

110TH CONGRESS  
1ST SESSION

# H. R. 2656

To enhance the ongoing profitability and viability of America’s farms, forests, and ranches by making conservation activities more cost-effective and efficient, by creating new revenue opportunities through biofuels, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 11, 2007

Mr. MAHONEY of Florida (for himself and Mr. PUTNAM) introduced the following bill; which was referred to the Committee on Agriculture, and in addition to the Committees on Energy and Commerce and Science and Technology, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To enhance the ongoing profitability and viability of America’s farms, forests, and ranches by making conservation activities more cost-effective and efficient, by creating new revenue opportunities through biofuels, and for other purposes.

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

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

4       (a) SHORT TITLE.—This Act may be cited as the  
5       “American Farm Improvement Act of 2007”.

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

Sec. 1. Short title; table of contents.

#### TITLE I—CONSERVATION

Sec. 101. Farmland stewardship process.

Sec. 102. Expansion of farmland protection tools and opportunities.

#### TITLE II—RENEWABLE ENERGY

Sec. 201. Consistent definitions of “biomass”, “renewable biomass”, “cellulosic biomass”, “cellulosic biomass ethanol”, “cellulosic feedstock”, and “lignocellulosic feedstock” throughout the laws of the United States.

Sec. 202. Cellulosic biofuel and emerging technology loan guarantee program.

Sec. 203. Animal waste environmental protection and bioenergy production grants and loans.

Sec. 204. Biomass feedstock commercialization initiative.

## 3 **TITLE I—CONSERVATION**

### 4 **SEC. 101. FARMLAND STEWARDSHIP PROCESS.**

5 (a) PARTNERSHIPS AND COOPERATION.—Section  
 6 1243(f) of the Food Security Act of 1985 (16 U.S.C.  
 7 3843(f)) is amended—

8 (1) by striking paragraph (1) and inserting the  
 9 following new paragraph:

10 “(1) IN GENERAL.—The Secretary shall use re-  
 11 sources provided under subtitle D to enter into stew-  
 12 ardship agreements with owners, operators and pro-  
 13 ducers, as described under section 1240Q, and to  
 14 designate special projects, as recommended by the  
 15 State Conservationist, after consultation with the  
 16 State technical committee, to enhance technical and  
 17 financial assistance provided to owners, operators,

1 and producers to address natural resource issues re-  
2 lated to agricultural production.”;

3 (2) by striking paragraph (3) and inserting the  
4 following new paragraph:

5 “(3) INCENTIVES.—To realize the purposes of  
6 the special projects under paragraph (1), and con-  
7 sistent with section 1240Q, the Secretary shall pro-  
8 vide special incentives to owners, operators, and pro-  
9 ducers participating in the special projects to en-  
10 courage partnerships and enrollments of optimal  
11 conservation value.”;

12 (3) in paragraph (4)(A), by striking “may” and  
13 inserting “shall” and by inserting “in cooperation”  
14 after “stewardship agreement”; and

15 (4) in paragraph (4)(B), by striking “Each  
16 party to” and inserting “The designated State agen-  
17 cy responsible for” and by striking “by the party”  
18 and inserting “under a stewardship agreement”.

19 (b) ESTABLISHMENT AND PURPOSES OF THE FARM-  
20 LAND STEWARDSHIP PROCESS.—Subtitle D of title XII  
21 of the Food Security Act of 1985 is amended by inserting  
22 after section 1240P (16 U.S.C. 3839bb–3) the following  
23 new section:

1 **“SEC. 1240Q. ESTABLISHMENT AND PURPOSES OF THE**  
2 **FARMLAND STEWARDSHIP PROCESS.**

3 “(a) IN GENERAL.—The Secretary shall establish  
4 within the Department a process to be known as the  
5 ‘Farmland Stewardship Process’.

6 “(b) PURPOSES.—The purposes of this process shall  
7 be to—

8 “(1) ensure adequate flexibility to enable con-  
9 servation programs administered by the Secretary to  
10 be responsive to local conditions and tailored to the  
11 site-specific needs of, and opportunities presented  
12 by, individual parcels of eligible agricultural land;

13 “(2) reduce administrative procedures and  
14 costs, provide simplified conservation and expand  
15 conservation opportunities by allowing owners, oper-  
16 ators and producers to carry out multiple conserva-  
17 tion activities through one application and one con-  
18 tract;

19 “(3) provide a means through which the con-  
20 servation objectives of multiple programs, adminis-  
21 tered by multiple agencies at multiple levels of gov-  
22 ernment can be more easily coordinated and applied  
23 to individual parcels of property; and

24 “(4) maximize the effectiveness of existing pro-  
25 grams by providing a mechanism through which con-  
26 servation objectives and practices that are needed to

1 supplement, complement or optimize one or more ex-  
2 isting programs can be incorporated into a contract  
3 with an owner, operator or producer.

4 “(c) RELATION TO OTHER CONSERVATION PRO-  
5 GRAMS.—Under this process, the Secretary may imple-  
6 ment, or combine together, the features of—

7 “(1) any conservation program administered by  
8 the Secretary; or

9 “(2) Any conservation program administered by  
10 another Federal agency or a State or local govern-  
11 ment, if implementation by the Secretary—

12 “(A) is feasible; and

13 “(B) is carried out with the consent of the  
14 applicable administering agency or government.

