (5), or (6)” and inserting “(4), or (5)”;

16 (2) by striking paragraph (5);

17 (3) in paragraph (6)(A)(ii)—

18 (A) in subclause (III), by adding “and” at
19 the end;

20 (B) in subclause (IV), by striking “; and”
21 and inserting a period; and

22 (C) by striking subclause (V); and

23 (4) by redesignating paragraphs (6) and (7) as
24 paragraphs (5) and (6), respectively.

1 (b) IMPLEMENTATION OF AMENDMENTS.—For the
 2 purpose of implementing the amendments made by sub-
 3 section (a), a State agency shall disregard any period dur-
 4 ing which an individual received food stamp benefits be-
 5 fore the effective date of this title.

6 **SEC. 430. PRESERVATION OF ACCESS TO ELECTRONIC BEN-**
 7 **EFITS.**

8 (a) IN GENERAL.—Section 7(i)(1) of the Food Stamp
 9 Act of 1977 (7 U.S.C. 2016(i)(1)) is amended by adding
 10 at the end the following:

11 “(E) PROTECTION OF THE ELDERLY, THE
 12 DISABLED, AND OTHERS HAVING DIFFICULTY
 13 WITH EBT SYSTEMS.—

14 “(i) IN GENERAL.—No benefits shall
 15 be taken off-line or otherwise made inac-
 16 cessible because of inactivity until at least
 17 180 days have elapsed since a household
 18 last accessed the account of the household.

19 “(ii) NOTICE TO HOUSEHOLD.—In a
 20 case in which benefits are taken off-line or
 21 otherwise made inaccessible, the household
 22 shall be sent a notice that—

23 “(I) explains how to reactivate
 24 the benefits; and

1 “(II) offers assistance if the
2 household is having difficulty access-
3 ing the benefits of the household.”.

4 (b) **APPLICABILITY.**—The amendment made by sub-
5 section (a) shall apply with respect to each contract to op-
6 erate an electronic benefit transfer system that a State
7 agency enters into after the date of enactment of this Act.

8 **SEC. 431. COST-NEUTRALITY FOR ELECTRONIC BENEFIT**
9 **TRANSFER SYSTEMS.**

10 Section 7(i)(2)(A) of the Food Stamp Act of 1977
11 (7 U.S.C. 2016(i)(2)(A)) is amended by striking “system
12 to ensure” and all that follows and inserting “system;”.

13 **SEC. 432. SIMPLIFIED PROCEDURES FOR RESIDENTS OF**
14 **CERTAIN GROUP FACILITIES.**

15 (a) **IN GENERAL.**—Section 8 of the Food Stamp Act
16 of 1977 (7 U.S.C. 2017) is amended by adding at the end
17 the following:

18 “(f) **SIMPLIFIED PROCEDURES FOR RESIDENTS OF**
19 **CERTAIN GROUP FACILITIES.**—

20 “(1) **IN GENERAL.**—At the option of the State
21 agency, allotments for residents of facilities de-
22 scribed in subparagraph (A), (B), or (E) of section
23 3(i)(5) may be determined and issued under this
24 subsection in lieu of subsection (a).

1 “(2) AMOUNT OF ALLOTMENT.—The allotment
2 for each eligible resident described in paragraph (1)
3 shall be calculated in accordance with standardized
4 procedures established by the Secretary that take
5 into account the allotments typically received by resi-
6 dents of facilities described in paragraph (1).

7 “(3) ISSUANCE OF ALLOTMENT.—

8 “(A) IN GENERAL.—The State agency
9 shall issue an allotment determined under this
10 subsection to the administration of a facility de-
11 scribed in paragraph (1) as the authorized rep-
12 resentative of the residents of the facility.

13 “(B) ADJUSTMENT.—The Secretary shall
14 establish procedures to ensure that a facility de-
15 scribed in paragraph (1) does not receive a
16 greater proportion of a resident’s monthly allot-
17 ment than the proportion of the month during
18 which the resident lived in the facility.

19 “(4) DEPARTURES OF COVERED RESIDENTS.—

20 “(A) NOTIFICATION.—Any facility de-
21 scribed in paragraph (1) that receives an allot-
22 ment for a resident under this subsection
23 shall—

24 “(i) notify the State agency promptly
25 on the departure of the resident; and

1 “(ii) notify the resident, before the de-
2 parture of the resident, that the resident—

3 “(I) is eligible for continued ben-
4 efits under the food stamp program;
5 and

6 “(II) should contact the State
7 agency concerning continuation of the
8 benefits.

9 “(B) ISSUANCE TO DEPARTED RESI-
10 DENTS.—On receiving a notification under sub-
11 paragraph (A)(i) concerning the departure of a
12 resident, the State agency—

13 “(i) shall promptly issue the departed
14 resident an allotment for the days of the
15 month after the departure of the resident
16 (calculated in a manner prescribed by the
17 Secretary) unless the departed resident re-
18 applies to participate in the food stamp
19 program; and

20 “(ii) may issue an allotment for the
21 month following the month of the depar-
22 ture (but not any subsequent month) based
23 on this subsection unless the departed resi-
24 dent reapplies to participate in the food
25 stamp program.

1 “(C) AUTHORIZED DELAY IN ISSUANCE.—
 2 The State agency may delay issuance under
 3 subparagraph (B)(i) if the State agency lacks
 4 sufficient information on the location of the de-
 5 parted resident to provide the allotment.

6 “(D) EFFECT OF REAPPLICATION.—If the
 7 departed resident reapplies to participate in the
 8 food stamp program, the allotment of the de-
 9 parted resident shall be determined without re-
 10 gard to this subsection.”.

11 (b) CONFORMING AMENDMENTS.—

12 (1) Section 3(i) of the Food Stamp Act of 1977
 13 (7 U.S.C. 2012(i)) is amended—

14 (A) by striking “(i) ‘Household’ means (1)
 15 an” and inserting the following:

16 “(i)(1) ‘Household’ means—

17 “(A) an”;

18 (B) in the first sentence, by striking “oth-
 19 ers, or (2) a group” and inserting the following:

20 “others; or

21 “(B) a group”;

22 (C) in the second sentence, by striking
 23 “Spouses” and inserting the following:

24 “(2) Spouses”;

1 (D) in the third sentence, by striking
2 “Notwithstanding” and inserting the following:

3 “(3) Notwithstanding”;

4 (E) in paragraph (3) (as designated by
5 subparagraph (D)), by striking “the preceding
6 sentences” and inserting “paragraphs (1) and
7 (2)”;

8 (F) in the fourth sentence, by striking “In
9 no event” and inserting the following:

10 “(4) In no event”;

11 (G) in the fifth sentence, by striking “For
12 the purposes of this subsection, residents” and
13 inserting the following:

14 “(5) For the purposes of this subsection, the fol-
15 lowing persons shall not be considered to be residents of
16 institutions and shall be considered to be individual house-
17 holds:

18 “(A) Residents”; and

19 (H) in paragraph (5) (as designated by
20 subparagraph (G))—

21 (i) by striking “Act, or are individ-
22 uals” and inserting the following: “Act.

23 “(B) Individuals”;

1 (ii) by striking “such section, tem-
2 porary” and inserting the following: “that
3 section.

4 “(C) Temporary”;

5 (iii) by striking “children, residents”
6 and inserting the following: “children.

7 “(D) Residents”;

8 (iv) by striking “coupons, and nar-
9 cotics” and inserting the following: “cou-
10 pons.

11 “(E) Narcotics”; and

12 (v) by striking “shall not” and all
13 that follows and inserting a period.

14 (2) Section 5(a) of the Food Stamp Act of
15 1977 (7 U.S.C. 2014(a)) is amended by striking
16 “the third sentence of section 3(i)” each place it ap-
17 pears and inserting “section 3(i)(4)”.

18 (3) Section 8(e)(1) of the Food Stamp Act of
19 1977 (7 U.S.C. 2017(e)(1)) is amended by striking
20 “the last sentence of section 3(i)” and inserting
21 “section 3(i)(5)”.

22 (4) Section 17(b)(1)(B)(iv)(III)(aa) of the Food
23 Stamp Act of 1977 (7 U.S.C.
24 2026(b)(1)(B)(iv)(III)(aa)) is amended by striking

1 “the last 2 sentences of section 3(i)” and inserting
2 “paragraphs (4) and (5) of section 3(i)”.

3 **SEC. 433. SIMPLIFIED DETERMINATIONS OF CONTINUING**
4 **ELIGIBILITY.**

5 (a) IN GENERAL.—Section 11(e) of the Food Stamp
6 Act of 1977 (7 U.S.C. 2020(e)) is amended—

7 (1) by striking paragraph (4) and inserting the
8 following:

9 “(4)(A) that the State agency shall periodically
10 require each household to cooperate in a redeter-
11 mination of the eligibility of the household.

12 “(B) A redetermination under subparagraph
13 (A) shall—

14 “(i) be based on information supplied by
15 the household; and

16 “(ii) conform to standards established by
17 the Secretary.

18 “(C) The interval between redeterminations of
19 eligibility under subparagraph (A) shall not exceed
20 the eligibility review period;” and

21 (2) in paragraph (10)—

22 (A) by striking “within the household’s
23 certification period”; and

24 (B) by striking “or until” and all that fol-
25 lows through “occurs earlier”.

1 (b) CONFORMING AMENDMENTS.—

2 (1) Section 3(c) of the Food Stamp Act of 1977
3 (7 U.S.C. 2012(c)) is amended—

4 (A) by striking “Certification period” and
5 inserting “Eligibility review period”; and

6 (B) by striking “certification period” each
7 place it appears and inserting “eligibility review
8 period”.

9 (2) Section 5 of the Food Stamp Act of 1977
10 (7 U.S.C. 2014) is amended—

11 (A) in subsection (d)(2), by striking “in
12 the certification period which” and inserting
13 “that”; and

14 (B) in subsection (e) (as amended by sec-
15 tion 419(b)(1)(B))—

16 (i) in paragraph (5)(B)(ii)—

17 (I) in subclause (II), by striking
18 “certification period” and inserting
19 “eligibility review period”; and

20 (II) in subclause (III), by strik-
21 ing “has been anticipated for the cer-
22 tification period” and inserting “was
23 anticipated when the household ap-
24 plied or at the most recent redeter-

1 mination of eligibility for the house-
2 hold”; and

3 (ii) in paragraph (6)(C)(iii)(II), by
4 striking “the end of a certification period”
5 and inserting “each redetermination of the
6 eligibility of the household”.

7 (3) Section 6 of the Food Stamp Act of 1977
8 (7 U.S.C. 2015) is amended—

9 (A) in subsection (c)(1)(C)(iv), by striking
10 “certification period” each place it appears and
11 inserting “interval between required redeter-
12 minations of eligibility”; and

13 (B) in subsection (d)(1)(D)(v)(II), by
14 striking “a certification period” and inserting
15 “an eligibility review period”.

16 (4) Section 8(c) of the Food Stamp Act of 1977
17 (7 U.S.C. 2017(e)) is amended—

18 (A) in the second sentence of paragraph
19 (1), by striking “within a certification period”;
20 and

21 (B) in paragraph (2)(B), by striking “expi-
22 ration of” and all that follows through “during
23 a certification period,” and inserting “termi-
24 nation of benefits to the household,”.

1 (5) Section 11(e)(16) of the Food Stamp Act of
 2 1977 (7 U.S.C. 2020(e)(16)) is amended by striking
 3 “the certification or recertification” and inserting
 4 “determining the eligibility”.

5 **SEC. 434. SIMPLIFIED APPLICATION PROCEDURES FOR**
 6 **THE ELDERLY AND DISABLED.**

7 (a) IN GENERAL.—Section 11(i) of the Food Stamp
 8 Act of 1977 (7 U.S.C. 2020(i)) is amended—

9 (1) in paragraph (1)—

10 (A) by striking “income shall be informed”
 11 and inserting the following: “income shall be—
 12 “(A) informed”;

13 (B) by striking “program and be assisted”
 14 and inserting the following: “program;
 15 “(B) assisted”; and

16 (C) by striking “office and be certified”
 17 and inserting the following: “office; and
 18 “(C) certified”; and

19 (2) by adding at the end the following:

20 “(3) DUAL-PURPOSE APPLICATIONS.—

21 “(A) IN GENERAL.—Under regulations
 22 promulgated by the Secretary after consultation
 23 with the Commissioner of Social Security, a
 24 State agency may enter into a memorandum of
 25 understanding with the Commissioner under

1 which an application for supplemental security
2 income benefits under title XVI of the Social
3 Security Act (42 U.S.C. 1381 et seq.) from a
4 household composed entirely of applicants for or
5 recipients of those benefits shall also be consid-
6 ered to be an application for benefits under the
7 food stamp program.

8 “(B) CERTIFICATION; REPORTING RE-
9 QUIREMENTS.—A household covered by a
10 memorandum of understanding under subpara-
11 graph (A)—

12 “(i) shall be certified based exclusively
13 on information provided to the Commis-
14 sioner, including such information as the
15 Secretary shall require to be collected
16 under the terms of any memorandum of
17 understanding under this paragraph; and

18 “(ii) shall not be subject to any re-
19 porting requirement under section 6(c).

20 “(C) EXCEPTIONS TO VALUE OF ALLOT-
21 MENT.—The Secretary shall provide by regula-
22 tion for such exceptions to section 8(a) as are
23 necessary because a household covered by a
24 memorandum of understanding under subpara-

1 graph (A) did not complete an application
2 under subsection (e)(2).

3 “(D) COVERAGE.—In accordance with
4 standards promulgated by the Secretary, a
5 memorandum of understanding under subpara-
6 graph (A) need not cover all classes of appli-
7 cants and recipients referred to in subpara-
8 graph (A).

9 “(E) EXEMPTION FROM CERTAIN APPLICA-
10 TION PROCEDURES.—In the case of any mem-
11 ber of a household covered by a memorandum
12 of understanding under subparagraph (A), the
13 Commissioner shall not be required to comply
14 with—

15 “(i) subparagraph (B) or (C) of para-
16 graph (1); or

17 “(ii) subsection (j)(1)(B).

18 “(F) RIGHT TO APPLY UNDER REGULAR
19 PROGRAM.—The Secretary shall ensure that
20 each household covered by a memorandum of
21 understanding under subparagraph (A) is in-
22 formed that the household may—

23 “(i)(I) submit an application under
24 subsection (e)(2); and

1 “(II) have the eligibility and value of
2 the allotment of the household under the
3 food stamp program determined without
4 regard to this paragraph; or

5 “(ii) decline to participate in the food
6 stamp program.

7 “(G) TRANSITION PROVISION.—Notwith-
8 standing the requirement for the promulgation
9 of regulations under subparagraph (A), the Sec-
10 retary may approve a request from a State
11 agency to enter into a memorandum of under-
12 standing in accordance with this paragraph
13 during the period—

14 “(i) beginning on the date of enact-
15 ment of this paragraph; and

16 “(ii) ending on the earlier of—

17 “(I) the date of promulgation of
18 the regulations; or

19 “(II) the date that is 3 years
20 after the date of enactment of this
21 paragraph.”.

22 (b) CONFORMING AMENDMENTS.—Section 11(j)(1)
23 of the Food Stamp Act of 1977 (7 U.S.C. 2020(j)(1)) is
24 amended—

1 (1) by striking “shall be informed” and insert-
2 ing the following: “shall be—

3 “(A) informed”; and

4 (2) by striking “program and informed” and in-
5 serting the following: “program; and

6 “(B) informed”.

7 **SEC. 435. TRANSITIONAL FOOD STAMPS FOR FAMILIES**
8 **MOVING FROM WELFARE.**

9 (a) IN GENERAL.—Section 11 of the Food Stamp Act
10 of 1977 (7 U.S.C. 2020) is amended by adding at the end
11 the following:

12 “(s) TRANSITIONAL BENEFITS OPTION.—

13 “(1) IN GENERAL.—A State agency may pro-
14 vide transitional food stamp benefits to a household
15 that ceases to receive cash assistance under a State
16 program funded under part A of title IV of the So-
17 cial Security Act (42 U.S.C. 601 et seq.).

18 “(2) TRANSITIONAL BENEFITS PERIOD.—Under
19 paragraph (1), a household may continue to receive
20 food stamp benefits for a period of not more than
21 6 months after the date on which cash assistance is
22 terminated.

23 “(3) AMOUNT OF BENEFITS.—During the tran-
24 sitional benefits period under paragraph (2), a
25 household shall receive an amount of food stamp

1 benefits equal to the allotment received in the month
2 immediately preceding the date on which cash assist-
3 ance was terminated, adjusted for—

4 “(A) the change in household income as a
5 result of the termination of cash assistance; and

6 “(B) any changes in circumstances that
7 may result in an increase in the food stamp al-
8 lotment of the household and that the house-
9 hold elects to report.

10 “(4) DETERMINATION OF FUTURE ELIGI-
11 BILITY.—In the final month of the transitional bene-
12 fits period under paragraph (2), the State agency
13 may—

14 “(A) require the household to cooperate in
15 a redetermination of eligibility to receive an au-
16 thorization card; and

17 “(B) initiate a new eligibility review period
18 for the household without regard to whether the
19 preceding eligibility review period has expired.

20 “(5) LIMITATION.—A household shall not be el-
21 igible for transitional benefits under this subsection
22 if the household—

23 “(A) loses eligibility under section 6;

24 “(B) is sanctioned for a failure to perform
25 an action required by Federal, State, or local

1 law relating to a cash assistance program de-
2 scribed in paragraph (1); or

3 “(C) is a member of any other category of
4 households designated by the State agency as
5 ineligible for transitional benefits.”.

6 (b) CONFORMING AMENDMENTS.—

7 (1) Section 3(c) of the Food Stamp Act of 1977
8 (7 U.S.C. 2012(c)) is amended by adding at the end
9 the following: “The limits specified in this section
10 may be extended until the end of any transitional
11 benefit period established under section 11(s).”.

12 (2) Section 6(c) of the Food Stamp Act of 1977
13 (7 U.S.C. 2015(c)) is amended by striking “No
14 household” and inserting “Except in a case in which
15 a household is receiving transitional benefits during
16 the transitional benefits period under section 11(s),
17 no household”.

18 **SEC. 436. QUALITY CONTROL.**

19 (a) IN GENERAL.—Section 16(c) of the Food Stamp
20 Act of 1977 (7 U.S.C. 2025(c)) is amended—

21 (1) in paragraph (1), by striking “Under such
22 system” and all that follows and inserting the fol-
23 lowing: “The system referred to in the preceding
24 sentence shall have the following elements:

1 “(A) CORRECTIVE ACTION PLANS.—The
2 Secretary shall foster management improve-
3 ments by the States by requiring State agencies
4 to develop and implement corrective action
5 plans to reduce payment errors.

6 “(B) INVESTIGATION AND INITIAL SANC-
7 TIONS.—

8 “(i) INVESTIGATION.—Except as pro-
9 vided under subparagraph (C), for any fis-
10 cal year in which the Secretary determines
11 that a 95 percent statistical probability ex-
12 ists that the payment error rate of a State
13 agency exceeds the national performance
14 measure for payment error rates an-
15 nounced under paragraph (6) by more
16 than 1 percentage point, other than for
17 good cause shown, the Secretary shall in-
18 vestigate the administration by the State
19 agency of the food stamp program unless
20 the Secretary determines that sufficient in-
21 formation is already available.

22 “(ii) INITIAL SANCTIONS.—If an in-
23 vestigation under clause (i) results in a de-
24 termination that the State agency has been
25 seriously negligent (as determined under

1 standards promulgated by the Secretary),
2 the State agency shall pay the Secretary
3 an amount that reflects the extent of such
4 negligence (as determined under standards
5 promulgated by the Secretary), not to ex-
6 ceed 5 percent of the amount provided to
7 the State agency under subsection (a) for
8 the fiscal year.

9 “(C) ADDITIONAL SANCTIONS.—If, for any
10 fiscal year, the Secretary determines that a 95
11 percent statistical probability exists that the
12 payment error rate of a State agency exceeds
13 the national performance measure for payment
14 error rates announced under paragraph (6) by
15 more than 1 percentage point, other than for
16 good cause shown, and that the State agency
17 was sanctioned under this paragraph or was the
18 subject of an investigation under subparagraph
19 (B)(i) for each of the 2 immediately preceding
20 fiscal years, the State agency shall pay to the
21 Secretary an amount equal to the product ob-
22 tained by multiplying—

23 “(i) the value of all allotments issued
24 by the State agency in the fiscal year;

25 “(ii) the lesser of—

1 “(I) the ratio that—
2 “(aa) the amount by which
3 the payment error rate of the
4 State agency for the fiscal year
5 exceeds by more than 1 percent-
6 age point the national perform-
7 ance measure for the fiscal year;
8 bears to
9 “(bb) 10 percent; or
10 “(II) 1; and
11 “(iii) the amount by which the pay-
12 ment error rate of the State agency for the
13 fiscal year exceeds by more than 1 percent-
14 age point the national performance meas-
15 ure for the fiscal year.”;
16 (2) in paragraph (2)(A), by inserting before the
17 semicolon the following: “, as adjusted downward as
18 appropriate under paragraph (10)”;
19 (3) in the first sentence of paragraph (4), by
20 striking “, enhanced administrative funding,” and
21 all that follows and inserting “under this subsection,
22 high performance bonus payment under paragraph
23 (11), or claim for payment error under paragraph
24 (1).”;

1 (4) in the first sentence of paragraph (5), by
2 striking “to establish” and all that follows and in-
3 sserting the following: “to establish the payment
4 error rate for the State agency for the fiscal year,
5 to comply with paragraph (10), and to determine the
6 amount of any high performance bonus payment of
7 the State agency under paragraph (11) or claim
8 under paragraph (1).”;

9 (5) in the first sentence of paragraph (6), by
10 striking “incentive payments or claims pursuant to
11 paragraphs (1)(A) and (1)(C),” and inserting
12 “claims under paragraph (1),”; and

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

14 “(10) ADJUSTMENTS OF PAYMENT ERROR
15 RATE.—

16 “(A) IN GENERAL.—

17 “(i) FISCAL YEAR 2002.—Subject to
18 clause (ii), for fiscal year 2002, in applying
19 paragraph (1), the Secretary shall adjust
20 the payment error rate determined under
21 paragraph (2)(A) as necessary to eliminate
22 any increases in errors that result from the
23 State agency’s serving a higher percentage
24 of households with earned income, house-
25 holds with 1 or more members who are not

1 United States citizens, or both, than the
2 lesser of, as the case may be—

3 “(I) the percentage of households
4 of the corresponding type that receive
5 food stamps nationally; or

6 “(II) the percentage of—

7 “(aa) households with
8 earned income that received food
9 stamps in the State in fiscal year
10 1992; or

11 “(bb) households with mem-
12 bers who are not United States
13 citizens that received food stamps
14 in the State in fiscal year 1998.

15 “(ii) EXPANDED APPLICABILITY TO
16 STATE AGENCIES SUBJECT TO SANC-
17 TIONS.—In the case of a State agency sub-
18 ject to sanctions for fiscal year 2001 or
19 any fiscal year thereafter under paragraph
20 (1), the adjustments described in clause (i)
21 shall apply to the State agency for the fis-
22 cal year.

23 “(B) CONTINUATION OR MODIFICATION OF
24 ADJUSTMENTS.—For fiscal year 2003 and each
25 fiscal year thereafter, the Secretary may deter-

1 mine whether the continuation or modification
2 of the adjustments described in subparagraph
3 (A)(i) or the substitution of other adjustments
4 is most consistent with achieving the purposes
5 of this Act.”.

6 (b) CONFORMING AMENDMENT.—Section 22(h) of
7 the Food Stamp Act of 1977 (7 U.S.C. 2031(h)) is
8 amended by striking the last sentence.

9 (c) APPLICABILITY.—Except as otherwise provided in
10 the amendments made by subsection (a), the amendments
11 made by subsection (a) shall apply to fiscal year 2001 and
12 each fiscal year thereafter.

13 **SEC. 437. IMPROVEMENT OF CALCULATION OF STATE PER-**
14 **FORMANCE MEASURES.**

15 Section 16(c)(8)(C) of the Food Stamp Act of 1977
16 (7 U.S.C. 2025(c)(8)(C)) is amended by striking “30 days
17 thereafter” and inserting “the first June 30 after the end
18 of the fiscal year referred to in subparagraph (A)”.

19 **SEC. 438. BONUSES FOR STATES THAT DEMONSTRATE HIGH**
20 **PERFORMANCE.**

21 (a) IN GENERAL.—Section 16(c) of the Food Stamp
22 Act of 1977 (7 U.S.C. 2025(c)) (as amended by section
23 436(a)(6)) is amended—

24 (1) in the first sentence of paragraph (1), by
25 striking “enhanced administrative funding to States

1 with the lowest error rates.” and inserting “bonus
2 payments to States that demonstrate high levels of
3 performance.”; and

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

5 “(11) HIGH PERFORMANCE BONUS PAY-
6 MENTS.—

7 “(A) IN GENERAL.—For each fiscal year,
8 the Secretary shall—

9 “(i) measure the performance of each
10 State agency with respect to each of the
11 performance measures specified in sub-
12 paragraph (B); and

13 “(ii) subject to subparagraph (D),
14 make high performance bonus payments to
15 the State agencies with the highest
16 achievement with respect to those perform-
17 ance measures.

18 “(B) PERFORMANCE MEASURES.—The
19 performance measures specified in this subpara-
20 graph are—

21 “(i)(I) the greatest dollar amount of
22 total claims collected in the fiscal year as
23 a proportion of the overpayment dollar
24 amount in the previous fiscal year; and

1 “(II) the greatest percentage point
2 improvement under clause (i)(I) from the
3 previous fiscal year to the fiscal year;

4 “(ii) the greatest improvement from
5 the previous fiscal year to the fiscal year in
6 the ratio, expressed as a percentage,
7 that—

8 “(I) the number of households in
9 the State that—

10 “(aa) have incomes less than
11 130 percent of the poverty line
12 (as defined in section 673 of the
13 Community Services Block Grant
14 Act (42 U.S.C. 9902));

15 “(bb) are eligible for food
16 stamp benefits; and

17 “(cc) receive food stamps
18 benefits; bears to

19 “(II) the number of households
20 in the State that—

21 “(aa) have incomes less than
22 130 percent of the poverty line
23 (as so defined); and

24 “(bb) are eligible for food
25 stamp benefits;

1 “(iii) the lowest overpayment error
2 rate;

3 “(iv) the greatest percentage point im-
4 provement from the previous fiscal year to
5 the fiscal year in the overpayment error
6 rate;

7 “(v) the lowest negative error rate;

8 “(vi) the greatest percentage point im-
9 provement from the previous year to the
10 fiscal year in the negative error rate;

11 “(vii) the lowest underpayment error
12 rate;

13 “(viii) the greatest percentage point
14 improvement from the previous year to the
15 fiscal year in the underpayment error rate;

16 “(ix) the greatest percentage of new
17 applications processed within the deadlines
18 established under paragraphs (3) and (9)
19 of section 11(e); and

20 “(x) the least average period of time
21 needed to process applications under para-
22 graphs (3) and (9) of section 11(e).

23 “(C) HIGH PERFORMANCE BONUS PAY-
24 MENTS.—

1 “(i) DEFINITION OF CASELOAD.—In
2 this subparagraph, the term ‘caseload’ has
3 the meaning given the term in section
4 6(o)(5)(A).

5 “(ii) AMOUNT OF PAYMENTS.—

6 “(I) IN GENERAL.—For each fis-
7 cal year, the Secretary shall—

8 “(aa) make 1 high perform-
9 ance bonus payment of
10 \$10,000,000 for each of the 10
11 performance measures under sub-
12 paragraph (B); and

13 “(bb) allocate the high per-
14 formance bonus payment with re-
15 spect to each performance meas-
16 ure in accordance with subclauses
17 (II) and (III).

18 “(II) PAYMENT FOR PERFORM-
19 ANCE MEASURE CONCERNING CLAIMS
20 COLLECTED.—For each fiscal year,
21 the Secretary shall allocate the high
22 performance bonus payment made for
23 the performance measure under sub-
24 paragraph (B)(i) among the 20 State
25 agencies with the highest performance

1 in the performance measure in the
2 ratio that—

3 “(aa) the caseload of each
4 such State agency; bears to

5 “(bb) the caseloads of all
6 such State agencies.

7 “(III) PAYMENTS FOR OTHER
8 PERFORMANCE MEASURES.—For each
9 fiscal year, the Secretary shall allocate
10 the high performance bonus payment
11 made for the performance measure
12 under each of clauses (ii) through (x)
13 of subparagraph (B) among the 10
14 State agencies with the highest per-
15 formance in the performance measure
16 in the ratio that—

17 “(aa) the caseload of each
18 such State agency; bears to

19 “(bb) the caseloads of all
20 such State agencies.

21 “(iii) DETERMINATION OF HIGHEST
22 PERFORMERS.—

23 “(I) IN GENERAL.—In deter-
24 mining the highest performers under
25 clause (ii), the Secretary shall cal-

1 calculate applicable percentages to 2 dec-
2 imal places.

3 “(II) DETERMINATION IN EVENT
4 OF A TIE.—If, under subclause (I), 2
5 or more State agencies have the same
6 percentage with respect to a perform-
7 ance measure, the Secretary shall cal-
8 culate the percentage for the perform-
9 ance measure to as many decimal
10 places as are necessary to determine
11 which State agency has the greatest
12 percentage.

13 “(D) LIMITATIONS FOR STATE AGENCIES
14 SUBJECT TO SANCTIONS.—If, for any fiscal
15 year, a State agency is subject to a sanction
16 under paragraph (1)—

17 “(i) the State agency shall not be eli-
18 gible for a high performance bonus pay-
19 ment under clause (iii), (iv), (vii), or (viii)
20 of subparagraph (B) for the fiscal year;
21 and

22 “(ii) the State agency shall not receive
23 a high performance bonus payment for
24 which the State agency is otherwise eligible
25 under this paragraph for the fiscal year

1 until the obligation of the State agency
2 under the sanction has been satisfied (as
3 determined by the Secretary).

4 “(E) PAYMENTS NOT SUBJECT TO JUDI-
5 CIAL REVIEW.—A determination by the Sec-
6 retary whether, and in what amount, to make
7 a high performance bonus payment under this
8 paragraph shall not be subject to judicial re-
9 view.”.

10 (b) APPLICABILITY.—The amendment made by sub-
11 section (a) shall apply to fiscal year 2003 and each fiscal
12 year thereafter.

13 **SEC. 439. SIMPLIFIED FUNDING RULES FOR EMPLOYMENT**
14 **AND TRAINING PROGRAMS.**

15 (a) LEVELS OF FUNDING.—Section 16(h)(1) of the
16 Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is
17 amended—

18 (1) in subparagraph (A)—

19 (A) by striking “, to remain available until
20 expended,”; and

21 (B) by striking clause (vii) and inserting
22 the following:

23 “(vii) to remain available until
24 expended—

1 “(I) for fiscal year 2002,
2 \$122,000,000;

3 “(II) for fiscal year 2003,
4 \$129,000,000;

5 “(III) for fiscal year 2004,
6 \$135,000,000;

7 “(IV) for fiscal year 2005,
8 \$142,000,000; and

9 “(V) for fiscal year 2006,
10 \$149,000,000.”;

11 (2) by striking subparagraph (B) and inserting
12 the following:

13 “(B) ALLOCATION.—Funds made available
14 under subparagraph (A) shall be made available
15 to and reallocated among State agencies under
16 a reasonable formula that—

17 “(i) is determined and adjusted by the
18 Secretary; and

19 “(ii) takes into account the number of
20 individuals who are not exempt from the
21 work requirement under section 6(o).”;

22 and

23 (3) by striking subparagraphs (E) through (G).

24 (b) RESCISSION OF CARRYOVER FUNDS.—Notwith-
25 standing any other provision of law, funds provided under

1 section 16(h)(1)(A) of the Food Stamp Act of 1977 (7
 2 U.S.C. 2025(h)(1)(A)) for any fiscal year before fiscal
 3 year 2002 shall cease to be available on the date of enact-
 4 ment of this Act, unless obligated by a State agency before
 5 that date.

6 (c) PARTICIPANT EXPENSES.—Section
 7 6(d)(4)(I)(i)(I) of the Food Stamp Act of 1977 (7 U.S.C.
 8 2015(d)(4)(I)(i)(I)) is amended by striking “\$25 per
 9 month” and inserting “an amount not less than \$25 per
 10 month”.

11 (d) FEDERAL REIMBURSEMENT.—Section 16(h)(3)
 12 of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(3))
 13 is amended by striking “\$25” and inserting “the limit es-
 14 tablished by the State agency under section
 15 6(d)(4)(I)(i)(I)”.

16 **SEC. 440. REAUTHORIZATION OF FOOD STAMP PROGRAM.**

17 (a) REDUCTIONS IN PAYMENTS FOR ADMINISTRA-
 18 TIVE COSTS.—Section 16(k)(3) of the Food Stamp Act
 19 of 1977 (7 U.S.C. 2025(k)(3)) is amended—

20 (1) in the first sentence of subparagraph (A),
 21 by striking “2002” and inserting “2006”; and

22 (2) in subparagraph (B)(ii), by striking “2002”
 23 and inserting “2006”.

24 (b) CASH PAYMENT PILOT PROJECTS.—Section
 25 17(b)(1)(B)(vi) of the Food Stamp Act of 1977 (7 U.S.C.

1 2026(b)(1)(B)(vi) is amended by striking “2002” and in-
2 serting “2006”.

3 (c) GRANTS TO IMPROVE FOOD STAMP PARTICIPA-
4 TION.—Section 17(i)(1)(A) of the Food Stamp Act of
5 1977 (7 U.S.C. 2026(i)(1)(A)) is amended in the first sen-
6 tence by striking “2002” and inserting “2006”.

7 (d) AUTHORIZATION OF APPROPRIATIONS.—Section
8 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C.
9 2027(a)(1)) is amended in the first sentence by striking
10 “2002” and inserting “2006”.

11 **SEC. 441. EXPANDED GRANT AUTHORITY.**

12 Section 17(a)(1) of the Food Stamp Act of 1977 (7
13 U.S.C. 2026(a)(1)) is amended—

14 (1) by striking “, by way of making” and in-
15 serting “make”;

16 (2) by striking “agencies,” and inserting “agen-
17 cies under this section to”; and

18 (3) by adding at the end the following: “The
19 waiver authority of the Secretary under subsection
20 (b) shall extend to all contracts and grants under
21 this section.”.

1 **SEC. 442. EXEMPTION OF WAIVERS FROM COST-NEU-**
2 **TRALITY REQUIREMENT.**

3 Section 17(b)(1) of the Food Stamp Act of 1977 (7
4 U.S.C. 2026(b)(1)) is amended by adding at the end the
5 following:

6 “(E) COST NEUTRALITY.—

7 “(i) REQUIREMENTS FOR WAIVERS.—

8 “(I) ESTIMATION OF COSTS AND
9 SAVINGS OF WAIVERS.—Before ap-
10 proving a waiver for any demonstra-
11 tion project proposed under this sub-
12 section, the Secretary shall estimate
13 the costs or savings likely to result
14 from the waiver.

15 “(II) APPROVAL OF WAIVERS.—

16 The Secretary shall not approve any
17 waiver that the Secretary estimates
18 will increase costs to the Federal Gov-
19 ernment unless—

20 “(aa) exigent circumstances
21 require the approval of the waiv-
22 er;

23 “(bb) the increase in costs is
24 insignificant; or

25 “(cc) the increase in costs is
26 necessary for a designated re-

1 search demonstration project
2 under clause (ii).

