

(1) in an action filed on or after October 1, 2002; or

(2) in any case, controversy, or other proceeding pending on the date of enactment of this section against the United States in which a court or adjudicatory entity is called on to determine whether the statute of limitations on such a claim has run.

#### SUBMITTED RESOLUTIONS

#### SENATE RESOLUTION 193—AUTHORIZING CERTAIN EMPLOYEES OF THE SENATE WHO PERFORM SERVICE IN THE UNIFORMED SERVICES TO BE PLACED IN A LEAVE WITHOUT PAY STATUS, AND FOR OTHER PURPOSES

Mr. DASCHLE (for himself and Mr. LOTT) submitted the following resolution; which was considered and agreed to:

S. RES. 193

*Resolved,*

#### SECTION 1. LEAVE WITHOUT PAY STATUS FOR CERTAIN SENATE EMPLOYEES PERFORMING SERVICE IN THE UNIFORMED SERVICES.

(a) DEFINITIONS.—In this section—

(1) the terms “employee” and “Federal executive agency” have the meanings given those terms under section 4303 (3) and (5) of title 38, United States Code, respectively; and

(2) the term “employee of the Senate” means any employee whose pay is disbursed by the Secretary of the Senate, except that the term does not include a member of the Capitol Police or a civilian employee of the Capitol Police.

(b) LEAVE WITHOUT PAY STATUS.—An employee of the Senate who is deemed to be on furlough or leave of absence under section 4316(b)(1)(A) of title 38, United States Code, by reason of service in the uniformed services—

(1) may be placed in a leave without pay status while so on furlough or leave of absence; and

(2) while placed in that status, shall be treated—

(A) subject to subparagraph (B), as an employee of a Federal executive agency in a leave without pay status for purposes of chapters 83, 84, 87, and 89 of title 5, United States Code; and

(B) as a Congressional employee for purposes of those chapters.

(c) EFFECTIVE DATE.—This section shall take effect on October 1, 2001, and apply to fiscal year 2002 and each fiscal year thereafter.

#### AMENDMENTS SUBMITTED AND PROPOSED

SA 2678. Mr. HUTCHINSON (for himself, Mr. LOTT, Mr. HELMS, Mr. SESSIONS, and Mrs. HUTCHISON) proposed an amendment to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes.

SA 2679. Mr. DURBIN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2680. Mr. CRAIG submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2681. Mr. CRAIG submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2682. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2683. Mr. LEAHY submitted an amendment intended to be proposed to amendment SA 2568 submitted by Mr. HELMS and intended to be proposed to the amendment SA 2471 proposed by Mr. DASCHLE to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2684. Mr. LEVIN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2685. Mr. ALLARD submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2686. Mr. GRASSLEY (for himself, Mr. HAGEL, Mr. LUGAR, and Mr. JOHNSON) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2687. Mr. HOLLINGS submitted an amendment intended to be proposed by him to the bill H.R. 3210, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; which was ordered to lie on the table.

SA 2688. Mr. DODD (for himself, Mr. MCCONNELL, Mr. SCHUMER, Mr. BOND, Mr. TORRECELLI, Mr. MCCAIN, and Mr. DURBIN) submitted an amendment intended to be proposed by him to the bill S. 565, to establish the Commission on Voting Rights and Procedures to study and make recommendations regarding election technology, voting, and election administration, to establish a grant program under which the Office of Justice Programs and the Civil Rights Division of the Department of Justice shall provide assistance to States and localities in improving election technology and the administration of Federal elections, to require States to meet uniform and nondiscriminatory election technology and administration requirements for the 2004 Federal elections, and for other purposes; which was ordered to lie on the table.

#### TEXT OF AMENDMENTS

SA 2678. Mr. HUTCHINSON (for himself, Mr. LOTT, Mr. HELMS, Mr. SESSIONS, and Mrs. HUTCHISON) proposed an amendment to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; as follows:

In lieu of the matter proposed to be inserted, insert the following:

#### SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Farm Security Act of 2001”.

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

Sec. 1. Short title; table of contents.

#### TITLE I—COMMODITY PROGRAMS

##### Sec. 100. Definitions.

##### Subtitle A—Fixed Decoupled Payments and Counter-Cyclical Payments

Sec. 101. Payments to eligible producers.

Sec. 102. Establishment of payment yield.

Sec. 103. Establishment of base acres and payment acres for a farm.

Sec. 104. Availability of fixed, decoupled payments.

Sec. 105. Availability of counter-cyclical payments.

Sec. 106. Producer agreement required as condition on provision of fixed, decoupled payments and counter-cyclical payments.

Sec. 107. Planting flexibility.

Sec. 108. Relation to remaining payment authority under production flexibility contracts.

Sec. 109. Payment limitations.

Sec. 110. Period of effectiveness.

##### Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments

Sec. 121. Availability of nonrecourse marketing assistance loans for covered commodities.

Sec. 122. Loan rates for nonrecourse marketing assistance loans.

Sec. 123. Term of loans.

Sec. 124. Repayment of loans.

Sec. 125. Loan deficiency payments.

Sec. 126. Payments in lieu of loan deficiency payments for grazed acreage.

Sec. 127. Special marketing loan provisions for upland cotton.

Sec. 128. Special competitive provisions for extra long staple cotton.

Sec. 129. Availability of recourse loans for high moisture feed grains and seed cotton and other fibers.

Sec. 130. Availability of nonrecourse marketing assistance loans for wool and mohair.

Sec. 131. Availability of nonrecourse marketing assistance loans for honey.

Sec. 132. Producer retention of erroneously paid loan deficiency payments and marketing loan gains.

Sec. 133. Reserve stock adjustment.

##### Subtitle C—Other Commodities

##### CHAPTER 1—DAIRY

Sec. 141. Milk price support program.

Sec. 142. Repeal of recourse loan program for processors.

Sec. 143. Extension of dairy export incentive and dairy indemnity programs.

Sec. 144. Fluid milk promotion.

Sec. 145. Dairy product mandatory reporting.

Sec. 146. Study of national dairy policy.

##### CHAPTER 2—SUGAR

Sec. 151. Sugar program.

Sec. 152. Reauthorize provisions of Agricultural Adjustment Act of 1938 regarding sugar.

Sec. 153. Storage facility loans.

##### CHAPTER 3—PEANUTS

Sec. 161. Definitions.

Sec. 162. Establishment of payment yield, peanut acres, and payment acres for a farm.

Sec. 163. Direct payments for peanuts.

Sec. 164. Counter-cyclical payments for peanuts.

Sec. 165. Producer agreements.

Sec. 166. Planting flexibility.

Sec. 167. Marketing assistance loans and loan deficiency payments for peanuts.

Sec. 168. Quality improvement.

Sec. 169. Payment limitations.

Sec. 170. Termination of marketing quota programs for peanuts and compensation to peanut quota holders for loss of quota asset value.

**Subtitle D—Administration**

- Sec. 181. Administration generally.
- Sec. 182. Extension of suspension of permanent price support authority.
- Sec. 183. Limitations.
- Sec. 184. Adjustments of loans.
- Sec. 185. Personal liability of producers for deficiencies.
- Sec. 186. Extension of existing administrative authority regarding loans.
- Sec. 187. Assignment of payments.
- Sec. 188. Report on effect of certain farm program payments on economic viability of producers and farming infrastructure.

**TITLE II—CONSERVATION****Subtitle A—Environmental Conservation Acreage Reserve Program**

- Sec. 201. General provisions.
- Subtitle B—Conservation Reserve Program**
- Sec. 211. Reauthorization.
- Sec. 212. Enrollment.
- Sec. 213. Duties of owners and operators.
- Sec. 214. Reference to conservation reserve payments.
- Sec. 215. Expansion of pilot program to all States.

**Subtitle C—Wetlands Reserve Program**

- Sec. 221. Enrollment.
- Sec. 222. Easements and agreements.
- Sec. 223. Duties of the Secretary.
- Sec. 224. Changes in ownership; agreement modification; termination.

**Subtitle D—Environmental Quality Incentives Program**

- Sec. 231. Purposes.
- Sec. 232. Definitions.
- Sec. 233. Establishment and administration.
- Sec. 234. Evaluation of offers and payments.
- Sec. 235. Environmental Quality Incentives Program plan.
- Sec. 236. Duties of the Secretary.
- Sec. 237. Limitation on payments.
- Sec. 238. Ground and surface water conservation.

**Subtitle E—Funding and Administration**

- Sec. 241. Reauthorization.
- Sec. 242. Funding.
- Sec. 243. Allocation for livestock production.
- Sec. 244. Administration and technical assistance.

**Subtitle F—Other Programs**

- Sec. 251. Private grazing land and conservation assistance.
- Sec. 252. Wildlife Habitat Incentives Program.
- Sec. 253. Farmland Protection Program.
- Sec. 254. Resource Conservation and Development Program.
- Sec. 255. Grassland Reserve Program.
- Sec. 256. Farmland Stewardship Program.
- Sec. 257. Small Watershed Rehabilitation Program.
- Sec. 258. Provision of assistance for Reapaup Creek Tide Gate and Dike Restoration Project, New Jersey.
- Sec. 259. Grassroots source water protection program.