15 “(d) FUNDING.—

16 “(1) IN GENERAL.—This process and the stew-  
17 ardship agreements created by this process shall be  
18 funded by the Secretary using—

19 “(A) the funding authorities of the con-  
20 servation programs that are implemented  
21 through the use of stewardship agreements;

22 “(B) technical assistance in accordance  
23 with section 1243(d);

1           “(C) funds from the Commodity Credit  
2           Corporation as provided in paragraph (3) of  
3           this subsection; and

4           “(D) such other sums as may be appro-  
5           priated from time to time to carry out the  
6           Farmland Stewardship Process.

7           “(2) COST SHARING.—It shall be a requirement  
8           of the Farmland Stewardship Process that funds  
9           that come from Federal conservation programs that  
10          are combined into and made a part of a stewardship  
11          agreement must be matched equally with funding or  
12          cost share contributions that may be made by State,  
13          regional, or local agencies and divisions of govern-  
14          ment or from private funding sources. Funds from  
15          existing programs shall be used to carry out the pur-  
16          poses of those programs that are made a part of a  
17          stewardship agreement. Funding for other purposes  
18          must come from the funds provided under subpara-  
19          graphs (B), (C), and (D) of paragraph (1), para-  
20          graph (3), or from the funding contributions made  
21          by State, regional, or local agencies and divisions of  
22          government or from private funding sources.

23          “(3) ESTABLISHMENT AND OPERATION.—Of  
24          the funds of the Commodity Credit Corporation the  
25          Secretary shall use \$200,000,000 for each of the fis-

1 cal years 2008 through 2012 to establish the Farm-  
2 land Stewardship Process and to operate it through  
3 the ‘designated state agency’ selected by each  
4 State’s governor, as provided in subsection (e).

5 “(4) CARRYOVER OF FUNDS.—The funds pro-  
6 vided in paragraph (3) shall remain available until  
7 expended.

8 “(e) PERSONNEL COSTS.—The Secretary shall use  
9 the Natural Resources Conservation Service to carry out  
10 the Farmland Stewardship Process in cooperation with the  
11 State department of agriculture or other designated agen-  
12 cy within the State. The role of the Natural Resources  
13 Conservation Service shall be limited to federal oversight  
14 of the process. The Natural Resources Conservation Serv-  
15 ice shall perform its normal functions with respect to the  
16 conservation programs that it administers. However, it  
17 shall play no role in the assembly of programs adminis-  
18 tered by other federal agencies into stewardship agree-  
19 ments.

20 “(f) STATE LEVEL ADMINISTRATION.—The governor  
21 of each state shall determine which state agency shall have  
22 primary responsibility for operating the Farmland Stew-  
23 ardship Process. The governor shall give first preference  
24 to the state department of agriculture in selecting an  
25 agency for operation of the process. A State department

1 of agriculture, or other agency designated by the governor,  
2 may choose to operate the process on its own, or may col-  
3 laborate with another local, State or Federal agency, con-  
4 servation district or tribe. The designated State agency  
5 shall consult with the agencies with management authority  
6 and responsibility for the resources affected on properties  
7 on which stewardship agreements are negotiated and as-  
8 sembled.

9 “(g) AGREEMENTS AUTHORIZED.—The Secretary  
10 shall carry out the Farmland Stewardship Process by en-  
11 tering into service contracts as determined by the Sec-  
12 retary, to be known as stewardship agreements, with own-  
13 ers, operators and producers to maintain and protect the  
14 natural and agricultural resources on the land.

15 “(h) DEFINITION.—The term ‘service contract’  
16 means a legally binding agreement between 2 parties  
17 under which—

18 “(1) one party agrees to render one or more  
19 services in accordance with the terms of the con-  
20 tract; and

21 “(2) the second party agrees to pay the first  
22 party for each service rendered.

23 “(i) FUNDING PARTICIPATION.—Any agency partici-  
24 pating in the Farmland Stewardship Process that has the  
25 authority to enter into service contracts and to expend



1 public funds under such contracts may enter into or par-  
2 ticipate in the funding of a stewardship agreement.

3 “(j) NO INCOME LIMITATIONS.—To avoid conflicts  
4 and ensure that all the purposes and intents of steward-  
5 ship agreements can be carried out, all owners, operators  
6 and producers who enter into or participate in a steward-  
7 ship agreement shall be exempt from the limitations in  
8 section 1001D(b)(2)(C) of this Act (7 U.S.C. 1308–  
9 3a(b)(2)(C)).

10 “(k) ADJUSTMENTS IN CONSERVATION PROGRAM  
11 ELEMENTS TO RESPOND TO LOCAL CONDITIONS.—(1)  
12 The Secretary shall consider requests from a State Con-  
13 servationist of the Natural Resources Conservation Serv-  
14 ice, a state Executive Director of the Farm Services Agen-  
15 cy, a designated state agency, or a contracting agency au-  
16 thorized by the Secretary to enter into and administer  
17 stewardship agreements to make limited adjustments on  
18 a case-by-case basis to the eligibility criteria, approved  
19 practices, requirements, and other elements of the con-  
20 servation programs combined into a stewardship agree-  
21 ment. Adjustments may be made to ensure that—

22 “(A) the conservation programs combined into  
23 a stewardship agreement can be more easily imple-  
24 mented in the State;

1           “(B) all program elements are responsive to re-  
2           gional differences and local conditions within the  
3           State;

4           “(C) no program requirement or criteria con-  
5           flicts with or works against the conservation prior-  
6           ities or needs of the State; and

7           “(D) no program requirement or criteria pre-  
8           vents one or more programs from being combined  
9           together through a stewardship agreement.