3 “(III) MULTIYEAR COST NEU-
4 TRALITY.—A waiver shall not be con-
5 sidered to increase costs to the Fed-
6 eral Government based on the impact
7 of the waiver in any 1 fiscal year if
8 the waiver is not expected to increase
9 costs to the Federal Government over
10 any 3-fiscal year period that includes
11 the fiscal year.

12 “(ii) EXEMPTION FROM COST-NEU-
13 TRALITY REQUIREMENT FOR CERTAIN
14 PROJECTS.—

15 “(I) IN GENERAL.—For each fis-
16 cal year, the Secretary may designate
17 research demonstration projects
18 that—

19 “(aa) have a substantial
20 likelihood of producing informa-
21 tion on important issues of food
22 stamp program design or oper-
23 ation; and

24 “(bb) the Secretary esti-
25 mates are likely to increase costs

1 to the Federal Government by a
2 total of not more than
3 \$50,000,000 during the period of
4 fiscal years 2002 through 2006.

5 “(II) EXEMPTION.—A project de-
6 scribed in subclause (I) shall be ex-
7 empt from clause (i).

8 “(iii) OFFSETS IN OTHER PRO-
9 GRAMS.—In making determinations of
10 costs to the Federal Government under
11 this subparagraph, the Secretary shall esti-
12 mate and consider savings to the Federal
13 Government in other programs in such a
14 manner as the Secretary determines to be
15 appropriate.

16 “(iv) NO LOOK-BACK.—The Secretary
17 shall not be required to adjust any esti-
18 mate made under this subparagraph to re-
19 flect the actual costs of a demonstration
20 project as implemented by a State agen-
21 cy.”.

1 **SEC. 443. PROGRAM SIMPLIFICATION DEMONSTRATION**
2 **PROJECTS.**

3 (a) ENHANCED WAIVER AUTHORITY.—Section 17 of
4 the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended
5 by striking subsection (e) and inserting the following:

6 “(e) PROGRAM SIMPLIFICATION DEMONSTRATION
7 PROJECTS.—

8 “(1) IN GENERAL.—With the approval of the
9 Secretary, not more than 5 State agencies may carry
10 out demonstration projects to test, for a period of
11 not more than 3 years, promising approaches to sim-
12 plifying the food stamp program.

13 “(2) TYPES OF DEMONSTRATION PROJECTS.—
14 Each demonstration project under paragraph (1)
15 shall test changes in food stamp program rules in
16 not more than 1 of the following 2 areas:

17 “(A)(i) Reporting requirements under sec-
18 tion 6(c).

19 “(ii) Verification methods under section
20 11(e)(3) (including reliance on data from pre-
21 ceding periods that can be obtained or verified
22 electronically).

23 “(iii) A combination of reporting require-
24 ments and verification methods.

25 “(B) The income standard of eligibility es-
26 tablished under section 5(c)(1), deductions

1 under section 5(e), and income budgeting proce-
2 dures under section 5(f).

3 “(3) SELECTION OF DEMONSTRATION
4 PROJECTS.—

5 “(A) IN GENERAL.—The Secretary shall
6 establish a competitive process to select, from
7 all projects proposed by State agencies, the
8 demonstration projects to be carried out under
9 this subsection based on which projects have
10 the greatest likelihood of producing useful infor-
11 mation on important issues of food stamp pro-
12 gram design or operation, as determined by the
13 Secretary.

14 “(B) GOALS.—In selecting demonstration
15 projects, the Secretary shall seek, at a min-
16 imum, to achieve a balance between—

17 “(i) simplifying the food stamp pro-
18 gram;

19 “(ii) reducing administrative burdens
20 on State agencies, households, and other
21 individuals and entities;

22 “(iii) providing nutrition assistance to
23 individuals most in need; and

24 “(iv) improving access to nutrition as-
25 sistance.

1 “(C) PROJECTS NOT ELIGIBLE FOR SELEC-
2 TION.—The Secretary shall not select any dem-
3 onstration project under this subsection that
4 the Secretary determines does not have a strong
5 likelihood of producing useful information on
6 important issues of food stamp program design
7 or operation.

8 “(D) DIVERSITY OF APPROACHES AND
9 AREAS.—In selecting demonstration projects to
10 be carried out under this subsection, the Sec-
11 retary shall seek to include—

12 “(i) projects that take diverse ap-
13 proaches;

14 “(ii) at least 1 project that will oper-
15 ate in an urban area; and

16 “(iii) at least 1 project that will oper-
17 ate in a rural area.

18 “(E) MAXIMUM AGGREGATE COST OF
19 PROJECTS.—The estimated aggregate cost of
20 projects selected by the Secretary under this
21 subsection shall not exceed \$90,000,000.

22 “(4) SIZE OF AREA.—Each demonstration
23 project selected under this subsection shall be car-
24 ried out in an area that contains not more than the
25 greater of—

1 “(A) one-third of the total households re-
2 ceiving allotments in the State; or

3 “(B) the minimum number of households
4 needed to measure the effects of the demonstra-
5 tion projects.

6 “(5) EVALUATIONS.—

7 “(A) IN GENERAL.—The Secretary shall
8 provide, through contract or other means, for
9 detailed, statistically valid evaluations to be
10 conducted of each demonstration project carried
11 out under this subsection.

12 “(B) MINIMUM REQUIREMENTS.—Each
13 evaluation under subparagraph (A)—

14 “(i) shall include the study of control
15 groups or areas; and

16 “(ii) shall analyze, at a minimum, the
17 effects of the project design on—

18 “(I) costs of the food stamp pro-
19 gram;

20 “(II) State administrative costs;

21 “(III) the integrity of the food
22 stamp program, including errors as
23 measured under section 16(c);

24 “(IV) participation by households
25 in need of nutrition assistance; and

1 “(V) changes in allotment levels
2 experienced by—

3 “(aa) households of various
4 income levels;

5 “(bb) households with elder-
6 ly, disabled, and employed mem-
7 bers;

8 “(cc) households with high
9 shelter costs relative to the in-
10 comes of the households; and

11 “(dd) households receiving
12 subsidized housing, child care, or
13 health insurance.

14 “(C) FUNDING.—From funds made avail-
15 able to carry out this Act, the Secretary shall
16 reserve not more than \$6,000,000 to conduct
17 evaluations under this paragraph.

18 “(6) REPORT TO CONGRESS.—Not later than
19 January 1, 2006, the Secretary shall submit to Con-
20 gress a report on the impact of the demonstration
21 projects carried out under this subsection on the
22 food stamp program, including the effectiveness of
23 the demonstration projects in—

24 “(A) delivering nutrition assistance to
25 households most at risk; and

1 “(B) reducing administrative burdens.”.

2 (b) CONFORMING AMENDMENT.—Section
3 17(b)(1)(B)(iv)(III)(ii) of the Food Stamp Act of 1977 (7
4 U.S.C. 2026(b)(1)(B)(iv)(III)(ii)) is amended by striking
5 “paragraph” and inserting “section”.

6 **SEC. 444. CONSOLIDATED BLOCK GRANTS.**

7 (a) CONSOLIDATED FUNDING.—Section 19(a)(1) of
8 the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)) is
9 amended—

10 (1) in subparagraph (A)—

11 (A) by striking “the Commonwealth of
12 Puerto Rico” and inserting “governmental enti-
13 ties specified in subparagraph (D)”;

14 (B) in clause (ii), by striking “and” at the
15 end; and

16 (C) by striking clause (iii) and all that fol-
17 lows and inserting the following:

18 “(iii) for fiscal year 2002, \$1,356,000,000; and

19 “(iv) for each of fiscal years 2003 through
20 2006, the amount provided in clause (iii), as ad-
21 justed by the percentage by which the thrifty food
22 plan has been adjusted under section 3(o)(4) be-
23 tween June 30, 2001, and June 30 of the imme-
24 diately preceding fiscal year;

1 to pay the expenditures for nutrition assistance programs
2 for needy persons as described in subparagraphs (B) and
3 (C).”;

4 (2) in subparagraph (B), by inserting “of Puer-
5 to Rico” after “Commonwealth” each place it ap-
6 pears; and

7 (3) by adding at the end the following:

8 “(C) AMERICAN SAMOA.—For each fiscal
9 year, the Secretary shall reserve 0.4 percent of
10 the funds made available under subparagraph
11 (A) for payment to American Samoa to pay the
12 expenditures for a nutrition assistance program
13 extended under section 601(c) of Public Law
14 96–597 (48 U.S.C. 1469d(e)).

15 “(D) GOVERNMENTAL ENTITY.—A govern-
16 mental entity specified in this subparagraph
17 is—

18 “(i) the Commonwealth of Puerto
19 Rico; and

20 “(ii) for fiscal year 2003 and each fis-
21 cal year thereafter, American Samoa.”.

22 (b) CONFORMING AMENDMENT.—Section 24 of the
23 Food Stamp Act of 1977 (7 U.S.C. 2033) is repealed.

24 (c) EFFECTIVE DATE.—The amendments made by
25 this section take effect on October 1, 2002.

1 **SEC. 445. EXPANDED AVAILABILITY OF COMMODITIES.**

2 Section 27(a) of the Food Stamp Act of 1977 (7
3 U.S.C. 2036(a)) is amended—

4 (1) by striking “From amounts” and inserting
5 the following:

6 “(1) IN GENERAL.—From amounts”;

7 (2) by striking “for each of fiscal years 1997
8 through 2002, the Secretary shall purchase
9 \$100,000,000 of” and inserting “the Secretary shall
10 use the amount specified in paragraph (2) to pur-
11 chase”; and

12 (3) by adding at the end the following:

13 “(2) AMOUNTS.—The amounts specified in this
14 paragraph are—

15 “(A) for each of fiscal years 1997 through
16 2001, \$100,000,000; and

17 “(B) for each of fiscal years 2002 through
18 2006, \$140,000,000.”.

19 **Subtitle B—Miscellaneous**
20 **Provisions**

21 **SEC. 451. REAUTHORIZATION OF COMMODITY PROGRAMS.**

22 (a) COMMODITY DISTRIBUTION PROGRAM.—Section
23 4(a) of the Agriculture and Consumer Protection Act of
24 1973 (7 U.S.C. 612c note; Public Law 93–86) is amended
25 in the first sentence by striking “2002” and inserting
26 “2006”.

1 (b) COMMODITY SUPPLEMENTAL FOOD PROGRAM.—
2 Section 5 of the Agriculture and Consumer Protection Act
3 of 1973 (7 U.S.C. 612e note; Public Law 93–86) is
4 amended in subsections (a)(2) and (d)(2) by striking
5 “2002” each place it appears and inserting “2006”.

6 (c) DISTRIBUTION OF SURPLUS COMMODITIES TO
7 SPECIAL NUTRITION PROJECTS.—Section 1114(a)(2)(A)
8 of the Agriculture and Food Act of 1981 (7 U.S.C.
9 1431e(2)(A)) is amended in the first sentence by striking
10 “2002” and inserting “2006”.

11 (d) EMERGENCY FOOD ASSISTANCE.—Section
12 204(a)(1) of the Emergency Food Assistance Act of 1983
13 (7 U.S.C. 7508(a)(1)) is amended in the first sentence—

- 14 (1) by striking “2002” and inserting “2006”;
15 (2) by striking “administrative”; and
16 (3) by inserting “storage,” after “processing.”

17 **SEC. 452. WORK REQUIREMENT FOR LEGAL IMMIGRANTS.**

18 (a) WORKING IMMIGRANT FAMILIES.—Section
19 402(a)(2)(B)(ii)(I) of the Personal Responsibility and
20 Work Opportunity Reconciliation Act of 1996 (8 U.S.C.
21 1612(a)(2)(B)(ii)(I)) is amended by striking “40” and in-
22 serting “40 (or, in the case of the specified Federal pro-
23 gram described in paragraph (3)(B), 16)”.

24 (b) CONFORMING AMENDMENTS.—

1 (1) Section 213A(a)(3)(A) of the Immigration
2 and Nationality Act (8 U.S.C. 1183a(a)(3)(A)) is
3 amended by striking “40” and inserting “40 (or, in
4 the case of the specified Federal program described
5 in section 402(a)(3)(B) of the Personal Responsi-
6 bility and Work Opportunity Reconciliation Act of
7 1996 (8 U.S.C. 1612(a)(3)(B)), 16”).

8 (2) Section 403(c)(2) of the Personal Responsi-
9 bility and Work Opportunity Reconciliation Act of
10 1996 (8 U.S.C. 1613(c)(2)) is amended by adding at
11 the end the following:

12 “(L) Assistance or benefits under the Food
13 Stamp Act of 1977 (7 U.S.C. 2011 et seq.).”.

14 (3) Section 421(b)(2)(A) of the Personal Re-
15 sponsibility and Work Opportunity Reconciliation
16 Act of 1996 (8 U.S.C. 1631(b)(2)(A)) is amended
17 by striking “40” and inserting “40 (or, in the case
18 of the specified Federal program described in section
19 402(a)(3)(B), 16”).

20 **SEC. 453. QUALIFIED ALIENS.**

21 Section 402(a)(2) of the Personal Responsibility and
22 Work Opportunity Reconciliation Act of 1996 (8 U.S.C.
23 1612(a)(2)) is amended by adding at the end the fol-
24 lowing:

1 “(L) FOOD STAMP EXCEPTION FOR CER-
2 TAIN QUALIFIED ALIENS.—With respect to eli-
3 gibility for benefits for the specified Federal
4 program described in paragraph (3)(B), para-
5 graph (1) shall not apply to any individual who
6 has continuously resided in the United States
7 as a qualified alien for a period of 5 years or
8 more.”.

9 **SEC. 454. CONGRESSIONAL HUNGER FELLOWS PROGRAM.**

10 (a) SHORT TITLE.—This section may be cited as the
11 “Congressional Hunger Fellows Act of 2001”.

12 (b) FINDINGS.—Congress finds that—

13 (1) there are—

14 (A) a critical need for compassionate indi-
15 viduals who are committed to assisting people
16 who suffer from hunger; and

17 (B) a need for those individuals to initiate
18 and administer solutions to the hunger problem;

19 (2) Bill Emerson, the distinguished late Rep-
20 resentative from the 8th District of Missouri,
21 demonstrated—

22 (A) his commitment to solving the problem
23 of hunger in a bipartisan manner;

24 (B) his commitment to public service; and

1 (C) his great affection for the institution
2 and the ideals of Congress;

3 (3) George T. (Mickey) Leland, the distin-
4 guished late Representative from the 18th District
5 of Texas, demonstrated—

6 (A) his compassion for individuals in need;

7 (B) his high regard for public service; and

8 (C) his lively exercise of political talents;

9 (4) the special concern that Mr. Emerson and
10 Mr. Leland demonstrated during their lives for the
11 hungry and poor was an inspiration for others to
12 work toward the goals of equality and justice for all;
13 and

14 (5) since those 2 outstanding leaders main-
15 tained a special bond of friendship regardless of po-
16 litical affiliation and worked together to encourage
17 future leaders to recognize and provide service to
18 others, it is especially appropriate to honor the mem-
19 ory of Mr. Emerson and Mr. Leland by establishing
20 a fellowship program to develop and train the future
21 leaders of the United States to pursue careers in hu-
22 manitarian service.

23 (c) DEFINITIONS.—In this section:

1 (1) APPROPRIATE CONGRESSIONAL COMMIT-
2 TEES.—The term “appropriate congressional com-
3 mittees” means—

4 (A) the Committee on Agriculture and the
5 Committee on International Relations of the
6 House of Representatives; and

7 (B) the Committee on Agriculture, Nutri-
8 tion, and Forestry and the Committee on For-
9 eign Relations of the Senate.

10 (2) BOARD.—The term “Board” means the
11 Board of Trustees of the Program.

12 (3) FUND.—The term “Fund” means the Con-
13 gressional Hunger Fellows Trust Fund established
14 by subsection (g).

15 (4) PROGRAM.—The term “Program” means
16 the Congressional Hunger Fellows Program estab-
17 lished by subsection (d).

18 (d) ESTABLISHMENT.—There is established as an
19 independent entity of the legislative branch of the United
20 States Government an entity to be known as the “Con-
21 gressional Hunger Fellows Program”.

22 (e) BOARD OF TRUSTEES.—

23 (1) IN GENERAL.—The Program shall be sub-
24 ject to the supervision and direction of a Board of
25 Trustees.

1 (2) MEMBERS OF THE BOARD.—

2 (A) APPOINTMENT.—

3 (i) IN GENERAL.—The Board shall be
4 composed of 6 voting members appointed
5 under clause (ii) and 1 nonvoting ex-officio
6 member designated by clause (iii).

7 (ii) VOTING MEMBERS.—The voting
8 members of the Board shall be the fol-
9 lowing:

10 (I) 2 members appointed by the
11 Speaker of the House of Representa-
12 tives.

13 (II) 1 member appointed by the
14 minority leader of the House of Rep-
15 resentatives.

16 (III) 2 members appointed by the
17 majority leader of the Senate.

18 (IV) 1 member appointed by the
19 minority leader of the Senate.

20 (iii) NONVOTING MEMBER.—The Ex-
21 ecutive Director of the Program shall serve
22 as a nonvoting ex-officio member of the
23 Board.

24 (B) TERMS.—

1 (i) IN GENERAL.—Each member of
2 the Board shall serve for a term of 4
3 years.

4 (ii) INCOMPLETE TERM.—If a member
5 of the Board does not serve the full term
6 of the member, the individual appointed to
7 fill the resulting vacancy shall be appointed
8 for the remainder of the term of the prede-
9 cessor of the individual.

10 (C) VACANCY.—A vacancy on the Board—

11 (i) shall not affect the powers of the
12 Board; and

13 (ii) shall be filled in the same manner
14 as the original appointment was made.

15 (D) CHAIRPERSON.—As the first order of
16 business of the first meeting of the Board, the
17 members shall elect a Chairperson.

18 (E) COMPENSATION.—

19 (i) IN GENERAL.—Subject to clause
20 (ii), a member of the Board shall not re-
21 ceive compensation for service on the
22 Board.

23 (ii) TRAVEL.—A member of the
24 Board shall be allowed travel expenses, in-
25 cluding per diem in lieu of subsistence, at

1 rates authorized for an employee of an
2 agency under subchapter I of chapter 57 of
3 title 5, United States Code, while away
4 from the home or regular place of business
5 of the member in the performance of the
6 duties of the Board.

7 (3) DUTIES.—

8 (A) BYLAWS.—

9 (i) ESTABLISHMENT.—The Board
10 shall establish such bylaws and other regu-
11 lations as are appropriate to enable the
12 Board to carry out this section, including
13 the duties described in this paragraph.

14 (ii) CONTENTS.—Bylaws and other
15 regulations established under clause (i)
16 shall include provisions—

17 (I) for appropriate fiscal control,
18 accountability for funds, and oper-
19 ating principles;

20 (II) to prevent any conflict of in-
21 terest, or the appearance of any con-
22 flict of interest, in—

23 (aa) the procurement and
24 employment actions taken by the

1 Board or by any officer or em-
2 ployee of the Board; and

3 (bb) the selection and place-
4 ment of individuals in the fellow-
5 ships developed under the Pro-
6 gram;

7 (III) for the resolution of a tie
8 vote of the members of the Board;
9 and

10 (IV) for authorization of travel
11 for members of the Board.

12 (iii) SUBMISSION TO CONGRESS.—Not
13 later than 90 days after the date of the
14 first meeting of the Board, the Chair-
15 person of the Board shall submit to the ap-
16 propriate congressional committees a copy
17 of the bylaws established by the Board.

18 (B) BUDGET.—For each fiscal year in
19 which the Program is in operation—

20 (i) the Board shall determine a budget
21 for the Program for the fiscal year; and

22 (ii) all spending by the Program shall
23 be in accordance with the budget unless a
24 change is approved by the Board.

1 (C) PROCESS FOR SELECTION AND PLACE-
2 MENT OF FELLOWS.—The Board shall review
3 and approve the process established by the Ex-
4 ecutive Director for the selection and placement
5 of individuals in the fellowships developed under
6 the Program.

7 (D) ALLOCATION OF FUNDS TO FELLOW-
8 SHIPS.—The Board shall determine—

9 (i) the priority of the programs to be
10 carried out under this section; and

11 (ii) the amount of funds to be allo-
12 cated for the fellowships established under
13 subsection (f)(3)(A).

14 (f) PURPOSES; AUTHORITY OF PROGRAM.—

15 (1) PURPOSES.—The purposes of the Program
16 are—

17 (A) to encourage future leaders of the
18 United States to pursue careers in humani-
19 tarian service;

20 (B) to recognize the needs of people who
21 are hungry and poor;

22 (C) to provide assistance and compassion
23 for people in need;

24 (D) to increase awareness of the impor-
25 tance of public service; and

1 (E) to provide training and development
2 opportunities for the leaders through placement
3 in programs operated by appropriate entities.

4 (2) AUTHORITY.—The Program may develop
5 fellowships to carry out the purposes of the Pro-
6 gram, including the fellowships described in para-
7 graph (3).

8 (3) FELLOWSHIPS.—

9 (A) IN GENERAL.—The Program shall es-
10 tablish and carry out the Bill Emerson Hunger
11 Fellowship and the Mickey Leland Hunger Fel-
12 lowship.

13 (B) CURRICULUM.—

14 (i) IN GENERAL.—The fellowships es-
15 tablished under subparagraph (A) shall
16 provide experience and training to develop
17 the skills and understanding necessary to
18 improve the humanitarian conditions and
19 the lives of individuals who suffer from
20 hunger, including—

21 (I) training in direct service to
22 the hungry in conjunction with com-
23 munity-based organizations through a
24 program of field placement; and

1 (II) experience in policy develop-
2 ment through placement in a govern-
3 mental entity or nonprofit organiza-
4 tion.

5 (ii) FOCUS.—

6 (I) BILL EMERSON HUNGER FEL-
7 LOWSHIP.—The Bill Emerson Hunger
8 Fellowship shall address hunger and
9 other humanitarian needs in the
10 United States.

11 (II) MICKEY LELAND HUNGER
12 FELLOWSHIP.—The Mickey Leland
13 Hunger Fellowship shall address
14 international hunger and other hu-
15 manitarian needs.

16 (iii) WORK PLAN.—To carry out
17 clause (i) and to assist in the evaluation of
18 the fellowships under paragraph (4), the
19 Program shall, for each fellow, approve a
20 work plan that identifies the target objec-
21 tives for the fellow in the fellowship, in-
22 cluding the specific duties and responsibil-
23 ities relating to the objectives.

24 (C) PERIOD OF FELLOWSHIP.—

1 (i) EMERSON FELLOWSHIP.—A Bill
 2 Emerson Hunger Fellowship awarded
 3 under this paragraph shall be for a period
 4 of not more than 1 year.

5 (ii) LELAND FELLOWSHIP.—A Mickey
 6 Leland Hunger Fellowship awarded under
 7 this paragraph shall be for a period of not
 8 more than 2 years, of which not less than
 9 1 year shall be dedicated to fulfilling the
 10 requirement of subparagraph (B)(i)(I).

11 (D) SELECTION OF FELLOWS.—

12 (i) IN GENERAL.—A fellowship shall
 13 be awarded through a nationwide competi-
 14 tion established by the Program.

15 (ii) QUALIFICATION.—A successful
 16 applicant shall be an individual who has
 17 demonstrated—

18 (I) an intent to pursue a career
 19 in humanitarian service and out-
 20 standing potential for such a career;

21 (II) leadership potential or lead-
 22 ership experience;

23 (III) diverse life experience;

24 (IV) proficient writing and
 25 speaking skills;

1 (V) an ability to live in poor or
2 diverse communities; and

3 (VI) such other attributes as the
4 Board determines to be appropriate.

5 (iii) AMOUNT OF AWARD.—

6 (I) IN GENERAL.—Each indi-
7 vidual awarded a fellowship under this
8 paragraph shall receive a living allow-
9 ance and, subject to subclause (II), an
10 end-of-service award as determined by
11 the Program.

12 (II) REQUIREMENT FOR SUC-
13 CESSFUL COMPLETION OF FELLOW-
14 SHIP.—Each individual awarded a fel-
15 lowship under this paragraph shall be
16 entitled to receive an end-of-service
17 award at an appropriate rate for each
18 month of satisfactory service as deter-
19 mined by the Executive Director.

20 (iv) RECOGNITION OF FELLOWSHIP
21 AWARD.—

22 (I) EMERSON FELLOW.—An indi-
23 vidual awarded a Bill Emerson Hun-
24 ger Fellowship shall be known as an
25 “Emerson Fellow”.

1 (II) LELAND FELLOW.—An indi-
2 vidual awarded a Mickey Leland Hun-
3 ger Fellowship shall be known as a
4 “Leland Fellow”.

5 (4) EVALUATIONS.—

6 (A) IN GENERAL.—The Program shall con-
7 duct periodic evaluations of the Bill Emerson
8 and Mickey Leland Hunger Fellowships.

9 (B) REQUIRED ELEMENTS.—Each evalua-
10 tion shall include—

11 (i) an assessment of the successful
12 completion of the work plan of each fellow;

13 (ii) an assessment of the impact of
14 the fellowship on the fellows;

15 (iii) an assessment of the accomplish-
16 ment of the purposes of the Program; and

17 (iv) an assessment of the impact of
18 each fellow on the community.

19 (g) TRUST FUND.—

20 (1) ESTABLISHMENT.—There is established in
21 the Treasury of the United States a fund to be
22 known as the “Congressional Hunger Fellows Trust
23 Fund”, consisting of—

24 (A) amounts appropriated to the Fund
25 under subsection (k);

1 (B) any amounts earned on investment of
2 amounts in the Fund under paragraph (2); and

3 (C) amounts received under subsection
4 (i)(3)(A).

5 (2) INVESTMENT OF AMOUNTS.—

6 (A) IN GENERAL.—

7 (i) AUTHORITY TO INVEST.—The Sec-
8 retary of the Treasury shall invest such
9 portion of the Fund as is not, in the judg-
10 ment of the Secretary of the Treasury, re-
11 quired to meet current withdrawals.

12 (ii) TYPES OF INVESTMENTS.—Each
13 investment may be made only in an inter-
14 est-bearing obligation of the United States
15 or an obligation guaranteed as to principal
16 and interest by the United States that, as
17 determined by the Secretary of the Treas-
18 ury in consultation with the Board, has a
19 maturity suitable for the Fund.

20 (B) ACQUISITION OF OBLIGATIONS.—For
21 the purpose of investments under subparagraph
22 (A), obligations may be acquired—

23 (i) on original issue at the issue price;
24 or

1 (ii) by purchase of outstanding obliga-
2 tions at the market price.

3 (C) SALE OF OBLIGATIONS.—Any obliga-
4 tion acquired by the Fund may be sold by the
5 Secretary of the Treasury at the market price.

6 (D) CREDITS TO FUND.—The interest on,
7 and the proceeds from the sale or redemption
8 of, any obligations held in the Fund shall be
9 credited to and form a part of the Fund.

10 (3) TRANSFERS OF AMOUNTS.—

11 (A) IN GENERAL.—The amounts required
12 to be transferred to the Fund under this sub-
13 section shall be transferred at least monthly
14 from the general fund of the Treasury to the
15 Fund on the basis of estimates made by the
16 Secretary of the Treasury.

17 (B) ADJUSTMENTS.—Proper adjustment
18 shall be made in amounts subsequently trans-
19 ferred to the extent prior estimates were in ex-
20 cess of or less than the amounts required to be
21 transferred.

22 (h) EXPENDITURES; AUDITS.—

23 (1) IN GENERAL.—The Secretary of the Treas-
24 ury shall transfer to the Program from the amounts
25 described in subsections (g)(2)(D) and (i)(3)(A)

1 such sums as the Board determines to be necessary
2 to enable the Program to carry out this section.

3 (2) LIMITATION.—The Secretary may not
4 transfer to the Program the amounts appropriated
5 to the Fund under subsection (k).

6 (3) USE OF FUNDS.—Funds transferred to the
7 Program under paragraph (1) shall be used—

8 (A) to provide a living allowance for the
9 fellows;

10 (B) to defray the costs of transportation of
11 the fellows to the fellowship placement sites;

12 (C) to defray the costs of appropriate in-
13 surance of the fellows, the Program, and the
14 Board;

15 (D) to defray the costs of preservice and
16 midservice education and training of fellows;

17 (E) to pay staff described in subsection (i);

18 (F) to make end-of-service awards under
19 subsection (f)(3)(D)(iii)(II); and

20 (G) for such other purposes as the Board
21 determines to be appropriate to carry out the
22 Program.

23 (4) AUDIT BY COMPTROLLER GENERAL.—

1 (A) IN GENERAL.—The Comptroller Gen-
2 eral of the United States shall conduct an an-
3 nual audit of the accounts of the Program.

4 (B) BOOKS.—The Program shall make
5 available to the Comptroller General all books,
6 accounts, financial records, reports, files, and
7 other papers, things, or property belonging to
8 or in use by the Program and necessary to fa-
9 cilitate the audit.

10 (C) REPORT TO CONGRESS.—The Comp-
11 troller General shall submit to the appropriate
12 congressional committees a copy of the results
13 of each audit under subparagraph (A).

14 (i) STAFF; POWERS OF PROGRAM.—

15 (1) EXECUTIVE DIRECTOR.—

16 (A) IN GENERAL.—The Board shall ap-
17 point an Executive Director of the Program
18 who shall—

19 (i) administer the Program; and

20 (ii) carry out such other functions
21 consistent with this section as the Board
22 shall prescribe.

23 (B) RESTRICTION.—The Executive Direc-
24 tor may not serve as Chairperson of the Board.

1 (C) COMPENSATION.—The Executive Di-
2 rector shall be paid at a rate not to exceed the
3 rate payable for level V of the Executive Sched-
4 ule under section 5316 of title 5, United States
5 Code.

6 (2) STAFF.—

7 (A) IN GENERAL.—With the approval of a
8 majority of the Board, the Executive Director
9 may appoint and fix the pay of such additional
10 personnel as the Executive Director considers
11 necessary to carry out this section.

12 (B) COMPENSATION.—An individual ap-
13 pointed under subparagraph (A) shall be paid
14 at a rate not to exceed the rate payable for level
15 GS–15 of the General Schedule.

16 (3) POWERS.—

17 (A) GIFTS.—

18 (i) IN GENERAL.—The Program may
19 solicit, accept, use, and dispose of gifts, be-
20 quests, or devises of services or property,
21 both real and personal, for the purpose of
22 aiding or facilitating the work of the Pro-
23 gram.

24 (ii) USE OF GIFTS.—Gifts, bequests,
25 or devises of money and proceeds from

1 sales of other property received as gifts,
2 bequests, or devises shall—

3 (I) be deposited in the Fund; and

4 (II) be available for disbursement
5 on order of the Board.

6 (B) PROCUREMENT OF TEMPORARY AND
7 INTERMITTENT SERVICES.—To carry out this
8 section, the Program may procure temporary
9 and intermittent services in accordance with
10 section 3109(b) of title 5, United States Code,
11 at rates for individuals that do not exceed the
12 daily equivalent of the annual rate of basic pay
13 payable for level GS–15 of the General Sched-
14 ule.

15 (C) CONTRACT AUTHORITY.—To carry out
16 this section, the Program may, with the ap-
17 proval of a majority of the members of the
18 Board, contract with and compensate Govern-
19 ment and private agencies or persons without
20 regard to section 3709 of the Revised Statutes
21 (41 U.S.C. 5).

22 (D) OTHER NECESSARY EXPENDITURES.—

23 (i) IN GENERAL.—Subject to clause

24 (ii), the Program may make such other ex-

1 penditures as the Program considers nec-
2 essary to carry out this section.

3 (ii) PROHIBITION.—The Program may
4 not expend funds to develop new or ex-
5 panded projects at which fellows may be
6 placed.

7 (j) REPORT.—Not later than December 31 of each
8 year, the Board shall submit to the appropriate congres-
9 sional committees a report on the activities of the Program
10 carried out during the preceding fiscal year that
11 includes—

12 (1) an analysis of the evaluations conducted
13 under subsection (f)(4) during the fiscal year; and

14 (2) a statement of—

15 (A) the total amount of funds attributable
16 to gifts received by the Program in the fiscal
17 year under subsection (i)(3)(A); and

18 (B) the total amount of funds described in
19 subparagraph (A) that were expended to carry
20 out the Program in the fiscal year.

21 (k) AUTHORIZATION OF APPROPRIATIONS.—There is
22 authorized to be appropriated to carry out this section
23 \$18,000,000.

24 (l) EFFECTIVE DATE.—This section takes effect on
25 October 1, 2002.

1 **SEC. 455. EFFECTIVE DATE.**

2 Except as otherwise provided in this title, the amend-
 3 ments made by this title take effect on July 1, 2002, ex-
 4 cept that a State agency may, at the option of the State
 5 agency, elect not to implement the amendments until Oc-
 6 tober 1, 2002.

7 **TITLE V—CREDIT**

8 **Subtitle A—Farm Ownership Loans**

9 **SEC. 501. DIRECT LOANS.**

10 Section 302(b)(1) of the Consolidated Farm and
 11 Rural Development Act (7 U.S.C. 1922(b)(1)) is amended
 12 by striking “operated” and inserting “participated in the
 13 business operations of”.

14 **SEC. 502. FINANCING OF BRIDGE LOANS.**

15 Section 303(a)(1) of the Consolidated Farm and
 16 Rural Development Act (7 U.S.C. 1923(a)(1)) is
 17 amended—

18 (1) in subparagraph (C), by striking “or” at
 19 the end;

20 (2) in subparagraph (D), by striking the period
 21 at the end and inserting “; or”; and

22 (3) by adding at the end the following:

23 “(E) refinancing, during a fiscal year, a
 24 short-term, temporary bridge loan made by a
 25 commercial or cooperative lender to a beginning

1 farmer or rancher for the acquisition of land for
2 a farm or ranch, if—

3 “(i) the Secretary approved an appli-
4 cation for a direct farm ownership loan to
5 the beginning farmer or rancher for acqui-
6 sition of the land; and

7 “(ii) funds for direct farm ownership
8 loans under section 346(b) were not avail-
9 able at the time at which the application
10 was approved.”.

11 **SEC. 503. LIMITATIONS ON AMOUNT OF FARM OWNERSHIP**
12 **LOANS.**

13 Section 305 of the Consolidated Farm and Rural De-
14 velopment Act (7 U.S.C. 1925) is amended by striking
15 subsection (a) and inserting the following:

16 “(a) IN GENERAL.—The Secretary shall not make or
17 insure a loan under section 302, 303, 304, 310D, or 310E
18 that would cause the unpaid indebtedness under those sec-
19 tions of any 1 borrower to exceed the lesser of—

20 “(1) the value of the farm or other security; or

21 “(2)(A) in the case of a loan made by the
22 Secretary—

23 “(i) to a beginning farmer or rancher,
24 \$250,000, as adjusted (beginning with fiscal
25 year 2003) by the inflation percentage applica-

1 ble to the fiscal year in which the loan is made;

2 or

3 “(ii) to a borrower other than a beginning

4 farmer or rancher, \$200,000; or

5 “(B) in the case of a loan guaranteed by the

6 Secretary, \$700,000, as—

7 “(i) adjusted (beginning with fiscal year

8 2000) by the inflation percentage applicable to

9 the fiscal year in which the loan is guaranteed;

10 and

11 “(ii) reduced by the amount of any unpaid

12 indebtedness of the borrower on loans under

13 subtitle B that are guaranteed by the Sec-

14 retary.”.