**Subtitle G—Repeals**

- Sec. 261. Provisions of the Food Security Act of 1985.
- Sec. 262. National Natural Resources Conservation Foundation Act.

**TITLE III—TRADE**

- Sec. 301. Market Access Program.
- Sec. 302. Food for Progress.
- Sec. 303. Surplus commodities for developing or friendly countries.
- Sec. 304. Export Enhancement Program.
- Sec. 305. Foreign Market Development Cooperator Program.
- Sec. 306. Export Credit Guarantee Program.

- Sec. 307. Food for Peace (Public Law 480).
- Sec. 308. Emerging markets.
- Sec. 309. Bill Emerson Humanitarian Trust.
- Sec. 310. Technical assistance for specialty crops.
- Sec. 311. Farmers to Africa and the Caribbean Basin.
- Sec. 312. George McGovern–Robert Dole International Food for Education and Child Nutrition Program.
- Sec. 313. Study on fee for services.
- Sec. 314. National export strategy report.

**TITLE IV—NUTRITION PROGRAMS****Subtitle A—Food Stamp Program**

- Sec. 401. Simplified definition of income.
- Sec. 402. Standard deduction.
- Sec. 403. Transitional food stamps for families moving from welfare.
- Sec. 404. Quality control systems.
- Sec. 405. Simplified application and eligibility determination systems.
- Sec. 406. Authorization of appropriations.

**Subtitle B—Commodity Distribution**

- Sec. 441. Distribution of surplus commodities to special nutrition projects.
- Sec. 442. Commodity supplemental food program.
- Sec. 443. Emergency food assistance.

**Subtitle C—Miscellaneous Provisions**

- Sec. 461. Hunger fellowship program.
- Sec. 462. General effective date.

**TITLE V—CREDIT****Subtitle A—Farm Ownership Loans**

- Sec. 501. Direct loans.
- Sec. 502. Financing of bridge loans.
- Sec. 503. Limitations on amount of farm ownership loans.
- Sec. 504. Joint financing arrangements.
- Sec. 505. Guarantee percentage for beginning farmers and ranchers.
- Sec. 506. Guarantee of loans made under State beginning farmer or rancher programs.
- Sec. 507. Down payment loan program.
- Sec. 508. Beginning farmer and rancher contract land sales program.

**Subtitle B—Operating Loans**

- Sec. 511. Direct loans.
- Sec. 512. Amount of guarantee of loans for tribal farm operations; waiver of limitations for tribal farm operations and other farm operations.

**Subtitle C—Administrative Provisions**

- Sec. 521. Eligibility of limited liability companies for farm ownership loans, farm operating loans, and emergency loans.
- Sec. 522. Debt settlement.
- Sec. 523. Temporary authority to enter into contracts; private collection agencies.
- Sec. 524. Interest rate options for loans in servicing.
- Sec. 525. Annual review of borrowers.
- Sec. 526. Simplified loan applications.
- Sec. 527. Inventory property.
- Sec. 528. Definitions.
- Sec. 529. Loan authorization levels.
- Sec. 530. Interest rate reduction program.
- Sec. 531. Options for satisfaction of obligation to pay recapture amount for shared appreciation agreements.
- Sec. 532. Waiver of borrower training certification requirement.
- Sec. 533. Annual review of borrowers.

**Subtitle D—Farm Credit**

- Sec. 541. Repeal of burdensome approval requirements.
- Sec. 542. Banks for cooperatives.
- Sec. 543. Insurance Corporation premiums.

- Sec. 544. Board of Directors of the Federal Agricultural Mortgage Corporation.

**Subtitle E—General Provisions**

- Sec. 551. Inapplicability of finality rule.
- Sec. 552. Technical amendments.
- Sec. 553. Effect of amendments.
- Sec. 554. Effective date.

**TITLE VI—RURAL DEVELOPMENT**

- Sec. 601. Funding for rural local television broadcast signal loan guarantees.
- Sec. 602. Expanded eligibility for value-added agricultural product market development grants.
- Sec. 603. Agriculture innovation center demonstration program.
- Sec. 604. Funding of community water assistance grant program.
- Sec. 605. Loan guarantees for the financing of the purchase of renewable energy systems.
- Sec. 606. Loans and loan guarantees for renewable energy systems.
- Sec. 607. Rural business opportunity grants.
- Sec. 608. Grants for water systems for rural and native villages in Alaska.
- Sec. 609. Rural cooperative development grants.
- Sec. 610. National reserve account of Rural Development Trust Fund.
- Sec. 611. Rural venture capital demonstration program.
- Sec. 612. Increase in limit on certain loans for rural development.
- Sec. 613. Pilot program for development and implementation of strategic regional development plans.
- Sec. 614. Grants to nonprofit organizations to finance the construction, refurbishing, and servicing of individually-owned household water well systems in rural areas for individuals with low or moderate incomes.
- Sec. 615. National Rural Development Partnership.
- Sec. 616. Eligibility of rural empowerment zones, rural enterprise communities, and champion communities for direct and guaranteed loans for essential community facilities.
- Sec. 617. Grants to train farm workers in new technologies and to train farm workers in specialized skills necessary for higher value crops.
- Sec. 618. Loan guarantees for the purchase of stock in a farmer cooperative seeking to modernize or expand.
- Sec. 619. Intangible assets and subordinated unsecured debt required to be considered in determining eligibility of farmer-owned cooperative for business and industry guaranteed loan.
- Sec. 620. Ban on limiting eligibility of farmer cooperative for business and industry loan guarantee based on population of area in which cooperative is located; refinancing.
- Sec. 621. Rural water and waste facility grants.
- Sec. 622. Rural water circuit rider program.
- Sec. 623. Rural water grassroots source water protection program.
- Sec. 624. Delta regional authority.
- Sec. 625. Predevelopment and small capitalization loan fund.
- Sec. 626. Rural economic development loan and grant program.

**TITLE VII—RESEARCH AND RELATED MATTERS****Subtitle A—Extensions**

- Sec. 700. Market expansion research.

Sec. 701. National Rural Information Center Clearinghouse.

Sec. 702. Grants and fellowships for food and agricultural sciences education.

Sec. 703. Policy research centers.

Sec. 704. Human nutrition intervention and health promotion research program.

Sec. 705. Pilot research program to combine medical and agricultural research.

Sec. 706. Nutrition education program.

Sec. 707. Continuing animal health and disease research programs.

Sec. 708. Appropriations for research on national or regional problems.

Sec. 709. Grants to upgrade agricultural and food sciences facilities at 1890 land-grant colleges, including Tuskegee University.

Sec. 710. National research and training centennial centers at 1890 land-grant institutions.

Sec. 711. Hispanic-serving institutions.

Sec. 712. Competitive grants for international agricultural science and education programs.

Sec. 713. University research.

Sec. 714. Extension service.

Sec. 715. Supplemental and alternative crops.

Sec. 716. Aquaculture research facilities.

Sec. 717. Rangeland research.

Sec. 718. National genetics resources program.

Sec. 719. High-priority research and extension initiatives.

Sec. 720. Nutrient management research and extension initiative.

Sec. 721. Agricultural telecommunications program.

Sec. 722. Alternative agricultural research and commercialization revolving fund.

Sec. 723. Assistive technology program for farmers with disabilities.

Sec. 724. Partnerships for high-value agricultural product quality research.

Sec. 725. Biobased products.

Sec. 726. Integrated research, education, and extension competitive grants program.

Sec. 727. Institutional capacity building grants.

Sec. 728. 1994 Institution research grants.

Sec. 729. Endowment for 1994 Institutions.

Sec. 730. Precision agriculture.

Sec. 731. Thomas Jefferson initiative for crop diversification.

Sec. 732. Support for research regarding diseases of wheat, triticale, and barley caused by *Fusarium Graminearum* or by *Tilletia Indica*.

Sec. 733. Food Animal Residue Avoidance Database program.

Sec. 734. Office of Pest Management Policy.

Sec. 735. National Agricultural Research, Extension, Education, and Economics Advisory Board.

Sec. 736. Grants for research on production and marketing of alcohols and industrial hydrocarbons from agricultural commodities and forest products.

Sec. 737. Biomass research and development.

Sec. 738. Agricultural experiment stations research facilities.

Sec. 739. Competitive, special, and facilities research grants national research initiative.

Sec. 740. Federal agricultural research facilities authorization of appropriations.

Sec. 740A. Cotton classification services.

Sec. 740B. Critical agricultural materials research.

Sec. 740C. Private nonindustrial hardwood research program.

#### Subtitle B—Modifications

Sec. 741. Equity in Educational Land-Grant Status Act of 1994.