10          “(2) Requests for adjustments shall be granted for  
11 one or more of the following purposes:

12           “(A) To acknowledge, accommodate and re-  
13           spond to regional differences and local conditions  
14           within the State.

15           “(B) To allow sufficient flexibility to enable a  
16           conservation program to better adapt to the diverse  
17           situations faced by owners and operators within the  
18           state, and adapt to the farming practices of the  
19           State.

20           “(C) To allow sufficient flexibility to tailor a  
21           conservation program to the specific needs, opportu-  
22           nities and challenges offered by individual parcels of  
23           land.

24           “(D) To modify administrative requirements  
25           that, in the absence of such modification, may limit

1 or prevent the use of a program on eligible agricul-  
2 tural land.

3 “(E) To allow owners and operators to receive  
4 compensation for maintaining previously imple-  
5 mented owner- or operator-financed conservation  
6 practices and to receive credit for incorporating  
7 these practices into new contracts.

8 “(F) To address the conservation priorities es-  
9 tablished by the State or locality in which the eligi-  
10 ble agricultural land is located.

11 “(G) To modify administrative requirements  
12 that, in the absence of such modification, may pre-  
13 vent one or more programs from being combined to-  
14 gether through a stewardship agreement.

15 “(3) Requests for adjustments also can be made that  
16 will facilitate the coordination and administration of con-  
17 servation programs in the State, including—

18 “(A) establishing different enrollment criteria  
19 than otherwise established by regulation or policy;

20 “(B) establishing different compensation rates  
21 to the extent the parties to the agreement consider  
22 justified;

23 “(C) establishing different conservation practice  
24 criteria if doing so will achieve greater conservation  
25 benefits;

1           “(D) providing more streamlined and integrated  
2       paperwork requirements;

3           “(E) providing for the transfer of conservation  
4       program funds to States with flexible incentives ac-  
5       counts; and

6           “(F) providing funds for an adaptive manage-  
7       ment process to monitor the effectiveness of the pro-  
8       gram for the protection of natural resources, eco-  
9       nomic effectiveness, and sustaining the agricultural  
10      economy.

11          “(4) Adjustments may be made only if the purposes  
12      to be achieved by the program after the adjustments are  
13      made remain consistent with the purposes for which the  
14      program was established.

15          “(5) For a request for an adjustment to be consid-  
16      ered, a State conservationist, state executive director, des-  
17      ignated State agency or contracting agency must submit  
18      a request for an adjustment to the appropriate Federal  
19      official. The official may request documentation in addi-  
20      tion to the documentation required by paragraph (6), or  
21      may suggest alternative methods of making adjustments  
22      on the property in question, prior to deciding whether or  
23      not to grant a request for an adjustment. The response  
24      shall be provided within 180 days after receipt of the re-  
25      quest.

1 “(6) A request under paragraph (5) shall—

2 “(A) explain why a subject property, owner or  
3 operator or activity qualifies for participation in the  
4 program;

5 “(B) explain the programmatic or conservation  
6 benefits represented;

7 “(C) describe the requested resources and ad-  
8 justments to program implementation (including a  
9 description of how those adjustments will accelerate  
10 the achievement of conservation benefits);

11 “(D) describe the contribution those adjust-  
12 ments will make to the effectiveness of programs in  
13 achieving their purposes, in addressing state con-  
14 servation priorities or needs, and in responding to  
15 local conditions;

16 “(E) describe the non-Federal programs and re-  
17 sources that will be available to contribute to the  
18 proposed project or activity; and

19 “(F) request that the official grant the adjust-  
20 ment, based on the documentation submitted.

21 “(I) APPLICATION AND APPROVAL PROCESS.—To  
22 participate in the Farmland Stewardship Process, an  
23 owner, operator or producer on eligible agricultural land  
24 shall—

1           “(1) submit to the Secretary an application in-  
2           dicating interest in the process and describing the  
3           owner’s or operators property, its resources, and  
4           their ecological and agricultural values;

5           “(2) submit to the Secretary the purpose and  
6           objectives of the proposed agreement and a list of  
7           services to be provided, or a management plan to be  
8           implemented, or both;

9           “(3) if the application and list are accepted by  
10          the Secretary, enter into an agreement that details  
11          the purpose and objectives of the agreement and the  
12          services to be provided, or management plan to be  
13          implemented, or both, and requires compliance with  
14          the other terms of the agreement.

15          “(m) PRIMARY PROGRAM.—In applying to partici-  
16          pate in the Farmland Stewardship Process, an applicant  
17          must designate one of the programs in this subtitle, such  
18          as the conservation security program, environmental qual-  
19          ity incentives program, conservation reserve program, or  
20          the farmland protection program, as the ‘primary pro-  
21          gram’, upon which a stewardship agreement will be based  
22          and around which conservation practices will be negotiated  
23          and implemented.

24          “(n) EFFECTIVE USE OF FEDERAL RESOURCES.—  
25          The Secretary shall ensure that Federal resources are eq-

1 suitably and effectively distributed through the use of stew-  
2 ardship agreements by taking local conditions, local farm-  
3 ing practices and local costs of production into consider-  
4 ation and by allocating resources based on—

5 “(1) the merits of the activities to be carried  
6 out;

7 “(2) the benefits to be derived from the prac-  
8 tices to be installed, the services to be provided, or  
9 the management plan to be implemented under a  
10 stewardship agreement; and

11 “(3) the opportunities that exist to advance  
12 conservation objectives in a watershed, region or pri-  
13 ority area for a State.