15 **SEC. 504. JOINT FINANCING ARRANGEMENTS.**

16 Section 307(a)(3)(D) of the Consolidated Farm and

17 Rural Development Act (7 U.S.C. 1927(a)(3)(D)) is

18 amended—

19 (1) by striking “If” and inserting the following:

20 “(i) IN GENERAL.—Subject to clause

21 (ii), if”; and

22 (2) by adding at the end the following:

23 “(ii) BEGINNING FARMERS AND

24 RANCHERS.—The interest rate charged a

25 beginning farmer or rancher for a loan de-

1 scribed in clause (i) shall be 50 basis
2 points less than the rate charged farmers
3 and ranchers that are not beginning farm-
4 ers or ranchers.”.

5 **SEC. 505. GUARANTEE PERCENTAGE FOR BEGINNING**
6 **FARMERS AND RANCHERS.**

7 Section 309(h)(6) of the Consolidated Farm and
8 Rural Development Act (7 U.S.C. 1929(h)(6)) is amended
9 by striking “GUARANTEED UP” and all that follows
10 through “more than” and inserting “GUARANTEED AT 95
11 PERCENT.—The Secretary shall guarantee”.

12 **SEC. 506. GUARANTEE OF LOANS MADE UNDER STATE BE-**
13 **GINNING FARMER OR RANCHER PROGRAMS.**

14 Section 309 of the Consolidated Farm and Rural De-
15 velopment Act (7 U.S.C. 1929) is amended by adding at
16 the end the following:

17 “(j) GUARANTEE OF LOANS MADE UNDER STATE
18 BEGINNING FARMER OR RANCHER PROGRAMS.—The Sec-
19 retary may guarantee under this title a loan made under
20 a State beginning farmer or rancher program, including
21 a loan financed by the net proceeds of a qualified small
22 issue agricultural bond for land or property described in
23 section 144(a)(12)(B)(ii) of the Internal Revenue Code of
24 1986.”.

1 **SEC. 507. DOWN PAYMENT LOAN PROGRAM.**

2 Section 310E of the Consolidated Farm and Rural
3 Development Act (7 U.S.C. 1935) is amended—

4 (1) in subsection (b)—

5 (A) in paragraph (1), by striking “30 per-
6 cent” and inserting “40 percent”; and

7 (B) in paragraph (3), by striking “10
8 years” and inserting “20 years”; and

9 (2) in subsection (c)(3)(B), by striking “10-
10 year” and inserting “20-year”.

11 **SEC. 508. BEGINNING FARMER AND RANCHER CONTRACT**
12 **LAND SALES PROGRAM.**

13 (a) IN GENERAL.—Subtitle A of the Consolidated
14 Farm and Rural Development Act (7 U.S.C. 1922 et seq.)
15 is amended by adding at the end the following:

16 **“SEC. 310F. BEGINNING FARMER AND RANCHER CONTRACT**
17 **LAND SALES PROGRAM.**

18 “Not later than October 1, 2002, the Secretary may
19 initiate a pilot program in not fewer than 10 geographi-
20 cally dispersed States, as determined by the Secretary, to
21 guarantee up to 5 loans per State in each of fiscal years
22 2003 through 2006 made by a private seller of a farm
23 or ranch to a qualified beginning farmer or rancher on
24 a contract land sale basis, if the loan meets applicable un-
25 derwriting criteria and a commercial lending institution
26 agrees to serve as escrow agent.”.

1 (b) REGULATIONS.—The promulgation of the regula-
 2 tions and administration of the amendment made by sub-
 3 section (a) shall be made without regard to—

4 (1) the notice and comment provisions of sec-
 5 tion 553 of title 5, United States Code;

6 (2) the Statement of Policy of the Secretary of
 7 Agriculture effective July 24, 1971 (36 Fed. Reg.
 8 13804), relating to notices of proposed rulemaking
 9 and public participation in rulemaking; and

10 (3) chapter 35 of title 44, United States Code
 11 (commonly known as the “Paperwork Reduction
 12 Act”).

13 **Subtitle B—Operating Loans**

14 **SEC. 511. DIRECT LOANS.**

15 Section 311(c)(1)(A) of the Consolidated Farm and
 16 Rural Development Act (7 U.S.C. 1941(c)(1)(A)) is
 17 amended by striking “who has not” and all that follows
 18 through “5 years”.

19 **SEC. 512. LOANS FOR TRIBAL FARM OPERATIONS.**

20 (a) GUARANTEE AMOUNT.—Section 309(h) of the
 21 Consolidated Farm and Rural Development Act (7 U.S.C.
 22 1929(h)) is amended—

23 (1) in paragraph (4), by striking “paragraphs
 24 (5) and (6)” and inserting “paragraphs (5), (6), and
 25 (7)”; and

1 (2) by adding at the end the following:

2 “(7) AMOUNT OF GUARANTEE OF LOANS FOR
3 TRIBAL OPERATIONS.—In the case of an operating
4 loan made to a Native American farmer or rancher
5 whose farm or ranch is within an Indian reservation
6 (as defined in section 335(e)(1)(A)(ii)), the Sec-
7 retary shall guarantee 95 percent of the loan.”.

8 (b) WAIVER OF LIMITATIONS.—Section 311(c) of the
9 Consolidated Farm and Rural Development Act (7 U.S.C.
10 1941(c)) is amended—

11 (1) in paragraph (1), by striking “paragraph
12 (3)” and inserting “paragraphs (3) and (4)”; and

13 (2) by adding at the end the following:

14 “(4) WAIVER FOR LOANS FOR TRIBAL OPER-
15 ATIONS.—The Secretary shall waive the limitation
16 under paragraph (1)(C) for a direct loan made
17 under this subtitle to a Native American farmer or
18 rancher whose farm or ranch is within an Indian
19 reservation (as defined in section 335(e)(1)(A)(ii)) if
20 the Secretary determines that commercial credit is
21 not generally available for such farm or ranch oper-
22 ations.”.

23 **SEC. 513. REFINANCING OF OTHER DEBT.**

24 Section 312(a)(9)(B)(ii) of the Consolidated Farm
25 and Rural Development Act (7 U.S.C. 1942(a)(9)(B)(ii))

1 is amended by striking “debt” and inserting “nondelin-
2 quent debt”.

3 **Subtitle C—Administrative** 4 **Provisions**

5 **SEC. 521. ELIGIBILITY OF LIMITED LIABILITY COMPANIES** 6 **FOR FARM OWNERSHIP LOANS, FARM OPER-** 7 **ATING LOANS, AND EMERGENCY LOANS.**

8 (a) **IN GENERAL.**—Sections 302(a), 311(a), and
9 321(a) of the Consolidated Farm and Rural Development
10 Act (7 U.S.C. 1922(a), 1941(a), 1961(a)) are amended
11 by striking “and joint operations” each place it appears
12 and inserting “joint operations, and limited liability com-
13 panies”.

14 (b) **CONFORMING AMENDMENT.**—Section 321(a) of
15 the Consolidated Farm and Rural Development Act (7
16 U.S.C. 1961(a)) is amended by striking “or joint oper-
17 ations” each place it appears and inserting “joint oper-
18 ations, or limited liability companies”.

19 **SEC. 522. DEBT SETTLEMENT.**

20 Section 331(b)(4) of the Consolidated Farm and
21 Rural Development Act (7 U.S.C. 1981(b)(4)) is amended
22 by striking “carried out—” and all that follows through
23 “(B) after” and inserting “carried out after”.

1 **SEC. 523. TEMPORARY AUTHORITY TO ENTER INTO CON-**
2 **TRACTS; PRIVATE COLLECTION AGENCIES.**

3 (a) IN GENERAL.—Section 331 of the Consolidated
4 Farm and Rural Development Act (7 U.S.C. 1981) is
5 amended by striking subsections (d) and (e).

6 (b) APPLICATION.—The amendment made by sub-
7 section (a) shall not apply to a contract entered into before
8 the effective date of this Act.

9 **SEC. 524. INTEREST RATE OPTIONS FOR LOANS IN SERV-**
10 **ICING.**

11 Section 331B of the Consolidated Farm and Rural
12 Development Act (7 U.S.C. 1981b) is amended—

13 (1) by striking “lower of (1) the” and inserting
14 the following: “lowest of—

15 “(1) the”; and

16 (2) by striking “original loan or (2) the” and
17 inserting the following: “original loan;

18 “(2) the rate being charged by the Secretary
19 for loans, other than guaranteed loans, of the same
20 type at the time at which the borrower applies for
21 a deferral, consolidation, rescheduling, or re-
22 amortization; or

23 “(3) the”.

1 **SEC. 525. ANNUAL REVIEW OF BORROWERS.**

2 Section 333 of the Consolidated Farm and Rural De-
3 velopment Act (7 U.S.C. 1983) is amended by striking
4 paragraph (2) and inserting the following:

5 “(2) except with respect to a loan under section
6 306, 310B, or 314—

7 “(A) an annual review of the credit history
8 and business operation of the borrower; and

9 “(B) an annual review of the continued eli-
10 gibility of the borrower for the loan;”.

11 **SEC. 526. SIMPLIFIED LOAN APPLICATIONS.**

12 Section 333A(g)(1) of the Consolidated Farm and
13 Rural Development Act (7 U.S.C. 1983a(g)(1)) is amend-
14 ed by striking “of loans the principal amount of which
15 is \$50,000 or less” and inserting “of farmer program
16 loans the principal amount of which is \$100,000 or less”.

17 **SEC. 527. INVENTORY PROPERTY.**

18 Section 335(c) of the Consolidated Farm and Rural
19 Development Act (7 U.S.C. 1985(c)) is amended—

20 (1) in paragraph (1)—

21 (A) in subparagraph (B)—

22 (i) in clause (i), by striking “75 days”
23 and inserting “135 days”; and

24 (ii) by adding at the end the fol-
25 lowing:

1 “(iv) COMBINING AND DIVIDING OF
2 PROPERTY.—To the maximum extent prac-
3 ticable, the Secretary shall maximize the
4 opportunity for beginning farmers and
5 ranchers to purchase real property ac-
6 quired by the Secretary under this title by
7 combining or dividing inventory parcels of
8 the property in such manner as the Sec-
9 retary determines to be appropriate.”; and
10 (B) in subparagraph (C)—

11 (i) by striking “75 days” and insert-
12 ing “135 days”; and

13 (ii) by striking “75-day period” and
14 inserting “135-day period”;

15 (2) by striking paragraph (2) and inserting the
16 following:

17 “(2) PREVIOUS LEASE.—In the case of real
18 property acquired before April 4, 1996, that the Sec-
19 retary leased before April 4, 1996, not later than 60
20 days after the lease expires, the Secretary shall offer
21 to sell the property in accordance with paragraph
22 (1).”; and

23 (3) in paragraph (3)—

1 (A) in subparagraph (A), by striking “sub-
2 paragraph (B)” and inserting “subparagraphs
3 (B) and (C)”; and

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

5 “(C) OFFER TO SELL OR GRANT FOR
6 FARMLAND PRESERVATION.—For the purpose
7 of farmland preservation, the Secretary shall
8 offer to sell or grant an easement, restriction,
9 development right, or similar legal right to real
10 property to a State, a political subdivision of a
11 State, or a private nonprofit organization sepa-
12 rately from the underlying fee or other rights to
13 the property owned by the United States.”.

14 **SEC. 528. DEFINITIONS.**

15 (a) QUALIFIED BEGINNING FARMER OR RANCHER.—
16 Section 343(a)(11)(F) of the Consolidated Farm and
17 Rural Development Act (7 U.S.C. 1991(a)(11)(F)) is
18 amended by striking “25 percent” and inserting “30 per-
19 cent”.

20 (b) DEBT FORGIVENESS.—Section 343(a)(12) of the
21 Consolidated Farm and Rural Development Act (7 U.S.C.
22 1991(a)(12)) is amended by striking subparagraph (B)
23 and inserting the following:

24 “(B) EXCEPTIONS.—The term ‘debt for-
25 giveness’ does not include—

1 “(i) consolidation, rescheduling, re-
2 amortization, or deferral of a loan; or

3 “(ii) any write-down provided as part
4 of a resolution of a discrimination com-
5 plaint against the Secretary.”.

6 **SEC. 529. LOAN AUTHORIZATION LEVELS.**

7 Section 346 of the Consolidated Farm and Rural De-
8 velopment Act (7 U.S.C. 1994) is amended—

9 (1) in subsection (b)—

10 (A) by striking paragraph (1) and insert-
11 ing the following:

12 “(1) IN GENERAL.—The Secretary may make
13 or guarantee loans under subtitles A and B from the
14 Agricultural Credit Insurance Fund provided for in
15 section 309 for not more than \$3,750,000,000 for
16 each of fiscal years 2002 through 2006, of which,
17 for each fiscal year—

18 “(A) \$750,000,000 shall be for direct
19 loans, of which—

20 “(i) \$200,000,000 shall be for farm
21 ownership loans under subtitle A; and

22 “(ii) \$550,000,000 shall be for oper-
23 ating loans under subtitle B; and

24 “(B) \$3,000,000,000 shall be for guaran-
25 teed loans, of which—

1 “(i) \$1,000,000,000 shall be for guar-
2 antees of farm ownership loans under sub-
3 title A; and

4 “(ii) \$2,000,000,000 shall be for
5 guarantees of operating loans under sub-
6 title B.”; and

7 (B) in paragraph (2)(A)(ii), by striking
8 “farmers and ranchers” and all that follows
9 and inserting “farmers and ranchers 35 percent
10 for each of fiscal years 2002 through 2006.”;
11 and

12 (2) in subsection (c), by striking the last sen-
13 tence.

14 **SEC. 530. INTEREST RATE REDUCTION PROGRAM.**

15 Section 351 of the Consolidated Farm and Rural De-
16 velopment Act (7 U.S.C. 1999) is amended—

17 (1) in subsection (a)—

18 (A) by striking “PROGRAM.—” and all that
19 follows through “The Secretary” and inserting
20 “PROGRAM.—The Secretary”; and

21 (B) by striking paragraph (2);

22 (2) by striking subsection (c) and inserting the
23 following:

24 “(c) AMOUNT OF INTEREST RATE REDUCTION.—

1 “(1) IN GENERAL.—In return for a contract en-
2 tered into by a lender under subsection (b) for the
3 reduction of the interest rate paid on a loan, the
4 Secretary shall make payments to the lender in an
5 amount equal to not more than 100 percent of the
6 cost of reducing the annual rate of interest payable
7 on the loan, except that such payments shall not ex-
8 ceed the cost of reducing the rate by more than—

9 “(A) in the case of a borrower other than
10 a beginning farmer or rancher, 3 percent; and

11 “(B) in the case of a beginning farmer or
12 rancher, 4 percent.

13 “(2) BEGINNING FARMERS AND RANCHERS.—
14 The percentage reduction of the interest rate for
15 which payments are authorized to be made for a be-
16 ginning farmer or rancher under paragraph (1) shall
17 be 1 percent more than the percentage reduction for
18 farmers and ranchers that are not beginning farmers
19 or ranchers.”; and

20 (3) in subsection (e), by striking paragraph (2)
21 and inserting the following:

22 “(2) MAXIMUM AMOUNT OF FUNDS.—

23 “(A) IN GENERAL.—The total amount of
24 funds used by the Secretary to carry out this
25 section shall not exceed \$750,000,000.

1 “(B) BEGINNING FARMERS AND RANCH-
2 ERS.—

3 “(i) IN GENERAL.—The Secretary
4 shall reserve not less than 25 percent of
5 the funds used by the Secretary under sub-
6 paragraph (A) to make payments for guar-
7 anteed loans made to beginning farmers
8 and ranchers.

9 “(ii) DURATION OF RESERVATION OF
10 FUNDS.—Funds reserved for beginning
11 farmers or ranchers under clause (i) for a
12 fiscal year shall be reserved only until
13 April 1 of the fiscal year.”.

14 **SEC. 531. OPTIONS FOR SATISFACTION OF OBLIGATION TO**
15 **PAY RECAPTURE AMOUNT FOR SHARED AP-**
16 **PRECIATION AGREEMENTS.**

17 (a) IN GENERAL.—Section 353(e)(7) of the Consoli-
18 dated Farm and Rural Development Act (7 U.S.C.
19 2001(e)(7)) is amended—

20 (1) in subparagraph (C), by redesignating
21 clauses (i) and (ii) as subclauses (I) and (II), respec-
22 tively, and adjusting the margins appropriately;

23 (2) by redesignating subparagraphs (A) through
24 (C) as clauses (i) through (iii), respectively, and ad-
25 justing the margins appropriately;

1 (3) by striking the paragraph heading and in-
2 serting the following:

3 “(7) OPTIONS FOR SATISFACTION OF OBLIGA-
4 TION TO PAY RECAPTURE AMOUNT.—

5 “(A) IN GENERAL.—As an alternative to
6 repaying the full recapture amount at the end
7 of the term of the agreement as determined by
8 the Secretary in accordance with this section, a
9 borrower may satisfy the obligation to pay the
10 amount of recapture by—

11 “(i) financing the recapture payment
12 in accordance with subparagraph (B); or

13 “(ii) with the approval of the Sec-
14 retary, granting the Secretary an agricul-
15 tural use protection and conservation ease-
16 ment on the property subject to the shared
17 appreciation agreement in accordance with
18 subparagraph (C).

19 “(B) FINANCING OF RECAPTURE PAY-
20 MENT.—”; and

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

22 “(C) AGRICULTURAL USE PROTECTION
23 AND CONSERVATION EASEMENT.—

24 “(i) IN GENERAL.—Subject to clause
25 (iv), the Secretary may accept an agricul-

1 tural use protection and conservation ease-
2 ment from the borrower for all or part of
3 the real security property subject to the
4 shared appreciation agreement in lieu of
5 payment of the recapture amount.

6 “(ii) VALUATION.—The Secretary
7 shall reduce the amount of the recapture
8 payment by the amount that is equal to
9 the value of the easement.

10 “(iii) TERM.—The term of an ease-
11 ment accepted by the Secretary under this
12 subparagraph shall be not less than 20
13 years.

14 “(iv) CONDITIONS.—The easement
15 shall require that the property subject to
16 the easement shall continue to be used or
17 conserved for agricultural and conservation
18 uses in accordance with sound farming and
19 conservation practices, as determined by
20 the Secretary.

21 “(v) REPLACEMENT OF METHOD OF
22 SATISFYING OBLIGATION.—With the ap-
23 proval of the Secretary, a borrower that
24 has begun financing of a recapture pay-
25 ment under subparagraph (B) may replace

1 that financing with an agricultural use
2 protection and conservation easement
3 under this subparagraph.”.

4 (b) APPLICABILITY.—The amendments made by sub-
5 section (a) shall not apply to a shared appreciation agree-
6 ment that terminated before the effective date of this title
7 and for which the recapture amount as of the effective
8 date of this title—

9 (1) has been paid in full by the borrower; or

10 (2) is past due.

11 **SEC. 532. WAIVER OF BORROWER TRAINING CERTIFI-**
12 **CATION REQUIREMENT.**

13 Section 359 of the Consolidated Farm and Rural De-
14 velopment Act (7 U.S.C. 2006a) is amended by striking
15 subsection (f) and inserting the following:

16 “(f) WAIVERS.—

17 “(1) IN GENERAL.—The Secretary may waive
18 the requirements of this section for an individual
19 borrower if the Secretary determines that the bor-
20 rower demonstrates adequate knowledge in areas de-
21 scribed in this section.

22 “(2) CRITERIA.—The Secretary shall establish
23 criteria providing for the application of paragraph
24 (1) consistently in all counties nationwide.”.

1 **SEC. 533. ANNUAL REVIEW OF BORROWERS.**

2 Section 360(d)(1) of the Consolidated Farm and
3 Rural Development Act (7 U.S.C. 2006b(d)(1)) is amend-
4 ed by striking “biannual” and inserting “annual”.

5 **Subtitle D—Farm Credit**

6 **SEC. 541. BOARD OF DIRECTORS OF THE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.**

8 Section 8.2(b) of the Farm Credit Act of 1971 (12
9 U.S.C. 2279aa–2(b)) is amended—

10 (1) in paragraph (2)—

11 (A) by striking “15” and inserting “17”;

12 (B) in subparagraph (A), by striking
13 “common stock” and all that follows and insert-
14 ing “Class A voting common stock;”;

15 (C) in subparagraph (B), by striking
16 “common stock” and all that follows and insert-
17 ing “Class B voting common stock;”;

18 (D) by redesignating subparagraph (C) as
19 subparagraph (D); and

20 (E) by inserting after subparagraph (B)
21 the following:

22 “(C) 2 members shall be elected by holders
23 of Class A voting common stock and Class B
24 voting common stock, 1 of whom shall be the
25 chief executive officer of the Corporation and 1

1 of whom shall be another executive officer of
2 the Corporation; and”;

3 (2) in paragraph (3), by striking “(2)(C)” and
4 inserting “(2)(D)”;

5 (3) in paragraph (4)—

6 (A) in subparagraph (A), by striking “(A)
7 or (B)” and inserting “(A), (B), or (C)”;

8 (B) in subparagraph (B), by striking
9 “(2)(C)” and inserting “(2)(D)”;

10 (4) in paragraph (5)(A)—

11 (A) by inserting “executive officers of the
12 Corporation or” after “from among persons
13 who are”; and

14 (B) by striking “such a representative”
15 and inserting “such an executive officer or rep-
16 resentative”;

17 (5) in paragraph (6)(B), by striking “(A) and
18 (B)” and inserting “(A), (B), and (C)”;

19 (6) in paragraph (7), by striking “8 members”
20 and inserting “Nine members”;

21 (7) in paragraph (8)—

22 (A) in the paragraph heading, by inserting
23 “OR EXECUTIVE OFFICERS OF THE CORPORA-
24 TION” after “EMPLOYEES”; and

1 (B) by inserting “or executive officers of
 2 the Corporation” after “United States”; and
 3 (8) by striking paragraph (9) and inserting the
 4 following:

5 “(9) CHAIRPERSON.—

6 “(A) ELECTION.—The permanent board
 7 shall annually elect a chairperson from among
 8 the members of the permanent board.

9 “(B) TERM.—The term of the chairperson
 10 shall coincide with the term served by elected
 11 members of the permanent board under para-
 12 graph (6)(B).”.

13 **Subtitle E—General Provisions**

14 **SEC. 551. INAPPLICABILITY OF FINALITY RULE.**

15 Section 281(a)(1) of the Department of Agriculture
 16 Reorganization Act of 1994 (7 U.S.C. 7001(a)(1)) is
 17 amended—

18 (1) by striking “This subsection” and inserting
 19 the following:

20 “(A) IN GENERAL.—Except as provided in
 21 subparagraph (B), this subsection”; and

22 (2) by adding at the end the following:

23 “(B) AGRICULTURAL CREDIT DECI-
 24 SIONS.—This subsection shall not apply with
 25 respect to an agricultural credit decision made

1 by such a State, county, or area committee, or
2 employee of such a committee, under the Con-
3 solidated Farm and Rural Development Act (7
4 U.S.C. 1921 et seq.).”.

5 **SEC. 552. TECHNICAL AMENDMENTS.**

6 (a) Section 321(a) of the Consolidated Farm and
7 Rural Development Act (7 U.S.C. 1961(a)) is amended
8 by striking “Disaster Relief and Emergency Assistance
9 Act” each place it appears and inserting “Robert T. Staf-
10 ford Disaster Relief and Emergency Assistance Act (42
11 U.S.C. 5121 et seq.)”.

12 (b) Section 336(b) of the Consolidated Farm and
13 Rural Development Act (7 U.S.C. 1986(b)) is amended
14 in the second sentence by striking “provided for in section
15 332 of this title”.

16 (c) Section 359(c)(1) of the Consolidated Farm and
17 Rural Development Act (7 U.S.C. 2006a(c)(1)) is amend-
18 ed by striking “established pursuant to section 332,”.

19 (d) Section 360(a) of the Consolidated Farm and
20 Rural Development Act (7 U.S.C. 2006b(a)) is amended
21 by striking “established pursuant to section 332”.

22 **SEC. 553. EFFECT OF AMENDMENTS.**

23 (a) IN GENERAL.—Except as otherwise specifically
24 provided in this title and notwithstanding any other provi-
25 sion of law, this title and the amendments made by this

1 title shall not affect the authority of the Secretary of Agri-
 2 culture to carry out a farm credit program for any of the
 3 1996 through 2001 fiscal years under a provision of law
 4 in effect immediately before the enactment of this Act.

5 (b) LIABILITY.—A provision of this title or an
 6 amendment made by this title shall not affect the liability
 7 of any person under any provision of law as in effect im-
 8 mediately before the enactment of this Act.

9 **SEC. 554. EFFECTIVE DATE.**

10 (a) IN GENERAL.—Except as provided in subsection
 11 (b), this title and the amendments made by this title take
 12 effect on October 1, 2001.

13 (b) BOARD OF DIRECTORS OF THE FEDERAL AGRICULTURAL
 14 MORTGAGE CORPORATION.—The amendments
 15 made by section 541 take effect on the date of enactment
 16 of this Act.

17 **TITLE VI—RURAL**
 18 **DEVELOPMENT**

19 **Subtitle A—Rural America**

20 **Empowerment and Development**

21 **SEC. 601. FULL FUNDING OF PENDING RURAL DEVELOP-**
 22 **MENT LOAN AND GRANT APPLICATIONS.**

23 (a) DEFINITION OF APPLICATION.—In this section,
 24 the term “application” does not include an application for
 25 a loan, loan guarantee, or grant that, as of the date of

1 enactment of this Act, is in the pre-application phase of
2 consideration under regulations of the Secretary of Agri-
3 culture in effect on the date of enactment of this Act.

4 (b) ACCOUNT.—There is established in the Treasury
5 of the United States an account to be known as the “Rural
6 America Infrastructure Development Account” (referred
7 to in this section as the “Account”) to fund rural develop-
8 ment loans, loan guarantees, and grants described in sub-
9 section (d) that are pending on the date of enactment of
10 this Act.

11 (c) FUNDING.—

12 (1) PAYMENT.—Not later than 30 days after
13 the date of enactment of this Act, out of any funds
14 in the Treasury not otherwise appropriated, the Sec-
15 retary of the Treasury shall transfer to the Account
16 such sums as are necessary to carry out this section.

17 (2) ENTITLEMENT.—The Secretary of
18 Agriculture—

19 (A) shall be entitled to receive the funds
20 transferred to the Account under paragraph
21 (1);

22 (B) shall accept the funds; and

23 (C) shall use the funds to carry out this
24 section.

1 (3) AVAILABILITY OF FUNDS.—Funds provided
2 under this subsection shall remain available for obli-
3 gation until expended.

4 (d) USE OF FUNDS.—

5 (1) ELIGIBLE PROGRAMS.—Subject to para-
6 graph (2), the Secretary shall use the funds in the
7 Account to provide funds for applications that are
8 pending on the date of enactment of this Act for—

9 (A) community facility direct loans under
10 section 306(a)(1) of the Consolidated Farm and
11 Rural Development Act (7 U.S.C. 1926(a)(1));

12 (B) community facility grants under para-
13 graph (19), (20), or (21) of section 306(a) of
14 that Act (7 U.S.C. 1926(a));

15 (C) water or waste disposal grants or di-
16 rect loans under paragraph (1) or (2) of section
17 306(a) of that Act (7 U.S.C. 1926(a));

18 (D) rural water or wastewater technical as-
19 sistance and training grants under section
20 306(a)(14) of that Act (7 U.S.C. 1926(a)(14));

21 (E) business and industry guaranteed
22 loans authorized under section 310B(a)(1) of
23 that Act (7 U.S.C. 1932(a)(1)); and

24 (F) solid waste management grants under
25 section 310B(b) of that Act (7 U.S.C. 1932(b)).

1 (2) LIMITATIONS.—

2 (A) APPROPRIATED AMOUNTS.—Funds in
3 the Account shall be available to the Secretary
4 to provide funds for pending applications for
5 loans, loan guarantees, and grants described in
6 paragraph (1) only to the extent that funds for
7 the loans, loan guarantees, and grants appro-
8 priated in the annual appropriations Act for fis-
9 cal year 2002 have been exhausted.

10 (B) PROGRAM REQUIREMENTS.—The Sec-
11 retary may use the Account to provide funds
12 for a pending application for a loan, loan guar-
13 antee, or grant described in paragraph (1) only
14 if the Secretary processes, reviews, and ap-
15 proves the application in accordance with regu-
16 lations in effect on the date of enactment of
17 this Act.

18 **SEC. 602. BROADBAND ACCESS FOR RURAL AMERICA.**

19 The Rural Electrification Act of 1936 (7 U.S.C. 901
20 et seq.) is amended by adding at the end the following:

21 **“TITLE VI—RURAL BROADBAND**
22 **ACCESS**

23 **“SEC. 601. DEFINITIONS.**

24 “In this title:

1 “(1) BROADBAND SERVICE.—The term
2 ‘broadband service’ means telecommunications serv-
3 ice (including service provided over copper wire,
4 fiber, wireless, cable, or satellite) capable of deliv-
5 ering large quantities of data to and from a cus-
6 tomer at the greater of—

7 “(A) a minimum speed of 200 kilobits per
8 second; or

9 “(B) an alternative minimum speed consid-
10 ered by the Federal Communications Commis-
11 sion as broadband.

12 “(2) ELIGIBLE ENTITY.—The term ‘eligible en-
13 tity’ means 1 or more of the following entities capa-
14 ble of providing, or proposing to provide, broadband
15 service in a rural area:

16 “(A) An institution of higher education.

17 “(B) A cooperative.

18 “(C) A corporation.

19 “(D) An Indian tribe (as defined in section
20 4 of the Indian Self-Determination and Edu-
21 cation Assistance Act (25 U.S.C. 450b)).

22 “(E) A limited dividend or mutual associa-
23 tion that is incorporated or is a limited liability
24 company.

25 “(F) A nonprofit organization.

1 “(G) A State or local government.

2 “(H) Other public entity.

3 “(3) RURAL AREA.—The term ‘rural area’
4 means any area of a State that—

5 “(A) is outside a metropolitan statistical
6 area designated by the Director of the Office of
7 Management and Budget; and

8 “(B) is not included within the boundaries
9 of any incorporated or unincorporated city, vil-
10 lage, or borough having a population in excess
11 of 25,000 inhabitants.

12 “(4) STATE.—The term ‘State’ means any of
13 the States, the Commonwealth of Puerto Rico,
14 Guam, American Samoa, the Commonwealth of the
15 Northern Mariana Islands, the Federated States of
16 Micronesia, the Republic of the Marshall Islands, the
17 Republic of Palau, and the Virgin Islands of the
18 United States.

19 **“SEC. 602. LOANS.**

20 “(a) IN GENERAL.—To the extent qualified applica-
21 tions are available for the loans, the Secretary may make
22 loans to eligible entities to provide or improve broadband
23 services in rural areas where the Secretary determines the
24 services are not adequate.

1 “(b) INTEREST RATE.—The interest rate charged for
2 a loan under this section shall—

3 “(1) be determined by the Secretary; and

4 “(2) reflect the current cost of funds to the De-
5 partment of the Treasury for obligations of com-
6 parable maturity to the remaining term of the loan.

7 “(c) REPAYMENT.—No loan may be made under this
8 section unless the Secretary—

9 “(1) is reasonably certain that the borrower will
10 be able to repay the loan; and

11 “(2) determines that the borrower has provided
12 security for the loan that is adequate to assure re-
13 payment of the loan.

14 “(d) LOAN TERMS.—

15 “(1) IN GENERAL.—The Secretary shall pre-
16 scribe the terms and conditions for loans made
17 under this section.

18 “(2) LENGTH OF LOANS.—The term of a loan
19 shall not exceed the useful life of the assets, as a
20 whole, financed by the loan.

21 **“SEC. 603. GRANTS.**

22 “(a) IN GENERAL.—To the extent qualified applica-
23 tions are available for the loans, the Secretary may make
24 grants to eligible entities to provide or improve broadband

1 services in remote rural areas that the Secretary deter-
2 mines are not receiving broadband services.

3 “(b) DURATION.—To be eligible to obtain a grant
4 under this section, an applicant for the grant shall dem-
5 onstrate to the Secretary that the project financed by the
6 grant will be sustained for a reasonable period, as deter-
7 mined by the Secretary.

8 “(c) RESTRICTION.—The Secretary may not make
9 both a loan under section 602, and a grant under this
10 section, to finance the same project.

11 “(d) APPROVAL OF GRANT APPLICATIONS.—In ap-
12 proving applications for grants under this section, the Sec-
13 retary shall consider—

14 “(1) the need for the broadband services to be
15 provided and the benefits from the services;

16 “(2) the economic need of the rural area to be
17 served; and

18 “(3) other factors determined appropriate by
19 the Secretary.

20 **“SEC. 604. PLANNING GRANTS FOR ENHANCING ACCESS TO**
21 **BROADBAND SERVICE.**

22 “(a) IN GENERAL.—The Secretary may make grants,
23 on a competitive basis to States, local governments, and
24 community or regional entities engaged in activities and
25 partnerships between public and private entities that are

1 designed to develop business plans, to be completed in not
2 more than 3 years, for bringing broadband service to rural
3 areas in the most appropriate technological manner prac-
4 ticable.

5 “(b) MATCHING REQUIREMENT.—As a condition of
6 receiving a grant under this section, a recipient of a grant
7 shall provide a matching contribution from non-Federal
8 sources that is equal to the amount of the grant.

9 “(c) ADMINISTRATIVE COSTS.—The Secretary may
10 use not more than 4 percent of the funds made available
11 for grants for a fiscal year under this section for adminis-
12 trative costs incurred by the Secretary in carrying out this
13 section.

14 “(d) BUILDINGS AND FACILITIES.—Funds made
15 available for grants under this section may not be used
16 for—

17 “(1) the construction of a new building or facil-
18 ity;

19 “(2) the acquisition or improvement of an exist-
20 ing building or facility; or

21 “(3) the leasing of office space.

22 **“SEC. 605. SURVEY OF BROADBAND ACCESS NEEDS.**

23 “(a) IN GENERAL.—Out of appropriations made
24 available to agencies in the rural development mission area
25 of the Department of Agriculture, the Secretary shall

1 carry out a survey of State economic development agencies
2 to determine the broadband service needs of current and
3 prospective businesses located in, or prospectively locating
4 to, rural areas.

5 “(b) REPORT.—Not later than 1 year after the date
6 of enactment of this title, the Secretary shall submit to
7 the Committee on Agriculture of the House of Representa-
8 tives and the Committee on Agriculture, Nutrition, and
9 Forestry of the Senate a report on the results of the sur-
10 vey.

11 “(c) EXEMPTION.—The Secretary shall carry out the
12 survey required by this section without regard to chapter
13 35 of title 44, United States Code (commonly known as
14 the ‘Paperwork Reduction Act of 1995’).

15 **“SEC. 606. CONSULTATION.**

16 “In carrying out this title, the Secretary is encour-
17 aged to consult with—

18 “(1) the Federal Communications Commission;

19 “(2) the Secretary of Commerce; and

20 “(3) the National Academy of Sciences.

21 **“SEC. 607. AUTHORIZATION OF APPROPRIATIONS.**

22 “There are authorized to be appropriated such sums
23 as are necessary to carry out this title.”