Sec. 742. National Agricultural Research, Extension, and Teaching Policy Act of 1977.

Sec. 743. Agricultural Research, Extension, and Education Reform Act of 1998.

Sec. 744. Food, Agriculture, Conservation, and Trade Act of 1990.

Sec. 745. National Agricultural Research, Extension, and Teaching Policy Act of 1977.

Sec. 746. Biomass research and development.

Sec. 747. Biotechnology risk assessment research.

Sec. 748. Competitive, special, and facilities research grants.

Sec. 749. Matching funds requirement for research and extension activities of 1890 institutions.

Sec. 749A. Matching funds requirement for research and extension activities for the United States territories.

Sec. 750. Initiative for future agriculture and food systems.

Sec. 751. Carbon cycle research.

Sec. 752. Definition of food and agricultural sciences.

Sec. 753. Federal extension service.

Sec. 754. Policy research centers.

Sec. 755. Animals used in research.

#### Subtitle C—Related Matters

Sec. 761. Resident instruction at land-grant colleges in United States territories.

Sec. 762. Declaration of extraordinary emergency and resulting authorities.

Sec. 763. Agricultural biotechnology research and development for the developing world.

#### Subtitle D—Repeal of Certain Activities and Authorities

Sec. 771. Food Safety Research Information Office and National Conference.

Sec. 772. Reimbursement of expenses under Sheep Promotion, Research, and Information Act of 1994.

Sec. 773. National genetic resources program.

Sec. 774. National Advisory Board on Agricultural Weather.

Sec. 775. Agricultural information exchange with Ireland.

Sec. 776. Pesticide resistance study.

Sec. 777. Expansion of education study.

Sec. 778. Support for advisory board.

Sec. 779. Task force on 10-year strategic plan for agricultural research facilities.

#### Subtitle E—Agriculture Facility Protection

Sec. 790. Additional protections for animal or agricultural enterprises, research facilities, and other entities.

### TITLE VIII—FORESTRY INITIATIVES

Sec. 801. Repeal of forestry incentives program and Stewardship Incentive Program.

Sec. 802. Establishment of Forest Land Enhancement Program.

Sec. 803. Renewable resources extension activities.

Sec. 804. Enhanced community fire protection.

Sec. 805. International forestry program.

Sec. 806. Wildfire prevention and hazardous fuel purchase program.

Sec. 807. McIntire-Stennis cooperative forestry research program.

### TITLE IX—MISCELLANEOUS PROVISIONS

#### Subtitle A—Tree Assistance Program

Sec. 901. Eligibility.

Sec. 902. Assistance.

Sec. 903. Limitation on assistance.

Sec. 904. Definitions.

#### Subtitle B—Other Matters

Sec. 921. Bioenergy program.

Sec. 922. Availability of section 32 funds.

Sec. 923. Seniors farmers' market nutrition program.

Sec. 924. Department of Agriculture authorities regarding caneberries.

Sec. 925. National Appeals Division.

Sec. 926. Outreach and assistance for socially disadvantaged farmers and ranchers.

Sec. 927. Equal treatment of potatoes and sweet potatoes.

Sec. 928. Reference to sea grass and sea oats as crops covered by noninsured crop disaster assistance program.

Sec. 929. Assistance for livestock producers.

Sec. 930. Compliance with Buy American Act and sense of Congress regarding purchase of American-made equipment, products, and services using funds provided under this Act.

Sec. 931. Report regarding genetically engineered foods.

Sec. 932. Market name for pangasius fish species.

Sec. 933. Program of public education regarding use of biotechnology in producing food for human consumption.

Sec. 934. GAO study.

Sec. 935. Interagency Task Force on Agricultural Competition.

Sec. 936. Authorization for additional staff and funding for the Grain Inspection, Packers and Stockyards Administration.

Sec. 937. Enforcement of the Humane Methods of Slaughter Act of 1958.

Sec. 938. Penalties and foreign commerce provisions of the Animal Welfare Act.

Sec. 939. Improve administration of Animal and Plant Health Inspection Service.

Sec. 940. Renewable energy resources.

Sec. 941. Use of amounts provided for fixed, decoupled payments to provide necessary funds for rural development programs.

Sec. 942. Study of nonambulatory livestock.

### TITLE I—COMMODITY PROGRAMS

#### SEC. 100. DEFINITIONS.

In this title (other than chapter 3 of subtitle C):

(1) AGRICULTURAL ACT OF 1949.—The term "Agricultural Act of 1949" means the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), as in effect prior to the suspensions under section 171 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301).

(2) BASE ACRES.—The term "base acres", with respect to a covered commodity on a farm, means the number of acres established under section 103 with respect to the commodity upon the election made by the producers on the farm under subsection (a) of such section.

(3) COUNTER-CYCLICAL PAYMENT.—The term "counter-cyclical payment" means a payment made to producers under section 105.

(4) COVERED COMMODITY.—The term "covered commodity" means wheat, corn, grain sorghum, barley, oats, upland cotton, rice, soybeans, and other oilseeds.

(5) EFFECTIVE PRICE.—The term "effective price", with respect to a covered commodity for a crop year, means the price calculated

by the Secretary under section 105 to determine whether counter-cyclical payments are required to be made for that crop year.

(6) **ELIGIBLE PRODUCER.**—The term “eligible producer” means a producer described in section 101(a).

(7) **FIXED, DECOUPLED PAYMENT.**—The term “fixed, decoupled payment” means a payment made to producers under section 104.

(8) **OTHER OILSEED.**—The term “other oilseed” means a crop of sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or, if designated by the Secretary, another oilseed.

(9) **PAYMENT ACRES.**—The term “payment acres” means 85 percent of the base acres of a covered commodity on a farm, as established under section 103, upon which fixed, decoupled payments and counter-cyclical payments are to be made.

(10) **PAYMENT YIELD.**—The term “payment yield” means the yield established under section 102 for a farm for a covered commodity.

(11) **PRODUCER.**—The term “producer” means an owner, operator, landlord, tenant, or sharecropper who shares in the risk of producing a crop and who is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced. In determining whether a grower of hybrid seed is a producer, the Secretary shall not take into consideration the existence of a hybrid seed contract and shall ensure that program requirements do not adversely affect the ability of the grower to receive a payment under this title.

(12) **SECRETARY.**—The term “Secretary” means the Secretary of Agriculture.

(13) **STATE.**—The term “State” means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.

(14) **TARGET PRICE.**—The term “target price” means the price per bushel (or other appropriate unit in the case of upland cotton, rice, and other oilseeds) of a covered commodity used to determine the payment rate for counter-cyclical payments.

(15) **UNITED STATES.**—The term “United States”, when used in a geographical sense, means all of the States.

#### **Subtitle A—Fixed Decoupled Payments and Counter-Cyclical Payments**

##### **SEC. 101. PAYMENTS TO ELIGIBLE PRODUCERS.**

(a) **PAYMENTS REQUIRED.**—Beginning with the 2002 crop of covered commodities, the Secretary shall make fixed decoupled payments and counter-cyclical payments under this subtitle—

(1) to producers on a farm that were parties to a production flexibility contract under section 111 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7211) for fiscal year 2002; and

(2) to other producers on farms in the United States as described in section 103(a).

(b) **TENANTS AND SHARECROPPERS.**—In carrying out this title, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

(c) **SHARING OF PAYMENTS.**—The Secretary shall provide for the sharing of fixed, decoupled payments and counter-cyclical payments among the eligible producers on a farm on a fair and equitable basis.

##### **SEC. 102. ESTABLISHMENT OF PAYMENT YIELD.**

(a) **ESTABLISHMENT AND PURPOSE.**—For the purpose of making fixed decoupled payments and counter-cyclical payments under this subtitle, the Secretary shall provide for the establishment of a payment yield for each farm for each covered commodity in accordance with this section.

(b) **USE OF FARM PROGRAM PAYMENT YIELD.**—Except as otherwise provided in this section, the payment yield for each of the

2002 through 2011 crops of a covered commodity for a farm shall be the farm program payment yield in effect for the 2002 crop of the covered commodity under section 505 of the Agricultural Act of 1949 (7 U.S.C. 1465).

(c) **FARMS WITHOUT FARM PROGRAM PAYMENT YIELD.**—In the case of a farm for which a farm program payment yield is unavailable for a covered commodity (other than soybeans or other oilseeds), the Secretary shall establish an appropriate payment yield for the covered commodity on the farm taking in consideration the farm program payment yields applicable to the commodity under subsection (b) for similar farms in the area.

(d) **PAYMENT YIELDS FOR OILSEEDS.**—

(1) **DETERMINATION OF AVERAGE YIELD.**—In the case of soybeans and each other oilseed, the Secretary shall determine the average yield for the oilseed on a farm for the 1998 through 2001 crop years, excluding any crop year in which the acreage planted to the oilseed was zero. If, for any of these four crop years in which the oilseed was planted, the farm would have satisfied the eligibility criteria established to carry out section 1102 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (Public Law 105-277; 7 U.S.C. 1421 note), the Secretary shall assign a yield for that year equal to 65 percent of the county yield.