14 “(o) **EQUITABLE TREATMENT OF PRODUCERS.**—The  
15 Secretary shall ensure that all rules, criteria and defini-  
16 tions used to determine eligibility for participation by own-  
17 ers, operators and producers in the conservation, cost-  
18 share, incentive payment, marketing assistance, grant and  
19 loan guarantee programs administered by the Secretary  
20 that may be combined into a stewardship agreement are  
21 as inclusive as possible and extend opportunities to partici-  
22 pate to as many owners, operators and producers as pos-  
23 sible. In particular, the Secretary shall ensure that—

24 “(1) all owners, operators and producers that  
25 maintain land in agricultural uses, have bonafide ag-

1        ricultural operations and consistently derive an on-  
2        going and substantial portion of their revenues from  
3        agriculture and agriculturally-related enterprises  
4        shall be eligible to participate in the programs ad-  
5        ministered by the Secretary that are combined into  
6        a stewardship agreement;

7            “(2) no producer shall be prevented from par-  
8        ticipating in these programs, nor be declared ineli-  
9        gible for participation under the Department’s No-  
10      tice of Solicitation of Applications (NOSA) defini-  
11      tions, if said producer is a publicly-held company,  
12      nor if said producer should derive income and reve-  
13      nues from an integrated agricultural operation, busi-  
14      ness activities unrelated to agriculture or as a result  
15      of land sales that make the revenues derived from  
16      agricultural production less than 50 percent of its  
17      earnings in any one year.

18      “(p) INCREASED PARTICIPATION BY LARGE OWN-  
19      ERS, OPERATORS AND PRODUCERS.—The Secretary shall  
20      recognize that individuals, companies and corporations  
21      that own and operate large land holdings that are devoted  
22      primarily to agricultural uses can have a positive impact  
23      on advancing the objectives of the Department’s conserva-  
24      tion programs. The Secretary shall ensure that the criteria  
25      and procedures used for determining eligibility and evalu-



ating applications shall encourage participation by individuals, companies and corporations, including publicly held corporations, with large land holdings devoted primarily to agricultural uses, particularly when their participation can make a significant contribution toward effectively and comprehensively addressing national, State, and local conservation priorities.”.

(c) FUNDING.—Subsection (a) of section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) is amended by adding at the end the following new paragraph:

“(8) The Farmland Stewardship Process under section 1240Q, using, to the maximum extent practicable, \$200,000,000 for each of the fiscal years 2008 through 2012.”.

**SEC. 102. EXPANSION OF FARMLAND PROTECTION TOOLS  
AND OPPORTUNITIES.**

Subtitle D of title XII of the Food Security Act of 1985 is amended by adding after section 1238J (16 U.S.C. 3838j) the following new section:

**“SEC. 1238K. RURAL LAND STEWARDSHIP IMPLEMENTATION GRANTS.**

“(a) GRANTS.—The Secretary shall establish a process to make rural land stewardship implementation grants of up to \$500,000 per county available from the funds

1 appropriated to the Secretary to carry out the Farmland  
2 Protection Program.

3       “(b) PURPOSE AND USE.—The Secretary shall direct  
4 that these funds are to be spent in assisting the existing  
5 easement process, but that, notwithstanding any language  
6 to the contrary, special consideration shall be provided to  
7 establishing one or more rural land stewardship implemen-  
8 tation programs in participating States by allowing these  
9 funds to be used for rural community planning and for  
10 developing and implementing comprehensive strategies for  
11 rural land preservation and the ongoing continued viability  
12 of agriculture, not just for the purchase of easements from  
13 individual owners, in order to define a process that will  
14 allow future appropriations from the Farmland Protection  
15 Program to be leveraged many times over to multiply their  
16 intended impact.

17       “(c) STRATEGIES; MODEL.—Rural community plan-  
18 ning and the development of comprehensive rural land  
19 stewardship strategies shall be accomplished through a  
20 science based, stakeholder generated rural planning  
21 framework that takes market forces into consideration and  
22 may use as a model the procedures that have been devel-  
23 oped and successfully implemented in the State of Florida  
24 under chapter 163.3177(11)(d), Florida Statutes.

1 “(d) RELATION TO OTHER CONSERVATION AUTHORI-  
 2 TIES.—Eligible producers shall be required to specifically  
 3 elect to pursue a rural lands stewardship implementation  
 4 grant in lieu of using the same amount of funding for the  
 5 purchase of easements from individual owners. Eligible  
 6 producers must state that they understand that the use  
 7 of farmland protection program funds for a rural lands  
 8 stewardship implementation grant—

9 “(1) shall not preclude any eligible producer  
 10 within a Rural Lands Stewardship Area from apply-  
 11 ing for and receiving funds for the purchase of ease-  
 12 ments under the Farmland Protection Program, but

13 “(2) will reduce the amount of funding avail-  
 14 able to the State for the purchase of easements  
 15 through the Farmland Protection Program by an  
 16 amount equal to the grant.”.