1 **SEC. 603. VALUE-ADDED AGRICULTURAL PRODUCT MAR-**
2 **KET DEVELOPMENT GRANTS.**

3 Section 231 of the Agriculture Risk Protection Act
4 of 2000 (7 U.S.C. 1621 note; Public Law 106–224) is
5 amended—

6 (1) by redesignating subsections (a) through (d)
7 as subsections (b) through (e), respectively;

8 (2) by inserting after the section heading the
9 following:

10 “(a) DEFINITION OF VALUE-ADDED AGRICULTURAL
11 PRODUCT.—In this section, the term ‘value-added agricul-
12 tural product’ means any agricultural commodity or prod-
13 uct that has been subject to a greater level of processing
14 that—

15 “(1) expands the market for the agricultural
16 commodity or product; and

17 “(2) results in a greater portion of the revenue
18 derived from the processing of the agricultural com-
19 modity or product being made available to the initial
20 producer of the agricultural commodity or product.”;

21 (3) in subsection (b) (as so redesignated)—

22 (A) in paragraph (1)—

23 (i) by striking “Of the” and all that
24 follows through “Secretary to” and insert-
25 ing “The Secretary may”; and

1 (ii) by striking “value-added agricul-
2 tural commodities and products of agricul-
3 tural commodities” and inserting “value-
4 added agricultural products”; and

5 (iii) in subparagraph (A), by striking
6 “value-added agricultural commodity or
7 product of an agricultural commodity” and
8 inserting “value-added agricultural prod-
9 uct”;

10 (B) in paragraph (3)(A), by striking
11 “value-added agricultural commodity or product
12 of an agricultural commodity” and inserting
13 “value-added agricultural product”; and

14 (C) by adding at the end the following:

15 “(4) AUTHORIZATION OF APPROPRIATIONS.—
16 There is authorized to be appropriated to carry out
17 this subsection \$50,000,000 for each of fiscal years
18 2003 through 2006.”;

19 (4) in subsection (c)(1) (as so redesignated)—

20 (A) by striking “subsection (a)(2)” and in-
21 serting “subsection (b)(2)”;

22 (B) by striking “subsection (a)” and in-
23 serting “subsection (b)”;

24 (C) in subparagraph (A), by striking
25 “value-added agricultural commodities and

1 products of agricultural commodities” and in-
2 serting “value-added agricultural products”;
3 and

4 (5) in subsection (d) (as so redesignated), by
5 striking “subsection (a) or (b)” and inserting “sub-
6 section (b) or (c)”.

7 **SEC. 604. NATIONAL RURAL DEVELOPMENT INFORMATION**
8 **CLEARINGHOUSE.**

9 Section 2381 of the Food, Agriculture, Conservation,
10 and Trade Act of 1990 (7 U.S.C. 3125b) is amended to
11 read as follows:

12 **“SEC. 2381. NATIONAL RURAL DEVELOPMENT INFORMA-**
13 **TION CLEARINGHOUSE.**

14 “(a) **ESTABLISHMENT.**—The Secretary shall estab-
15 lish and maintain, within the rural development mission
16 area of the Department of Agriculture, a National Rural
17 Development Information Clearinghouse (referred to in
18 this section as the ‘Clearinghouse’) to perform the func-
19 tions specified in subsection (b).

20 “(b) **FUNCTIONS.**—The Clearinghouse shall collect
21 information and data from, and disseminate information
22 and data to, any person or public or private entity about
23 programs and services provided by Federal, State, local,
24 and tribal agencies, institutions of higher education, and
25 private, for-profit and nonprofit organizations and institu-

1 tions under which a person or public or private entity re-
2 siding or operating in a rural area may be eligible for any
3 kind of financial, technical, or other assistance, including
4 business, venture capital, economic, credit and community
5 development assistance, health care, job training, edu-
6 cation, and emotional and financial counseling.

7 “(c) MODES OF COLLECTION AND DISSEMINATION
8 OF INFORMATION.—In addition to other modes for the col-
9 lection and dissemination of the types of information and
10 data specified under subsection (b), the Secretary shall en-
11 sure that the Clearinghouse maintains an Internet website
12 that provides for dissemination and collection, through
13 voluntary submission or posting, of the information and
14 data.

15 “(d) FEDERAL AGENCIES.—On request of the Sec-
16 retary and to the extent permitted by law, the head of
17 a Federal agency shall provide to the Clearinghouse such
18 information as the Secretary may request to enable the
19 Clearinghouse to carry out this section.

20 “(e) STATE, LOCAL, AND TRIBAL AGENCIES, INSTI-
21 TUTIONS OF HIGHER EDUCATION, AND NONPROFIT AND
22 FOR-PROFIT ORGANIZATIONS.—The Secretary shall re-
23 quest State, local, and tribal governments, institutions of
24 higher education, and nonprofit and for-profit organiza-
25 tions and institutions to provide to the Clearinghouse in-

1 formation concerning applicable programs or services de-
2 scribed in subsection (b).

3 “(f) PROMOTION OF CLEARINGHOUSE.—The Sec-
4 retary prominently shall promote the existence and avail-
5 ability of the Clearinghouse in all activities of the Depart-
6 ment of Agriculture relating to rural areas of the United
7 States.

8 “(g) FUNDING.—

9 “(1) IN GENERAL.—Subject to paragraph (2),
10 the Secretary shall use to operate and maintain the
11 Clearinghouse not more than \$600,000 of the funds
12 available to the Rural Housing Service, the Rural
13 Utilities Service, and the Rural Business-Cooperative
14 Service for each fiscal year.

15 “(2) LIMITATION.—Funds available to the
16 Rural Housing Service, the Rural Utilities Service,
17 and the Rural Business-Cooperative Service for the
18 payment of loan costs (as defined in section 502 of
19 Federal Credit Reform Act of 1990 (2 U.S.C.
20 661a)) shall not be used to operate and maintain the
21 Clearinghouse.”.

22 **SEC. 605. WHITE HOUSE CONFERENCE ON RURAL AMERICA.**

23 (a) IN GENERAL.—The President may call and con-
24 duct a White House Conference on Rural America (re-
25 ferred to in this section as the “Conference”) which shall

1 be held not earlier than November 1, 2002, and not later
2 than October 30, 2004.

3 (b) PURPOSE.—The purpose of the Conference shall
4 be to bring together the resources of governmental agen-
5 cies and the private and nonprofit sectors to develop policy
6 recommendations and integrative strategies for addressing
7 the unique challenges facing rural areas of the United
8 States.

9 (c) COMPOSITION.—

10 (1) IN GENERAL.—The Conference shall be
11 comprised of—

12 (A) representatives of organizations de-
13 voted to rural development;

14 (B) members of Congress;

15 (C) representatives of the Department of
16 Agriculture and other Federal agencies;

17 (D) State, local, and tribal elected officials
18 and representatives;

19 (E) representatives of land-grant colleges
20 and universities, State and tribal extension
21 services, and State rural development councils;
22 and

23 (F) individuals with special knowledge of
24 and expertise in rural and community develop-
25 ment, cooperative business, agricultural credit,

1 venture capital, health care, and rural demog-
2 raphy.

3 (2) SELECTION.—Of the participants in the
4 Conference described in paragraph (1)—

5 (A) $\frac{1}{3}$ of the members shall be selected by
6 the President;

7 (B) $\frac{1}{3}$ of the members shall be selected by
8 the Chairman and the ranking member of the
9 Committee of the Committee on Agriculture of
10 the House of Representatives; and

11 (C) $\frac{1}{3}$ of the members shall be selected by
12 the Chairman and the ranking member of the
13 Committee of the Committee on Agriculture,
14 Nutrition, and Forestry of the Senate.

15 (3) REPRESENTATION.—In selecting the par-
16 ticipants of the Conference, the President and the
17 Chairman of each Committee referred to in para-
18 graph (2) shall ensure, to the maximum extent prac-
19 ticable, that the participants are representative of
20 the ethnic, racial, and linguistic diversity of rural
21 areas of the United States.

22 (d) REPORT.—

23 (1) REPORT TO PRESIDENT.—Not later than
24 120 days after the termination of the Conference,
25 the Conference shall submit to the President a re-

1 port that contains the findings and recommendations
2 of the Conference.

3 (2) REPORT MADE PUBLIC AND TO CON-
4 GRESS.—Not later than 90 days after receipt by the
5 President, the President shall—

6 (A) make the report public; and

7 (B) transmit to the Committee on Agri-
8 culture of the House of Representatives and the
9 Committee on Agriculture, Nutrition, and For-
10 estry of the Senate a copy of the report and a
11 statement of the President containing rec-
12 ommendations for implementing the report.

13 (3) PUBLICATION AND DISTRIBUTION.—

14 (A) IN GENERAL.—The Conference may
15 publish and distribute the report described in
16 paragraph (1).

17 (B) MANDATORY DISTRIBUTION.—The
18 Conference shall provide a copy of a report pub-
19 lished under subparagraph (A), at no cost to—

20 (i) each Federal depository library;

21 and

22 (ii) on request—

23 (I) each State, tribal, and local
24 elected official in a rural area of the
25 United States; and

1 (II) each State rural development
2 council.

3 (e) FUNDING.—

4 (1) PAYMENT.—Not later than 30 days after
5 the date of enactment of this Act, out of any funds
6 in the Treasury not otherwise appropriated, the Sec-
7 retary of the Treasury shall transfer \$2,000,000 to
8 the President to carry out this section.

9 (2) ENTITLEMENT.—The President—

10 (A) shall be entitled to receive the funds
11 transferred under paragraph (1);

12 (B) shall accept the funds; and

13 (C) shall use the funds to carry out this
14 section.

15 (3) AVAILABILITY OF FUNDS.—Funds provided
16 under this subsection shall remain available for obli-
17 gation until expended.

18 **SEC. 606. BIOENERGY AND BIOCHEMICAL PROJECTS.**

19 (a) RURAL DEVELOPMENT.—Subtitle D of the Con-
20 solidated Farm and Rural Development Act (7 U.S.C.
21 1981 et seq.) is amended by adding at the end the fol-
22 lowing:

23 **“SEC. 376. BIOENERGY AND BIOCHEMICAL PROJECTS.**

24 “In carrying out rural development loan, loan guar-
25 antee, and grant programs under this title, the Secretary

1 shall provide a priority for bioenergy and biochemical
2 projects.”.

3 (b) RURAL UTILITIES.—Title I of the Rural Elec-
4 trification Act of 1936 (7 U.S.C. 901 et seq.) is amended
5 by adding at the end the following:

6 **“SEC. 20. BIOENERGY AND BIOCHEMICAL PROJECTS.**

7 “In carrying out rural electric loan, loan guarantee,
8 and grant programs under this Act, the Secretary shall
9 provide a priority for bioenergy and biochemical
10 projects.”.

11 **Subtitle B—National Rural**
12 **Development Partnership**

13 **SEC. 611. SHORT TITLE.**

14 This subtitle may be cited as the “National Rural De-
15 velopment Partnership Act of 2001”.

16 **SEC. 612. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.**

17 Subtitle E of the Consolidated Farm and Rural De-
18 velopment Act (7 U.S.C. 2009 et seq.) is amended by add-
19 ing at the end the following:

20 **“SEC. 381P. NATIONAL RURAL DEVELOPMENT PARTNER-**
21 **SHIP.**

22 “(a) DEFINITIONS.—In this section:

23 “(1) AGENCY WITH RURAL RESPONSIBIL-
24 ITIES.—The term ‘agency with rural responsibilities’

1 means any executive agency (as defined in section
2 105 of title 5, United States Code) that—

3 “(A) implements Federal law targeted at
4 rural areas, including—

5 “(i) the Act of April 24, 1950 (com-
6 monly known as the ‘Granger-Thye Act’)
7 (64 Stat. 82, chapter 9);

8 “(ii) the Intergovernmental Coopera-
9 tion Act of 1968 (82 Stat. 1098);

10 “(iii) section 41742 of title 49, United
11 States Code;

12 “(iv) the Rural Development Act of
13 1972 (86 Stat. 657);

14 “(v) the Rural Development Policy
15 Act of 1980 (94 Stat. 1171);

16 “(vi) the Rural Electrification Act of
17 1936 (7 U.S.C. 901 et seq.);

18 “(vii) amendments made to section
19 334 of the Public Health Service Act (42
20 U.S.C. 254g) by the Rural Health Clinics
21 Act of 1983 (97 Stat. 1345); and

22 “(viii) the Rural Housing Amend-
23 ments of 1983 (97 Stat. 1240) and the
24 amendments made by the Rural Housing
25 Amendments of 1983 to title V of the

1 Housing Act of 1949 (42 U.S.C. 1471 et
2 seq.); or

3 “(B) administers a program that has a sig-
4 nificant impact on rural areas, including—

5 “(i) the Appalachian Regional Com-
6 mission;

7 “(ii) the Department of Agriculture;

8 “(iii) the Department of Commerce;

9 “(iv) the Department of Defense;

10 “(v) the Department of Education;

11 “(vi) the Department of Energy;

12 “(vii) the Department of Health and
13 Human Services;

14 “(viii) the Department of Housing
15 and Urban Development;

16 “(ix) the Department of the Interior;

17 “(x) the Department of Justice;

18 “(xi) the Department of Labor;

19 “(xii) the Department of Transpor-
20 tation;

21 “(xiii) the Department of the Treas-
22 ury;

23 “(xiv) the Department of Veterans Af-
24 fairs;

1 “(xv) the Environmental Protection
2 Agency;

3 “(xvi) the Federal Emergency Man-
4 agement Administration;

5 “(xvii) the Small Business Adminis-
6 tration;

7 “(xviii) the Social Security Adminis-
8 tration;

9 “(xix) the Federal Reserve System;

10 “(xx) the United States Postal Serv-
11 ice;

12 “(xxi) the Corporation for National
13 Service;

14 “(xxii) the National Endowment for
15 the Arts and the National Endowment for
16 the Humanities; and

17 “(xxiii) other agencies, commissions,
18 and corporations.

19 “(2) COORDINATING COMMITTEE.—The term
20 ‘Coordinating Committee’ means the National Rural
21 Development Coordinating Committee established by
22 subsection (c).

23 “(3) PARTNERSHIP.—The term ‘Partnership’
24 means the National Rural Development Partnership
25 established by subsection (b).

1 “(4) RURAL AREA.—The term ‘rural area’
2 means—

3 “(A) all the territory of a State that is not
4 within the boundary of any standard metropoli-
5 tan statistical area designated by the Director
6 of the Office of Management and Budget;

7 “(B) all territory within any standard met-
8 ropolitan statistical area described in subpara-
9 graph (A) within a census tract having a popu-
10 lation density of less than 20 persons per
11 square mile, as determined by the Secretary ac-
12 cording to the most recent census of the United
13 States as of any date; and

14 “(C) such areas as a State rural develop-
15 ment council may identify as rural.

16 “(5) STATE RURAL DEVELOPMENT COUNCIL.—
17 The term ‘State rural development council’ means a
18 State rural development council that meets the re-
19 quirements of subsection (d).

20 “(b) PARTNERSHIP.—

21 “(1) IN GENERAL.—The Secretary shall con-
22 tinue the National Rural Development Partnership
23 composed of—

24 “(A) the Coordinating Committee; and

25 “(B) State rural development councils.

1 “(2) PURPOSES.—The purposes of the Partner-
2 ship are—

3 “(A) to empower and build the capacity of
4 States and rural communities within States to
5 design unique responses to their own special
6 rural development needs, with local determina-
7 tions of progress and selection of projects and
8 activities;

9 “(B) to encourage participants to be flexi-
10 ble and innovative in establishing new partner-
11 ships and trying fresh, new approaches to rural
12 development issues, with responses to rural de-
13 velopment that use different approaches to fit
14 different situations; and

15 “(C) to encourage all partners in the Part-
16 nership (Federal, State, local, and tribal gov-
17 ernments, the private sector, and nonprofit or-
18 ganizations) to be fully engaged and share
19 equally in decisions.

20 “(3) GOVERNING PANEL.—

21 “(A) IN GENERAL.—A panel consisting of
22 representatives of the Coordinating Committee
23 and State rural development councils shall be
24 established to lead and coordinate the strategic

1 operation, policies, and practices of the Part-
2 nership.

3 “(B) ANNUAL REPORTS.—In conjunction
4 with the Coordinating Committee and State
5 rural development councils, the panel shall pre-
6 pare and submit to Congress an annual report
7 on the activities of the Partnership.

8 “(4) ROLE OF FEDERAL GOVERNMENT.—The
9 role of the Federal Government in the Partnership
10 shall be that of a partner and facilitator, with Fed-
11 eral agencies authorized—

12 “(A) to cooperate with States to implement
13 the Partnership;

14 “(B) to provide States with the technical
15 and administrative support necessary to plan
16 and implement tailored rural development strat-
17 egies to meet local needs;

18 “(C) to ensure that the head of each agen-
19 cy referred to in subsection (a)(1)(B) des-
20 ignates a senior-level agency official to rep-
21 resent the agency on the Coordinating Com-
22 mittee and directs appropriate field staff to par-
23 ticipate fully with the State rural development
24 council within the jurisdiction of the field staff;
25 and

1 “(D) to enter into cooperative agreements
2 with, and to provide grants and other assistance
3 to State rural development councils.

4 “(5) ROLE OF PRIVATE AND NONPROFIT SEC-
5 TOR ORGANIZATIONS.—Private and nonprofit sector
6 organizations are encouraged—

7 “(A) to act as full partners in the Partner-
8 ship and State rural development councils; and

9 “(B) to cooperate with participating gov-
10 ernment organizations in developing innovative
11 approaches to the solution of rural development
12 problems.

13 “(c) NATIONAL RURAL DEVELOPMENT COORDI-
14 NATING COMMITTEE.—

15 “(1) ESTABLISHMENT.—The Secretary shall es-
16 tablish a National Rural Development Coordinating
17 Committee.

18 “(2) COMPOSITION.—The Coordinating Com-
19 mittee shall be composed of—

20 “(A) 1 representative of each agency with
21 rural responsibilities that elects to participate in
22 the Coordinating Committee; and

23 “(B) representatives, approved by the Sec-
24 retary, of—

1 “(i) national associations of State, re-
2 gional, local, and tribal governments and
3 intergovernmental and multijurisdictional
4 agencies and organizations;

5 “(ii) national public interest groups;

6 “(iii) other national nonprofit organi-
7 zations that elect to participate in the ac-
8 tivities of the Coordinating Committee; and

9 “(iv) the private sector.

10 “(3) DUTIES.—The Coordinating Committee
11 shall—

12 “(A) provide support for the work of the
13 State rural development councils;

14 “(B) facilitate coordination among Federal
15 programs and activities, and with State, local,
16 tribal, and private programs and activities, af-
17 fecting rural development;

18 “(C) enhance the effectiveness, responsive-
19 ness, and delivery of Federal programs in rural
20 areas;

21 “(D) gather and provide to Federal au-
22 thorities information and input for the develop-
23 ment and implementation of Federal programs
24 impacting rural economic and community devel-
25 opment;

1 “(E) review and comment on policies, reg-
2 ulations, and proposed legislation that affect or
3 would affect rural areas;

4 “(F) provide technical assistance to State
5 rural development councils for the implementa-
6 tion of Federal programs; and

7 “(G) develop and facilitate strategies to re-
8 duce or eliminate administrative and regulatory
9 impediments.

10 “(4) ELECTION NOT TO PARTICIPATE.—An
11 agency with rural responsibilities that elects not to
12 participate in the Partnership and the Coordinating
13 Committee shall submit to Congress a report that
14 describes—

15 “(A) how the programmatic responsibilities
16 of the Federal agency that target or have an
17 impact on rural areas are better achieved with-
18 out participation by the agency in the Partner-
19 ship; and

20 “(B) a more effective means of partner-
21 ship-building and collaboration to achieve the
22 programmatic responsibilities of the agency.

23 “(d) STATE RURAL DEVELOPMENT COUNCILS.—

24 “(1) ESTABLISHMENT.—Notwithstanding chap-
25 ter 63 of title 31, United States Code, each State

1 may elect to participate in the Partnership by enter-
2 ing into an agreement with the Secretary to estab-
3 lish a State rural development council.

4 “(2) STATE DIVERSITY.—Each State rural de-
5 velopment council shall—

6 “(A) have a nonpartisan membership that
7 is broad and representative of the economic, so-
8 cial, and political diversity of the State; and

9 “(B) carry out programs and activities in
10 a manner that reflects the diversity of the
11 State.

12 “(3) DUTIES.—A State rural development
13 council shall—

14 “(A) facilitate collaboration among Fed-
15 eral, State, local, and tribal governments and
16 the private and nonprofit sectors in the plan-
17 ning and implementation of programs and poli-
18 cies that target or have an impact on rural
19 areas of the State;

20 “(B) enhance the effectiveness, responsive-
21 ness, and delivery of Federal and State pro-
22 grams in rural areas of the State;

23 “(C) gather and provide to the Coordin-
24 ating Committee and other appropriate organi-

1 zations information on the condition of rural
2 areas in the State;

3 “(D) monitor and report on policies and
4 programs that address, or fail to address, the
5 needs of the rural areas of the State;

6 “(E) facilitate the formulation of local
7 needs assessments for the rural areas of the
8 State and participate in the development of cri-
9 teria for the distribution of Federal funds to
10 the rural areas of the State;

11 “(F) provide comments to the Coordinating
12 Committee and other appropriate organi-
13 zations on policies, regulations, and proposed
14 legislation that affect or would affect the rural
15 areas of the State;

16 “(G) in conjunction with the Coordinating
17 Committee, facilitate the development of strate-
18 gies to reduce or eliminate conflicting or dupli-
19 cative administrative or regulatory requirements
20 of Federal, State, local, and tribal governments;

21 “(H) use grant or cooperative agreement
22 funds provided by the Partnership under an
23 agreement entered into under paragraph (1)
24 to—

1 “(i) retain an Executive Director and
2 such support staff as are necessary to fa-
3 cilitate and implement the directives of the
4 State rural development council; and

5 “(ii) pay expenses associated with car-
6 rying out subparagraphs (A) through (G);
7 and

8 “(I)(i) provide to the Coordinating Com-
9 mittee an annual plan with goals and perform-
10 ance measures; and

11 “(ii) submit to the Coordinating Com-
12 mittee an annual report on the progress of the
13 State rural development council in meeting the
14 goals and measures.

15 “(4) AUTHORITIES.—A State rural development
16 council may—

17 “(A) solicit funds to supplement and
18 match funds provided under paragraph (3)(H);
19 and

20 “(B) engage in activities, in addition to
21 those specified in paragraph (3), appropriate to
22 accomplish the purposes for which the State
23 rural development council is established.

24 “(5) COMMENTS OR RECOMMENDATIONS.—

1 “(A) IN GENERAL.—A State rural develop-
2 ment council may provide comments and rec-
3 ommendations to an agency with rural respon-
4 sibilities related to the activities of the State
5 rural development council within the State.

6 “(B) AGENCY.—The agency with rural re-
7 sponsibilities shall provide to the State rural de-
8 velopment council a written response to the
9 comments or recommendations.

10 “(6) ACTIONS OF STATE RURAL DEVELOPMENT
11 COUNCIL MEMBERS.—When carrying out a program
12 or activity authorized by a State rural development
13 council or this subtitle, a member of the council
14 shall be regarded as a full-time employee of the Fed-
15 eral Government for purposes of chapter 171 of title
16 28, United States Code, and the Federal Advisory
17 Committee Act (5 U.S.C. App.).

18 “(7) FEDERAL PARTICIPATION IN STATE RURAL
19 DEVELOPMENT COUNCILS.—

20 “(A) IN GENERAL.—Subject to subpara-
21 graph (B), a Federal employee may participate
22 in a State rural development council.

23 “(B) CONFLICTS.—A Federal employee
24 who participates in a State rural development
25 council shall not participate in the making of

1 any council decision if the agency represented
2 by the Federal employee has any financial or
3 other interest in the outcome of the decision.

4 “(C) FEDERAL GUIDANCE.—The Office of
5 Government Ethics, in consultation with the At-
6 torney General, shall issue guidance to all Fed-
7 eral employees that participate in State rural
8 development councils that describes specific de-
9 cisions that—

10 “(i) would constitute a conflict of in-
11 terest for the Federal employee; and

12 “(ii) from which the Federal employee
13 must recuse himself or herself.

14 “(8) PERFORMANCE EVALUATIONS.—In con-
15 ducting a performance evaluation of an employee of
16 an agency with rural responsibilities, the agency may
17 consider any comments submitted by a State rural
18 development council.

19 “(e) ADMINISTRATIVE SUPPORT OF THE PARTNER-
20 SHIP.—

21 “(1) DETAIL OF EMPLOYEES.—

22 “(A) IN GENERAL.—In order to provide
23 experience in intergovernmental collaboration,
24 the head of an agency with rural responsibilities
25 that elects to participate in the Partnership

1 may, and is encouraged to, detail an employee
2 of the agency with rural responsibilities to the
3 Partnership without reimbursement for a period
4 of up to 12 months.

5 “(B) CIVIL SERVICE STATUS.—The detail
6 shall be without interruption or loss of civil
7 service status or privilege.

8 “(2) ADDITIONAL SUPPORT.—The Secretary
9 shall provide for any additional support staff to the
10 Partnership as the Secretary determines to be nec-
11 essary to carry out the duties of the Partnership.

12 “(f) FUNDING.—

13 “(1) AUTHORIZATION OF APPROPRIATIONS.—

14 “(A) IN GENERAL.—There are authorized
15 to be appropriated such sums as are necessary
16 to carry out this section.

17 “(B) FUNDING FORMULA.—In the case of
18 general financial support provided by the Fed-
19 eral Government to all State rural development
20 councils, such support shall be, to the maximum
21 extent practicable, uniform in amount.

22 “(2) FEDERAL AGENCIES.—

23 “(A) IN GENERAL.—Notwithstanding any
24 other provision of law limiting the ability of an
25 agency to provide funds to the Partnership with

1 other agencies, in order to carry out the pur-
2 poses described in subsection (b)(3), the Part-
3 nership shall be eligible to receive grants, gifts,
4 contributions, or technical assistance from, or
5 enter into contracts with, any Federal agency.

6 “(B) ASSISTANCE.—Federal agencies are
7 encouraged to use funds made available for pro-
8 grams that target or have an impact on rural
9 areas to provide assistance to, and enter into
10 contracts with, the Partnership, as described in
11 subparagraph (A).

12 “(3) CONTRIBUTIONS.—The Partnership may
13 accept private contributions.

14 “(g) MATCHING REQUIREMENTS FOR STATE RURAL
15 DEVELOPMENT COUNCILS.—A State rural development
16 council shall provide matching funds, or in-kind goods or
17 services, to support the activities of the State rural devel-
18 opment council in an amount determined by the Secretary
19 that is not less than 33 percent of the amount of Federal
20 funds received under an agreement under subsection
21 (d)(1).

22 “(h) TERMINATION.—The authority provided under
23 this section shall terminate on the date that is 5 years
24 after the date of enactment of this section.”.

1 **Subtitle C—Consolidated Farm and**
2 **Rural Development Act**

3 **SEC. 621. WATER OR WASTE DISPOSAL GRANTS.**

4 Section 306(a)(2) of the Consolidated Farm and
5 Rural Development Act (7 U.S.C. 1926(a)(2)) is amended
6 in the first sentence by striking “\$590,000,000” and in-
7 serting “\$1,500,000,000”.

8 **SEC. 622. RURAL BUSINESS OPPORTUNITY GRANTS.**

9 Section 306(a)(11)(D) of the Consolidated Farm and
10 Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is
11 amended by striking “2002” and inserting “2006”.

12 **SEC. 623. RURAL WATER AND WASTEWATER CIRCUIT RIDER**
13 **PROGRAM.**

14 Section 306(a) of the Consolidated Farm and Rural
15 Development Act (7 U.S.C. 1926(a)) is amended by added
16 at the end the following:

17 “(22) RURAL WATER AND WASTEWATER CIR-
18 CUIT RIDER PROGRAM.—

19 “(A) IN GENERAL.—The Secretary shall
20 establish a national rural water and wastewater
21 circuit rider program that is based on the rural
22 water circuit rider program of the National
23 Rural Water Association that (as of the date of
24 enactment of this paragraph) receives funding

1 from the Secretary, acting through the Rural
2 Utilities Service.

3 “(B) AUTHORIZATION OF APPROPRIA-
4 TIONS.—There is authorized to be appropriated
5 to carry out this paragraph \$15,000,000 for
6 each of fiscal years 2003 through 2006.”.

7 **SEC. 624. RURAL DEVELOPMENT ASSISTANCE ORGANIZA-**
8 **TIONS.**

9 Section 306(a) of the Consolidated Farm and Rural
10 Development Act (7 U.S.C. 1926(a)) (as amended by sec-
11 tion 623) is amended by added at the end the following:

12 “(23) RURAL DEVELOPMENT ASSISTANCE OR-
13 GANIZATIONS.—

14 “(A) DEFINITION OF RURAL AREA.—In
15 this paragraph, the term ‘rural area’ has the
16 meaning given the term in section 381P.

17 “(B) GRANTS.—The Secretary shall pro-
18 vide grants to certified organizations to pay the
19 Federal share of the cost of providing technical
20 assistance in 1 or more rural development fields
21 to eligible entities.

22 “(C) CERTIFIED ORGANIZATIONS.—

23 “(i) IN GENERAL.—To be certified by
24 the Secretary to provide technical assist-

1 ance in 1 or more rural development fields,
2 an organization shall—

3 “(I) be a nonprofit organization
4 (which may include an institution of
5 higher education) with experience in
6 providing technical assistance in the
7 applicable rural development field;

8 “(II) develop a plan, approved by
9 the Secretary, describing the manner
10 in which grant funds will be used and
11 the source of non-Federal funds; and

12 “(III) meet such other criteria as
13 the Secretary may establish, based on
14 the needs of eligible entities for the
15 technical assistance.

16 “(iii) LIST.—The Secretary shall
17 make a list of certified organizations avail-
18 able to the public.

19 “(D) PRIORITY.—In determining which
20 certified organizations will receive a grant
21 under this paragraph, the Secretary shall pro-
22 vide a priority to a certified organization that—

23 “(i) serves a rural area that, during
24 the most recent 5-year period—

1 “(I) had a net out-migration of
2 inhabitants, or other population loss,
3 from the rural area that equals or ex-
4 ceeds 5 percent of the population of
5 the rural area; or

6 “(II) had a median household in-
7 come that is less than the nonmetro-
8 politan median household income of
9 the United States; and

10 “(ii) has a history of providing sub-
11 stantive assistance to local governments
12 and economic development organizations.

13 “(E) ELIGIBLE ENTITIES.—To receive
14 technical assistance from a certified organiza-
15 tion under this paragraph, an entity shall—

16 “(i) be—

17 “(I) a cooperative;

18 “(II) an Indian tribe (as defined
19 in section 4 of the Indian Self-Deter-
20 mination and Education Assistance
21 Act (25 U.S.C. 450b));

22 “(III) a local government;

23 “(IV) an economic development
24 organization; and

25 “(V) a business; and

1 “(ii) serve a population, at least 25
2 percent of which is located in a rural area.

3 “(F) USES OF GRANTS.—A certified orga-
4 nization shall use a grant provided under this
5 paragraph to improve the capability of an eligi-
6 ble entity to assist communities in rural
7 areas—

8 “(i) to develop and implement eco-
9 nomic development strategies;

10 “(ii) to perform analyses of infra-
11 structure needs; and

12 “(iii) to provide assistance to local
13 governments and individuals concerning
14 the availability of economic assistance from
15 any source.

16 “(G) MAXIMUM AMOUNT OF GRANTS.—
17 The amount of a grant provided to a certified
18 organization under this paragraph shall not ex-
19 ceed \$100,000.

20 “(H) FEDERAL SHARE.—

21 “(i) IN GENERAL.—Except as pro-
22 vided in clause (ii), the Federal share of a
23 grant provided under this paragraph shall
24 be not more than 75 percent of the cost in-
25 curred by a certified organization to pro-

1 vide technical assistance to an eligible enti-
2 ty.

3 “(ii) REDUCTION OR WAIVER OF NON-
4 FEDERAL SHARE.—In response to informa-
5 tion provided by a certified organization,
6 the Secretary may reduce or waive the
7 non-Federal share required under this
8 paragraph for reasons of hardship or to
9 further the purposes of this paragraph.

10 “(I) AUTHORIZATION OF APPROPRIA-
11 TIONS.—There is authorized to be appropriated
12 to carry out this paragraph \$30,000,000 for
13 each of fiscal years 2003 through 2006.”.

14 **SEC. 625. EMERGENCY COMMUNITY WATER ASSISTANCE**
15 **GRANT PROGRAM.**

16 Section 306A(i) of the Consolidated Farm and Rural
17 Development Act (7 U.S.C. 1926a(i)) is amended by strik-
18 ing “2002” and inserting “2006”.

19 **SEC. 626. WATER AND WASTE FACILITY GRANTS FOR NA-**
20 **TIVE AMERICAN TRIBES.**

21 Section 306C of the Consolidated Farm and Rural
22 Development Act (7 U.S.C. 1926c(e)) is amended by strik-
23 ing subsection (e) and inserting the following:

24 “(e) AUTHORIZATION OF APPROPRIATIONS.—

1 “(1) IN GENERAL.—Subject to paragraph (2),
2 there is authorized to be appropriated—

3 “(A) for grants under this section,
4 \$30,000,000 for each fiscal year;

5 “(B) for loans under this section,
6 \$30,000,000 for each fiscal year; and

7 “(C) for grants under this section to ben-
8 efit Indian tribes (as defined in section 4 of the
9 Indian Self-Determination and Education As-
10 sistance Act (25 U.S.C. 450b)), \$20,000,000
11 for each fiscal year.

12 “(2) EXCEPTION.—An entity eligible to receive
13 funding through a grant made under section 306D
14 shall not be eligible for a grant from funds made
15 available under subparagraph (1)(C).”.

16 **SEC. 627. WATER SYSTEMS FOR RURAL AND NATIVE VIL-**
17 **LAGES IN ALASKA.**

18 Section 306D(d)(1) of the Consolidated Farm and
19 Rural Development Act (7 U.S.C. 1926d(d)(1)) is amend-
20 ed by striking “and 2002” and inserting “through 2006”.

21 **SEC. 628. RURAL COOPERATIVE DEVELOPMENT GRANTS.**

22 Section 310B(e)(9) of the Consolidated Farm and
23 Rural Development Act (7 U.S.C. 1932(e)(9)) is amended
24 by striking “2002” and inserting “2006”.

1 **SEC. 629. VALUE-ADDED INTERMEDIARY RELENDING PRO-**
2 **GRAM.**

3 Section 310B of the Consolidated Farm and Rural
4 Development Act (7 U.S.C. 1932) is amended by adding
5 at the end the following:

6 “(h) VALUE-ADDED INTERMEDIARY RELENDING
7 PROGRAM.—

8 “(1) IN GENERAL.—In accordance with this
9 subsection, the Secretary shall make loans under the
10 intermediary relending program established under
11 section 1323(b)(2)(C) of the Food Security Act of
12 1985 (7 U.S.C. 1932 note; Public Law 99–198).

13 “(2) LOANS.—Using funds made available to
14 carry out this subsection, the Secretary shall make
15 loans to eligible intermediaries to make loans to ulti-
16 mate recipients, under the terms and conditions of
17 the intermediary relending program, for projects to
18 establish, enlarge, and operate enterprises that add
19 value to agricultural commodities and products of
20 agricultural commodities.