(2) **ADJUSTMENT FOR PAYMENT YIELD.**—The payment yield for a farm for an oilseed shall be equal to the product of the following:

(A) The average yield for the oilseed determined under paragraph (1).

(B) The ratio resulting from dividing the national average yield for the oilseed for the 1981 through 1985 crops by the national average yield for the oilseed for the 1998 through 2001 crops.

##### **SEC. 103. ESTABLISHMENT OF BASE ACRES AND PAYMENT ACRES FOR A FARM.**

(a) **ELECTION BY PRODUCERS OF BASE ACRE CALCULATION METHOD.**—For the purpose of making fixed decoupled payments and counter-cyclical payments with respect to a farm, the Secretary shall give producers on the farm an opportunity to elect one of the following as the method by which the base acres of all covered commodities on the farm are to be determined:

(1) The four-year average of acreage actually planted on the farm to a covered commodity for harvest, grazing, haying, silage, or other similar purposes during crop years 1998, 1999, 2000, and 2001 and any acreage on the farm that the producers were prevented from planting during such crop years to the covered commodity because of drought, flood, or other natural disaster, or other condition beyond the control of the producer, as determined by the Secretary.

(2) The sum of contract acreage (as defined in section 102 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7202)) used by the Secretary to calculate the fiscal year 2002 payment that, subject to section 109, would be made under section 114 of such Act (7 U.S.C. 7214) for the covered commodity on the farm and the four-year average determined under paragraph (1) for soybeans and each other oilseed produced on the farm.

(b) **SINGLE ELECTION; TIME FOR ELECTION.**—The opportunity to make the election described in subsection (a) shall be available to producers on a farm only once. The producers shall notify the Secretary of the election made by the producers under such subsection not later than 180 days after the date of the enactment of this Act.

(c) **EFFECT OF FAILURE TO MAKE ELECTION.**—If the producers on a farm fail to make the election under subsection (a), or fail to timely notify the Secretary of the selected option as required by subsection (b),

the producers shall be deemed to have made the election described in subsection (a)(2) to determine base acres for all covered commodities on the farm.

(d) **APPLICATION OF ELECTION TO ALL COVERED COMMODITIES.**—The election made under subsection (a) or deemed to be made under subsection (c) with respect to a farm shall apply to all of the covered commodities on the farm. Producers may not make the election described in subsection (a)(1) for one covered commodity and the election described in subsection (a)(2) for other covered commodities on the farm.

(e) **TREATMENT OF CONSERVATION RESERVE CONTRACT ACREAGE.**—

(1) **IN GENERAL.**—In the case of producers on a farm that make the election described in subsection (a)(2), the Secretary shall provide for an adjustment in the base acres for the farm whenever either of the following circumstances occur:

(A) A conservation reserve contract entered into under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) with respect to the farm expires or is voluntarily terminated.

(B) Cropland is released from coverage under a conservation reserve contract by the Secretary.

(2) **SPECIAL PAYMENT RULES.**—For the fiscal year and crop year in which a base acre adjustment under paragraph (1) is first made, the producers on the farm shall elect to receive either fixed decoupled payments and counter-cyclical payments with respect to the acreage added to the farm under this subsection or a prorated payment under the conservation reserve contract, but not both.

(f) **PAYMENT ACRES.**—The payment acres for a covered commodity on a farm shall be equal to 85 percent of the base acres for the commodity.

(g) **PREVENTION OF EXCESS BASE ACRES.**—

(1) **REQUIRED REDUCTION.**—If the sum of the base acres for a farm, together with the acreage described in paragraph (2), exceeds the actual cropland acreage of the farm, the Secretary shall reduce the quantity of base acres for one or more covered commodities for the farm or peanut acres for the farm as necessary so that the sum of the base acres and acreage described in paragraph (2) does not exceed the actual cropland acreage of the farm. The Secretary shall give the producers on the farm the opportunity to select the base acres or peanut acres against which the reduction will be made.

(2) **OTHER ACREAGE.**—For purposes of paragraph (1), the Secretary shall include the following:

(A) Any peanut acres for the farm under chapter 3 of subtitle C.

(B) Any acreage on the farm enrolled in the conservation reserve program or wetlands reserve program under chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.).

(C) Any other acreage on the farm enrolled in a conservation program for which payments are made in exchange for not producing an agricultural commodity on the acreage.

(3) **EXCEPTION FOR DOUBLE-CROPPED ACREAGE.**—In applying paragraph (1), the Secretary shall make an exception in the case of double cropping, as determined by the Secretary.

##### **SEC. 104. AVAILABILITY OF FIXED, DECOUPLED PAYMENTS.**

(a) **PAYMENT REQUIRED.**—For each of the 2002 through 2011 crop years of each covered commodity, the Secretary shall make fixed, decoupled payments to eligible producers.

(b) **PAYMENT RATE.**—The payment rates used to make fixed, decoupled payments with respect to covered commodities for a crop year are as follows:

- (1) Wheat, \$0.53 per bushel.
- (2) Corn, \$0.30 per bushel.
- (3) Grain sorghum, \$0.36 per bushel.
- (4) Barley, \$0.25 per bushel.
- (5) Oats, \$0.025 per bushel.
- (6) Upland cotton, \$0.0667 per pound.
- (7) Rice, \$2.35 per hundredweight.
- (8) Soybeans, \$0.42 per bushel.
- (9) Other oilseeds, \$0.0074 per pound.

(c) **PAYMENT AMOUNT.**—The amount of the fixed, decoupled payment to be paid to the eligible producers on a farm for a covered commodity for a crop year shall be equal to the product of the following:

(1) The payment rate specified in subsection (b).

(2) The payment acres of the covered commodity on the farm.

(3) The payment yield for the covered commodity for the farm.

(d) **TIME FOR PAYMENT.**—

(1) **GENERAL RULE.**—Fixed, decoupled payments shall be paid not later than September 30 of each of fiscal years 2002 through 2011. In the case of the 2002 crop, payments may begin to be made on or after December 1, 2001.

(2) **ADVANCE PAYMENTS.**—At the option of an eligible producer, 50 percent of the fixed, decoupled payment for a fiscal year shall be paid on a date selected by the producer. The selected date shall be on or after December 1 of that fiscal year, and the producer may change the selected date for a subsequent fiscal year by providing advance notice to the Secretary.

(3) **REPAYMENT OF ADVANCE PAYMENTS.**—If a producer that receives an advance fixed, decoupled payment for a fiscal year ceases to be an eligible producer before the date the fixed, decoupled payment would otherwise have been made by the Secretary under paragraph (1), the producer shall be responsible for repaying the Secretary the full amount of the advance payment.

#### **SEC. 105. AVAILABILITY OF COUNTER-CYCLICAL PAYMENTS.**

(a) **PAYMENT REQUIRED.**—The Secretary shall make counter-cyclical payments with respect to a covered commodity whenever the Secretary determines that the effective price for the commodity is less than the target price for the commodity.

(b) **EFFECTIVE PRICE.**—For purposes of subsection (a), the effective price for a covered commodity is equal to the sum of the following:

(1) The higher of the following:

(A) The national average market price received by producers during the 12-month marketing year for the commodity, as determined by the Secretary.

(B) The national average loan rate for a marketing assistance loan for the covered commodity in effect for the same period under subtitle B.

(2) The payment rate in effect for the covered commodity under section 104 for the purpose of making fixed, decoupled payments with respect to the commodity.

(c) **TARGET PRICE.**—For purposes of subsection (a), the target prices for covered commodities are as follows:

- (1) Wheat, \$4.04 per bushel.
- (2) Corn, \$2.78 per bushel.
- (3) Grain sorghum, \$2.64 per bushel.
- (4) Barley, \$2.39 per bushel.
- (5) Oats, \$1.47 per bushel.
- (6) Upland cotton, \$0.736 per pound.
- (7) Rice, \$10.82 per hundredweight.
- (8) Soybeans, \$5.86 per bushel.
- (9) Other oilseeds, \$0.1036 per pound.

(d) **PAYMENT RATE.**—The payment rate used to make counter-cyclical payments with respect to a covered commodity for a crop year shall be equal to the difference between—

(1) the target price for the commodity; and

(2) the effective price determined under subsection (b) for the commodity.

(e) **PAYMENT AMOUNT.**—The amount of the counter-cyclical payment to be paid to the eligible producers on a farm for a covered commodity for a crop year shall be equal to the product of the following:

(1) The payment rate specified in subsection (d).

(2) The payment acres of the covered commodity on the farm.

(3) The payment yield for the covered commodity for the farm.

(f) **TIME FOR PAYMENTS.**—

(1) **GENERAL RULE.**—The Secretary shall make counter-cyclical payments under this section for a crop of a covered commodity as soon as possible after determining under subsection (a) that such payments are required for that crop year.