## 17 **TITLE II—RENEWABLE ENERGY**

18 **SEC. 201. CONSISTENT DEFINITIONS OF “BIOMASS”, “RE-**  
 19 **NEWABLE BIOMASS”, “CELLULOSIC BIO-**  
 20 **MASS”, “CELLULOSIC BIOMASS ETHANOL”,**  
 21 **“CELLULOSIC FEEDSTOCK”, AND**  
 22 **“LIGNOCELLULOSIC FEEDSTOCK” THROUGH-**  
 23 **OUT THE LAWS OF THE UNITED STATES.**

24 (a) ENERGY POLICY ACT OF 2005.—

(1) Subsection (a) of section 932 of the Energy Policy Act of 2005 (Public Law 109–58) is amended by striking paragraphs (1) and (2) and inserting:

“(1) BIOMASS.—The term ‘biomass’ means—

“(A) any organic material that is available on a renewable or recurring basis;

“(B) any organic material grown or collected for the purpose of being converted to energy (including aquatic plants);

“(C) any organic byproduct of agriculture and forestry (including wastes from food production and processing, used vegetable oil, mill residues, and storm-, insect- and diseased-damaged crops and trees) that can be converted into energy; or

“(D) any waste material that can be converted to energy and is derived from:

“(i) vegetative waste material (including wood waste and wood residues);

“(ii) invasive plants;

“(iii) fibers;

“(iv) animal waste and byproducts (including fats, oils, greases, offal, methane gas, and manure);

“(v) non-recyclable paper; and

1 “(vi) municipal solid waste (including  
2 sludges and oils derived from wastewater  
3 and the treatment of wastewater).

4 “(2) LIGNOCELLULOSIC FEEDSTOCK.—The  
5 terms ‘lignocellulosic feedstock’ and ‘cellulosic feed-  
6 stock’ mean any portion of a plant or plant byprod-  
7 uct from conversion that is available on a renewable  
8 or recurring basis, and is not grown for food or feed,  
9 including the nonfood, non-feed portions of crops,  
10 trees, forest residues, and agricultural residues, as  
11 well as any part of a storm-, insect- or disease-dam-  
12 aged food, feed or tree crop.”.

13 (2) Paragraph (2) of subsection (c) of section  
14 932 of the Energy Policy Act of 2005 (Public Law  
15 109–58) is amended by adding the words “gasifi-  
16 cation and” before the words “enzymatic-based proc-  
17 essing systems”.

18 (b) BIOMASS RESEARCH AND DEVELOPMENT ACT OF  
19 2000.—Section 303 of the Biomass Research and Devel-  
20 opment Act of 2000 (Public Law 106–224; 7 U.S.C. 8101  
21 note) is amended by striking paragraph (4) and inserting  
22 the following:

23 “(4) BIOMASS.—The term ‘biomass’ means—  
24 “(A) any organic material that is available  
25 on a renewable or recurring basis;

1 “(B) any organic material grown or col-  
 2 lected for the purpose of being converted to en-  
 3 ergy (including aquatic plants);

4 “(C) any organic byproduct of agriculture  
 5 and forestry (including wastes from food pro-  
 6 duction and processing, used vegetable oil, mill  
 7 residues, and storm-, insect- and diseased-dam-  
 8 aged crops and trees) that can be converted  
 9 into energy; or

10 “(D) any waste material that can be con-  
 11 verted to energy.”.

12 (c) CLEAN AIR ACT.—

13 (1) So much of section 211(o) of the Clean Air  
 14 Act (42 U.S.C. 7545(o)) as precedes subparagraph  
 15 (C) of paragraph (1) is amended to read as follows:

16 “(o) RENEWABLE FUEL PROGRAM.—

17 “(1) DEFINITIONS.—In this section:

18 “(A) CELLULOSIC BIOMASS ETHANOL.—

19 The term ‘cellulosic biomass ethanol’ means  
 20 ethanol, or any other alcohol- or oxygenate-  
 21 based fuel and related co-product derived di-  
 22 rectly from any lignocellulosic or hemicellulosic  
 23 matter that is available on a renewable or re-  
 24 curring basis, and is not grown for food or feed,  
 25 including—

1 “(i) any plant material grown or col-  
2 lected for the purpose of being converted to  
3 energy (including aquatic plants);

4 “(ii) any organic byproduct or residue  
5 from agriculture and forestry (including  
6 wastes from food production and proc-  
7 essing, used vegetable oil, mill residues,  
8 and storm-, insect- and diseased-damaged  
9 crops and trees) that can be converted into  
10 energy; or

11 “(iii) Any waste material that can be  
12 converted to energy and is derived from—

13 “(I) vegetative waste material  
14 (including wood waste and wood resi-  
15 dues);

16 “(II) invasive plants;

17 “(III) fibers;

18 “(IV) animal waste and byprod-  
19 ucts;

20 “(V) non-recyclable paper; and

21 “(VI) municipal solid waste.

22 “(B) WASTE DERIVED ETHANOL.—The  
23 term ‘waste derived ethanol’ means ethanol, or  
24 any other alcohol- or oxygenate-based fuel and  
25 related co-product derived from—

1 “(i) animal waste and byproducts, in-  
2 cluding fats, oils, greases, offal, methane  
3 gas, and manure;

4 “(ii) municipal solid waste, including  
5 sludges and oils derived from wastewater  
6 and the treatment of wastewater; or

7 “(iii) other waste materials.”.

8 (2) Section 211(r)(4)(B) of the Clean Air Act  
9 (42 U.S.C. 7545(r)) is amended to read as follows:

10 “(B) The term ‘renewable biomass’ means  
11 any organic material that is available on a re-  
12 newable or recurring basis.