21 “(3) ELIGIBLE INTERMEDIARIES.—Inter-
22 mediaries that shall be eligible to receive loans under
23 paragraph (2) shall include State agencies.

24 “(4) PREFERENCE FOR BIOENERGY
25 PROJECTS.—In making loans using loan funds made
26 available under paragraph (2), an eligible inter-

1 intermediary shall give preference to bioenergy projects
2 in accordance with regulations promulgated by the
3 Secretary.

4 “(5) COMPOSITION OF CAPITAL.—The capital
5 for a project carried out by an ultimate recipient
6 and assisted with loan funds made available under
7 paragraph (2) shall be comprised of—

8 “(A) not more than 15 percent of the total
9 cost of a project; and

10 “(B) not less than 50 percent of the equity
11 funds provided by agricultural producers.

12 “(6) LOAN CONDITIONS.—

13 “(A) TERMS OF LOANS.—A loan made to
14 an intermediary using loan funds made avail-
15 able under paragraph (2) shall have a term of
16 not to exceed 30 years.

17 “(B) INTEREST.—The interest rate on
18 such a loan shall be—

19 “(i) in the case of each of the first 2
20 years of the loan period, 0 percent; and

21 “(ii) in the case of each of the re-
22 maining years of the loan period, 2 per-
23 cent.

24 “(7) LIMITATIONS ON AMOUNT OF LOAN FUNDS
25 PROVIDED.—

1 “(A) IN GENERAL.—Except as provided in
2 subparagraph (B), an intermediary or ultimate
3 recipient shall be eligible to receive not more
4 than \$2,000,000 of the loan funds made avail-
5 able under paragraph (2).

6 “(B) STATE AGENCIES.—Subparagraph
7 (A) shall not apply in the case of a State agen-
8 cy with respect to loan funds provided to the
9 State agency as an intermediary.”.

10 **SEC. 630. USE OF RURAL DEVELOPMENT LOANS AND**
11 **GRANTS FOR OTHER PURPOSES.**

12 Subtitle A of the Consolidated Farm and Rural De-
13 velopment Act (7 U.S.C. 1921 et seq.) (as amended by
14 section 508) is amended by adding at the end the fol-
15 lowing:

16 **“SEC. 310G. USE OF RURAL DEVELOPMENT LOANS AND**
17 **GRANTS FOR OTHER PURPOSES.**

18 “If, after making a loan or a grant described in sec-
19 tion 381E(d), the Secretary determines that the cir-
20 cumstances under which the loan or grant was made have
21 sufficiently changed to make the project or activity for
22 which the loan or grant was made available no longer ap-
23 propriate, the Secretary may allow the loan borrower or
24 grant recipient to use property (real and personal) pur-
25 chased with the loan or grant funds, or proceeds from the

1 sale of property (real and personal) purchased with such
 2 funds, for another project or activity that (as determined
 3 by the Secretary)—

4 “(1) will be carried out in the same area as the
 5 original project or activity;

6 “(2) meets the criteria for a loan or a grant de-
 7 scribed in section 381E(d); and

8 “(3) satisfies such additional requirements as
 9 are established by the Secretary.”.

10 **SEC. 631. SIMPLIFIED APPLICATION FORMS FOR LOAN**
 11 **GUARANTEES.**

12 Section 333A(g) of the Consolidated Farm and Rural
 13 Development Act (7 U.S.C. 1983a(g)) (as amended by sec-
 14 tion 526) is amended by striking “(g)(1)” and all that
 15 follows through the end of paragraph (1) and inserting
 16 the following:

17 “(g) SIMPLIFIED APPLICATION FORMS FOR LOAN
 18 GUARANTEES.—

19 “(1) IN GENERAL.—The Secretary shall provide
 20 to lenders a short, simplified application form for
 21 guarantees under this title of—

22 “(A) farmer program loans the principal
 23 amount of which is \$100,000 or less; and

1 “(B) business and industry guaranteed
2 loans under section 310B(a)(1) the principal
3 amount of which is—

4 “(i) in the case of a loan guarantee
5 made during fiscal year 2002 or 2003,
6 \$400,000 or less; and

7 “(ii) in the case of a loan guarantee
8 made during any subsequent fiscal year—

9 “(I) \$400,000 or less; or

10 “(II) if the Secretary determines
11 that there is not a significant in-
12 creased risk of a default on the loan,
13 \$600,000 or less.”.

14 **SEC. 632. GRANTS FOR EMERGENCY WEATHER RADIO**
15 **TRANSMITTERS.**

16 Subtitle D of the Consolidated Farm and Rural De-
17 velopment Act (7 U.S.C. 1981 et seq.) (as amended by
18 section 606(a)) is amended by adding at the end the fol-
19 lowing:

20 **“SEC. 377. GRANTS FOR EMERGENCY WEATHER RADIO**
21 **TRANSMITTERS.**

22 “(a) IN GENERAL.—The Secretary, acting through
23 the Administrator of the Rural Utilities Service, may
24 make grants to public and nonprofit entities for the Fed-
25 eral share of the cost of acquiring radio transmitters to

1 increase coverage of rural areas by the emergency weather
2 radio broadcast system of the National Oceanic and At-
3 mospheric Administration.

4 “(b) ELIGIBILITY.—To be eligible for a grant under
5 this section, an applicant shall provide to the Secretary—

6 “(1) a binding commitment from a tower owner
7 to place the transmitter on a tower; and

8 “(2) a description of how the tower placement
9 will increase coverage of a rural area by the emer-
10 gency weather radio broadcast system of the Na-
11 tional Oceanic and Atmospheric Administration.

12 “(c) FEDERAL SHARE.—The Federal share of a
13 grant provided under this section shall be not more than
14 75 percent of the cost of acquiring a radio transmitter
15 described in subsection (a).

16 “(d) AUTHORIZATION.—There is authorized to be ap-
17 propriated to carry out this section \$2,000,000 for each
18 of fiscal years 2002 through 2006.”.

19 **SEC. 633. PROGRAMS FOR RURAL SENIORS.**

20 Subtitle D of the Consolidated Farm and Rural De-
21 velopment Act (7 U.S.C. 1981 et seq.) (as amended by
22 section 632) is amended by adding at the end the fol-
23 lowing:

24 **“SEC. 378. PROGRAMS FOR RURAL SENIORS.**

25 “(a) INTERAGENCY COORDINATING COMMITTEE.—

1 “(1) IN GENERAL.—The Secretary shall estab-
2 lish an interagency coordinating committee (referred
3 to in this subsection as the ‘Committee’) to examine
4 the special problems of rural seniors.

5 “(2) MEMBERSHIP.—The Committee shall be
6 comprised of—

7 “(A) the Undersecretary of Agriculture for
8 Rural Development, who shall serve as chair-
9 person of the Committee;

10 “(B) 2 representatives of the Secretary of
11 Health and Human Services, of whom—

12 “(i) 1 shall have expertise in the field
13 of health care; and

14 “(ii) 1 shall have expertise in the field
15 of programs under the Older Americans
16 Act of 1965 (42 U.S.C. 3001 et seq.);

17 “(C) 1 representative of the Secretary of
18 Housing and Urban Development;

19 “(D) 1 representative of the Secretary of
20 Transportation; and

21 “(E) representatives of such other Federal
22 agencies as the Secretary may designate.

23 “(3) DUTIES.—The Committee shall—

1 “(A) study health care, transportation,
2 technology, housing, accessibility, and other
3 areas of need of rural seniors;

4 “(B) identify successful examples of senior
5 care programs in rural communities that could
6 serve as models for other rural communities;
7 and

8 “(C) not later than 1 year after the date
9 of enactment of this section, submit to the Sec-
10 retary recommendations for administrative and
11 legislative action.

12 “(b) GRANTS.—

13 “(1) IN GENERAL.—The Secretary, acting
14 through the Administrator of the Rural Housing
15 Service, shall make grants to nonprofit organizations
16 to pay the Federal share of the cost of programs
17 that demonstrate creativity in promoting wellness,
18 affordable housing, technology adaptation, and
19 transportation, for seniors.

20 “(2) FEDERAL SHARE.—The Federal share
21 shall be 50 percent.

22 “(3) LEVERAGING.—In selecting programs to
23 receive grants under paragraph (1), the Secretary
24 shall give priority to proposals that leverage re-
25 sources to meet multiple rural community goals.

1 “(c) FUNDING.—

2 “(1) INTERAGENCY COORDINATING COM-
3 MITTEE.—Funds available to any Federal agency
4 may be used to carry out interagency activities
5 under subsection (a).

6 “(2) GRANTS.—There is authorized to be ap-
7 propriated to carry out subsection (b) \$10,000,000
8 for each of fiscal years 2003 through 2006.”.

9 **SEC. 634. RURAL COMMUNITY ADVANCEMENT PROGRAM.**

10 (a) RURAL COMMUNITY ADVANCEMENT PROGRAM
11 ACCOUNT.—Section 381E of the Consolidated Farm and
12 Rural Development Act (7 U.S.C. 2009d) is amended—

13 (1) by striking the section heading and insert-
14 ing the following:

15 **“SEC. 381E. RURAL COMMUNITY ADVANCEMENT PROGRAM**
16 **ACCOUNT.”;**

17 (2) by striking subsection (a) and inserting the
18 following:

19 “(a) ESTABLISHMENT.—There is established in the
20 Treasury of the United States a program account which
21 shall be known as the Rural Community Advancement
22 Program Account (in this subtitle referred to as the ‘Pro-
23 gram Account’).”;

24 (3) in subsection (b)—

25 (A) by striking paragraph (4); and

1 (B) by redesignating paragraph (5) as
2 paragraph (4);

3 (4) by striking “Trust Fund” each place it ap-
4 pears and inserting “Program Account”;

5 (5) by striking subsection (e) and inserting the
6 following:

7 “(e) RESERVATIONS IN ACCOUNTS.—

8 “(1) RESERVATION.—Of the amount made
9 available to carry out the functions described in sub-
10 section (d)(1) for a fiscal year—

11 “(A) 15 percent of the amount shall be re-
12 served for carrying out projects that benefit
13 senior citizens; and

14 “(B) 10 percent of the amount shall be re-
15 served for projects that increase the availability
16 of child day care facilities.

17 “(2) RELEASE.—Funds reserved under this
18 subsection for a fiscal year shall be reserved only
19 until April 1 of the fiscal year.”; and

20 (6) by striking subsection (h).

21 (b) TRANSFERS OF FUNDS.—Section 381F of the
22 Consolidated Farm and Rural Development Act (7 U.S.C.
23 2009e) is amended—

24 (1) by striking subsection (a) and inserting the
25 following:

1 “(a) TRANSFER AUTHORITY.—

2 “(1) GENERAL AUTHORITY.—During any fiscal
3 year, the State director of any State, subject to the
4 approval of the Secretary, may transfer from each
5 account specified in section 381E(b) a total of not
6 more than 25 percent of the amount in the account
7 that is initially allocated by the Secretary for the
8 State for the fiscal year to any other account in
9 which amounts are allocated for the State for the
10 fiscal year.

11 “(2) INCENTIVE AUTHORITY.—The percentage
12 of funds authorized to be transferred under para-
13 graph (1) shall be increased to 35 percent for a
14 State if the State director demonstrates to the satis-
15 faction of the Secretary that local community and
16 tribal development directors were included in the
17 preparation of the strategic plan required under sec-
18 tion 381D.

19 “(3) LIMITATION.—A State director shall not
20 use the transfer authorities under this subsection to
21 increase the amount of an account by more than 25
22 percent of the amount allocated to the State for that
23 account for a fiscal year.”;

24 (2) by striking subsection (b);

1 (3) by redesignating subsection (c) as sub-
2 section (b); and

3 (4) in subsection (b) (as redesignated by para-
4 graph (3))—

5 (A) by striking “EXCEPTIONS.—Sub-
6 sections (a) and (b)” and inserting “EXCEP-
7 TION FOR LACK OF APPLICATIONS.—Sub-
8 section (a)”;

9 (B) in paragraph (2)—

10 (i) in subparagraph (A)—

11 (I) by striking “(A)”;

12 (II) by striking “; or” and insert-
13 ing a period; and

14 (ii) by striking subparagraph (B).

15 (c) GRANTS TO STATES; GUARANTEE AND COMMIT-
16 MENT TO GUARANTEE LOANS.—Subtitle E of the Consoli-
17 dated Farm and Rural Development Act (7 U.S.C. 2009
18 et seq.) is amended—

19 (1) by striking sections 381G and 381H (7
20 U.S.C. 2009f, 2009g); and

21 (2) by redesignating sections 381I through
22 381O (7 U.S.C. 2009h through 2009n) and section
23 381P (as added by section 612 of this Act) as sec-
24 tions 381G through 381N, respectively.

1 (d) RURAL VENTURE CAPITAL DEMONSTRATION
2 PROGRAM.—Section 381N of the Consolidated Farm and
3 Rural Development Act (as redesignated by subsection
4 (c)(2)) is amended—

5 (1) in subsection (b)—

6 (A) in paragraph (2), by striking “From
7 amounts in the national reserve account of the
8 Trust Fund, the” and inserting “The”; and

9 (B) in paragraph (3), by striking “2002”
10 and inserting “2006”; and

11 (2) by adding at the end the following:

12 “(c) AUTHORIZATION OF APPROPRIATIONS.—There
13 are authorized to be appropriated such sums as are nec-
14 essary to carry out this section.”.

15 (e) REPORT.—Not later than 18 months after the
16 date of enactment of this Act, the Secretary shall submit
17 to the Committee on Agriculture of the House of Rep-
18 resentatives and the Committee on Agriculture, Nutrition,
19 and Forestry of the Senate a report on the implementation
20 of the amendments made by this section.

21 **SEC. 635. DELTA REGIONAL AUTHORITY.**

22 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
23 382M(a) of the Consolidated Farm and Rural Develop-
24 ment Act (7 U.S.C. 2009aa–12(a)) is amended by striking
25 “2002” and inserting “2006”.

1 (b) TERMINATION OF AUTHORITY.—Section 382N of
 2 the Consolidated Farm and Rural Development Act (7
 3 U.S.C. 2009aa–13) is amended by striking “2002” and
 4 inserting “2006”.

5 **SEC. 636. SEARCH GRANTS FOR SMALL COMMUNITIES.**

6 The Consolidated Farm and Rural Development Act
 7 (7 U.S.C. 1921 et seq.) is amended by adding at the end
 8 the following:

9 **“Subtitle G—SEARCH Grants for**
 10 **Small Communities**

11 **“SEC. 383A. DEFINITIONS.**

12 “In this subtitle:

13 “(1) COUNCIL.—The term ‘council’ means an
 14 independent citizens’ council established by section
 15 383B(d).

16 “(2) ENVIRONMENTAL PROJECT.—

17 “(A) IN GENERAL.—The term ‘environ-
 18 mental project’ means a project that—

19 “(i) improves environmental quality;

20 and

21 “(ii) is necessary to comply with an
 22 environmental law (including a regulation).

23 “(B) INCLUSION.—The term ‘environ-
 24 mental project’ includes an initial feasibility
 25 study of a project.

1 “(3) REGION.—The term ‘region’ means a geo-
2 graphic area of a State, as determined by the Gov-
3 ernor of the State.

4 “(4) SEARCH GRANT.—The term ‘SEARCH
5 grant’ means a grant for special environmental as-
6 sistance for the regulation of communities and habi-
7 tat awarded under section 383B(e)(3).

8 “(5) SMALL COMMUNITY.—The term ‘small
9 community’ means an incorporated or unincor-
10 porated rural community having a population of not
11 more than 2,500 individuals.

12 “(6) STATE.—The term ‘State’ has the mean-
13 ing given the term in section 381A.

14 **“SEC. 383B. SEARCH GRANT PROGRAM.**

15 “(a) IN GENERAL.—There is established the
16 SEARCH Grant Program.

17 “(b) APPLICATION.—

18 “(1) IN GENERAL.—Not later than October 1 of
19 each fiscal year, a State may submit to the Sec-
20 retary an application to receive a grant under sub-
21 section (c) for the fiscal year.

22 “(2) REQUIREMENTS.—An application under
23 paragraph (1) shall contain—

1 “(A) a certification by the State that the
2 State has appointed members to the council of
3 the State under subsection (c)(2)(C); and

4 “(B) such information as the Secretary
5 may reasonably require.

6 “(c) GRANTS TO STATES.—

7 “(1) IN GENERAL.—Not later than 60 days
8 after the date on which the Office of Management
9 and Budget apportions any amounts made available
10 under this subtitle, for each fiscal year after the
11 date of enactment of this subtitle, the Secretary
12 shall, on request by a State—

13 “(A) determine whether any application
14 submitted by the State under subsection (b)
15 meets the requirements of subsection (b)(2);
16 and

17 “(B) subject to paragraph (2) and sub-
18 section (d)(2)(C), if the Secretary determines
19 that the application meets the requirements of
20 subsection (b)(2), award a grant of not to ex-
21 ceed \$1,000,000 to the State, to be used by the
22 council of the State to award SEARCH grants
23 under subsection (e).

24 “(2) GRANTS TO CERTAIN STATES.—The aggre-
25 gate amount of grants awarded to States other than

1 Alaska, Hawaii, or 1 of the 48 contiguous States,
2 under this subsection shall not exceed \$1,000,000
3 for any fiscal year.

4 “(d) INDEPENDENT CITIZENS’ COUNCIL.—

5 “(1) ESTABLISHMENT.—There is established in
6 each State an independent citizens’ council to carry
7 out the duties described in this section.

8 “(2) COMPOSITION.—

9 “(A) IN GENERAL.—Each council shall be
10 composed of 9 members, appointed by the Gov-
11 ernor of the State.

12 “(B) REPRESENTATION; RESIDENCE.—

13 Each member of a council shall—

14 “(i) represent an individual region of
15 the State, as determined by the Governor
16 of the State in which the council is estab-
17 lished; and

18 “(ii) reside in a small community of
19 the State.

20 “(C) APPOINTMENT.—Before a State re-
21 ceives funds under this subtitle, the State shall
22 appoint members to the council for the fiscal
23 year, except that not more than 1 member shall
24 be an agent, employee, or official of the State
25 government.

1 “(D) CHAIRPERSON.—Each council shall
2 select a chairperson from among the members
3 of the council, except that a member who is an
4 agent, employee, or official of the State govern-
5 ment shall not serve as chairperson.

6 “(E) FEDERAL REPRESENTATION.—An
7 agent, employee, or official of the Federal Gov-
8 ernment may participate in the activities of the
9 council—

10 “(i) in an advisory capacity; and

11 “(ii) at the invitation of the council.

12 “(3) SEARCH GRANTS.—

13 “(A) IN GENERAL.—Each council shall re-
14 view applications for, and recommend awards
15 of, SEARCH grants to small communities that
16 meet the eligibility criteria under subsection (c).

17 “(B) RECOMMENDATIONS.—In awarding a
18 SEARCH grant, a State—

19 “(i) shall follow the recommendations
20 of the council of the State;

21 “(ii) shall award the funds for any
22 recommended environmental project in a
23 timely and expeditious manner; and

24 “(iii) shall not award a SEARCH
25 grant to a grantee or project in violation of

1 any law of the State (including a regula-
2 tion).

3 “(C) NO MATCHING REQUIREMENT.—A
4 small community that receives a SEARCH
5 grant under this section shall not be required to
6 provide matching funds.

7 “(e) SEARCH GRANTS FOR SMALL COMMU-
8 NITIES.—

9 “(1) ELIGIBILITY.—A SEARCH grant shall be
10 awarded under this section only to a small commu-
11 nity for 1 or more environmental projects for which
12 the small community—

13 “(A) needs funds to carry out initial feasi-
14 bility or environmental studies before applying
15 to traditional funding sources; or

16 “(B) demonstrates, to the satisfaction of
17 the council, that the small community has been
18 unable to obtain sufficient funding from tradi-
19 tional funding sources.

20 “(2) APPLICATION.—

21 “(A) DATE.—The council shall establish
22 such deadline by which small communities shall
23 submit applications for grants under this sec-
24 tion as will permit the council adequate time to

1 review and make recommendations relating to
2 the applications.

3 “(B) LOCATION OF APPLICATION.—A
4 small community shall submit an application
5 described in subparagraph (A) to the council in
6 the State in which the small community is lo-
7 cated.

8 “(C) CONTENT OF APPLICATION.—An ap-
9 plication described in subparagraph (A) shall
10 include—

11 “(i) a description of the proposed en-
12 vironmental project (including an expla-
13 nation of how the project would assist the
14 small community in complying with an en-
15 vironmental law (including a regulation));

16 “(ii) an explanation of why the project
17 is important to the small community;

18 “(iii) a description of all actions taken
19 with respect to the project, including a de-
20 scription of any attempt to secure funding
21 and a description of demonstrated need for
22 funding for the project, as of the date of
23 the application; and

24 “(iv) a SEARCH grant application
25 form provided by the council, completed

1 and with all required supporting docu-
2 mentation.

3 “(3) REVIEW AND RECOMMENDATION.—

4 “(A) IN GENERAL.—Except as provided in
5 subparagraph (B), not later than March 5 of
6 each fiscal year, each council shall—

7 “(i) review all applications received
8 under paragraph (2); and

9 “(ii) recommend for award SEARCH
10 grants to small communities based on—

11 “(I) an evaluation of the eligi-
12 bility criteria under paragraph (1);
13 and

14 “(II) the content of the applica-
15 tion.

16 “(B) EXTENSION OF DEADLINE.—The
17 State may extend the deadline described in sub-
18 paragraph (A) by not more than 10 days in a
19 case in which the receipt of recommendations
20 from a council under subparagraph (A)(ii) is
21 delayed because of circumstances beyond the
22 control of the council, as determined by the
23 State.

24 “(4) UNEXPENDED FUNDS.—

1 “(A) IN GENERAL.—If, for any fiscal year,
2 any unexpended funds remain after SEARCH
3 grants are awarded under subsection (b)(3)(B),
4 the council may repeat the application and re-
5 view process so that any remaining funds may
6 be recommended for award, and awarded, not
7 later than July 30 of the fiscal year.

8 “(B) RETENTION OF FUNDS.—

9 “(i) IN GENERAL.—Any unexpended
10 funds that are not awarded under sub-
11 section (b)(3)(B) or subparagraph (A)
12 shall be retained by the State for award
13 during the following fiscal year.

14 “(ii) LIMITATION.—A State that accu-
15 mulates a balance of unexpended funds de-
16 scribed in clause (i) of more than
17 \$3,000,000 shall be ineligible to apply for
18 additional funds for SEARCH grants until
19 such time as the State expends the portion
20 of the balance that exceeds \$3,000,000.

21 **“SEC. 383C. REPORT.**

22 “Not later than September 1 of the first fiscal year
23 for which a SEARCH grant is awarded by a council, and
24 annually thereafter, the council shall submit to the Sec-
25 retary a report that—

1 “(1) describes the number of SEARCH grants
2 awarded during the fiscal year;

3 “(2) identifies each small community that re-
4 ceived a SEARCH grant during the fiscal year;

5 “(3) describes the project or purpose for which
6 each SEARCH grant was awarded, including a
7 statement of the benefit to public health or the envi-
8 ronment of the environmental project receiving the
9 grant funds; and

10 “(4) describes the status of each project or por-
11 tion of a project for which a SEARCH grant was
12 awarded, including a project or portion of a project
13 for which a SEARCH grant was awarded for any
14 fiscal year before the fiscal year in which the report
15 is submitted.

16 **“SEC. 383D. FUNDING.**

17 “(a) AUTHORIZATION OF APPROPRIATIONS.—There
18 is authorized to be appropriated to carry out section
19 383B(c) \$51,000,000, of which not to exceed \$1,000,000
20 shall be used to make grants under section 383B(c)(3).

21 “(b) ACTUAL APPROPRIATION.—If funds to carry out
22 section 383B(c) are made available for a fiscal year in an
23 amount that is less than the amount authorized under
24 subsection (a) for the fiscal year, the appropriated funds
25 shall be divided equally among the 50 States.

1 “(c) UNUSED FUNDS.—If, for any fiscal year, a State
 2 does not apply, or does not qualify, to receive funds under
 3 section 383B(b), the funds that would have been made
 4 available to the State under section 383B(c) on submis-
 5 sion by the State of a successful application under section
 6 383B(b) shall be redistributed for award under this sub-
 7 title among States, the councils of which awarded 1 or
 8 more SEARCH grants during the preceding fiscal year.

9 “(d) OTHER EXPENSES.—There are authorized to be
 10 appropriated such sums as are necessary to carry out the
 11 provisions of this subtitle (other than section 383B(c)).”.

12 **Subtitle D—Food, Agriculture, Con-**
 13 **servation, and Trade Act of 1990**

14 **SEC. 641. ALTERNATIVE AGRICULTURAL RESEARCH AND**
 15 **COMMERCIALIZATION CORPORATION.**

16 (a) REPEAL OF CORPORATION AUTHORIZATION.—
 17 Subtitle G of title XVI of the Food, Agriculture, Conserva-
 18 tion, and Trade Act of 1990 (7 U.S.C. 5901 et seq.) is
 19 repealed.

20 (b) DISPOSITION OF ASSETS.—On the date of enact-
 21 ment of this Act—

22 (1) the assets, both tangible and intangible, of
 23 the Alternative Agricultural Research and Commer-
 24 cialization Corporation (referred to in this section as
 25 the “Corporation”), including the funds in the Alter-

1 native Agricultural Research and Commercialization
2 Revolving Fund as of the date of enactment of this
3 Act, are transferred to the Secretary of Agriculture;
4 and

5 (2) notwithstanding the Federal Property and
6 Administrative Services Act of 1949 (40 U.S.C. 471
7 et seq.), the Secretary shall have authority to man-
8 age and dispose of the assets transferred under
9 paragraph (1) in a manner that, to the maximum
10 extent practicable, provides the greatest return on
11 investment.

12 (c) USE OF ASSETS.—

13 (1) IN GENERAL.—Funds transferred under
14 subsection (b), and any income from assets or pro-
15 ceeds from the sale of assets transferred under sub-
16 section (b), shall be deposited into an account in the
17 Treasury, and shall remain available to the Sec-
18 retary until expended, without further appropriation,
19 to pay—

20 (A) any outstanding claims or obligations
21 of the Corporation; and

22 (B) the costs incurred by the Secretary in
23 carrying out this section.

24 (2) FINAL DISPOSITION.—On final disposition
25 of all assets transferred under subsection (b), any

1 funds remaining in the account described in para-
2 graph (1) shall be transferred into miscellaneous re-
3 ceipts in the Treasury.

4 (d) CONFORMING AMENDMENTS.—

5 (1) The following provisions are repealed:

6 (A) Section 730 of the Federal Agriculture
7 Improvement and Reform Act of 1996 (7
8 U.S.C. 5902 note; Public Law 104–127).

9 (B) Section 9101(3)(Q) of title 31, United
10 States Code.

11 (2) Section 401(c) of the Agricultural Research,
12 Education, and Extension Reform Act of 1998 (7
13 U.S.C. 7621(c)) is amended by striking paragraph
14 (1) and inserting the following:

15 “(1) CRITICAL EMERGING ISSUES.—Subject to
16 paragraph (2), the Secretary shall use the funds in
17 the Account for research, extension, and education
18 grants (referred to in this section as ‘grants’) to ad-
19 dress critical emerging agricultural issues related
20 to—

21 “(A) future food production;

22 “(B) environmental quality and natural re-
23 source management; or

24 “(C) farm income.”.

1 (3) Section 793(c)(1)(A)(ii)(II) of the Federal
2 Agriculture Improvement and Reform Act of 1996
3 (7 U.S.C. 2204f(c)(1)(A)(ii)(II)) is amended by
4 striking “subtitle G of title XVI and”.

5 **SEC. 642. TELEMEDICINE AND DISTANCE LEARNING SERV-**
6 **ICES IN RURAL AREAS.**

7 (a) IN GENERAL.—Section 2335A of the Food, Agri-
8 culture, Conservation, and Trade Act of 1990 (7 U.S.C.
9 950aaa–5) is amended by striking “2002” and inserting
10 “2006”.

11 (b) CONFORMING AMENDMENT.—Section 1(b) of
12 Public Law 102–551 (7 U.S.C. 950aaa note) is amended
13 by striking “1997” and inserting “2006”.

14 **Subtitle E—Rural Electrification**
15 **Act of 1936**

16 **SEC. 651. GUARANTEES FOR BONDS AND NOTES ISSUED**
17 **FOR ELECTRIFICATION OR TELEPHONE PUR-**
18 **POSES.**

19 (a) IN GENERAL.—The Rural Electrification Act of
20 1936 is amended by inserting after section 313 (7 U.S.C.
21 940e) the following:

1 **“SEC. 313A. GUARANTEES FOR BONDS AND NOTES ISSUED**
2 **FOR ELECTRIFICATION OR TELEPHONE PUR-**
3 **POSES.**

4 “(a) IN GENERAL.—Subject to subsection (b), the
5 Secretary may guarantee payments on bonds or notes
6 issued by cooperative lenders if the proceeds of the bonds
7 or notes are used for electrification or telephone purposes
8 eligible for assistance under this Act.

9 “(b) LIMITATIONS.—

10 “(1) OUTSTANDING LOANS.—A lender shall not
11 receive a guarantee under this section for a bond or
12 note if, at the time of the guarantee, the total
13 amount of such guaranteed bonds or notes out-
14 standing of the lender would exceed the amount of
15 outstanding loans of the lender for electrification or
16 telephone purposes that have been made concu-
17 rrently with loans approved for such purposes under
18 this Act.

19 “(2) GENERATION OF ELECTRICITY.—The Sec-
20 retary shall not guarantee payment on a bond or
21 note issued by a lender, the proceeds of which are
22 used for the generation of electricity.

23 “(3) QUALIFICATIONS.—The Secretary may
24 deny the request of a lender for the guarantee of a
25 bond or note under this section if the Secretary de-
26 termines that—

1 “(A) the lender does not have appropriate
2 expertise or experience or is otherwise not
3 qualified to make loans for electrification or
4 telephone purposes; or

5 “(B) the bond or note issued by the lender
6 is not of reasonable and sufficient quality.

7 “(4) INTEREST RATE REDUCTION.—

8 “(A) IN GENERAL.—Except as provided in
9 subparagraph (B), a lender may not use any
10 amount obtained from the reduction in funding
11 costs as a result of the guarantee of a bond or
12 note under this section to reduce the interest
13 rate on a new or outstanding loan.

14 “(B) CONCURRENT LOANS.—A lender may
15 use any amount described in subparagraph (A)
16 to reduce the interest rate on a loan if the loan
17 is—

18 “(i) approved by the Secretary after
19 the date of enactment of this section;

20 “(ii) made by the lender for elec-
21 trification or telephone purposes that are
22 eligible for assistance under this Act; and

23 “(iii) made concurrently with a loan
24 approved by the Secretary under this Act
25 for such a purpose.

1 “(5) TOTAL AMOUNT.—The total amount of
2 guarantees outstanding under this section at any
3 time shall not exceed \$500,000,000.

4 “(c) FEES.—

5 “(1) IN GENERAL.—A lender that receives a
6 guarantee issued under this section on a bond or
7 note shall pay a fee to the Secretary.

8 “(2) AMOUNT.—The amount of a fee paid for
9 the guarantee of a bond or note under this section
10 shall be equal to 12.5 basis points of the amount of
11 the unpaid principal of the loan guaranteed under
12 this section.

13 “(3) PAYMENT.—A lender shall pay the fees re-
14 quired under this subsection on a semiannual basis.

15 “(4) RURAL ECONOMIC DEVELOPMENT SUB-
16 ACCOUNT.—Subject to subsection (e)(2), fees col-
17 lected under this subsection shall be—

18 “(A) deposited into the rural economic de-
19 velopment subaccount maintained under section
20 313(b)(2)(A), to remain available until ex-
21 pended; and

22 “(B) used for the purposes described in
23 section 313(b)(2)(B).

24 “(d) GUARANTEES.—

1 “(1) IN GENERAL.—A guarantee issued under
2 this section shall—

3 “(A) be for the full amount of a bond or
4 note, including the amount of principal, inter-
5 est, and call premiums;

6 “(B) be fully assignable and transferable;
7 and

8 “(C) represent the full faith and credit of
9 the United States.

10 “(2) LIMITATION.—To ensure that the Sec-
11 retary has the resources necessary to properly exam-
12 ine the proposed guarantees, the Secretary may es-
13 tablish a limit on the number of guarantees issued
14 under this section.

15 “(3) DEPARTMENT OPINION.—On the request
16 of an eligible lender, the General Counsel of the De-
17 partment of Agriculture shall provide the Secretary
18 with an opinion regarding the validity and authority
19 of a guarantee issued to the lender under this sec-
20 tion.

21 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
22 are authorized to be appropriated such sums as are nec-
23 essary to cover the cost of providing guarantees of bonds
24 and notes under this section.

1 “(f) TERMINATION.—The authority provided under
2 this section shall terminate on September 30, 2006.”.

3 (b) ADMINISTRATION OF CUSHION OF CREDIT PAY-
4 MENTS PROGRAM.—Section 313(b)(2)(B) of the Rural
5 Electrification Act of 1936 (7 U.S.C. 940c)(b)(2)(B)) is
6 amended by inserting “, acting through the Rural Utilities
7 Service,” after “Secretary”.

8 (c) ADMINISTRATION.—

9 (1) REGULATIONS.—Not later than 180 days
10 after the date of enactment of this Act, the Sec-
11 retary of Agriculture shall promulgate regulations to
12 carry out the amendments made by this section.

13 (2) IMPLEMENTATION.—Not later than 240
14 days after the date of enactment of this Act, the
15 Secretary shall implement the amendment made by
16 this section.

17 **SEC. 652. EXPANSION OF 911 ACCESS.**

18 Title III of the Rural Electrification Act of 1936 (7
19 U.S.C. 931 et seq.) is amended by adding the following:

20 **“SEC. 315. EXPANSION OF 911 ACCESS.**

21 “(a) IN GENERAL.—Subject to such terms and condi-
22 tions as the Secretary may prescribe, the Secretary may
23 make telephone loans under this title to State or local gov-
24 ernments, Indian tribes (as defined in section 4 of the In-
25 dian Self-Determination and Education Assistance Act

1 (25 U.S.C. 450b)), or other public entities for facilities
2 and equipment to expand 911 access in underserved rural
3 areas.

4 “(b) AUTHORIZATION OF APPROPRIATIONS.—There
5 are authorized to be appropriated such sums as are nec-
6 essary to carry out this section.”.

7 **Subtitle F—Miscellaneous**

8 **SEC. 661. SENATE CONFIRMATION REQUIREMENT FOR** 9 **RURAL UTILITIES SERVICE ADMINISTRATOR.**

10 (a) REPEAL.—Section 232 of the Department of Ag-
11 riculture Reorganization Act of 1994 (7 U.S.C. 6942(b))
12 is amended—

13 (1) by striking subsection (b); and

14 (2) by redesignating subsection (c) as sub-
15 section (b).

16 (b) SUCCESSION.—Any official who is serving as Ad-
17 ministrator of the Rural Utilities Service on the effective
18 date of this section and who was appointed by the Presi-
19 dent, by and with the advice and consent of the Senate—

20 (1) may be considered to be serving in the posi-
21 tion of Administrator of the Rural Utilities Service
22 as established by the Secretary; and

23 (2) shall be not be required to be reappointed
24 by the Secretary to that position by reason of the
25 enactment of this section.