(2) **PARTIAL PAYMENT.**—The Secretary may permit, and, if so permitted, an eligible producer may elect to receive, up to 40 percent of the projected counter-cyclical payment, as determined by the Secretary, to be made under this section for a crop of a covered commodity upon completion of the first six months of the marketing year for that crop. The producer shall repay to the Secretary the amount, if any, by which the partial payment exceeds the actual counter-cyclical payment to be made for that marketing year.

(g) **SPECIAL RULE FOR CURRENTLY UNDESIGNATED OILSEED.**—If the Secretary uses the authority under section 100(8) to designate another oilseed as an oilseed for which counter-cyclical payments may be made, the Secretary may modify the target price specified in subsection (c)(9) that would otherwise apply to that oilseed as the Secretary considers appropriate.

(h) **SPECIAL RULE FOR BARLEY USED ONLY FOR FEED PURPOSES.**—For purposes of calculating the effective price for barley under subsection (b), the Secretary shall use the loan rate in effect for barley under section 122(b)(3), except, in the case of producers who received the higher loan rate provided under such section for barley used only for feed purposes, the Secretary shall use that higher loan rate.

#### **SEC. 106. PRODUCER AGREEMENT REQUIRED AS CONDITION ON PROVISION OF FIXED, DECOUPLED PAYMENTS AND COUNTER-CYCLICAL PAYMENTS.**

(a) **COMPLIANCE WITH CERTAIN REQUIREMENTS.**—

(1) **REQUIREMENTS.**—Before the producers on a farm may receive fixed, decoupled payments or counter-cyclical payments with respect to the farm, the producers shall agree, in exchange for the payments—

(A) to comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.);

(B) to comply with applicable wetland protection requirements under subtitle C of title XII of the Act (16 U.S.C. 3821 et seq.);

(C) to comply with the planting flexibility requirements of section 107; and

(D) to use the land on the farm, in an amount equal to the base acres, for an agricultural or conserving use, and not for a non-agricultural commercial or industrial use, as determined by the Secretary.

(2) **COMPLIANCE.**—The Secretary may issue such rules as the Secretary considers necessary to ensure producer compliance with the requirements of paragraph (1).

(b) **EFFECT OF FORECLOSURE.**—A producer may not be required to make repayments to the Secretary of fixed, decoupled payments and counter-cyclical payments if the farm has been foreclosed on and the Secretary determines that forgiving the repayments is appropriate to provide fair and equitable

treatment. This subsection shall not void the responsibilities of the producer under subsection (a) if the producer continues or resumes operation, or control, of the farm. On the resumption of operation or control over the farm by the producer, the requirements of subsection (a) in effect on the date of the foreclosure shall apply.

(c) **TRANSFER OR CHANGE OF INTEREST IN FARM.**—

(1) **TERMINATION.**—Except as provided in paragraph (4), a transfer of (or change in) the interest of a producer in base acres for which fixed, decoupled payments or counter-cyclical payments are made shall result in the termination of the payments with respect to the base acres, unless the transferee or owner of the acreage agrees to assume all obligations under subsection (a). The termination shall be effective on the date of the transfer or change.

(2) **TRANSFER OF PAYMENT BASE.**—There is no restriction on the transfer of a farm's base acres or payment yield as part of a change in the producers on the farm.

(3) **MODIFICATION.**—At the request of the transferee or owner, the Secretary may modify the requirements of subsection (a) if the modifications are consistent with the objectives of such subsection, as determined by the Secretary.

(4) **EXCEPTION.**—If a producer entitled to a fixed, decoupled payment or counter-cyclical payment dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment, in accordance with regulations prescribed by the Secretary.

(d) **ACREAGE REPORTS.**—

(1) **IN GENERAL.**—As a condition on the receipt of any benefits under this subtitle or subtitle B, the Secretary shall require producers to submit to the Secretary acreage reports.

(2) **CONFORMING AMENDMENT.**—Section 15 of the Agricultural Marketing Act (12 U.S.C. 1141j) is amended by striking subsection (d).

(e) **REVIEW.**—A determination of the Secretary under this section shall be considered to be an adverse decision for purposes of the availability of administrative review of the determination.

#### **SEC. 107. PLANTING FLEXIBILITY.**

(a) **PERMITTED CROPS.**—Subject to subsection (b), any commodity or crop may be planted on base acres on a farm.

(b) **LIMITATIONS AND EXCEPTIONS REGARDING CERTAIN COMMODITIES.**—

(1) **LIMITATIONS.**—The planting of the following agricultural commodities shall be prohibited on base acres:

(A) Fruits.

(B) Vegetables (other than lentils, mung beans, and dry peas).

(C) Wild rice.

(2) **EXCEPTIONS.**—Paragraph (1) shall not limit the planting of an agricultural commodity specified in such paragraph—

(A) in any region in which there is a history of double-cropping of covered commodities with agricultural commodities specified in paragraph (1), as determined by the Secretary, in which case the double-cropping shall be permitted;

(B) on a farm that the Secretary determines has a history of planting agricultural commodities specified in paragraph (1) on base acres, except that fixed, decoupled payments and counter-cyclical payments shall be reduced by an acre for each acre planted to such an agricultural commodity; or

(C) by a producer who the Secretary determines has an established planting history of a specific agricultural commodity specified in paragraph (1), except that—

(i) the quantity planted may not exceed the producer's average annual planting history of such agricultural commodity in the

1991 through 1995 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and

(ii) fixed, decoupled payments and counter-cyclical payments shall be reduced by an acre for each acre planted to such agricultural commodity.

**SEC. 108. RELATION TO REMAINING PAYMENT AUTHORITY UNDER PRODUCTION FLEXIBILITY CONTRACTS.**

(a) **TERMINATION OF SUPERSEDED PAYMENT AUTHORITY.**—Notwithstanding section 113(a)(7) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7213(a)(7)) or any other provision of law, the Secretary shall not make payments for fiscal year 2002 after the date of the enactment of this Act under production flexibility contracts entered into under section 111 of such Act (7 U.S.C. 7211).

(b) **CONTRACT PAYMENTS MADE BEFORE ENACTMENT.**—If, on or before the date of the enactment of this Act, a producer receives all or any portion of the payment authorized for fiscal year 2002 under a production flexibility contract, the Secretary shall reduce the amount of the fixed, decoupled payment otherwise due the producer for that same fiscal year by the amount of the fiscal year 2002 payment previously received by the producer.

**SEC. 109. PAYMENT LIMITATIONS.**

Sections 1001 through 1001C of the Food Security Act of 1985 (7 U.S.C. 1308 through 1308-3) shall apply to fixed, decoupled payments and counter-cyclical payments.

**SEC. 110. PERIOD OF EFFECTIVENESS.**

This subtitle shall be effective beginning with the 2002 crop year of each covered commodity through the 2011 crop year.

**Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments**

**SEC. 121. AVAILABILITY OF NONRECOURSE MARKETING ASSISTANCE LOANS FOR COVERED COMMODITIES.**

(a) **NONRECOURSE LOANS AVAILABLE.**—

(1) **AVAILABILITY.**—For each of the 2002 through 2011 crops of each covered commodity, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for covered commodities produced on the farm. The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under section 122 for the covered commodity.

(2) **INCLUSION OF EXTRA LONG STAPLE COTTON.**—In this subtitle, the term “covered commodity” includes extra long staple cotton.

(b) **ELIGIBLE PRODUCTION.**—Any production of a covered commodity on a farm shall be eligible for a marketing assistance loan under subsection (a).

(c) **TREATMENT OF CERTAIN COMMINGLED COMMODITIES.**—In carrying out this subtitle, the Secretary shall make loans to a producer that is otherwise eligible to obtain a marketing assistance loan, but for the fact the covered commodity owned by the producer is commingled with covered commodities of other producers in facilities unlicensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the producer obtaining the loan agrees to immediately redeem the loan collateral in accordance with section 166 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7286).

(d) **COMPLIANCE WITH CONSERVATION AND WETLANDS REQUIREMENTS.**—As a condition of the receipt of a marketing assistance loan under subsection (a), the producer shall comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wetland protection re-

quirements under subtitle C of title XII of the Act (16 U.S.C. 3821 et seq.) during the term of the loan.

(e) **DEFINITION OF EXTRA LONG STAPLE COTTON.**—In this subtitle, the term “extra long staple cotton” means cotton that—

(1) is produced from pure strain varieties of the Barbados species or any hybrid thereof, or other similar types of extra long staple cotton, designated by the Secretary, having characteristics needed for various end uses for which United States upland cotton is not suitable and grown in irrigated cotton-growing regions of the United States designated by the Secretary or other areas designated by the Secretary as suitable for the production of the varieties or types; and

(2) is ginned on a roller-type gin or, if authorized by the Secretary, ginned on another type gin for experimental purposes.