13 “(i) INCLUSIONS.—The term ‘renew-  
14 able biomass’ includes—

15 “(I) any renewable plant material  
16 that can be grown or collected for the  
17 purpose of being converted to energy  
18 (including aquatic plants, but not in-  
19 cluding those portions of a plant  
20 grown for food or feed);

21 “(II) any organic byproduct or  
22 residue from agriculture and forestry  
23 (including wastes from food produc-  
24 tion and processing, used vegetable  
25 oil, mill residues, and storm-, insect-



1 and diseased-damaged crops and  
2 trees) that can be converted into en-  
3 ergy; or

4 “(III) Any waste material that  
5 can be converted to energy and is de-  
6 rived from—

7 “(aa) vegetative waste mate-  
8 rial (including wood waste and  
9 wood residues);

10 “(bb) invasive plants;

11 “(cc) fibers;

12 “(dd) animal waste and by-  
13 products (including fats, oils,  
14 greases, offal, methane gas, and  
15 manure);

16 “(ee) non-recyclable paper;

17 and

18 “(ff) municipal solid waste  
19 (including sludges and oils de-  
20 rived from wastewater and the  
21 treatment of wastewater).

22 “(ii) EXCLUSIONS.—The term ‘renew-  
23 able biomass’ does not include old-growth  
24 timber of a forest from the late succes-  
25 sional stage of forest development, but

1 does include storm-, insect- or disease-  
2 damaged trees that can be removed with-  
3 out damage to the forest.”.

4 (d) ENERGY TITLE DEFINITIONS OF THE FARM SE-  
5 CURITY AND RURAL INVESTMENT ACT OF 2002.—Section  
6 9001 of the Farm Security and Rural Investment Act of  
7 2002 (7 U.S.C. 8101) is amended—

8 (1) in paragraph (3), to read as follows:

9 “(3) BIOMASS.—The term ‘biomass’ means—

10 “(A) any organic material that is available  
11 on a renewable or recurring basis;

12 “(B) any organic material grown or col-  
13 lected for the purpose of being converted to en-  
14 ergy (including aquatic plants);

15 “(C) any organic byproduct of agriculture  
16 and forestry (including wastes from food pro-  
17 duction and processing, used vegetable oil, mill  
18 residues, and storm-damaged, insect-damaged,  
19 and diseased-damaged crops and trees) that can  
20 be converted into energy; or

21 “(D) any waste material that can be con-  
22 verted to energy and is derived from—

23 “(i) vegetative waste material (includ-  
24 ing wood waste and wood residues);

1 “(ii) invasive plants (including aquatic  
2 plants);

3 “(iii) fibers;

4 “(iv) animal waste and byproducts  
5 (including fats, oils, greases, offal, meth-  
6 ane gas, and manure);

7 “(v) non-recyclable paper; and

8 “(vi) municipal solid waste (including  
9 sludges and oils derived from wastewater  
10 and the treatment of wastewater).”;

11 (2) by redesignating paragraphs (4) through  
12 (6) as paragraphs (5) through (7); and

13 (3) by inserting after paragraph (3) the fol-  
14 lowing new paragraph:

15 “(4) CELLULOSIC BIOMASS, CELLULOSIC FEED-  
16 STOCK, LIGNOCELLULOSIC BIOMASS AND  
17 LIGNOCELLULOSIC FEEDSTOCK.—The terms ‘cel-  
18 lulosic biomass’, ‘cellulosic feedstock’, ‘lignocellulosic  
19 biomass’ and ‘lignocellulosic feedstock’ all shall be  
20 considered equivalent terms and shall mean any por-  
21 tion of a plant or plant byproduct from conversion  
22 that is available on a renewable or recurring basis,  
23 and is not grown for food or feed, including the non-  
24 food, non-feed portions of crops, trees, forest resi-  
25 dues, and agricultural residues, as well as any part

1 of a storm-damaged, insect-damaged, or disease-  
2 damaged food, feed, or tree crop.”.

3 (e) EXECUTIVE ORDER 13134.—In carrying out sec-  
4 tion 7 of Executive Order 13134 (7 U.S.C. 8601 note)  
5 the following modifications shall apply to the specified pro-  
6 visions of such Executive Order:

7 (1) In lieu of subsection (a), the following shall  
8 apply:

9 “(a) The term ‘biomass’ means any organic matter  
10 that is available on a renewable or recurring basis.

11 “(1) INCLUSIONS.—The term ‘biomass’ in-  
12 cludes—

13 “(A) any organic material grown or col-  
14 lected for the purpose of being converted to en-  
15 ergy (including aquatic plants);

16 “(B) any organic byproduct of agriculture  
17 and forestry (including wastes from food pro-  
18 duction and processing, used vegetable oil, mill  
19 residues, and storm-, insect- and diseased-dam-  
20 aged crops and trees) that can be converted  
21 into energy; or

22 “(C) any waste material that can be con-  
23 verted to energy;

24 “(2) EXCLUSIONS.—The term ‘biomass’ does  
25 not include old-growth timber of a forest from the

1 late successional stage of forest development, but  
 2 does include storm-, insect- or disease-damaged trees  
 3 that can be removed without damage to the forest.”.

4 (2) The following sentence shall be treated as  
 5 included at the end of subsection (d): “Storm-dam-  
 6 aged, insect-damaged, and disease-damaged trees  
 7 are excluded from the limitation on their use for bio-  
 8 mass.”.

9 (f) BIOENERGY PROGRAM OF THE FARM SECURITY  
 10 AND RURAL INVESTMENT ACT OF 2002.—Section  
 11 9010(a) of the Farm Security and Rural Investment Act  
 12 of 2002 (7 U.S.C. 8108(a)) is amended—

13 (1) in paragraph (1)—

14 (A) in subparagraph (A), by striking  
 15 “and”; and

16 (B) in subparagraph (B)—

17 (i) by striking the period at the end  
 18 and inserting a semicolon; and

19 (ii) by adding the following new sub-  
 20 paragraphs:

21 “(C) butanol; and

22 “(D) other similar oxygenates.”; and

23 (2) in paragraph (3), by amending subpara-  
 24 graph (B) to read as follows:

1                   “(B) any cellulosic feedstock or commodity  
 2                   (including crop residues, agriculture and food  
 3                   processing wastes, vegetative and wood wastes  
 4                   and residues, invasive plants, and other plant  
 5                   materials that can be used for energy produc-  
 6                   tion such as hybrid poplar and switch grass).”.