1 **Subtitle G—Effective Date**

2 **SEC. 671. EFFECTIVE DATE.**

3 This title and the amendments made by this title take
4 effect on October 1, 2002.

5 **TITLE VII—AGRICULTURAL RE-**
6 **SEARCH, EDUCATION, AND**
7 **EXTENSION AND RELATED**
8 **MATTERS**

9 **Subtitle A—National Agricultural**
10 **Research, Extension, and Teach-**
11 **ing Policy Act of 1977**

12 **SEC. 701. DEFINITIONS.**

13 (a) IN GENERAL.—Section 1404 of the National Ag-
14 ricultural Research, Extension, and Teaching Policy Act
15 of 1977 (7 U.S.C. 3103) is amended—

16 (1) by redesignating paragraphs (10) through
17 (17) as paragraphs (11) through (18), respectively;

18 (2) by inserting after paragraph (9) the fol-
19 lowing:

20 “(10) INSULAR AREA.—The term ‘insular area’
21 means the Commonwealth of Puerto Rico, Guam,
22 American Samoa, the Commonwealth of the North-
23 ern Mariana Islands, the Federated States of Micro-
24 nesia, the Republic of the Marshall Islands, the Re-

1 public of Palau, and the Virgin Islands of the
2 United States.”; and

3 (3) by striking paragraph (13) (as so redesignated) and inserting the following:

4 “(13) STATE.—The term ‘State’ means any of
5 the States, the District of Columbia, and any insular
6 area.”.

7
8 (b) EFFECT OF AMENDMENTS.—The amendments
9 made by subsection (a) shall not affect any basis for dis-
10 tribution of funds by formula (in effect on the date of en-
11 actment of this Act) to the Federated States of Micro-
12 nesia, the Republic of the Marshall Islands, or the Repub-
13 lic of Palau.

14 **SEC. 702. NATIONAL AGRICULTURAL RESEARCH, EXTEN-**
15 **SION, EDUCATION, AND ECONOMICS ADVI-**
16 **SORY BOARD.**

17 Section 1408(h) of the National Agricultural Re-
18 search, Extension, and Teaching Policy Act of 1977 (7
19 U.S.C. 3123(h)) is amended by striking “2002” and in-
20 serting “2006”.

21 **SEC. 703. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRI-**
22 **CULTURAL SCIENCES EDUCATION.**

23 Section 1417 of the National Agricultural Research,
24 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
25 3152) is amended—

1 (1) in subsection (a)—

2 (A) by striking “and” after “economics,”;
3 and

4 (B) by inserting “, and rural economic,
5 community, and business development” before
6 the period;

7 (2) in subsection (b)—

8 (A) in paragraph (1), by inserting “, or in
9 rural economic, community, and business devel-
10 opment” before the semicolon;

11 (B) in paragraph (2), by inserting “, or in
12 rural economic, community, and business devel-
13 opment” before the semicolon;

14 (C) in paragraph (3), by inserting “, or
15 teaching programs emphasizing rural economic,
16 community, and business development” before
17 the semicolon;

18 (D) in paragraph (4), by inserting “, or
19 programs emphasizing rural economic, commu-
20 nity, and business development,” after “pro-
21 grams”; and

22 (E) in paragraph (5), by inserting “, or
23 professionals in rural economic, community, and
24 business development” before the semicolon;

25 (3) in subsection (d)—

1 (A) in paragraph (1), by inserting “, or in
2 rural economic, community, and business devel-
3 opment,” after “sciences”; and

4 (B) in paragraph (2), by inserting “, or in
5 the rural economic, community, and business
6 development workforce,” after “workforce”; and

7 (4) in subsection (l), by striking “2002” and in-
8 serting “2006”.

9 **SEC. 704. POLICY RESEARCH CENTERS.**

10 Section 1419A(d) of the National Agricultural Re-
11 search, Extension, and Teaching Policy Act of 1977 (7
12 U.S.C. 3155(d)) is amended by striking “2002” and in-
13 serting “2006”.

14 **SEC. 705. NUTRITION EDUCATION PROGRAM.**

15 Section 1425(c)(3) of the National Agricultural Re-
16 search, Extension, and Teaching Policy Act of 1977 (7
17 U.S.C. 3175(c)(3)) is amended by striking “2002” and
18 inserting “2006”.

19 **SEC. 706. ANIMAL HEALTH AND DISEASE RESEARCH PRO-**
20 **GRAMS.**

21 Section 1433(a) of the National Agricultural Re-
22 search, Extension, and Teaching Policy Act of 1977 (7
23 U.S.C. 3195(a)) is amended in the first sentence by strik-
24 ing “2002” and inserting “2006”.

1 **SEC. 707. EDUCATION GRANTS PROGRAMS FOR HISPANIC-**
2 **SERVING INSTITUTIONS.**

3 Section 1455(c) of the National Agricultural Re-
4 search, Extension, and Teaching Policy Act of 1977 (7
5 U.S.C. 3241(c)) is amended by striking “2002” and in-
6 serting “2006”.

7 **SEC. 708. COMPETITIVE GRANTS FOR INTERNATIONAL AG-**
8 **RICULTURAL SCIENCE AND EDUCATION PRO-**
9 **GRAMS.**

10 Section 1459A(c) of the National Agricultural Re-
11 search, Extension, and Teaching Policy Act of 1977 (7
12 U.S.C. 3292b(c)) is amended by striking “2002” and in-
13 serting “2006”.

14 **SEC. 709. INDIRECT COSTS.**

15 Section 1462 of the National Agricultural Research,
16 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
17 3310) is amended—

18 (1) by inserting “(a) IN GENERAL.—” before
19 “Except”;

20 (2) by striking “19 percent” and inserting “the
21 negotiated indirect cost rate established for an insti-
22 tution by the cognizant Federal audit agency for the
23 institution”; and

24 (3) by adding at the end the following:

25 “(b) EXCEPTION.—The limitation on indirect costs
26 contained in subsection (a) shall not apply to a grant

1 awarded competitively under section 9 of the Small Busi-
2 ness Act (15 U.S.C. 638).”.

3 **SEC. 710. RESEARCH EQUIPMENT GRANTS.**

4 The National Agricultural Research, Extension, and
5 Teaching Policy Act of 1977 is amended by inserting after
6 section 1462 (7 U.S.C. 3310) the following:

7 **“SEC. 1462A. RESEARCH EQUIPMENT GRANTS.**

8 “(a) IN GENERAL.—The Secretary may make com-
9 petitive grants for the acquisition of special purpose sci-
10 entific research equipment for use in the food and agricul-
11 tural sciences programs of eligible institutions described
12 in subsection (b).

13 “(b) ELIGIBLE INSTITUTIONS.—The Secretary may
14 make a grant under this section to—

15 “(1) a college or university; or

16 “(2) a State cooperative institution.

17 “(c) MAXIMUM GRANT.—The amount of a grant
18 made to an eligible institution under this section shall not
19 exceed \$500,000.

20 “(d) PROHIBITION ON CHARGE OF EQUIPMENT AS
21 INDIRECT COSTS.—The cost of acquisition or depreciation
22 of equipment purchased with a grant under this section
23 shall not be—

24 “(1) charged as an indirect cost against another
25 Federal grant; or

1 “(2) included as part of the indirect cost pool
2 for purposes of calculating the indirect cost rate of
3 an eligible institution.

4 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
5 is authorized to be appropriated to carry out this section
6 \$10,000,000 for each of fiscal years 2003 through 2006.”.

7 **SEC. 711. AGRICULTURAL RESEARCH PROGRAMS.**

8 Section 1463 of the National Agricultural Research,
9 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
10 3311) is amended—

11 (1) in subsection (a), by striking
12 “\$850,000,000 for each of the fiscal years 1991
13 through 2002” and inserting “\$1,500,000,000 for
14 each of fiscal years 2002 through 2006”; and

15 (2) in subsection (b), by striking “2002” and
16 inserting “2006”.

17 **SEC. 712. EXTENSION EDUCATION.**

18 Section 1464 of the National Agricultural Research,
19 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
20 3312) is amended by striking “\$420,000,000” and all that
21 follows and inserting the following: “\$500,000,000 for
22 each of fiscal years 2003 through 2006.”.

1 **SEC. 713. SPECIAL AUTHORIZATION FOR BIOSECURITY**
2 **PLANNING AND RESPONSE.**

3 Section 1465 of the National Agricultural Research,
4 Extension, and Teaching Policy Act of 1977 (91 Stat.
5 1018) is amended to read as follows:

6 **“SEC. 1465. SPECIAL AUTHORIZATION FOR BIOSECURITY**
7 **PLANNING AND RESPONSE.**

8 “(a) **AUTHORIZATION OF APPROPRIATIONS.**—In ad-
9 dition to amounts for agricultural research, extension, and
10 education under this Act, there are authorized to be ap-
11 propriated for agricultural research, education, and exten-
12 sion activities for biosecurity planning and response such
13 sums as are necessary for fiscal years 2003 through 2007.

14 “(b) **USE OF FUNDS.**—Using any authority available
15 to the Secretary, the Secretary shall use funds made avail-
16 able under this section to carry out agricultural research,
17 education, and extension activities necessary—

18 “(1) to reduce the vulnerability of the United
19 States food and agricultural system to chemical or
20 biological attack;

21 “(2) to counter any such chemical or biological
22 attack; or

23 “(3) to respond to any such chemical or biologi-
24 cal attack.”.

1 **SEC. 714. AVAILABILITY OF COMPETITIVE GRANT FUNDS.**

2 The National Agricultural Research, Extension, and
3 Teaching Policy Act of 1977 is amended by inserting after
4 section 1469 (7 U.S.C. 3315) the following:

5 **“SEC. 1469A. AVAILABILITY OF COMPETITIVE GRANT**
6 **FUNDS.**

7 “Except as otherwise provided by law, funds made
8 available to the Secretary to carry out a competitive agri-
9 cultural research, education, or extension grant program
10 under this or any other Act shall be available for obliga-
11 tion for a 2-year period beginning on October 1 of the
12 fiscal year for which the funds are made available.”.

13 **SEC. 715. JOINT REQUESTS FOR PROPOSALS.**

14 (a) PURPOSES.—The purposes of this section are—

15 (1) to reduce the duplication of administrative
16 functions relating to grant awards and administra-
17 tion among Federal agencies conducting similar
18 types of research, education, and extension pro-
19 grams;

20 (2) to maximize the use of peer review re-
21 sources in research, education, and extension pro-
22 grams; and

23 (3) to reduce the burden on potential recipients
24 that may offer similar proposals to receive competi-
25 tive grants under different Federal programs in
26 overlapping subject areas.

1 (b) AUTHORITY.—The National Agricultural Re-
2 search, Extension, and Teaching Policy Act of 1977 is
3 amended by inserting after section 1473A (7 U.S.C.
4 3319a) the following:

5 **“SEC. 1473B. JOINT REQUESTS FOR PROPOSALS.**

6 “(a) IN GENERAL.—In carrying out any competitive
7 agricultural research, education, or extension grant pro-
8 gram authorized under this or any other Act, the Sec-
9 retary may cooperate with 1 or more other Federal agen-
10 cies (including the National Science Foundation) in
11 issuing joint requests for proposals, awarding grants, and
12 administering grants, for similar or related research, edu-
13 cation, or extension projects or activities.

14 “(b) TRANSFER OF FUNDS.—

15 “(1) SECRETARY.—The Secretary may transfer
16 funds to, or receive funds from, a cooperating Fed-
17 eral agency for the purpose of carrying out the joint
18 request for proposals, making awards, or admin-
19 istering grants.

20 “(2) COOPERATING AGENCY.—The cooperating
21 Federal agency may transfer funds to, or receive
22 funds from, the Secretary for the purpose of car-
23 rying out the joint request for proposals, making
24 awards, or administering grants.

1 “(3) LIMITATIONS.—Funds transferred or re-
2 ceived under this subsection shall be—

3 “(A) used only in accordance with the laws
4 authorizing the appropriation of the funds; and

5 “(B) made available by grant only to re-
6 cipients that are eligible to receive the grant
7 under the laws.

8 “(c) ADMINISTRATION.—

9 “(1) SECRETARY.—The Secretary may delegate
10 authority to issue requests for proposals, make grant
11 awards, or administer grants, in whole or in part, to
12 a cooperating Federal agency.

13 “(2) COOPERATING FEDERAL AGENCY.—The
14 cooperating Federal agency may delegate to the Sec-
15 retary authority to issue requests for proposals,
16 make grant awards, or administer grants, in whole
17 or in part.

18 “(d) REGULATIONS; RATES.—The Secretary and a
19 cooperating Federal agency may agree to make applicable
20 to recipients of grants—

21 “(1) the post-award grant administration regu-
22 lations and indirect cost rates applicable to recipi-
23 ents of grants from the Secretary; or

1 “(2) the post-award grant administration regu-
2 lations and indirect cost rates applicable to recipi-
3 ents of grants from the cooperating Federal agency.

4 “(e) JOINT PEER REVIEW PANELS.—Subject to sec-
5 tion 1413B, the Secretary and a cooperating Federal
6 agency may establish joint peer review panels for the pur-
7 pose of evaluating grant proposals.”.

8 **SEC. 716. SUPPLEMENTAL AND ALTERNATIVE CROPS.**

9 Section 1473D(a) of the National Agricultural Re-
10 search, Extension, and Teaching Policy Act of 1977 (7
11 U.S.C. 3319d(a)) is amended by striking “2002” and in-
12 serting “2006”.

13 **SEC. 717. AQUACULTURE.**

14 Section 1477 of the National Agricultural Research,
15 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
16 3324) is amended in the first sentence by striking “2002”
17 and inserting “2006”.

18 **SEC. 718. RANGELAND RESEARCH.**

19 Section 1483(a) of the National Agricultural Re-
20 search, Extension, and Teaching Policy Act of 1977 (7
21 U.S.C. 3336(a)) is amended by striking “2002” and in-
22 serting “2006”.

1 **Subtitle B—Food, Agriculture, Con-**
2 **servation, and Trade Act of 1990**

3 **SEC. 731. NATIONAL GENETIC RESOURCES PROGRAM.**

4 Section 1635(b) of the Food, Agriculture, Conserva-
5 tion, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amend-
6 ed by striking “2002” and inserting “2006”.

7 **SEC. 732. HIGH-PRIORITY RESEARCH AND EXTENSION INI-**
8 **TIATIVES.**

9 Section 1672(h) of the Food, Agriculture, Conserva-
10 tion, and Trade Act of 1990 (7 U.S.C. 5925(h)) is amend-
11 ed by striking “2002” and inserting “2006”.

12 **SEC. 733. NUTRIENT MANAGEMENT RESEARCH AND EXTEN-**
13 **SION INITIATIVE.**

14 Section 1672A(g) of the Food, Agriculture, Conserva-
15 tion, and Trade Act of 1990 (7 U.S.C. 5925a(g)) is
16 amended by striking “2002” and inserting “2006”.

17 **SEC. 734. ORGANIC AGRICULTURE RESEARCH AND EXTEN-**
18 **SION INITIATIVE.**

19 Section 1672B(e) of the Food, Agriculture, Conserva-
20 tion, and Trade Act of 1990 (7 U.S.C. 5925b(e)) is
21 amended by striking “2002” and inserting “2006”.

1 **SEC. 735. AGRICULTURAL TELECOMMUNICATIONS PRO-**
 2 **GRAM.**

3 Section 1673(h) of the Food, Agriculture, Conserva-
 4 tion, and Trade Act of 1990 (7 U.S.C. 5926(h)) is amend-
 5 ed by striking “2002” and inserting “2006”.

6 **SEC. 736. ASSISTIVE TECHNOLOGY PROGRAM FOR FARM-**
 7 **ERS WITH DISABILITIES.**

8 Section 1680(c)(1) of the Food, Agriculture, Con-
 9 servation, and Trade Act of 1990 (7 U.S.C. 5933(c)(1))
 10 is amended by striking “2002” and inserting “2006”.

11 **Subtitle C—Agricultural Research,**
 12 **Extension, and Education Re-**
 13 **form Act of 1998**

14 **SEC. 741. INITIATIVE FOR FUTURE AGRICULTURE AND**
 15 **FOOD SYSTEMS.**

16 Section 401(b) of the Agricultural Research, Exten-
 17 sion, and Education Reform Act of 1998 (7 U.S.C.
 18 7621(b)) is amended—

19 (1) by striking “IN GENERAL.—” and inserting
 20 “IN GENERAL.—

21 “(A) TRANSFERS FOR FISCAL YEARS 1998
 22 THROUGH 2001.—”;

23 (2) by striking “2002” and inserting “2001”;

24 and

25 (3) by adding at the end the following:

1 “(B) TRANSFERS FOR FISCAL YEARS 2003
2 THROUGH 2006.—On October 1, 2002, and each
3 October 1 thereafter through October 1, 2005,
4 out of any funds in the Treasury not otherwise
5 appropriated, the Secretary of the Treasury
6 shall transfer \$360,000,000 to the Account.”.

7 **SEC. 742. PARTNERSHIPS FOR HIGH-VALUE AGRICULTURAL**
8 **PRODUCT QUALITY RESEARCH.**

9 Section 402(g) of the Agricultural Research, Exten-
10 sion, and Education Reform Act of 1998 (7 U.S.C.
11 7622(g)) is amended by striking “2002” and inserting
12 “2006”.

13 **SEC. 743. PRECISION AGRICULTURE.**

14 Section 403(i)(1) of the Agricultural Research, Ex-
15 tension, and Education Reform Act of 1998 (7 U.S.C.
16 7623(i)(1)) is amended by striking “2002” and inserting
17 “2006”.

18 **SEC. 744. BIOBASED PRODUCTS.**

19 Section 404 of the Agricultural Research, Extension,
20 and Education Reform Act of 1998 (7 U.S.C. 7624) is
21 amended—

22 (1) in subsection (e)(2), by striking “2001” and
23 inserting “2006”; and

24 (2) in subsection (h), by striking “2002” and
25 inserting “2006”.

1 **SEC. 745. THOMAS JEFFERSON INITIATIVE FOR CROP DI-**
2 **VERSIFICATION.**

3 Section 405(h) of the Agricultural Research, Exten-
4 sion, and Education Reform Act of 1998 (7 U.S.C.
5 7625(h)) is amended by striking “2002” and inserting
6 “2006”.

7 **SEC. 746. INTEGRATED RESEARCH, EDUCATION, AND EX-**
8 **TENSION COMPETITIVE GRANTS PROGRAM.**

9 Section 406 of the Agricultural Research, Extension,
10 and Education Reform Act of 1998 (7 U.S.C. 7626) is
11 amended—

12 (1) by redesignating subsection (e) as sub-
13 section (f);

14 (2) by inserting after subsection (d) the fol-
15 lowing:

16 “(e) TERM OF GRANT.—A grant under this section
17 shall have a term of not more than 5 years.”; and

18 (3) in subsection (f) (as so redesignated), by
19 striking “2002” and inserting “2006”.

20 **SEC. 747. SUPPORT FOR RESEARCH REGARDING DISEASES**
21 **OF WHEAT AND BARLEY CAUSED BY FUSAR-**
22 **IUM GRAMINEARUM.**

23 Section 408(e) of the Agricultural Research, Exten-
24 sion, and Education Reform Act of 1998 (7 U.S.C.
25 7628(e)) is amended by striking “2002” and inserting
26 “2006”.

1 **SEC. 748. OFFICE OF PEST MANAGEMENT POLICY.**

2 Section 614(f) of the Agricultural Research, Exten-
 3 sion, and Education Reform Act of 1998 (7 U.S.C.
 4 7653(f)) is amended by striking “2002” and inserting
 5 “2006”.

6 **Subtitle D—Land-Grant Funding**

7 **CHAPTER 1—1862 INSTITUTIONS**

8 **SEC. 751. CARRYOVER.**

9 Section 7 of the Hatch Act of 1887 (7 U.S.C. 361g)
 10 is amended by striking subsection (c) and inserting the
 11 following:

12 “(c) CARRYOVER.—

13 “(1) IN GENERAL.—The balance of any annual
 14 funds provided under this Act to a State agricultural
 15 experiment station for a fiscal year that remains un-
 16 expended at the end of the fiscal year may be car-
 17 ried over for use during the following fiscal year.

18 “(2) FAILURE TO EXPEND FULL ALLOT-
 19 MENT.—If any unexpended balance carried over by
 20 a State is not expended by the end of the second fis-
 21 cal year, an amount equal to the unexpended bal-
 22 ance shall be deducted from the next succeeding an-
 23 nual allotment to the State.”.

1 **SEC. 752. REPORTING OF TECHNOLOGY TRANSFER ACTIVI-**
2 **TIES.**

3 Section 7(e) of the Hatch Act of 1887 (7 U.S.C.
4 361g(e)) is amended by adding at the end the following:

5 “(5) The technology transfer activities con-
6 ducted with respect to federally funded agricultural
7 research.”.

8 **SEC. 753. COMPLIANCE WITH MULTISTATE AND INTEGRA-**
9 **TION REQUIREMENTS.**

10 (a) **MULTISTATE.**—Section 3 of the Smith-Lever Act
11 (7 U.S.C. 343) is amended by striking subsection (h) and
12 inserting the following:

13 “(h) **MULTISTATE COOPERATIVE EXTENSION AC-**
14 **TIVITIES.**—

15 “(1) **DEFINITION OF MULTISTATE ACTIVITY.**—
16 In this subsection, the term ‘multistate activity’
17 means a cooperative extension activity in which 2 or
18 more States cooperate to resolve problems that con-
19 cern more than 1 State.

20 “(2) **REQUIREMENT.**—

21 “(A) **IN GENERAL.**—To receive funding
22 under subsections (b) and (c) for a fiscal year,
23 a State, in the previous fiscal year, must have
24 expended on multistate activities an amount
25 equivalent to not less than 25 percent of the

1 funds paid to the State under subsections (b)
2 and (c) for the previous fiscal year.

3 “(B) DETERMINATION OF AMOUNT.—In
4 determining compliance with subparagraph (A),
5 the Secretary shall include all cooperative exten-
6 sion funds expended by the State in the pre-
7 vious fiscal year, including Federal, State, and
8 local funds.

9 “(3) REDUCTION OF PERCENTAGE.—The Sec-
10 retary may reduce the minimum percentage required
11 to be expended for multistate activities under para-
12 graph (2) by a State in a case of hardship, infeasibility,
13 or other similar circumstances beyond the
14 control of the State, as determined by the Secretary.

15 “(4) PLAN OF WORK.—The State shall include
16 in the plan of work of the State required under sec-
17 tion 4 a description of the manner in which the
18 State will meet the requirements of this subsection.

19 “(5) APPLICABILITY.—This subsection does not
20 apply to funds provided—

21 “(A) to a 1994 Institution (as defined in
22 section 532 of the Equity in Educational Land-
23 Grant Status Act of 1994 (7 U.S.C. 301 note;
24 Public Law 103–382)); or

1 “(B) to the Commonwealth of Puerto Rico,
2 the Virgin Islands, or Guam.”.

3 (b) INTEGRATED.—Section 3 of the Hatch Act of
4 1887 (7 U.S.C. 361c) is amended by striking subsection
5 (i) and inserting the following:

6 “(i) INTEGRATED RESEARCH AND EXTENSION AC-
7 TIVITIES.—

8 “(1) IN GENERAL.—

9 “(A) REQUIREMENT.—To receive funding
10 under this Act and subsections (b) and (c) of
11 section 3 of the Smith-Lever Act (7 U.S.C.
12 343) for a fiscal year, a State, in the previous
13 fiscal year, must have expended on activities
14 that integrate cooperative research and exten-
15 sion (referred to in this section as ‘integrated
16 activities’) an amount equivalent to not less
17 than 25 percent of the funds paid to the State
18 under this section and subsections (b) and (c)
19 of section 3 of the Smith-Lever Act (7 U.S.C.
20 343) for the previous fiscal year.

21 “(B) DETERMINATION OF AMOUNT.—In
22 determining compliance with subparagraph (A),
23 the Secretary shall include all cooperative re-
24 search and extension funds expended by the

1 State in the prior fiscal year, including Federal,
2 State, and local funds.

3 “(2) REDUCTION OF PERCENTAGE.—The Sec-
4 retary may reduce the minimum percentage required
5 to be expended for integrated activities under para-
6 graph (1) by a State in a case of hardship, infeasibility,
7 or other similar circumstances beyond the
8 control of the State, as determined by the Secretary.

9 “(3) PLAN OF WORK.—The State shall include
10 in the plan of work of the State required under sec-
11 tion 7 of this Act and under section 4 of the Smith-
12 Lever Act (7 U.S.C. 344), as applicable, a descrip-
13 tion of the manner in which the State will meet the
14 requirements of this subsection.

15 “(4) APPLICABILITY.—This subsection does not
16 apply to funds provided—

17 “(A) to a 1994 Institution (as defined in
18 section 532 of the Equity in Educational Land-
19 Grant Status Act of 1994 (7 U.S.C. 301 note;
20 Public Law 103–382)); or

21 “(B) to the Commonwealth of Puerto Rico,
22 the Virgin Islands, or Guam.

23 “(5) RELATIONSHIP TO OTHER REQUIRE-
24 MENTS.—Funds described in paragraph (1)(B) that
25 a State uses to calculate the required amount of ex-

1 penditures for integrated activities under paragraph
 2 (1)(A) may also be used in the same fiscal year to
 3 calculate the amount of expenditures for multistate
 4 activities required under subsection (c)(3) of this
 5 section and section 3(h) of the Smith-Lever Act (7
 6 U.S.C. 343(h)).”.

7 (c) EFFECTIVE DATE.—The amendments made by
 8 this section take effect on October 1, 2002.

9 **CHAPTER 2—1994 INSTITUTIONS**

10 **SEC. 754. EXTENSION AT 1994 INSTITUTIONS.**

11 Section 3(b) of the Smith-Lever Act (7 U.S.C.
 12 343(b)) is amended by striking paragraph (3) and insert-
 13 ing the following:

14 “(3) EXTENSION AT 1994 INSTITUTIONS.—

15 “(A) IN GENERAL.—There are authorized
 16 to be appropriated for fiscal year 2002 and
 17 each subsequent fiscal year, for payment to
 18 1994 Institutions (as defined in section 532 of
 19 the Equity in Educational Land-Grant Status
 20 Act of 1994 (7 U.S.C. 301 note; Public Law
 21 103–382)), such sums as are necessary for the
 22 purposes set forth in section 2, to remain avail-
 23 able until expended.

24 “(B) DISTRIBUTION.—Amounts made
 25 available under subparagraph (A)—

1 “(i) shall be distributed on the basis
2 of a formula to be developed and imple-
3 mented by the Secretary, in consultation
4 with the 1994 Institutions; and

5 “(ii) may include payments for exten-
6 sion activities carried out during 1 or more
7 fiscal years.

8 “(C) COOPERATIVE AGREEMENT.—In ac-
9 cordance with such regulations as the Secretary
10 may promulgate, a 1994 Institution may ad-
11 minister funds received under this paragraph
12 through a cooperative agreement with an 1862
13 Institution or an 1890 Institution (as those
14 terms are defined in section 2 of the Agricul-
15 tural Research, Extension, and Education Re-
16 form Act of 1998 (7 U.S.C. 7601)).”.

17 **SEC. 755. EQUITY IN EDUCATIONAL LAND-GRANT STATUS**
18 **ACT OF 1994.**

19 (a) TECHNICAL AMENDMENT TO REFLECT NAME
20 CHANGES.—Section 532 of the Equity in Educational
21 Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Pub-
22 lic Law 103–382) is amended by striking paragraphs (1)
23 through (30) and inserting the following:

24 “(1) Bay Mills Community College.

25 “(2) Blackfeet Community College.

- 1 “(3) Cankdeska Cikana Community College.
- 2 “(4) College of Menominee Nation.
- 3 “(5) Crownpoint Institute of Technology.
- 4 “(6) D-Q University.
- 5 “(7) Diné College.
- 6 “(8) Dull Knife Memorial College.
- 7 “(9) Fond du Lac Tribal and Community Col-
8 lege.
- 9 “(10) Fort Belknap College.
- 10 “(11) Fort Berthold Community College.
- 11 “(12) Fort Peck Community College.
- 12 “(13) Haskell Indian Nations University.
- 13 “(14) Institute of American Indian and Alaska
14 Native Culture and Arts Development.
- 15 “(15) Lac Courte Oreilles Ojibwa Community
16 College.
- 17 “(16) Leech Lake Tribal College.
- 18 “(17) Little Big Horn College.
- 19 “(18) Little Priest Tribal College.
- 20 “(19) Nebraska Indian Community College.
- 21 “(20) Northwest Indian College.
- 22 “(21) Oglala Lakota College.
- 23 “(22) Salish Kootenai College.
- 24 “(23) Sinte Gleska University.
- 25 “(24) Sisseton Wahpeton Community College.

1 “(25) Si Tanka/Huron University.

2 “(26) Sitting Bull College.

3 “(27) Southwestern Indian Polytechnic Insti-
4 tute.

5 “(28) Stone Child College.

6 “(29) Turtle Mountain Community College.

7 “(30) United Tribes Technical College.

8 “(31) White Earth Tribal and Community Col-
9 lege.”.

10 (b) ACCREDITATION REQUIREMENT FOR RESEARCH
11 GRANTS.—Section 533(a)(3) of the Equity in Educational
12 Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Pub-
13 lic Law 103–382) is amended by striking “sections 534
14 and 535” and inserting “sections 534, 535, and 536”.

15 (c) LAND-GRANT STATUS FOR 1994 INSTITU-
16 TIONS.—Section 533(b) of the Equity in Educational
17 Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Pub-
18 lic Law 103–382) is amended by striking “\$4,600,000 for
19 each of fiscal years 1996 through 2002” and inserting
20 “such sums as are necessary for each of fiscal years 2002
21 through 2006”.

22 (d) CHANGE OF INDIAN STUDENT COUNT FOR-
23 MULA.—Section 533(c)(4)(A) of the Equity in Edu-
24 cational Land-Grant Status Act of 1994 (7 U.S.C. 301
25 note; Public Law 103–382) is amended by striking “(as

1 defined in section 390(3) of the Carl D. Perkins Voca-
2 tional and Applied Technology Education Act (20 U.S.C.
3 2397h(3)) for each 1994 Institution for the fiscal year”
4 and inserting “(as defined in section 2(a) of the Tribally
5 Controlled College or University Assistance Act of 1978
6 (25 U.S.C. 1801(a)))”.

7 (e) INCREASE IN INSTITUTIONAL PAYMENTS.—Sec-
8 tion 534(a)(1)(A) of the Equity in Educational Land-
9 Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law
10 103–382) is amended by striking “\$50,000” and inserting
11 “\$100,000”.

12 (f) INSTITUTIONAL CAPACITY BUILDING GRANTS.—
13 Section 535 of the Equity in Educational Land-Grant Sta-
14 tus Act of 1994 (7 U.S.C. 301 note; Public Law 103–
15 382) is amended—

16 (1) in subsection (b)(1), by striking “2002”
17 and inserting “2006”; and

18 (2) in subsection (c), by striking “\$1,700,000
19 for each of fiscal years 1996 through 2002” and in-
20 serting “such sums as are necessary for each of fis-
21 cal years 2002 through 2006”.

22 (g) RESEARCH GRANTS.—Section 536(c) of the Eq-
23 uity in Educational Land-Grant Status Act of 1994 (7
24 U.S.C. 301 note; Public Law 103–382) is amended by
25 striking “2002” and inserting “2006”.

1 **SEC. 756. ELIGIBILITY FOR INTEGRATED GRANTS PRO-**
 2 **GRAM.**

3 Section 406(b) of the Agricultural Research, Exten-
 4 sion, and Education Reform Act of 1998 (7 U.S.C.
 5 7626(b)) is amended by inserting “and 1994 Institutions”
 6 before “on a competitive basis”.

7 **CHAPTER 3—1890 INSTITUTIONS**

8 **SEC. 757. AUTHORIZATION PERCENTAGES FOR RESEARCH**
 9 **AND EXTENSION FORMULA FUNDS.**

10 (a) EXTENSION.—Section 1444(a) of the National
 11 Agricultural Research, Extension, and Teaching Policy
 12 Act of 1977 (7 U.S.C. 3221(a)) is amended—

13 (1) by striking the second sentence; and

14 (2) in the third sentence, by striking “Begin-
 15 ning” through “6 per centum” and inserting “Be-
 16 ginning with fiscal year 2002, there shall be appro-
 17 priated under this section for each fiscal year an
 18 amount that is not less than 15 percent”.

19 (b) RESEARCH.—Section 1445(a) of the National Ag-
 20 ricultural Research, Extension, and Teaching Policy Act
 21 of 1977 (7 U.S.C. 3222(a)) is amended—

22 (1) by striking “(a) There” and inserting the
 23 following:

24 “(a) AUTHORIZATION OF APPROPRIATIONS.—

25 “(1) IN GENERAL.—There”;

1 (2) by striking the second sentence and insert-
2 ing the following:

3 “(2) MINIMUM AMOUNT.—Beginning with fiscal
4 year 2002, there shall be appropriated under this
5 section for each fiscal year an amount that is not
6 less than 25 percent of the total appropriations for
7 the fiscal year under section 3 of the Hatch Act of
8 1887 (7 U.S.C. 361c).”;

9 (3) by striking “Funds appropriated” and in-
10 serting the following:

11 “(3) USES.—Funds appropriated”;

12 (4) by striking “The eligible” and inserting the
13 following:

14 “(4) COORDINATION.—The eligible”; and

15 (5) by striking “No more” and inserting the
16 following:

17 “(5) CARRYOVER.—No more”.

18 **SEC. 758. CARRYOVER.**

19 Section 1445(a) of the National Agricultural Re-
20 search, Extension, and Teaching Policy Act of 1977 (7
21 U.S.C. 3222(a) (as amended by section 757(b)) is amend-
22 ed by striking paragraph (5) and inserting the following:

23 “(5) CARRYOVER.—

24 “(A) IN GENERAL.—The balance of any
25 annual funds provided to an eligible institution

1 for a fiscal year under this section that remains
2 unexpended at the end of the fiscal year may
3 be carried over for use during the following fis-
4 cal year.

5 “(B) FAILURE TO EXPEND FULL
6 AMOUNT.—If any unexpended balance carried
7 over by an eligible institution is not expended
8 by the end of the second fiscal year, an amount
9 equal to the unexpended balance shall be de-
10 ducted from the next succeeding annual allot-
11 ment to the eligible institution.”.

12 **SEC. 759. REPORTING OF TECHNOLOGY TRANSFER ACTIVI-**
13 **TIES.**

14 Section 1445(c)(3) of the National Agriculture Re-
15 search, Extension, and Teaching Policy Act of 1977 (7
16 U.S.C. 3222(c)(3)) is amended by adding at the end the
17 following:

18 “(F) The technology transfer activities
19 conducted with respect to federally-funded agri-
20 cultural research.”.

1 **SEC. 760. GRANTS TO UPGRADE AGRICULTURAL AND FOOD**
2 **SCIENCES FACILITIES AT 1890 LAND-GRANT**
3 **COLLEGES, INCLUDING TUSKEGEE UNIVER-**
4 **SITY.**

5 Section 1447(b) of the National Agricultural Re-
6 search, Extension, and Teaching Policy Act of 1977 (7
7 U.S.C. 3222b(b)) is amended by striking “\$15,000,000
8 for each of fiscal years 1996 through 2002” and inserting
9 “\$25,000,000 for each of fiscal years 2002 through
10 2006”.