(f) **TERMINATION OF SUPERSEDED LOAN AUTHORITY.**—Notwithstanding section 131 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7231), nonrecourse marketing assistance loans shall not be made for the 2002 crop of covered commodities under subtitle C of title I of such Act.

**SEC. 122. LOAN RATES FOR NONRECOURSE MARKETING ASSISTANCE LOANS.**

(a) **WHEAT.**—

(1) **LOAN RATE.**—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 121 for wheat shall be—

(A) not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding five crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than \$2.58 per bushel.

(2) **STOCKS TO USE RATIO ADJUSTMENT.**—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

(A) equal to or greater than 30 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 10 percent in any year;

(B) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 5 percent in any year; or

(C) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

(b) **FEED GRAINS.**—

(1) **LOAN RATE FOR CORN AND GRAIN SORGHUM.**—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 121 for corn and grain sorghum shall be—

(A) not less than 85 percent of the simple average price received by producers of corn or grain sorghum, respectively, as determined by the Secretary, during the marketing years for the immediately preceding five crops of the covered commodity, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than \$1.89 per bushel.

(2) **STOCKS TO USE RATIO ADJUSTMENT.**—If the Secretary estimates for any marketing year that the ratio of ending stocks of corn or grain sorghum to total use for the marketing year will be—

(A) equal to or greater than 25 percent, the Secretary may reduce the loan rate for the covered commodity for the corresponding crop by an amount not to exceed 10 percent in any year;

(B) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan rate for the covered commodity for the

corresponding crop by an amount not to exceed 5 percent in any year; or

(C) less than 12.5 percent, the Secretary may not reduce the loan rate for the covered commodity for the corresponding crop.

(3) **OTHER FEED GRAINS.**—The loan rate for a marketing assistance loan under section 121 for barley and oats shall be—

(A) established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn; but

(B) not more than—

(i) \$1.65 per bushel for barley, except not more than \$1.70 per bushel for barley used only for feed purposes, as determined by the Secretary; and

(ii) \$1.21 per bushel for oats.

(c) **UPLAND COTTON.**—

(1) **LOAN RATE.**—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 121 for upland cotton shall be established by the Secretary at such loan rate, per pound, as will reflect for the base quality of upland cotton, as determined by the Secretary, at average locations in the United States a rate that is not less than the smaller of—

(A) 85 percent of the average price (weighted by market and month) of the base quality of cotton as quoted in the designated United States spot markets during 3 years of the 5-year period ending July 31 of the year preceding the year in which the crop is planted, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

(B) 90 percent of the average, for the 15-week period beginning July 1 of the year preceding the year in which the crop is planted, of the five lowest-priced growths of the growths quoted for Middling 1 $\frac{1}{2}$ -inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year preceding the year in which the crop is planted between the average Northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for the base quality of upland cotton), as determined by the Secretary.

(2) **LIMITATIONS.**—The loan rate for a marketing assistance loan for upland cotton shall not be less than \$0.50 per pound or more than \$0.5192 per pound.

(d) **EXTRA LONG STAPLE COTTON.**—The loan rate for a marketing assistance loan under section 121 for extra long staple cotton shall be \$0.7965 per pound.

(e) **RICE.**—The loan rate for a marketing assistance loan under section 121 for rice shall be \$6.50 per hundredweight.

(f) **OILSEEDS.**—

(1) **SOYBEANS.**—The loan rate for a marketing assistance loan under section 121 for soybeans shall be—

(A) not less than 85 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding five crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than \$4.92 per bushel.

(2) **OTHER OILSEEDS.**—The loan rate for a marketing assistance loan under section 121 for other oilseeds shall be—

(A) not less than 85 percent of the simple average price received by producers of the other oilseed, as determined by the Secretary, during the marketing years for the immediately preceding five crops of the other oilseed, excluding the year in which



the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than \$0.087 per pound.

#### SEC. 123. TERM OF LOANS.

(a) TERM OF LOAN.—In the case of each covered commodity (other than upland cotton or extra long staple cotton), a marketing assistance loan under section 121 shall have a term of nine months beginning on the first day of the first month after the month in which the loan is made.

(b) SPECIAL RULE FOR COTTON.—A marketing assistance loan for upland cotton or extra long staple cotton shall have a term of 10 months beginning on the first day of the month in which the loan is made.

(c) EXTENSIONS PROHIBITED.—The Secretary may not extend the term of a marketing assistance loan for any covered commodity.

#### SEC. 124. REPAYMENT OF LOANS.

(a) REPAYMENT RATES FOR WHEAT, FEED GRAINS, AND OILSEEDS.—The Secretary shall permit a producer to repay a marketing assistance loan under section 121 for wheat, corn, grain sorghum, barley, oats, and oilseeds at a rate that is the lesser of—

(1) the loan rate established for the commodity under section 122, plus interest (as determined by the Secretary); or

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

(B) minimize the accumulation of stocks of the commodity by the Federal Government;

(C) minimize the cost incurred by the Federal Government in storing the commodity; and

(D) allow the commodity produced in the United States to be marketed freely and competitively, both domestically and internationally.

(b) REPAYMENT RATES FOR UPLAND COTTON AND RICE.—The Secretary shall permit producers to repay a marketing assistance loan under section 121 for upland cotton and rice at a rate that is the lesser of—

(1) the loan rate established for the commodity under section 122, plus interest (as determined by the Secretary); or

(2) the prevailing world market price for the commodity (adjusted to United States quality and location), as determined by the Secretary.

(c) REPAYMENT RATES FOR EXTRA LONG STAPLE COTTON.—Repayment of a marketing assistance loan for extra long staple cotton shall be at the loan rate established for the commodity under section 122, plus interest (as determined by the Secretary).

(d) PREVAILING WORLD MARKET PRICE.—For purposes of this section and section 127, the Secretary shall prescribe by regulation—

(1) a formula to determine the prevailing world market price for each covered commodity, adjusted to United States quality and location; and

(2) a mechanism by which the Secretary shall announce periodically the prevailing world market price for each covered commodity.

(e) ADJUSTMENT OF PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON.—

(1) IN GENERAL.—During the period beginning on the date of the enactment of this Act and ending July 31, 2012, the prevailing world market price for upland cotton (adjusted to United States quality and location) established under subsection (d) shall be further adjusted if—

(A) the adjusted prevailing world market price is less than 115 percent of the loan rate for upland cotton established under section 122, as determined by the Secretary; and

(B) the Friday through Thursday average price quotation for the lowest-priced United

States growth as quoted for Middling (M) 1 $\frac{3}{32}$ -inch cotton delivered C.I.F. Northern Europe is greater than the Friday through Thursday average price of the 5 lowest-priced growths of upland cotton, as quoted for Middling (M) 1 $\frac{3}{32}$ -inch cotton, delivered C.I.F. Northern Europe (referred to in this section as the “Northern Europe price”).

(2) FURTHER ADJUSTMENT.—Except as provided in paragraph (3), the adjusted prevailing world market price for upland cotton shall be further adjusted on the basis of some or all of the following data, as available:

(A) The United States share of world exports.

(B) The current level of cotton export sales and cotton export shipments.

(C) Other data determined by the Secretary to be relevant in establishing an accurate prevailing world market price for upland cotton (adjusted to United States quality and location).

(3) LIMITATION ON FURTHER ADJUSTMENT.—The adjustment under paragraph (2) may not exceed the difference between—

(A) the Friday through Thursday average price for the lowest-priced United States growth as quoted for Middling 1 $\frac{3}{32}$ -inch cotton delivered C.I.F. Northern Europe; and

(B) the Northern Europe price.

(f) TIME FOR FIXING REPAYMENT RATE.—In the case of a producer that marketed or otherwise lost beneficial interest in a covered commodity before repaying the marketing assistance loan made under section 121 with respect to the commodity, the Secretary shall permit the producer to repay the loan at the lowest repayment rate that was in effect for that covered commodity under this section as of the date that the producer lost beneficial interest, as determined by the Secretary.

#### SEC. 125. LOAN DEFICIENCY PAYMENTS.

(a) AVAILABILITY OF LOAN DEFICIENCY PAYMENTS.—Except as provided in subsection (d), the Secretary may make loan deficiency payments available to producers who, although eligible to obtain a marketing assistance loan under section 121 with respect to a covered commodity, agree to forgo obtaining the loan for the commodity in return for payments under this section.

(b) COMPUTATION.—A loan deficiency payment under this section shall be computed by multiplying—

(1) the loan payment rate determined under subsection (c) for the covered commodity; by

(2) the quantity of the covered commodity produced by the eligible producers, excluding any quantity for which the producers obtain a loan under section 121.

(c) LOAN PAYMENT RATE.—For purposes of this section, the loan payment rate shall be the amount by which—

(1) the loan rate established under section 122 for the covered commodity; exceeds

(2) the rate at which a loan for the commodity may be repaid under section 124.