7           (g) TECHNOLOGIES USING AGRICULTURAL CROPS,  
 8 BYPRODUCTS AND RESIDUES TO PRODUCE CELLULOSIC  
 9 ETHANOL AND OTHER BIOFUELS.—

10           (1) Subsections (a) and (b) and paragraphs (1)  
 11           and (3) of subsection (d) of section 417 of the En-  
 12           ergy Policy Act of 2005 (Public Law 109–58) are  
 13           each amended by striking “Fischer-Tropsch trans-  
 14           portation fuels” and inserting “transportation fuels  
 15           derived from any coal to liquid process that is envi-  
 16           ronmentally compatible.”.

17           (2) Subsection (c) of section 417 of the Energy  
 18           Policy Act of 2005 (Public Law 109–58) is amended  
 19           by—

20                   (A) striking “Fischer-Tropsch transpor-  
 21                   tation fuel”; and

22                   (B) striking the period at the end of the  
 23                   sentence and inserting a comma and the fol-  
 24                   lowing “derived from any coal to liquid process  
 25                   that is environmentally compatible.”.

1           (3) Clause (ii) of subparagraph (D) of para-  
 2           graph (1) of subsection (c) of section 1703 of the  
 3           Energy Policy Act of 2005 (Public Law 109–58) is  
 4           amended by striking “the Fischer-Tropsch process”  
 5           and inserting “any coal to liquid process that is en-  
 6           vironmentally compatible.”.

7   **SEC. 202. CELLULOSIC BIOFUEL AND EMERGING TECH-**  
 8           **NOLOGY LOAN GUARANTEE PROGRAM.**

9           Section 310B(g) of the Consolidated Farm and Rural  
 10          Development Act (7 U.S.C. 1932(g)) is amended by add-  
 11          ing at the end the following:

12                 “(9) EMERGING TECHNOLOGY LOAN GUARAN-  
 13          TEES.—

14                 “(A) IN GENERAL.—The Secretary may  
 15                 guarantee loans made by private institutions for  
 16                 the construction of facilities to use established,  
 17                 new, or emerging technologies to process and  
 18                 convert cellulosic biomass materials directly into  
 19                 alcohol-based fuels, bio-fuels, or other commer-  
 20                 cial products.

21                 “(B) APPLICANT ASSURANCES.—An appli-  
 22                 cation for a loan guarantee under this section  
 23                 shall include assurances, satisfactory to the  
 24                 Secretary, that—

1 “(i) the project design has been vali-  
2 dated through the operation of a pilot fa-  
3 cility which can be reasonably scaled up to  
4 commercial size;

5 “(ii) the project has been subject to a  
6 full technical review;

7 “(iii) the project is covered by ade-  
8 quate project performance guarantees (ex-  
9 cluding process performance guarantees on  
10 new or emerging technologies);

11 “(iv) the project, with the loan guar-  
12 antee, is economically viable; and

13 “(v) there is a reasonable assurance of  
14 repayment of the guaranteed loan.

15 “(C) COST-SHARING.—An application for a  
16 loan guarantee under this paragraph shall in-  
17 clude binding commitments to cover, from  
18 sources other than Federal grants, at least 20  
19 percent of the total cost of the project described  
20 in the application.

21 “(D) PREFERENCES.—In making loan  
22 guarantees under this paragraph, the Secretary  
23 shall give preference to applications which con-  
24 tain proposals that—



1 “(i) meet all applicable Federal and  
2 State permitting requirements;

3 “(ii) are most likely to be successful;  
4 and

5 “(iii) are located in local markets that  
6 have the greatest need for the facility be-  
7 cause of—

8 “(I) the availability on a renew-  
9 able basis of sufficient quantities of  
10 cellulosic biomass;

11 “(II) opportunities to provide  
12 jobs and promote economic develop-  
13 ment in rural areas;

14 “(III) opportunities to expand  
15 markets for agricultural producers  
16 near the facility;

17 “(IV) opportunities to dispose of  
18 cellulosic-based waste material or de-  
19 bris; or

20 “(V) a high level of demand for  
21 alcohol-based fuels, bio-fuels, or other  
22 commercial products of the facility.

23 “(E) APPROVAL.—Not later than 90 days  
24 after the Secretary receives an application for a

1 loan guarantee under this section, the Secretary  
2 shall approve or disapprove the application.

3 “(F) LIMITATIONS.—

4 “(i) MAXIMUM AMOUNT GUARAN-  
5 TEED.—The total amount of loan guaran-  
6 tees made under this paragraph for a  
7 project described in an application ap-  
8 proved under this paragraph shall not ex-  
9 ceed \$250,000,000.

10 “(ii) MAXIMUM PERCENTAGE OF LOAN  
11 GUARANTEED.—Except as provided in sub-  
12 paragraph (G)(ii), a loan guarantee under  
13 this paragraph for a project described in  
14 an application approved under this para-  
15 graph shall be for not more than 80 per-  
16 cent of the cost of the project estimated in  
17 the application.