11 **SEC. 761. NATIONAL RESEARCH AND TRAINING CENTEN-**
12 **NIAL CENTERS.**

13 Section 1448 of the National Agricultural Research,
14 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
15 3222c) is amended by striking “2002” each place it ap-
16 pears in subsections (a)(1) and (f) and inserting “2006”.

17 **SEC. 762. MATCHING FUNDS REQUIREMENT FOR RE-**
18 **SEARCH AND EXTENSION ACTIVITIES.**

19 Section 1449 of the National Agricultural Research,
20 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
21 3222d) is amended by striking subsections (c) and (d) and
22 inserting the following:

23 “(c) MATCHING FORMULA.—

24 “(1) IN GENERAL.—For each of fiscal years
25 2003 through 2006, the State shall provide match-
26 ing funds from non-Federal sources.

1 “(2) AMOUNT.—The amount of the matching
2 funds shall be equal to not less than—

3 “(A) for fiscal year 2003, 60 percent of
4 the formula funds to be distributed to the eligi-
5 ble institution; and

6 “(B) for each of fiscal years 2004 through
7 2006, 110 percent of the amount required
8 under this paragraph for the previous fiscal
9 year.

10 “(d) WAIVERS.—Notwithstanding subsection (f), for
11 any of fiscal years 2003 through 2006, the Secretary may
12 waive the matching funds requirement under subsection
13 (c) for any amount above the level of 50 percent for an
14 eligible institution of a State if the Secretary determines
15 that the State will be unlikely to meet the matching re-
16 quirement.”.

17 **CHAPTER 4—LAND-GRANT INSTITUTIONS**

18 **SEC. 771. DISTANCE EDUCATION GRANTS PROGRAM FOR**

19 **INSULAR AREA LAND-GRANT INSTITUTIONS.**

20 The National Agricultural Research, Extension, and
21 Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is
22 amended by adding at the end the following:

1 **“Subtitle N—Land Grant**
2 **Institutions in Insular Areas**

3 **“SEC. 1484. DISTANCE EDUCATION GRANTS FOR INSULAR**
4 **AREAS.**

5 “(a) IN GENERAL.—The Secretary may make com-
6 petitive or noncompetitive grants to State cooperative in-
7 stitutions in insular areas to strengthen the capacity of
8 State cooperative institutions to carry out distance food
9 and agricultural education programs using digital network
10 technologies.

11 “(b) USE.—Grants made under this section shall be
12 used—

13 “(1) to acquire the equipment, instrumentation,
14 networking capability, hardware and software, dig-
15 ital network technology, and infrastructure necessary
16 to teach students and teachers about technology in
17 the classroom;

18 “(2) to develop and provide educational services
19 (including faculty development) to prepare students
20 or faculty seeking a degree or certificate that is ap-
21 proved by the State or a regional accrediting body
22 recognized by the Secretary of Education;

23 “(3) to provide teacher education, library and
24 media specialist training, and preschool and teacher
25 aid certification to individuals who seek to acquire or

1 enhance technology skills in order to use technology
2 in the classroom or instructional process;

3 “(4) to implement a joint project to provide
4 education regarding technology in the classroom
5 with a local educational agency, community-based
6 organization, national nonprofit organization, or
7 business, including a minority business or a business
8 located in a HUBZone established under section 31
9 of the Small Business Act (15 U.S.C. 657a); or

10 “(5) to provide leadership development to ad-
11 ministrators, board members, and faculty of eligible
12 institutions with institutional responsibility for tech-
13 nology education.

14 “(c) LIMITATION ON USE OF GRANT FUNDS.—
15 Funds provided under this section shall not be used for
16 the planning, acquisition, construction, rehabilitation, or
17 repair of a building or facility.

18 “(d) ADMINISTRATION OF PROGRAM.—The Secretary
19 may carry out this section in a manner that recognizes
20 the different needs and opportunities for State cooperative
21 institutions in the Atlantic and Pacific Oceans.

22 “(e) MATCHING REQUIREMENT.—

23 “(1) IN GENERAL.—The Secretary may estab-
24 lishment a requirement that a State cooperative in-
25 stitution receiving a grant under this section shall

1 provide matching funds from non-Federal sources in
 2 an amount equal to not less than 50 percent of the
 3 grant.

4 “(2) WAIVERS.—If the Secretary establishes a
 5 matching requirement under paragraph (1), the re-
 6 quirement shall include an option for the Secretary
 7 to waive the requirement for an insular area State
 8 cooperative institution for any fiscal year if the Sec-
 9 retary determines that the institution will be unlikely
 10 to meet the matching requirement for the fiscal
 11 year.

12 “(f) AUTHORIZATION OF APPROPRIATIONS.—There
 13 is authorized to be appropriated to carry out this section
 14 \$4,000,000 for each of fiscal years 2002 through 2006.”.

15 **SEC. 772. MATCHING REQUIREMENTS FOR RESEARCH AND**
 16 **EXTENSION FORMULA FUNDS FOR INSULAR**
 17 **AREA LAND-GRANT INSTITUTIONS.**

18 (a) EXPERIMENT STATIONS.—Section 3(d) of the
 19 Hatch Act of 1887 (7 U.S.C. 361c(d)) is amended by
 20 striking paragraph (4) and inserting the following:

21 “(4) EXCEPTION FOR INSULAR AREAS.—

22 “(A) IN GENERAL.—Effective beginning
 23 for fiscal year 2003, in lieu of the matching
 24 funds requirement of paragraph (1), the insular
 25 areas of the Commonwealth of Puerto Rico,

1 Guam, and the Virgin Islands of the United
2 States shall provide matching funds from non-
3 Federal sources in an amount equal to not less
4 than 50 percent of the formula funds distrib-
5 uted by the Secretary to each of the insular
6 areas, respectively, under this section.

7 “(B) WAIVERS.—The Secretary may waive
8 the matching fund requirement of subparagraph
9 (A) for any fiscal year if the Secretary deter-
10 mines that the government of the insular area
11 will be unlikely to meet the matching require-
12 ment for the fiscal year.”.

13 (b) COOPERATIVE AGRICULTURAL EXTENSION.—
14 Section 3(e) of the Smith-Lever Act (7 U.S.C. 343(e)) is
15 amended by striking paragraph (4) and inserting the fol-
16 lowing:

17 “(4) EXCEPTION FOR INSULAR AREAS.—

18 “(A) IN GENERAL.—Effective beginning
19 for fiscal year 2003, in lieu of the matching
20 funds requirement of paragraph (1), the insular
21 areas of the Commonwealth of Puerto Rico,
22 Guam, and the Virgin Islands of the United
23 States shall provide matching funds from non-
24 Federal sources in an amount equal to not less
25 than 50 percent of the formula funds distrib-

1 uted by the Secretary to each of the insular
2 areas, respectively, under this section.

3 “(B) WAIVERS.—The Secretary may waive
4 the matching fund requirement of subparagraph
5 (A) for any fiscal year if the Secretary deter-
6 mines that the government of the insular area
7 will be unlikely to meet the matching require-
8 ment for the fiscal year.”.

9 **SEC. 773. EDUCATION GRANTS FOR PACIFIC ISLANDER**
10 **SERVING INSTITUTIONS.**

11 Section 759(b) of the Agriculture, Rural Develop-
12 ment, Food and Drug Administration, and Related Agen-
13 cies Appropriations Act, 2000 (7 U.S.C. 3242(b)), is
14 amended—

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

17 (2) by inserting after the subsection heading
18 the following:

19 “(1) DEFINITION OF PACIFIC ISLANDER SERV-
20 ING INSTITUTION.—In this subsection, the term ‘Pa-
21 cific Islander serving institution’ includes—

22 “(A) a land-grant institution in Guam,
23 American Samoa, or the Commonwealth of the
24 Northern Mariana Islands; and

25 “(B) the College of Micronesia.”;

1 (3) in paragraph (2) (as so redesignated), by
 2 striking “Native Hawaiian serving institutions” the
 3 second place it appears and inserting “Native Ha-
 4 waiian serving institutions or Pacific Islander serv-
 5 ing institutions; and

6 (4) in paragraph (3) (as so redesignated)—

7 (A) by striking “Native Hawaiian serving
 8 institutions” each place it appears and inserting
 9 “Native Hawaiian serving institutions or Pacific
 10 Islander serving institutions”; and

11 (B) in subparagraph (C), by inserting
 12 “and affiliated Pacific insular areas served by
 13 Pacific Islander serving institutions” after
 14 “United States”.

15 **CHAPTER 5—LAND-GRANT INSTITUTIONS**

16 **SEC. 776. PRIORITY-SETTING PROCESS.**

17 Section 102(c) of the Agricultural Research, Exten-
 18 sion, and Education Reform Act of 1998 (7 U.S.C.
 19 7612(c)) is amended—

20 (1) by striking “establish and implement a
 21 process for obtaining” and inserting “obtain public”;
 22 and

23 (2) by striking the period at the end and insert-
 24 ing the following: “through a process that reflects
 25 transparency and opportunity for input from diverse

1 agricultural crop, geographic, and cultural commu-
2 nities.”.

3 **Subtitle E—Other Laws**

4 **SEC. 781. CRITICAL AGRICULTURAL MATERIALS.**

5 Section 16(a) of the Critical Agricultural Materials
6 Act (7 U.S.C. 178n(a)) is amended by striking “2002”
7 and inserting “2006”.

8 **SEC. 782. RESEARCH FACILITIES.**

9 Section 6(a) of the Research Facilities Act (7 U.S.C.
10 390d(a)) is amended by striking “2002” and inserting
11 “2006”.

12 **SEC. 783. FEDERAL AGRICULTURAL RESEARCH FACILITIES.**

13 Section 1431 of the National Agricultural Research,
14 Extension, and Teaching Policy Act Amendments of 1985
15 (Public Law 99–198; 99 Stat. 1556) is amended by strik-
16 ing “2002” and inserting “2006”.

17 **SEC. 784. COMPETITIVE, SPECIAL, AND FACILITIES RE-** 18 **SEARCH GRANTS.**

19 The Competitive, Special, and Facilities Research
20 Grant Act (7 U.S.C. 450i) is amended in subsection (b)—

21 (1) in paragraph (2), by striking “in—” and all
22 that follows and inserting “, as those needs are de-
23 termined by the Secretary, in consultation with the
24 National Agricultural Research, Extension, Edu-
25 cation, and Economics Advisory Board, not later

1 than July 1 of each fiscal year for the purposes of
2 the following fiscal year.”; and

3 (2) in paragraph (10), by striking “2002” and
4 inserting “2006”.

5 **SEC. 785. RISK MANAGEMENT EDUCATION FOR BEGINNING**
6 **FARMERS AND RANCHERS.**

7 Section 524(a)(3) of the Federal Crop Insurance Act
8 (7 U.S.C. 1524(a)(3)) is amended by striking subpara-
9 graph (A) and inserting the following:

10 “(A) **AUTHORITY.**— The Secretary, acting
11 through the Cooperative State Research, Edu-
12 cation, and Extension Service, shall establish a
13 program under which competitive grants are
14 made to qualified public and private entities
15 (including land-grant colleges and universities,
16 cooperative extension services, colleges or uni-
17 versities, and community colleges), as deter-
18 mined by the Secretary, for the purpose of—

19 “(i) educating producers generally
20 about the full range of risk management
21 activities, including futures, options, agri-
22 cultural trade options, crop insurance, cash
23 forward contracting, debt reduction, pro-
24 duction diversification, farm resources risk

1 reduction, and other risk management
2 strategies; or

3 “(ii) educating beginning farmers and
4 ranchers—

5 “(I) in the areas described in
6 clause (i); and

7 “(II) in risk management strate-
8 gies, as part of programs that are
9 specifically targeted at beginning
10 farmers and ranchers.”.

11 **SEC. 786. AQUACULTURE.**

12 Section 10 of the National Aquaculture Act of 1980
13 (16 U.S.C. 2809) is amended by striking “2002” each
14 place it appears and inserting “2006”.

15 **SEC. 787. BIOMASS RESEARCH AND DEVELOPMENT.**

16 Sections 307(f) and 310 of the Biomass Research
17 and Development Act of 2000 (7 U.S.C. 7624 note; Public
18 Law 106–224) are amended by striking “2005” each place
19 it appears and inserting “2006”.

20 **Subtitle F—New Authorities**

21 **SEC. 791. DEFINITIONS.**

22 In this subtitle:

23 (1) DEPARTMENT.—The term “Department”
24 means the Department of Agriculture.

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

3 **SEC. 792. REGULATORY AND INSPECTION RESEARCH.**

4 (a) DEFINITIONS.—In this section:

5 (1) INSPECTION OR REGULATORY AGENCY OF
6 THE DEPARTMENT.—The term “inspection or regu-
7 latory agency of the Department” includes—

8 (A) the Animal and Plant Health Inspec-
9 tion Service;

10 (B) the Food Safety and Inspection Serv-
11 ice;

12 (C) the Grain Inspection, Packers, and
13 Stockyards Administration; and

14 (D) the Agricultural Marketing Service.

15 (2) URGENT APPLIED RESEARCH NEEDS.—The
16 term “urgent, applied research needs” includes re-
17 search necessary to carry out—

18 (A) agricultural marketing programs;

19 (B) programs to protect the animal and
20 plant resources of the United States; and

21 (C) educational programs or special studies
22 to improve the safety of the food supply of the
23 United States.

1 (b) **TIMELY COST-EFFECTIVE RESEARCH.**—To meet
2 the urgent applied research needs of inspection or regu-
3 latory agencies of the Department, the Secretary—

4 (1) may use a public or private source; and

5 (2) shall use the most practicable source to pro-
6 vide timely, cost-effective means of providing the re-
7 search.

8 (c) **CONFLICTS OF INTEREST.**—The Secretary shall
9 establish guidelines to prevent any conflict of interest that
10 may arise if an inspection or regulatory agency of the De-
11 partment obtains research from any Federal agency the
12 work or technology transfer efforts of which are funded
13 in part by an industry subject to the jurisdiction of the
14 inspection or regulatory agency of the Department.

15 (d) **REGULATIONS.**—The Secretary may promulgate
16 such regulations as are necessary to carry out this section.

17 **SEC. 793. EMERGENCY RESEARCH TRANSFER AUTHORITY.**

18 (a) **IN GENERAL.**—Subject to subsection (b), in addi-
19 tion to any other authority that the Secretary may have
20 to transfer appropriated funds, the Secretary may transfer
21 up to 2 percent of any appropriation made available to
22 an office or agency of the Department for a fiscal year
23 for agricultural research, extension, marketing, animal
24 and plant health, nutrition, food safety, nutrition edu-
25 cation, or forestry programs to any other appropriation

1 for an office or agency of the Department for emergency
2 research, extension, or education activities needed to ad-
3 dress imminent threats to animal and plant health, food
4 safety, or human nutrition, including bioterrorism.

5 (b) LIMITATIONS.—The Secretary may transfer
6 funds under subsection (a) only—

7 (1) on a determination by the Secretary that
8 the need is so imminent that the need will not be
9 timely met by annual, supplemental, or emergency
10 appropriations;

11 (2) in an aggregate amount that does not ex-
12 ceed \$5,000,000 for any fiscal year; and

13 (3) with the approval of the Director of the Of-
14 fice of Management and Budget.

15 **SEC. 794. REVIEW OF AGRICULTURAL RESEARCH SERVICE.**

16 (a) IN GENERAL.—The Secretary shall conduct a re-
17 view of the purpose, efficiency, effectiveness, and impact
18 on agricultural research of the Agricultural Research
19 Service.

20 (b) ADMINISTRATION.—In conducting the review, the
21 Secretary shall use persons outside the Department,
22 including—

23 (1) Federal scientists;

24 (2) college and university faculty;

25 (3) private and nonprofit scientists; or

1 (2) meets such other criteria as the Secretary
2 may establish.

3 (b) PROGRAM.—The Secretary shall establish a be-
4 ginning farmer and rancher development program to fos-
5 ter training, education, outreach, and technical assistance
6 initiatives for beginning farmers or ranchers.

7 (c) GRANTS.—

8 (1) IN GENERAL.—In carrying out this section,
9 the Secretary may make competitive grants to sup-
10 port new and established local and regional training,
11 education, outreach, and technical assistance initia-
12 tives for beginning farmers or ranchers, including
13 programs and services (as appropriate) relating to—

14 (A) mentoring, apprenticeships, and in-
15 ternships;

16 (B) resources and referral;

17 (C) assisting beginning farmers or ranch-
18 ers in acquiring land from retiring farmers and
19 ranchers;

20 (D) innovative farm and ranch transfer
21 strategies;

22 (E) entrepreneurship and business train-
23 ing;

24 (F) model land leasing contracts;

25 (G) financial management training;

- 1 (H) whole farm planning;
2 (I) conservation assistance;
3 (J) risk management education;
4 (K) diversification and marketing strate-
5 gies;
6 (L) curriculum development;
7 (M) understanding the impact of combina-
8 tion and globalization;
9 (N) basic livestock and crop farming prac-
10 tices;
11 (O) the acquisition and management of ag-
12 ricultural credit;
13 (P) environmental compliance;
14 (Q) information processing; and
15 (R) other similar subject areas of use to
16 beginning farmers or ranchers.
- 17 (2) ELIGIBILITY.—To be eligible to receive a
18 grant under this subsection, the recipient shall be a
19 collaborative State, local, or regionally-based net-
20 work or partnership of public or private entities,
21 which may include—
- 22 (A) a State cooperative extension service;
23 (B) a Federal or State agency;
24 (C) a community-based and nongovern-
25 mental organization;

1 (D) a college or university (including an
2 institution awarding an associate's degree); or

3 (E) any other appropriate entities, as de-
4 termined by the Secretary.

5 (3) TERM OF GRANT.—The term of a grant
6 under this subsection shall not exceed 3 years.

7 (4) MATCHING REQUIREMENT.—To be eligible
8 to receive a grant under this subsection, a recipient
9 shall provide a match in the form of cash or in-kind
10 contributions in an amount equal to 25 percent of
11 the funds provided by the grant.

12 (5) SET-ASIDE.—Not less than 25 percent of
13 funds used to carry out this subsection for a fiscal
14 year shall be used to support programs and services
15 that address the needs of limited resource and so-
16 cially disadvantaged beginning farmers or ranchers.

17 (6) PROHIBITION.—A grant made under this
18 subsection may not be used for the planning, repair,
19 rehabilitation, acquisition, or construction of a build-
20 ing or facility.

21 (d) EDUCATION TEAMS.—

22 (1) IN GENERAL.—The Secretary shall estab-
23 lish, and develop curricula for, beginning farmer and
24 rancher education teams to conduct educational pro-
25 grams and workshops for beginning farmers or

1 ranchers in diverse geographical areas of the United
2 States.

3 (2) CURRICULUM.—In developing the curricula
4 for the education teams, the Secretary shall, to the
5 maximum extent practicable, include modules tai-
6 lored to specific audiences of beginning farmers or
7 ranchers, based on crop or regional diversity.

8 (3) COMPOSITION.—In establishing an edu-
9 cation team for a specific program or workshop, the
10 Secretary shall, to the maximum extent
11 practicable—

12 (A) obtain the short-term services of spe-
13 cialists with knowledge and expertise in pro-
14 grams serving beginning farmers or ranchers;
15 and

16 (B) use officers and employees of the De-
17 partment with direct experience in programs of
18 the Department that may be taught as part of
19 the curriculum for the program or workshop.

20 (4) COOPERATION.—In carrying out this sub-
21 section, the Secretary shall cooperate, to the max-
22 imum extent practicable, with—

23 (A) State cooperative extension services;

24 (B) Federal and State agencies;

1 (C) community-based and nongovernmental
2 organizations;

3 (D) colleges and universities (including
4 community colleges) or foundations maintained
5 by a college or university; and

6 (E) other appropriate entities, as deter-
7 mined by the Secretary.

8 (e) CURRICULUM AND TRAINING CLEARINGHOUSE.—
9 The Secretary shall establish an online clearinghouse that
10 makes available to beginning farmers or ranchers edu-
11 cation curricula and training materials and programs,
12 which may include online courses for direct use by begin-
13 ning farmers or ranchers.

14 (f) STAKEHOLDER INPUT.—In carrying out this sec-
15 tion, the Secretary shall seek stakeholder input from—

16 (1) beginning farmers and ranchers; and

17 (2) national, State, and local organizations, and
18 other persons, with expertise in operating beginning
19 farmer and rancher programs.

20 (g) PARTICIPATION BY OTHER FARMERS AND
21 RANCHERS.—Nothing in this section prohibits the Sec-
22 retary from allowing farmers and ranchers who are not
23 beginning farmers or ranchers from participating in pro-
24 grams authorized under this section to the extent that the
25 Secretary determines that such participation is appro-

1 priate and will not detract from the primary purpose of
2 educating beginning farmers and ranchers.

3 (h) FUNDING.—

4 (1) FEES AND CONTRIBUTIONS.—

5 (A) IN GENERAL.—The Secretary may—

6 (i) charge a fee to cover all or part of
7 the costs of curriculum development and
8 the delivery of programs or workshops pro-
9 vided by—

10 (I) a beginning farmer and
11 rancher education team established
12 under subsection (d); or

13 (II) the online clearinghouse es-
14 tablished under subsection (e); and

15 (ii) notwithstanding chapter 63 of
16 title 31, United States Code, accept con-
17 tributions from cooperating entities to
18 cover all or part of the costs for the deliv-
19 ery of programs or workshops by the be-
20 ginning farmer and rancher education
21 teams.

22 (B) AVAILABILITY.—Fees and contribu-
23 tions received by the Secretary under subpara-
24 graph (A) shall—

1 (i) be deposited in the account that
2 incurred the costs to carry out this section,
3 to remain available to the Secretary with-
4 out further appropriation and remain
5 available until expended; and

6 (ii) be in addition to any funds made
7 available under paragraph (2).

8 (2) AUTHORIZATION OF APPROPRIATIONS.—
9 There is authorized to be appropriated to carry out
10 this section \$10,000,000 for each of fiscal years
11 2002 through 2006.

12 **SEC. 797. SENSE OF CONGRESS REGARDING DOUBLING OF**
13 **FUNDING FOR AGRICULTURAL RESEARCH**
14 **AND INCREASING CAPACITY FOR RESEARCH**
15 **ON BIOSECURITY AND ANIMAL AND PLANT**
16 **HEALTH DISEASES.**

17 (a) DOUBLING OF FUNDING FOR AGRICULTURAL RE-
18 SEARCH.—It is the sense of Congress that—

19 (1) Federal funding for food and agricultural
20 research has been essentially constant for 2 decades,
21 putting at risk the scientific base on which food and
22 agricultural advances have been made;

23 (2) the resulting increase in the relative propor-
24 tion of private sector, industry investments in food
25 and agricultural research has led to questions about

1 the independence and objectivity of research and
2 outreach conducted by the Federal and university re-
3 search sectors; and

4 (3) funding for food and agricultural research
5 should be at least doubled over the next 5 fiscal
6 years—

7 (A) to restore the balance between public
8 and private sector funding for food and agricul-
9 tural research; and

10 (B) to maintain the scientific base on
11 which food and agricultural advances are made.

12 (b) INCREASING CAPACITY FOR RESEARCH ON BIO-
13 SECURITY AND ANIMAL AND PLANT HEALTH DIS-
14 EASES.—It is the sense of Congress that funding for the
15 Agricultural Research Service, the Animal and Plant
16 Health Inspection Service, and other agencies of the De-
17 partment of Agriculture with responsibilities for biosecu-
18 rity should be increased as necessary to improve the capac-
19 ity of the agencies to conduct research and analysis of,
20 and respond to, bioterrorism and animal and plant dis-
21 eases.

22 **SEC. 798. RURAL POLICY RESEARCH.**

23 (a) IN GENERAL.—The Secretary may award com-
24 petitive research grants for policy research and analysis
25 of rural issues relating to—

- 1 (1) rural sociology;
- 2 (2) effects of demographic change, including
- 3 aging population, outmigration, and labor resources;
- 4 (3) needs of groups of rural citizens, including
- 5 senior citizens, families, youth, children, and socially
- 6 disadvantaged individuals;
- 7 (4) rural community development;
- 8 (5) rural infrastructure, including water and
- 9 waste, community facilities, telecommunications,
- 10 electricity, and high-speed broadband services;
- 11 (6) rural business development, including cred-
- 12 it, venture capital, cooperatives, and value-added en-
- 13 terprises;
- 14 (7) farm management, including strategic plan-
- 15 ning, business and marketing opportunities, risk
- 16 management, natural resources and environmental
- 17 management, and intergenerational transfer strate-
- 18 gies;
- 19 (8) rural education and extension programs, in-
- 20 cluding methods of delivery, availability of resources,
- 21 and use of distance learning; and
- 22 (9) rural health, including mental health, on-
- 23 farm safety, and food safety.
- 24 (b) REQUIREMENTS.—In making grants under this
- 25 section, the Secretary shall—

1 (1) solicit and consider public input from per-
2 sons who conduct or use agricultural research, ex-
3 tension, education, or rural development programs;
4 and

5 (2) ensure that funded proposals will provide
6 high-quality research that may be of use to public
7 policymakers and private entities in making deci-
8 sions that affect development in rural areas.

9 (c) ELIGIBLE GRANTEES.—The Secretary may make
10 a grant under this section to—

11 (1) an individual;

12 (2) a college or university or a research founda-
13 tion maintained by a college or university;

14 (3) a State cooperative institution;

15 (4) a community college;

16 (5) a nonprofit organization, institution, or as-
17 sociation;

18 (6) a business association;

19 (7) an agency of a State, local, or tribal govern-
20 ment; or

21 (8) a regional partnership of public and private
22 agencies.

23 (d) TERM.—A grant under this section shall have a
24 term that does not exceed 5 years.

25 (e) MATCHING FUNDS.—

1 (1) IN GENERAL.—Subject to paragraph (2),
2 the Secretary may require as a condition of the
3 grant that the grant funding be matched, in whole
4 or in part, with matching funds from a non-Federal
5 source.

6 (2) BUSINESS ASSOCIATIONS.—The Secretary
7 shall require that a grant to a business association
8 be matched with equal matching funds from a non-
9 Federal source.

10 (f) ADMINISTRATIVE COSTS.—The Secretary may use
11 not more than 4 percent of the funds made available for
12 grants under this section to pay administrative costs in-
13 curred by the Secretary in carrying out this section.

14 (g) AUTHORIZATION OF APPROPRIATIONS.—

15 (1) IN GENERAL.—There are authorized to be
16 appropriated such sums as are necessary to carry
17 out this section.

18 (2) AVAILABILITY OF FUNDS.—Funds for
19 grants under this section shall be available to the
20 Secretary for obligation for a 2-year period.

21 **SEC. 798A. PRIORITY FOR FARMERS AND RANCHERS PAR-**
22 **TICIPATING IN CONSERVATION PROGRAMS.**

23 In carrying out new on-farm research or extension
24 programs or projects authorized by this Act or any Act
25 enacted after the date of enactment of this Act, the Sec-

1 retary of Agriculture shall give priority to using farms or
2 ranches of farmers or ranchers that participate in Federal
3 agricultural conservation programs.

4 **Subtitle G—Administration**

5 **SEC. 799. EFFECT OF AMENDMENTS.**

6 (a) IN GENERAL.—Except as otherwise specifically
7 provided in this title and notwithstanding any other provi-
8 sion of law, this title and the amendments made by this
9 title shall not affect the authority of the Secretary of Agri-
10 culture to carry out a research, extension, or education
11 program for any of the 1996 through 2002 fiscal years
12 under a provision of law in effect immediately before the
13 enactment of this Act.

14 (b) LIABILITY.—A provision of this title or an
15 amendment made by this title shall not affect the liability
16 of any person under any provision of law as in effect im-
17 mediately before the enactment of this Act.

18 **TITLE VIII—FORESTRY**

19 **SEC. 801. OFFICE OF INTERNATIONAL FORESTRY.**

20 Section 2405(d) of the Global Climate Change Pre-
21 vention Act of 1990 (7 U.S.C. 6704(d)) is amended by
22 striking “2002” and inserting “2006”.

23 **SEC. 802. RENEWABLE RESOURCES EXTENSION ACTIVITIES.**

24 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
25 6 of the Renewable Resources Extension Act of 1978 (16

1 U.S.C. 1675) is amended in the first sentence by striking
2 “2002” and inserting “2006”.

3 (b) EFFECTIVE DATE.—Section 8 of the Renewable
4 Resources Extension Act of 1978 (16 U.S.C. 1671 note;
5 Public Law 95–306) is amended by striking “2000” and
6 inserting “2006”.

7 **SEC. 803. FORESTRY INCENTIVES PROGRAM.**

8 Section 4(j) of the Cooperative Forestry Assistance
9 Act of 1978 (16 U.S.C. 2103(j)) is amended by striking
10 “2002” and inserting “2006”.

11 **SEC. 804. SUSTAINABLE FORESTRY ASSISTANCE PROGRAM.**

12 The Cooperative Forestry Assistance Act of 1978 is
13 amended by striking section 6 (16 U.S.C. 2103b) and in-
14 serting the following:

15 **“SEC. 6. SUSTAINABLE FORESTRY ASSISTANCE PROGRAM.**

16 “(a) FINDINGS AND PURPOSES.—

17 “(1) FINDINGS.—Congress finds that—

18 “(A) the United States is becoming in-
19 creasingly dependent on nonindustrial private
20 forest land to supply necessary market com-
21 modities and nonmarket values;

22 “(B) there is a strong demand for ex-
23 panded assistance programs for owners of non-
24 industrial private forest land because the major-

1 ity of the wood supply of the United States
2 comes from nonindustrial private forest land;

3 “(C) the soil and water and air quality of
4 the United States would be maintained and im-
5 proved through good stewardship of nonindus-
6 trial private forest land;

7 “(D) the products and services resulting
8 from stewardship of nonindustrial private forest
9 land provide income and employment that con-
10 tribute to the economic health and diversity of
11 rural communities;

12 “(E) catastrophic wildfires threaten human
13 lives, property, forests, and other resources;

14 “(F) Federal and State cooperation in for-
15 est fire prevention and control has proven effec-
16 tive and valuable because properly managed for-
17 est stands are less susceptible to catastrophic
18 fire, as demonstrated by the catastrophic fire
19 seasons of 1998 and 2000;

20 “(G) owners of private nonindustrial forest
21 land are being faced with increased pressure to
22 make that land available for development and
23 other uses;

24 “(H)(i) complex, long-rotation forest in-
25 vestments, including sustainable hardwood man-

1 agement are often the most difficult commit-
2 ments for owners of small areas of nonindus-
3 trial private forest land; and

4 “(ii) such investments in a small area of
5 nonindustrial private forest land should receive
6 consideration equal to that given to owners of
7 larger areas of nonindustrial private forest land
8 under cost-share programs; and

9 “(I) the investment of a single Federal dol-
10 lar in State and private forestry programs is es-
11 timated to leverage, on the average, \$9 from
12 State, local, and private sources.

13 “(2) PURPOSES.—The purposes of this section
14 are—

15 “(A) to strengthen the commitment of the
16 Secretary to sustainable forestry; and

17 “(B) to establish a coordinated and cooper-
18 ative Federal, State, and local sustainable for-
19 estry program for the establishment, manage-
20 ment, maintenance, enhancement, and restora-
21 tion of forests on nonindustrial private forest
22 land.

23 “(b) DEFINITIONS.—In this section:

1 “(1) COMMITTEE.—The term ‘Committee’
2 means a State Forest Stewardship Coordinating
3 Committee.

4 “(2) INDIAN TRIBE.—The term ‘Indian tribe’
5 has the meaning given the term in section 4 of the
6 Indian Self-Determination and Education Assistance
7 Act (25 U.S.C. 450b).

8 “(3) INITIATIVE.—The term ‘initiative’ means
9 the Sustainable Forestry Assistance Program estab-
10 lished under subsection (c)(1).

11 “(4) MANAGEMENT PLAN.—The term ‘manage-
12 ment plan’ means a stewardship, forest, or stand
13 management plan submitted under subsection
14 (f)(3)(A).

15 “(5) NONINDUSTRIAL PRIVATE FOREST
16 LAND.—The term ‘nonindustrial private forest land’
17 means rural land, as determined by the Secretary,
18 that—

19 “(A)(i) has existing tree cover; or

20 “(ii) is suitable for growing trees; and

21 “(B) is owned by any nonindustrial private
22 individual, group, association, corporation, In-
23 dian tribe, or other private legal entity.

24 “(6) OWNER.—The term ‘owner’ means an
25 owner of nonindustrial private forest land.

1 “(7) STATE FORESTER.—The term ‘State for-
2 ester’ means the director or other head of a State
3 forestry agency (or an equivalent State official).

4 “(c) ESTABLISHMENT.—

5 “(1) IN GENERAL.—In consultation with State
6 foresters, the Secretary shall establish a sustainable
7 forestry assistance program to—

8 “(A) provide financial, technical, edu-
9 cational, and related assistance to State for-
10 esters; and

11 “(B) encourage the long-term sustain-
12 ability of nonindustrial private forest land in
13 the United States by assisting the owners of
14 nonindustrial private forest land in more ac-
15 tively managing the nonindustrial private forest
16 land and related resources of those owners
17 through the use of State, Federal, and private
18 sector resource management expertise, financial
19 assistance, and educational programs.

20 “(2) COORDINATION.—The Secretary shall im-
21 plement the initiative in coordination with—

22 “(A) the Committees; and

23 “(B) State foresters.

24 “(d) STATE PRIORITY PLAN.—As a condition of re-
25 ceipt of funding under the initiative, a State shall develop,

1 in consultation with the committee of the State, and sub-
2 mit to the Secretary, a 5-year plan that describes the
3 funding priorities of the State in meeting the goals of the
4 initiative.

5 “(e) OBJECTIVES.—In implementing the initiative,
6 the Secretary shall allocate resources of the Secretary
7 among States in accordance with subsection (k) to ensure,
8 in accordance with the plan of each State described in sub-
9 section (d)—

10 “(1) the investment in practices to establish, re-
11 store, protect, manage, maintain, and enhance the
12 health and productivity of the nonindustrial private
13 forest land in the United States;

14 “(2) the occurrence of afforestation, reforest-
15 ation, improvement of poorly stocked stands, timber
16 stand improvement, practices necessary to improve
17 seedling growth and survival, and growth enhance-
18 ment practices as needed to enhance and sustain the
19 long-term productivity of timber and nontimber for-
20 est resources to—

21 “(A) meet projected public demand for for-
22 est resources; and

23 “(B) provide environmental benefits;

24 “(3) the protection of riparian buffers and for-
25 est wetland;

1 “(4) the preservation of fish and wildlife habi-
2 tat;

3 “(5) the enhancement of soil and water quality;

4 “(6) through the use of agroforestry practices,
5 the reduction of soil erosion and maintenance of soil
6 quality;

7 “(7) the maintenance and enhancement of the
8 forest landbase;

9 “(8) the reduction of the threat of catastrophic
10 wildfires; and

11 “(9) the preservation of aesthetic quality and
12 opportunities for outdoor recreation.