(d) EXCEPTION FOR EXTRA LONG STAPLE COTTON.—This section shall not apply with respect to extra long staple cotton.

(e) TIME FOR PAYMENT.—The Secretary shall make a payment under this section to a producer with respect to a quantity of a covered commodity as of the earlier of the following:

(1) The date on which the producer marketed or otherwise lost beneficial interest in the commodity, as determined by the Secretary.

(2) The date the producer requests the payment.

(f) CONTINUATION OF SPECIAL LDP RULE FOR 2001 CROP YEAR.—Section 135(a)(2) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235(a)(2)) is

amended by striking “2000 crop year” and inserting “2000 and 2001 crop years”.

#### SEC. 126. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.

(a) ELIGIBLE PRODUCERS.—Effective for the 2002 through 2011 crop years, in the case of a producer that would be eligible for a loan deficiency payment under section 125 for wheat, barley, or oats, but that elects to use acreage planted to the wheat, barley, or oats for the grazing of livestock, the Secretary shall make a payment to the producer under this section if the producer enters into an agreement with the Secretary to forgo any other harvesting of the wheat, barley, or oats on that acreage.

(b) PAYMENT AMOUNT.—The amount of a payment made to a producer on a farm under this section shall be equal to the amount determined by multiplying—

(1) the loan deficiency payment rate determined under section 125(c) in effect, as of the date of the agreement, for the county in which the farm is located; by

(2) the payment quantity determined by multiplying—

(A) the quantity of the grazed acreage on the farm with respect to which the producer elects to forgo harvesting of wheat, barley, or oats; and

(B) the payment yield for that covered commodity on the farm.

(c) TIME, MANNER, AND AVAILABILITY OF PAYMENT.—

(1) TIME AND MANNER.—A payment under this section shall be made at the same time and in the same manner as loan deficiency payments are made under section 125.

(2) AVAILABILITY.—The Secretary shall establish an availability period for the payment authorized by this section that is consistent with the availability period for wheat, barley, and oats established by the Secretary for marketing assistance loans authorized by this subtitle.

(d) PROHIBITION ON CROP INSURANCE OR NONINSURED CROP ASSISTANCE.—A 2002 through 2011 crop of wheat, barley, or oats planted on acreage that a producer elects, in the agreement required by subsection (a), to use for the grazing of livestock in lieu of any other harvesting of the crop shall not be eligible for insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) or non-insured crop assistance under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333).

#### SEC. 127. SPECIAL MARKETING LOAN PROVISIONS FOR UPLAND COTTON.

(a) COTTON USER MARKETING CERTIFICATES.—

(1) ISSUANCE.—During the period beginning on the date of the enactment of this Act and ending July 31, 2012, the Secretary shall issue marketing certificates or cash payments, at the option of the recipient, to domestic users and exporters for documented purchases by domestic users and sales for export by exporters made in the week following a consecutive four-week period in which—

(A) the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1 $\frac{3}{32}$ -inch cotton, delivered C.I.F. Northern Europe exceeds the Northern Europe price; and

(B) the prevailing world market price for upland cotton (adjusted to United States quality and location) does not exceed 134 percent of the loan rate for upland cotton established under section 122.

(2) VALUE OF CERTIFICATES OR PAYMENTS.—The value of the marketing certificates or cash payments shall be based on the amount of the difference in the prices during the fourth week of the consecutive four-week period multiplied by the quantity of upland cotton included in the documented sales.

(3) ADMINISTRATION OF MARKETING CERTIFICATES.—

(A) REDEMPTION, MARKETING, OR EXCHANGE.—The Secretary shall establish procedures for redeeming marketing certificates for cash or marketing or exchange of the certificates for agricultural commodities owned by the Commodity Credit Corporation or pledged to the Commodity Credit Corporation as collateral for a loan in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates, including enhancing the competitiveness and marketability of United States cotton. Any price restrictions that would otherwise apply to the disposition of agricultural commodities by the Commodity Credit Corporation shall not apply to the redemption of certificates under this subsection.

(B) DESIGNATION OF COMMODITIES AND PRODUCTS.—To the extent practicable, the Secretary shall permit owners of certificates to designate the commodities and products, including storage sites, the owners would prefer to receive in exchange for certificates.

(C) TRANSFERS.—Marketing certificates issued to domestic users and exporters of upland cotton may be transferred to other persons in accordance with regulations issued by the Secretary.

(4) APPLICATION OF THRESHOLD.—

(A) 2002 MARKETING YEAR.—During the period beginning on the date of enactment of this Act and ending July 31, 2002, the Secretary shall make the calculations under paragraphs (1)(A) and (2) and subsection (b)(1)(B) without regard to the 1.25 cent threshold provided those paragraphs and subsection.

(B) 2003 THROUGH 2006 MARKETING YEARS.—During each 12-month period beginning August 1, 2002, through August 1, 2006, the Secretary may make the calculations under paragraphs (1)(A) and (2) and subsection (b)(1)(B) without regard to the 1.25 cent threshold provided those paragraphs and subsection.

(b) SPECIAL IMPORT QUOTA.—

(1) ESTABLISHMENT.—

(A) IN GENERAL.—The President shall carry out an import quota program during the period beginning on the date of the enactment of this Act and ending July 31, 2012, as provided in this subsection.

(B) PROGRAM REQUIREMENTS.—Except as provided in subparagraph (C), whenever the Secretary determines and announces that for any consecutive four-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1<sup>3</sup>/<sub>32</sub>-inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificate issued under subsection (a), exceeds the Northern Europe price there shall immediately be in effect a special import quota.

(C) TIGHT DOMESTIC SUPPLY.—During any month for which the Secretary estimates the season-ending United States upland cotton stocks-to-use ratio, as determined under subparagraph (D), to be below 16 percent, the Secretary, in making the determination under subparagraph (B), shall not adjust the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1<sup>3</sup>/<sub>32</sub>-inch cotton, delivered C.I.F. Northern Europe, for the value of any certificates issued under subsection (a).

(D) SEASON-ENDING UNITED STATES STOCKS-TO-USE RATIO.—For the purposes of making estimates under subparagraph (C), the Secretary shall, on a monthly basis, estimate and report the season-ending United States upland cotton stocks-to-use ratio, excluding projected raw cotton imports but including the quantity of raw cotton that has been im-

ported into the United States during the marketing year.

(2) QUANTITY.—The quota shall be equal to one week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the most recent three months for which data are available.

(3) APPLICATION.—The quota shall apply to upland cotton purchased not later than 90 days after the date of the Secretary's announcement under paragraph (1) and entered into the United States not later than 180 days after the date.

(4) OVERLAP.—A special quota period may be established that overlaps any existing quota period if required by paragraph (1), except that a special quota period may not be established under this subsection if a quota period has been established under subsection (c).

(5) PREFERENTIAL TARIFF TREATMENT.—The quantity under a special import quota shall be considered to be an in-quota quantity for purposes of—

(A) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

(B) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

(C) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(D) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(6) DEFINITION.—In this subsection, the term "special import quota" means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(7) LIMITATION.—The quantity of cotton entered into the United States during any marketing year under the special import quota established under this subsection may not exceed the equivalent of five week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the three months immediately preceding the first special import quota established in any marketing year.

(c) LIMITED GLOBAL IMPORT QUOTA FOR UPLAND COTTON.—

(1) IN GENERAL.—The President shall carry out an import quota program that provides that whenever the Secretary determines and announces that the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for a month exceeded 130 percent of the average price of such quality of cotton in the markets for the preceding 36 months, notwithstanding any other provision of law, there shall immediately be in effect a limited global import quota subject to the following conditions:

(A) QUANTITY.—The quantity of the quota shall be equal to 21 days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent three months for which data are available.

(B) QUANTITY IF PRIOR QUOTA.—If a quota has been established under this subsection during the preceding 12 months, the quantity of the quota next established under this subsection shall be the smaller of 21 days of domestic mill consumption calculated under subparagraph (A) or the quantity required to increase the supply to 130 percent of the demand.

(C) PREFERENTIAL TARIFF TREATMENT.—The quantity under a limited global import quota shall be considered to be an in-quota quantity for purposes of—

(i) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

(ii) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

(iii) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(iv) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(D) DEFINITIONS.—In this subsection:

(i) SUPPLY.—The term "supply" means, using the latest official data of the Bureau of the Census, the Department of Agriculture, and the Department of the Treasury—

(I) the carry-over of upland cotton at the beginning of the marketing year (adjusted to 480-pound bales) in which the quota is established;

(II) production of the current crop; and

(III) imports to the latest date available during the marketing year.

(ii) DEMAND.—The term "demand" means—

(I) the average seasonally adjusted annual rate of domestic mill consumption during the most recent three months for which data are available; and

(II) the larger of—

(aa) average exports of upland cotton during the preceding six marketing years; or

(bb) cumulative exports of upland cotton plus outstanding export sales for the marketing year in which the quota is established.