18 “(G) ADDITIONAL GUARANTEES.—

19 “(i) IN GENERAL.—The Secretary  
20 may provide additional loan guarantees for  
21 a project described in an application ap-  
22 proved under this paragraph, to cover up  
23 to 80 percent of the excess of the actual  
24 cost of the project over the cost of the  
25 project estimated in the application.

1 “(ii) LIMITATIONS.—

2 “(I) MAXIMUM AMOUNT GUARAN-  
3 TEED.—The total amount of addi-  
4 tional guarantees issued under clause  
5 (i) of this subparagraph for a project  
6 shall not exceed 15 percent of the  
7 amount of the original guarantee pro-  
8 vided under this paragraph for the  
9 project, subject to subparagraph  
10 (F)(i).

11 “(II) MAXIMUM PERCENTAGE OF  
12 LOAN GUARANTEED.—The Secretary  
13 may guarantee not less than 90 per-  
14 cent and not more than 100 percent  
15 of the principal and interest due on a  
16 loan guaranteed under clause (i). If  
17 the guarantee is for less than 100  
18 percent of the principal and interest  
19 due on the loan, the Secretary may  
20 not require the Federal Government  
21 to be accorded a position superior to  
22 the lender in the event of default.

23 “(H) LIMITATIONS ON AUTHORIZATION OF  
24 APPROPRIATIONS.—There are authorized to be

1           appropriated to the Secretary such sums as are  
2           necessary for the cost of providing—

3                   “(i) \$2,000,000,000 in loan guaran-  
4                   tees under this paragraph for fiscal year  
5                   2008;

6                   “(ii) \$3,000,000,000 in loan guaran-  
7                   tees under this paragraph for fiscal year  
8                   2009;

9                   “(iii) \$4,000,000,000 in loan guaran-  
10                  tees under this paragraph for fiscal year  
11                  2010;

12                  “(iv) \$5,000,000,000 in loan guaran-  
13                  tees under this paragraph for fiscal year  
14                  2011; and

15                  “(v) \$6,000,000,000 in loan guaran-  
16                  tees under this paragraph for fiscal year  
17                  2012.

18           “(I) TERMINATION OF AUTHORITY.—The  
19           authority provided by this paragraph shall ter-  
20           minate 10 years after the date of the enactment  
21           of this paragraph.”.

1 **SEC. 203. ANIMAL WASTE ENVIRONMENTAL PROTECTION**  
2 **AND BIOENERGY PRODUCTION GRANTS AND**  
3 **LOANS.**

4 Section 310B of the Consolidated Farm and Rural  
5 Development Act (7 U.S.C. 1932) is amended by redesign-  
6 ating subsection (h) as subsection (i) and inserting after  
7 subsection (g) the following:

8 “(h) ANIMAL WASTE ENVIRONMENTAL PROTECTION  
9 AND BIOENERGY PRODUCTION GRANTS AND LOANS.—

10 “(1) IN GENERAL.—The Secretary may provide  
11 grants, loans, and loan guarantees to farm owners  
12 and tenants for the purchase and installation of  
13 equipment, and the construction of structures and  
14 facilities, for the processing and conversion of ani-  
15 mal wastes and byproducts into liquid fuel, energy,  
16 and other commercial products.

17 “(2) PRIORITY.—In providing grants, loans,  
18 and loan guarantees under this subsection, the Sec-  
19 retary shall give priority to producers who make a  
20 binding commitment to the Secretary to use the  
21 funds obtained thereby to install equipment or build  
22 structures and facilities that will lead to an improve-  
23 ment in water quality, or that will accomplish other  
24 conservation objectives.

25 “(3) MAXIMUM AMOUNTS.—The maximum  
26 amount of a grant or loan, and the maximum

1 amount the repayment of which may be guaranteed,  
2 under this subsection shall not exceed  
3 \$10,000,000.”.

4 **SEC. 204. BIOMASS FEEDSTOCK COMMERCIALIZATION INI-**  
5 **TIATIVE.**

6 Paragraph (1) of section 307(d) of the Biomass Re-  
7 search and Development Act of 2000 (7 U.S.C.  
8 8606(d)(1); Public Law 106–224) is amended—

9 (1) in subparagraph (C), by striking “and” at  
10 the end;

11 (2) in subparagraph (D), by adding “and” at  
12 the end; and

13 (3) by adding after subparagraph (D) the fol-  
14 lowing new subparagraph:

15 “(E) strategies to—

16 “(i) provide producers with the nec-  
17 essary technical assistance, incentives and  
18 financial tools to facilitate a shift towards  
19 the production of crops grown for cellulosic  
20 feedstock and biomass (hereafter in this  
21 subparagraph referred to as ‘energy  
22 crops’);

23 “(ii) provide producers with rec-  
24 ommended practices for growing energy  
25 crops to ensure consistency with existing

1 recommended practices and conservation  
2 programs;

3 “(iii) provide incentives to producers  
4 in the form of price guarantees for plant-  
5 ing energy crops to protect early adopters  
6 from perceived risk during start up of the  
7 industry;

8 “(iv) provide incentives to producers  
9 in the form of grants and guaranteed loans  
10 to establish new cropping systems for the  
11 production, collection and harvesting of  
12 biomass and to remove old cropping sys-  
13 tems;

14 “(v) provide incentives in the form of  
15 grants and guaranteed loans to establish  
16 breeding programs for propagation mate-  
17 rials, which will be necessary to make com-  
18 mercial-scale energy crop production pos-  
19 sible; and

20 “(vi) encourage development within  
21 the private sector of the necessary support  
22 services for energy crop production and  
23 biorefinery operations.”.

○