13 “(f) ELIGIBILITY.—

14 “(1) CONDITIONS.—

15 “(A) IN GENERAL.—An owner shall be eli-
16 gible to receive cost-share assistance under the
17 initiative if the owner—

18 “(i) agrees to develop and implement,
19 in cooperation with, and with the approval
20 of, the State forester (or the head of a pri-
21 vate sector program in consultation with
22 the State forester), a management plan (or
23 other written plan) that addresses site-spe-
24 cific activities and practices;

1 “(ii) agrees to implement approved ac-
2 tivities in accordance with a management
3 plan for a period of not less than 10 years,
4 unless the State forester approves a modi-
5 fication to the management plan; and

6 “(iii) except as provided in subpara-
7 graph (B), owns not more than 1,000
8 acres of nonindustrial private forest land.

9 “(B) EXCEPTION FOR SIGNIFICANT PUB-
10 LIC BENEFITS.—Subject to paragraph (2), the
11 Secretary may approve the provision of cost-
12 share assistance to an owner that owns more
13 than 1,000 acres of nonindustrial private forest
14 land if the Secretary, in consultation with the
15 appropriate Committee, determines that signifi-
16 cant public benefits will accrue as a result of
17 the approval.

18 “(2) LIMITATIONS.—

19 “(A) QUANTITY OF LAND.—The Secretary
20 shall not approve the provision of cost-share as-
21 sistance under paragraph (1) to any owner that
22 owns more than 5,000 acres of nonindustrial
23 private forest land.

24 “(B) DUPLICATIVE ASSISTANCE.—An
25 owner shall receive no cost-share assistance for

1 management of nonindustrial private forest
2 land under this section if the owner receives
3 cost-share assistance for that land under the
4 forestry incentives program under section 4.

5 “(3) MANAGEMENT PLAN.—An owner that
6 seeks to enroll nonindustrial private forest land in
7 the initiative shall—

8 “(A) submit to the State forester a man-
9 agement plan that—

10 “(i) meets the requirements of this
11 section; and

12 “(ii)(I) is prepared by a professional
13 resource manager;

14 “(II) identifies and describes projects
15 and activities to be carried out by the
16 owner to protect soil, water, range, aes-
17 thetic quality, recreation, timber, water,
18 wetland, and fish and wildlife resources on
19 the land in a manner that is compatible
20 with the objectives of the owner; and

21 “(III) is approved by the State for-
22 ester; and

23 “(B) agree that all projects and activities
24 conducted on the land shall be consistent with
25 the management plan.

1 “(4) STATE PRIORITIES.—The Secretary, in
2 consultation with the appropriate State forester and
3 Committee, may establish State priorities for cost
4 sharing under the initiative that will promote the
5 forest management objectives of the State.

6 “(g) APPROVED ACTIVITIES.—

7 “(1) IN GENERAL.—The Secretary, in consulta-
8 tion with the appropriate Committee, shall develop
9 for each State a list of approved forest activities and
10 practices eligible for cost-share assistance under the
11 initiative.

12 “(2) TYPES OF ACTIVITIES.—Approved activi-
13 ties and practices under paragraph (1) shall consist
14 of activities and practices to establish, restore, man-
15 age, maintain, and enhance forests and trees
16 through—

17 “(A) the establishment, management,
18 maintenance, and restoration of forests for
19 shelterbelts, windbreaks, aesthetic quality, and
20 other conservation purposes;

21 “(B) the sustainable growth and manage-
22 ment of forests for timber production;

23 “(C) the restoration, use, and enhance-
24 ment of forest wetland and riparian areas;

1 “(D) the protection of water quality and
2 watersheds through—

3 “(i) the application of State-developed
4 forestry best management practices; and

5 “(ii) the planting of trees in riparian
6 areas;

7 “(E) the preservation of habitat for flora
8 and fauna;

9 “(F) the enhanced management and main-
10 tenance of native vegetation on land vital to
11 water quality;

12 “(G)(i) the control, detection, monitoring,
13 and prevention of the spread of invasive species
14 and pests on forest land; and

15 “(ii) the provision of resources for the res-
16 toration of forest land affected by invasive spe-
17 cies and pests;

18 “(H) the conduct of other management ac-
19 tivities, such as the reduction of hazardous fuel
20 use, that reduce the risks to forests posed by,
21 and that restore, recover, and mitigate the dam-
22 age to forests caused by, fire;

23 “(I) the development of management
24 plans;

1 “(J) the management or development of
2 fish and wildlife habitat;

3 “(K) the acquisition of permanent ease-
4 ments to maintain forest cover; and

5 “(L) the conduct of other activities ap-
6 proved by the Secretary, in coordination with
7 the appropriate Committees.

8 “(h) COOPERATION.—In implementing the initiative,
9 the Secretary shall cooperate with—

10 “(1) other Federal, State, and local natural re-
11 source management agencies;

12 “(2) Committees;

13 “(3) institutions of higher education; and

14 “(4) the private sector.

15 “(i) COST SHARING.—

16 “(1) IN GENERAL.—An owner may receive cost-
17 share assistance from the Secretary, as the Sec-
18 retary determines appropriate, for the cost of—

19 “(A) developing a management plan; and

20 “(B) implementing approved projects and
21 activities in accordance with the management
22 plan.

23 “(2) RATE; SCHEDULE.—The Secretary shall
24 determine the rate and timing of cost-share pay-
25 ments.

1 “(3) AMOUNT.—

2 “(A) PERCENTAGE OF COST.—Subject to
3 subparagraph (B), a cost-share payment shall
4 not exceed the lesser of an amount equal to—

5 “(i) 75 percent of the total cost of im-
6 plementing the project or activity; or

7 “(ii) such lesser percentage of the
8 total cost of implementing the project or
9 activity as is determined by the appro-
10 priate State forester.

11 “(B) AGGREGATE PAYMENT LIMIT.—The
12 Secretary shall determine the maximum aggre-
13 gate amount of cost-share payments that an
14 owner may receive under this section.

15 “(j) FAILURE TO COMPLY.—

16 “(1) IN GENERAL.—The Secretary shall estab-
17 lish a procedure to recoup cost-share payments made
18 to an owner under this section in any case in which
19 the owner fails to implement a project or activity in
20 accordance with the management plan.

21 “(2) ADDITIONAL AUTHORITY.—The authority
22 under paragraph (1) is in addition to any other au-
23 thority available to the Secretary.

1 “(k) DISTRIBUTION.—The Secretary shall distribute
2 funds available for cost sharing under the initiative among
3 States only after considering—

4 “(1) the total acreage of nonindustrial private
5 forest land in each State that is environmentally
6 fragile (considering the objectives of the initiative as
7 described in subsection (e));

8 “(2) the potential productivity of that land;

9 “(3) the number of owners eligible for cost
10 sharing in each State;

11 “(4) the opportunities to enhance nontimber re-
12 sources on that land;

13 “(5) the anticipated demand for timber and
14 nontimber resources in each State;

15 “(6) the need to improve forest health to mini-
16 mize the damaging effects of catastrophic fire, in-
17 sects, disease, or weather;

18 “(7) the need and demand for agroforestry
19 practices in each State;

20 “(8) the need to maintain and enhance the for-
21 est landbase; and

22 “(9) the need for afforestation, reforestation,
23 and timber stand improvement.

24 “(l) COMMODITY CREDIT CORPORATION.—

1 “(1) IN GENERAL.—The Secretary shall use the
2 funds, facilities, and authorities of the Commodity
3 Credit Corporation to carry out this section.

4 “(2) FUNDING.—Of the funds of the Com-
5 modity Credit Corporation, the Secretary shall make
6 available to carry out this section \$70,000,000 for
7 each of fiscal years 2003 through 2006.”.

8 **TITLE IX—ENERGY**

9 **SEC. 901. CARBON SEQUESTRATION DEMONSTRATION PRO-** 10 **GRAM.**

11 (a) FINDINGS.—Congress finds that—

12 (1) greenhouse gas emissions resulting from
13 human activity present potential risks and potential
14 opportunities for production agriculture;

15 (2) there is a need to identify cost-effective
16 methods that can be used in the agricultural and
17 forestry sectors to reduce the threat of climate
18 change;

19 (3) deforestation and other land use changes
20 account for approximately 1,600,000,000 of the
21 7,900,000,000 metric tons of the average annual
22 worldwide quantity of carbon emitted during the
23 1990s;

24 (4) ocean and terrestrial systems each seques-
25 tered approximately 2,300,000,000 metric tons of

1 carbon annually, resulting in a sequestration of 60
2 percent of the annual human-induced emissions of
3 carbon during the 1990s;

4 (5) there are opportunities for increasing the
5 quantity of carbon that can be stored in terrestrial
6 systems through improved, human-induced agricul-
7 tural and forestry practices;

8 (6) increasing the carbon content of soil helps
9 to reduce erosion, reduce flooding, minimize the ef-
10 fects of drought, prevent nutrients and pesticides
11 from washing into water bodies, and contribute to
12 water infiltration, air and water holding capacity,
13 and good seed germination and plant growth;

14 (7) tree planting and wetland restoration could
15 play a major role in sequestering carbon and reduc-
16 ing greenhouse gas concentrations in the atmos-
17 phere;

18 (8) nitrogen management is a cost-effective
19 method of addressing nutrient overenrichment in the
20 estuaries of the United States and of reducing emis-
21 sions of nitrous oxide;

22 (9) animal feed and waste management can be
23 cost-effective methods to address water quality
24 issues and reduce emissions of methane; and

25 (10) there is a need to—

1 (A) demonstrate that carbon sequestration
 2 in soils, plants, and forests and reductions in
 3 greenhouse gas emissions through nitrogen and
 4 animal feed and waste management can be
 5 measured and verified; and

6 (B) develop and refine quantification,
 7 verification, and auditing methodologies for car-
 8 bon sequestration and greenhouse gas emission
 9 reductions on a project by project basis.

10 (b) AMENDMENT.—Title IV of the Agricultural Re-
 11 search, Extension, and Education Reform Act of 1998 (7
 12 U.S.C. 7621 et seq.) is amended by adding at the end
 13 the following:

14 **“SEC. 409. CARBON SEQUESTRATION DEMONSTRATION**
 15 **PROGRAM.**

16 “(a) DEFINITIONS.—In this section:

17 “(1) ELIGIBLE PROJECT.—The term ‘eligible
 18 project’ means a project that is likely to result in—

19 “(A) demonstrable reductions in net emis-
 20 sions of greenhouse gases; or

21 “(B) demonstrable net increases in the
 22 quantity of carbon sequestered in soils and for-
 23 ests.

24 “(2) ENVIRONMENTAL TRADE.—The term ‘en-
 25 vironmental trade’ means a transaction between an

1 emitter of a greenhouse gas and an agricultural pro-
2 ducer under which the emitter pays to the agricul-
3 tural producer a fee to sequester carbon or otherwise
4 reduce emissions of greenhouse gases.

5 “(3) PANEL.—The term ‘panel’ means the
6 panel of experts established under subsection
7 (b)(4)(A).

8 “(4) SECRETARY.—The term ‘Secretary’ means
9 the Secretary of Agriculture, acting in consultation
10 with—

11 “(A) the Under Secretary of Agriculture
12 for Natural Resources and Environment;

13 “(B) the Under Secretary of Agriculture
14 for Research, Education, and Economics;

15 “(C) the Chief Economist of the Depart-
16 ment; and

17 “(D) the panel.

18 “(b) DEMONSTRATION PROGRAM.—

19 “(1) ESTABLISHMENT.—The Secretary shall es-
20 tablish a program to provide grants, on a competi-
21 tive, cost-shared basis, to agricultural producers to
22 assist in paying the costs incurred in measuring, es-
23 timating, monitoring, verifying, auditing, and testing
24 methodologies involved in environmental trades (in-

1 including costs incurred in employing independent
2 third persons to carry out those activities).

3 “(2) CONDITIONS FOR RECEIPT OF GRANT.—As
4 a condition of the acceptance of a grant under para-
5 graph (1), an agricultural producer shall—

6 “(A) establish a carbon and greenhouse
7 gas monitoring, verification, and reporting sys-
8 tem that meets such requirements as the Sec-
9 retary shall prescribe; and

10 “(B) under the system and through the
11 use of an independent third party for any nec-
12 essary monitoring, verifying, reporting, and au-
13 diting, measure and report to the Secretary the
14 quantity of carbon sequestered, or the quantity
15 of greenhouse gas emissions reduced, as a re-
16 sult of the conduct of an eligible project.

17 “(3) CRITERIA FOR AWARD OF GRANT.—

18 “(A) IN GENERAL.—In awarding a grant
19 for an eligible project under paragraph (1), the
20 Secretary shall take into consideration—

21 “(i) the likelihood of the eligible
22 project in succeeding in achieving green-
23 house gas emissions reductions and net
24 carbon sequestration increases; and

1 “(ii) the usefulness of the information
2 to be obtained from the eligible project in
3 determining how best to quantify, monitor,
4 and verify sequestered carbon or reduc-
5 tions in greenhouse gas emissions.

6 “(B) PRIORITY CRITERIA.—The Secretary
7 shall give priority in awarding a grant under
8 paragraph (1) to an eligible project that—

9 “(i) involves multiple parties, a whole
10 farm approach, or any other approach,
11 such as the aggregation of land areas, that
12 would—

13 “(I) increase the environmental
14 benefits or reduce the transaction
15 costs of the eligible project; and

16 “(II) reduce the costs of meas-
17 uring, monitoring, and verifying any
18 net sequestration of carbon or net re-
19 duction in greenhouse gas emissions;

20 “(ii) is designed to achieve long-term
21 sequestration of carbon or long-term re-
22 ductions in greenhouse gas emissions;

23 “(iii) is designed to address concerns
24 concerning leakage;

1 “(iv) provides certain other benefits,
2 such as improvements in—
3 “(I) soil fertility;
4 “(II) wildlife habitat;
5 “(III) water quality;
6 “(IV) soil erosion management;
7 and
8 “(V) the use of renewable re-
9 sources to produce energy; or
10 “(v) does not involve the reforestation
11 of land that has been deforested since
12 1990.

13 “(4) PANEL.—

14 “(A) IN GENERAL.—The Secretary shall
15 establish a panel to provide advice and rec-
16 ommendations to the Secretary with respect to
17 criteria for awarding grants under this sub-
18 section.

19 “(B) COMPOSITION.—The panel shall be
20 composed of the following representatives, to be
21 appointed by the Secretary:

22 “(i) Experts from each of—

23 “(I) the Department;

24 “(II) the Environmental Protec-
25 tion Agency; and

1 “(III) the Department of Energy.

2 “(ii) Experts from nongovernmental
3 and academic entities.

4 “(5) PAYMENT OF GRANT FUNDS.—The Sec-
5 retary shall provide a grant awarded under this sec-
6 tion in such number of installments as is necessary
7 to ensure proper implementation of an eligible
8 project.

9 “(c) METHODOLOGY GRANT PROGRAM.—

10 “(1) ESTABLISHMENT.—The Secretary shall es-
11 tablish a program to provide grants to determine the
12 best methodologies for estimating and measuring in-
13 creases or decreases in—

14 “(A) agricultural greenhouse gas emis-
15 sions; and

16 “(B) the quantity of carbon sequestered in
17 soils and forests.

18 “(2) ELIGIBLE RECIPIENTS.—The Secretary
19 shall award a grant under paragraph (1), on a com-
20 petitive basis, to a college or university, or other re-
21 search institution, that seeks to demonstrate the via-
22 bility of a methodology described in paragraph (1).

23 “(d) DISSEMINATION OF INFORMATION.—As soon as
24 practicable after the date of enactment of this section, the
25 Secretary shall establish an Internet site through which

1 agricultural producers may obtain information
2 concerning—

3 “(1) potential environmental trades; and

4 “(2) activities of the Secretary under this sec-
5 tion.

6 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
7 is authorized to be appropriated to carry out this section
8 \$20,000,000 for each of fiscal years 2002 through 2006.

9 **“SEC. 410. PROCUREMENT AND TESTING OF BIOBASED**
10 **PRODUCTS.**

11 “(a) IN GENERAL.—The Secretary, in consultation
12 with the heads of other Federal agencies, shall establish
13 a program to require Federal agencies to purchase
14 biobased products that the Secretary determines are—

15 “(1) environmentally preferable; and

16 “(2) comparable to nonbiobased products in
17 price, availability, and performance.

18 “(b) GRANTS.—The Secretary may make grants to
19 eligible persons (as determined by the Secretary) to assist
20 in collecting data concerning testing of, and performing
21 lifecycle analyses of, biobased products for use in making
22 the determination under subsection (a).

23 “(c) AUTHORIZATION OF APPROPRIATIONS.—There
24 is authorized to be appropriated to carry out this section
25 \$500,000 for each of fiscal years 2003 through 2006.”.

1 **Subtitle A—Agriculture**
2 **Infrastructure Security**

3 **SEC. 1001. AGRICULTURE INFRASTRUCTURE SECURITY**

4 **FUND.**

5 (a) DEFINITIONS.—

6 (1) DEPARTMENT.—The term “Department”
7 means the Department of Agriculture.

8 (2) FUND.—The term “Fund” means the Agri-
9 culture Infrastructure Security Fund Account estab-
10 lished by subsection (b).

11 (3) SECRETARY.—The term “Secretary” means
12 the Secretary of Agriculture.

13 (b) ESTABLISHMENT.—There is established in the
14 Treasury of the United States an account, to be known
15 as the “Agriculture Infrastructure Security Fund Ac-
16 count”, consisting of funds appropriated or transferred to
17 the Fund under subsection (d).

18 (c) PURPOSES.—The purposes of the Fund are to
19 provide funding to protect and strengthen the Federal
20 food safety and agricultural infrastructure that—

21 (1) safeguards against animal and plant dis-
22 eases and pests;

23 (2) ensures the safety of the food supply; and

24 (3) ensures sound science in support of food
25 and agricultural policy.

1 (d) DEPOSITS INTO FUND.—

2 (1) INITIAL APPROPRIATION.—

3 (A) IN GENERAL.—Out of any moneys in
4 the Treasury not otherwise appropriated, there
5 is appropriated to the Fund \$400,000,000 for
6 fiscal year 2002.

7 (B) ENTITLEMENT.—The Secretary—

8 (i) shall be entitled to receive the
9 funds referred to in subparagraph (A); and

10 (ii) shall accept the funds.

11 (2) SUBSEQUENT AUTHORIZATION OF APPRO-
12 PRIATIONS.—There are authorized to be appro-
13 priated to the Fund such sums as are necessary for
14 each of fiscal years 2003 through 2006.

15 (3) CONTRIBUTIONS AND OTHER PROCEEDS.—

16 The Secretary shall deposit into the Fund any funds
17 received—

18 (A) as proceeds from the sale of assets
19 under subsection (f); or

20 (B) as gifts under subsection (g).

21 (4) AVAILABILITY OF FUNDS.—Amounts in the
22 Fund shall remain available until expended without
23 further Act of appropriation.

24 (e) EXPENDITURES FROM FUND.—

1 (1) IN GENERAL.—Subject to paragraph (2), on
2 request by the Secretary, the Secretary of the Treas-
3 ury shall transfer from the Fund to the Secretary,
4 without further appropriation, such amounts as the
5 Secretary determines to be necessary to pay—

6 (A) the costs of planning, design, develop-
7 ment, construction, acquisition, modernization,
8 leasing, and disposal of facilities, equipment,
9 and technology used by the Department in car-
10 rying out programs relating to the purposes
11 specified in subsection (c), notwithstanding the
12 Federal Property and Administrative Services
13 Act of 1949 (40 U.S.C. 471 et seq.) or any
14 other law that prescribes procedures for the
15 procurement, use, or disposal of property or
16 services by a Federal agency;

17 (B) the costs of acquisition of specialized
18 services relating to the purposes specified in
19 subsection (c); and

20 (C) notwithstanding chapter 63 of title 31,
21 United States Code, the costs of entering into
22 cooperative arrangements with State, local and
23 tribal governments, and other public and pri-
24 vate entities, to carry out programs relating to
25 the purposes specified in subsection (c).

1 (2) LIMITATIONS.—

2 (A) FEDERAL EMPLOYEES.—Amounts in
3 the Fund shall not be used to create any new
4 full or part-time permanent Federal employee
5 position.

6 (B) ADMINISTRATIVE EXPENSES.—For
7 any fiscal year, not more than 1 percent of the
8 amounts remaining in the Fund may be used
9 for administrative expenses of the Secretary in
10 carrying out the activities described in para-
11 graph (1).

12 (f) SALE OF ASSETS.—

13 (1) DISPOSAL AUTHORITY.—Notwithstanding
14 the Federal Property and Administrative Services
15 Act of 1949 (40 U.S.C. 471 et seq.), the Secretary
16 by sale may dispose of all or any part of any right
17 or title in land (excluding National Forest System
18 land), facilities, or equipment in the custody of the
19 Department (including land and facilities at the
20 Beltsville Agricultural Research Center) used for the
21 purposes specified in subsection (c).

22 (2) DISPOSITION OF PROCEEDS.—Proceeds
23 from any sale conducted by the Secretary under
24 paragraph (1) shall be deposited into the Fund in
25 accordance with subsection (d)(3)(A).

1 (g) GIFTS.—

2 (1) IN GENERAL.—To carry out the purposes
3 specified in subsection (c), the Secretary may accept
4 gifts (including bequests) of funds, property, equip-
5 ment, services, and other in-kind contributions from
6 State, local, and tribal governments, colleges and
7 universities, individuals, and other public and private
8 entities.

9 (2) PROHIBITED SOURCE.—

10 (A) IN GENERAL.—For the purposes of
11 this subsection, the Secretary shall not consider
12 a State or local government, Indian tribe (as
13 defined in section 4 of the Indian Self-Deter-
14 mination and Education Assistance Act (25
15 U.S.C. 450b)), other public entity, or college or
16 university, to be a prohibited source under any
17 Department rule or policy that prohibits the ac-
18 ceptance of gifts from individuals and entities
19 that do business with the Department.

20 (B) EXCEPTION.—Notwithstanding any
21 Department rule or policy that prohibits the ac-
22 ceptance of gifts by the Department from indi-
23 viduals or private entities that do business with
24 the Department or that, for any other reason,
25 are considered to be prohibited sources, the

1 Secretary may accept gifts under this sub-
2 section if the Secretary determines that it is in
3 the public interest to accept the gift.

4 (3) DISPOSITION OF GIFTS.—The Secretary
5 shall deposit any gift of funds under this subsection
6 into the Fund in accordance with subsection
7 (d)(3)(B).

8 **SEC. 1002. AGRICULTURE INFRASTRUCTURE SECURITY**
9 **COMMISSION.**

10 (a) DEFINITIONS.—In this section:

11 (1) AGRICULTURAL RESEARCH FACILITY.—The
12 term “agricultural research facility” means a
13 facility—

14 (A) at which agricultural research is regu-
15 larly carried out or proposed to be carried out;
16 and

17 (B) that is—

18 (i)(I) an Agricultural Research Serv-
19 ice facility; or

20 (II) a Forest Service facility;

21 (ii) a Federal agricultural facility in
22 the process of being planned or being con-
23 structed; or

24 (iii) any other facility under the juris-
25 diction of the Secretary.

1 (2) COMMISSION.—The term “Commission”
2 means the Agriculture Infrastructure Security Com-
3 mission established under subsection (b).

4 (3) DEPARTMENT.—The term “Department”
5 means the Department of Agriculture.

6 (4) SECRETARY.—The term “Secretary” means
7 the Secretary of Agriculture.

8 (b) ESTABLISHMENT OF COMMISSION.—The Sec-
9 retary shall establish a commission to be known as the
10 “Agriculture Infrastructure Security Commission” to
11 carry out the duties described in subsection (g).

12 (c) MEMBERSHIP.—

13 (1) APPOINTMENT.—

14 (A) VOTING MEMBERS.—

15 (i) IN GENERAL.—The Commission
16 shall be composed of 15 voting members,
17 appointed by the Secretary in accordance
18 with clause (ii), based on nominations so-
19 licited from the public.

20 (ii) QUALIFICATIONS.—The Secretary
21 shall appoint members that—

22 (I) represent a balance of the
23 public and private sectors; and

24 (II) have expertise in—

- 1 (aa) facilities development,
2 modernization, construction, se-
3 curity, consolidation, and closure;
4 (bb) plant diseases and
5 pests;
6 (cc) animal diseases and
7 pests;
8 (dd) food safety;
9 (ee) biosecurity;
10 (ff) the needs of farmers
11 and ranchers;
12 (gg) public health;
13 (hh) State, local, and tribal
14 government; and
15 (ii) any other area related to
16 agriculture infrastructure secu-
17 rity, as determined by the Sec-
18 retary.

19 (B) NONVOTING MEMBERS.—The Commis-
20 sion shall be composed of the following non-
21 voting members:

- 22 (i) The Secretary.
23 (ii) 4 representatives appointed by the
24 Secretary of Health and Human Services
25 from—

- 1 (I) the Public Health Service;
2 (II) the National Institutes of
3 Health;
4 (III) the Centers for Disease
5 Control and Prevention; and
6 (IV) the Food and Drug Admin-
7 istration.
8 (iii) 1 representative appointed by the
9 Attorney General.
10 (iv) 1 representative appointed by the
11 Director of Homeland Security.
12 (v) Not more than 4 representatives
13 of the Department appointed by the Sec-
14 retary.

15 (2) DATE OF APPOINTMENT.—The appointment
16 of a member of the Commission shall be made not
17 later than 90 days after the date of enactment of
18 this Act.

19 (d) TERM; VACANCIES.—

20 (1) TERM.—The term of office of a member of
21 the Commission shall be 4 years, except that the
22 members initially appointed shall be appointed to
23 serve staggered terms (as determined by the Sec-
24 retary).

1 (2) VACANCIES.—A vacancy on the Commission
2 shall be filled in the same manner as the original ap-
3 pointment was made.

4 (e) MEETINGS.—

5 (1) IN GENERAL.—The Commission shall meet
6 at the call of—

7 (A) the Chairperson;

8 (B) a majority of the voting members of
9 the Commission; or

10 (C) the Secretary.

11 (2) FEDERAL ADVISORY COMMITTEE ACT.—

12 (A) IN GENERAL.—The Federal Advisory
13 Committee Act (5 U.S.C. App.) and title XVIII
14 of the Food and Agriculture Act of 1977 (7
15 U.S.C. 2281 et seq.) shall not apply to the
16 Commission.

17 (B) OPEN MEETINGS; RECORDS.—Subject
18 to subparagraph (C)—

19 (i) a meeting of the Commission shall
20 be—

21 (I) publicly announced in ad-
22 vance; and

23 (II) open to the public; and

24 (ii) the Commission shall—

1 (I) keep detailed minutes of each
2 meeting and other appropriate records
3 of the activities of the Commission;
4 and

5 (II) make the minutes and
6 records available to the public on re-
7 quest.

8 (C) EXCEPTION.—When required in the
9 interest of national security—

10 (i) the Chairperson may choose not to
11 give public notice of a meeting;

12 (ii) the Chairperson may close all or a
13 portion of any meeting to the public, and
14 the minutes of the meeting, or portion of
15 a meeting, shall not be made available to
16 the public; and

17 (iii) by majority vote, the Commission
18 may redact the minutes of a meeting that
19 was open to the public.

20 (f) CHAIRPERSON.—The Secretary shall select a
21 Chairperson from among the voting members of the Com-
22 mission.

23 (g) DUTIES.—

24 (1) IN GENERAL.—The Commission shall—

1 (A) advise the Secretary on the uses of the
2 Agriculture Infrastructure Security Fund estab-
3 lished by section 1001;

4 (B) review all agricultural research facili-
5 ties for—

6 (i) research importance; and

7 (ii) importance to agriculture infra-
8 structure security;

9 (C) identify any agricultural research facil-
10 ity that should be closed, realigned, consoli-
11 dated, or modernized to carry out the research
12 agenda of the Secretary and protect agriculture
13 infrastructure security;

14 (D) develop recommendations concerning
15 agricultural research facilities; and

16 (E)(i) evaluate the agricultural research
17 facilities acquisition and modernization system
18 (including acquisitions by gift, grant, or any
19 other form of agreement) used by the Depart-
20 ment; and

21 (ii) based on the evaluation, recommend
22 improvements to the system.

23 (2) STRATEGIC PLAN.—To assist the Commis-
24 sion in carrying out the duties described in para-
25 graph (1), the Commission shall use the 10-year

1 strategic plan prepared by the Strategic Planning
2 Task Force established under section 4 of the Re-
3 search Facilities Act (7 U.S.C. 390b).

4 (3) REPORT.—

5 (A) IN GENERAL.—Not later than 240
6 days after the date of enactment of this Act,
7 and each June 1 thereafter, the Commission
8 shall prepare and submit to the Secretary, the
9 Committee on Agriculture and the Committee
10 on Appropriations of the House of Representa-
11 tives, and the Committee on Agriculture, Nutri-
12 tion, and Forestry and the Committee on Ap-
13 propriations of the Senate, a report on the find-
14 ings and recommendations under paragraph
15 (1).

16 (B) WRITTEN RESPONSE.—Not later than
17 90 days after the date of receipt of a report
18 from the Commission under subparagraph (A),
19 the Secretary shall provide to the Commission
20 a written response concerning the manner and
21 extent to which the Secretary will implement
22 the recommendations in the report.

23 (C) PUBLIC AVAILABILITY.—

24 (i) IN GENERAL.—Subject to clause
25 (ii), the report submitted by the Commis-

1 sion, and any response made by the Sec-
2 retary, under this subsection shall be avail-
3 able to the public.

4 (ii) EXCEPTION.—

5 (I) NATIONAL SECURITY.—The
6 Commission or the Secretary may de-
7 termine that any report or response,
8 or any portion of a report or response,
9 shall not be publicly released in the
10 interest of national security.

11 (II) FREEDOM OF INFORMATION
12 ACT.—Upon such a determination, the
13 report or response, a portion of the
14 report or response, or any records re-
15 lating to the report or response, shall
16 not be released under section 552 of
17 title 5, United States Code.

18 (h) COMMISSION PERSONNEL MATTERS.—

19 (1) COMPENSATION OF MEMBERS.—

20 (A) NON-FEDERAL EMPLOYEES.—A voting
21 member of the Commission who is not a regular
22 full-time employee of the Federal Government
23 shall, while attending meetings of the Commis-
24 sion or otherwise engaged in the business of the
25 Commission (including travel time), be entitled

1 to receive compensation at a rate fixed by the
2 Secretary, but not exceeding the daily equiva-
3 lent of the annual rate specified at the time of
4 such service under GS-15 of the General
5 Schedule established under section 5332 of title
6 5, United States Code.

7 (B) TRAVEL EXPENSES.—A voting mem-
8 ber of the Commission shall be allowed travel
9 expenses, including per diem in lieu of subsist-
10 ence, at rates authorized for an employee of an
11 agency under subchapter I of chapter 57 of title
12 5, United States Code, while away from the
13 home or regular place of business of the mem-
14 ber in the performance of the duties of the
15 Commission.

16 (2) STAFF.—The Secretary shall provide the
17 Commission with any personnel and other resources
18 as the Secretary determines appropriate.

19 (i) AUTHORIZATION OF APPROPRIATIONS.—

20 (1) FISCAL YEAR 2002.—For the purpose of es-
21 tablishing the Commission, the Secretary shall use,
22 for fiscal year 2002, such sums from the Agriculture
23 Infrastructure Security Fund established by section
24 1001 as the Secretary determines to be appropriate.

1 (2) FISCAL YEARS 2003 THROUGH 2006.—There
2 are authorized to be appropriated to carry out this
3 section such sums as are necessary for each of fiscal
4 years 2002 through 2006.

5 **Subtitle B—Outreach and Assist-**
6 **ance for Socially Disadvantaged**
7 **Farmers and Ranchers**

8 **SEC. 1011. OUTREACH AND ASSISTANCE FOR SOCIALLY DIS-**
9 **ADVANTAGED FARMERS AND RANCHERS.**

10 Section 2501 of the Food, Agriculture, Conservation,
11 and Trade Act of 1990 (7 U.S.C. 2279) is amended by
12 striking subsection (a) and inserting the following:

13 “(a) OUTREACH AND ASSISTANCE.—

14 “(1) DEFINITIONS.—In this subsection:

15 “(A) DEPARTMENT.—The term ‘Depart-

16 ment’ means the Department of Agriculture.

17 “(B) ELIGIBLE ENTITY.—The term ‘eligi-

18 ble entity’ means—

19 “(i) any community-based organiza-

20 tion, network, or coalition of community-

21 based organizations that—

22 “(I) has demonstrated experience

23 in providing agricultural education or

24 other agriculturally related services to

1 socially disadvantaged farmers and
2 ranchers;

3 “(II) provides documentary evi-
4 dence of work with socially disadvan-
5 taged farmers and ranchers during
6 the 2-year period preceding the sub-
7 mission of an application for assist-
8 ance under this subsection; and

9 “(III) does not engage in activi-
10 ties prohibited under section
11 501(c)(3) of the Internal Revenue
12 Code of 1986;

13 “(ii)(I) a land-grant college or univer-
14 sity (as defined in section 1404 of the Na-
15 tional Agricultural Research, Extension,
16 and Teaching Policy Act of 1977 (7 U.S.C.
17 3103));

18 “(II) an Indian tribal community col-
19 lege;

20 “(III) an Alaska Native cooperative
21 college;

22 “(IV) a Hispanic-serving institution
23 (as defined in section 1404 of the National
24 Agricultural Research, Extension, and

1 Teaching Policy Act of 1977 (7 U.S.C.
2 3103)); and

3 “(V) any other institution of higher
4 education (as defined in section 101 of the
5 Higher Education Act of 1965 (20 U.S.C.
6 1001)) that has demonstrated experience
7 in providing agriculture education or other
8 agriculturally related services to socially
9 disadvantaged farmers and ranchers in a
10 region; and

11 “(iii) an Indian tribe (as defined in section
12 4 of the Indian Self-Determination and Edu-
13 cation Assistance Act (25 U.S.C. 450b)) or a
14 national tribal organization that has dem-
15 onstrated experience in providing agriculture
16 education or other agriculturally related serv-
17 ices to socially disadvantaged farmers and
18 ranchers in a region.

19 “(C) SECRETARY.—The term ‘Secretary’
20 means the Secretary of Agriculture.

21 “(2) PROGRAM.—The Secretary shall carry out
22 an outreach and technical assistance program to en-
23 courage and assist socially disadvantaged farmers
24 and ranchers—

1 “(A) in owning and operating farms and
2 ranches; and

3 “(B) in participating equitably in the full
4 range of agricultural programs offered by the
5 Department.

6 “(3) REQUIREMENTS.—The outreach and tech-
7 nical assistance program under paragraph (2)
8 shall—

9 “(A) enhance coordination of the outreach,
10 technical assistance, and education efforts au-
11 thorized under various agriculture programs;
12 and

13 “(B) include information on and assistance
14 with—

15 “(i) commodity, conservation, credit,
16 rural, and business development programs;

17 “(ii) application and bidding proce-
18 dures;

19 “(iii) farm and risk management;

20 “(iv) marketing; and

21 “(v) other activities essential to par-
22 ticipation in agricultural and other pro-
23 grams of the Department.

24 “(4) GRANTS AND CONTRACTS.—The Secretary
25 may make grants to, and enter into contracts and

1 other agreements with, an eligible entity to provide
2 information and technical assistance under this sub-
3 section.

4 “(5) FUNDING.—There is authorized to be ap-
5 propriated to carry out this subsection, \$25,000,000
6 for each fiscal year.”.

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