(iii) LIMITED GLOBAL IMPORT QUOTA.—The term "limited global import quota" means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(E) QUOTA ENTRY PERIOD.—When a quota is established under this subsection, cotton may be entered under the quota during the 90-day period beginning on the date the quota is established by the Secretary.

(2) NO OVERLAP.—Notwithstanding paragraph (1), a quota period may not be established that overlaps an existing quota period or a special quota period established under subsection (b).

#### SEC. 128. SPECIAL COMPETITIVE PROVISIONS FOR EXTRA LONG STAPLE COTTON.

(a) COMPETITIVENESS PROGRAM.—Notwithstanding any other provision of law, during the period beginning on the date of the enactment of this Act and ending on July 31, 2012, the Secretary shall carry out a program to maintain and expand the domestic use of extra long staple cotton produced in the United States, to increase exports of extra long staple cotton produced in the United States, and to ensure that extra long staple cotton produced in the United States remains competitive in world markets.

(b) PAYMENTS UNDER PROGRAM; TRIGGER.—Under the program, the Secretary shall make payments available under this section whenever—

(1) for a consecutive four-week period, the world market price for the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location and for other factors affecting the competitiveness of such cotton), as determined by the Secretary, is below the prevailing United States price for a competing growth of extra long staple cotton; and

(2) the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location and for other factors affecting the competitiveness of such cotton), as determined by the Secretary, is less than 134 percent of the loan rate for extra long staple cotton.

(c) ELIGIBLE RECIPIENTS.—The Secretary shall make payments available under this section to domestic users of extra long staple cotton produced in the United States and exporters of extra long staple cotton produced in the United States who enter into an agreement with the Commodity Credit Corporation to participate in the program under this section.

(d) PAYMENT AMOUNT.—Payments under this section shall be based on the amount of the difference in the prices referred to in subsection (b)(1) during the fourth week of the consecutive four-week period multiplied by the amount of documented purchases by domestic users and sales for export by exporters made in the week following such a consecutive four-week period.



(e) **FORM OF PAYMENT.**—Payments under this section shall be made through the issuance of cash or marketing certificates, at the option of eligible recipients of the payments.

**SEC. 129. AVAILABILITY OF RECOURSE LOANS FOR HIGH MOISTURE FEED GRAINS AND SEED COTTON AND OTHER FIBERS.**

(a) **HIGH MOISTURE FEED GRAINS.**—

(1) **RECOURSE LOANS AVAILABLE.**—For each of the 2002 through 2011 crops of corn and grain sorghum, the Secretary shall make available recourse loans, as determined by the Secretary, to producers on a farm who—

(A) normally harvest all or a portion of their crop of corn or grain sorghum in a high moisture state;

(B) present—

(i) certified scale tickets from an inspected, certified commercial scale, including a licensed warehouse, feedlot, feed mill, distillery, or other similar entity approved by the Secretary, pursuant to regulations issued by the Secretary; or

(ii) field or other physical measurements of the standing or stored crop in regions of the United States, as determined by the Secretary, that do not have certified commercial scales from which certified scale tickets may be obtained within reasonable proximity of harvest operation;

(C) certify that they were the owners of the feed grain at the time of delivery to, and that the quantity to be placed under loan under this subsection was in fact harvested on the farm and delivered to, a feedlot, feed mill, or commercial or on-farm high-moisture storage facility, or to a facility maintained by the users of corn and grain sorghum in a high moisture state; and

(D) comply with deadlines established by the Secretary for harvesting the corn or grain sorghum and submit applications for loans under this subsection within deadlines established by the Secretary.

(2) **ELIGIBILITY OF ACQUIRED FEED GRAINS.**—

A loan under this subsection shall be made on a quantity of corn or grain sorghum of the same crop acquired by the producer equivalent to a quantity determined by multiplying—

(A) the acreage of the corn or grain sorghum in a high moisture state harvested on the producer's farm; by

(B) the lower of the farm program payment yield or the actual yield on a field, as determined by the Secretary, that is similar to the field from which the corn or grain sorghum was obtained.

(3) **HIGH MOISTURE STATE DEFINED.**—In this subsection, the term "high moisture state" means corn or grain sorghum having a moisture content in excess of Commodity Credit Corporation standards for marketing assistance loans made by the Secretary under section 121.

(b) **RECOURSE LOANS AVAILABLE FOR SEED COTTON.**—For each of the 2002 through 2011 crops of upland cotton and extra long staple cotton, the Secretary shall make available recourse seed cotton loans, as determined by the Secretary, on any production.

(c) **REPAYMENT RATES.**—Repayment of a recourse loan made under this section shall be at the loan rate established for the commodity by the Secretary, plus interest (as determined by the Secretary).

(d) **TERMINATION OF SUPERSEDED LOAN AUTHORITY.**—Notwithstanding section 137 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7237), recourse loans shall not be made for the 2002 crop of corn, grain sorghum, and seed cotton under such section.

**SEC. 130. AVAILABILITY OF NONRECOURSE MARKETING ASSISTANCE LOANS FOR WOOL AND MOHAIR.**

(a) **NONRECOURSE LOANS AVAILABLE.**—During the 2002 through 2011 marketing years for wool and mohair, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for wool and mohair produced on the farm during that marketing year.

(b) **LOAN RATE.**—The loan rate for a loan under subsection (a) shall be not more than—

(1) \$1.00 per pound for graded wool;

(2) \$0.40 per pound for nongraded wool; and

(3) \$4.20 per pound for mohair.

(c) **TERM OF LOAN.**—A loan under subsection (a) shall have a term of 1 year beginning on the first day of the first month after the month in which the loan is made.

(d) **REPAYMENT RATES.**—The Secretary shall permit a producer to repay a marketing assistance loan under subsection (a) for wool or mohair at a rate that is the lesser of—

(1) the loan rate established for the commodity under subsection (b), plus interest (as determined by the Secretary); or

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

(B) minimize the accumulation of stocks of the commodity by the Federal Government;

(C) minimize the cost incurred by the Federal Government in storing the commodity; and

(D) allow the commodity produced in the United States to be marketed freely and competitively, both domestically and internationally.

(e) **LOAN DEFICIENCY PAYMENTS.**—

(1) **AVAILABILITY.**—The Secretary may make loan deficiency payments available to producers that, although eligible to obtain a marketing assistance loan under this section, agree to forgo obtaining the loan in return for payments under this subsection.

(2) **COMPUTATION.**—A loan deficiency payment under this subsection shall be computed by multiplying—

(A) the loan payment rate in effect under paragraph (3) for the commodity; by

(B) the quantity of the commodity produced by the eligible producers, excluding any quantity for which the producers obtain a loan under this subsection.

(3) **LOAN PAYMENT RATE.**—For purposes of this subsection, the loan payment rate for wool or mohair shall be the amount by which—

(A) the loan rate in effect for the commodity under subsection (b); exceeds

(B) the rate at which a loan for the commodity may be repaid under subsection (d).

(4) **TIME FOR PAYMENT.**—The Secretary shall make a payment under this subsection to a producer with respect to a quantity of a wool or mohair as of the earlier of the following:

(A) The date on which the producer marketed or otherwise lost beneficial interest in the wool or mohair, as determined by the Secretary.

(B) The date the producer requests the payment.

(f) **LIMITATIONS.**—The marketing assistance loan gains and loan deficiency payments that a person may receive for wool and mohair under this section shall be subject to a separate payment limitation, but in the same dollar amount, as the payment limitation that applies to marketing assistance loans and loan deficiency payments received by producers of other agricultural commodities in the same marketing year.

**SEC. 131. AVAILABILITY OF NONRECOURSE MARKETING ASSISTANCE LOANS FOR HONEY.**

(a) **NONRECOURSE LOANS AVAILABLE.**—During the 2002 through 2011 crop years for

honey, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for honey produced on the farm during that crop year.

(b) **LOAN RATE.**—The loan rate for a marketing assistance loan for honey under subsection (a) shall be equal to \$0.60 cents per pound.

(c) **TERM OF LOAN.**—A marketing assistance loan under subsection (a) shall have a term of 1 year beginning on the first day of the first month after the month in which the loan is made.

(d) **REPAYMENT RATES.**—The Secretary shall permit a producer to repay a marketing assistance loan for honey under subsection (a) at a rate that is the lesser of—

(1) the loan rate for honey, plus interest (as determined by the Secretary); or

(2) the prevailing domestic market price for honey, as determined by the Secretary.

(e) **LOAN DEFICIENCY PAYMENTS.**—

(1) **AVAILABILITY.**—The Secretary may make loan deficiency payments available to any producer of honey that, although eligible to obtain a marketing assistance loan under subsection (a), agrees to forgo obtaining the loan in return for a payment under this subsection.

(2) **COMPUTATION.**—A loan deficiency payment under this subsection shall be determined by multiplying—

(A) the loan payment rate determined under paragraph (3); by

(B) the quantity of honey that the producer is eligible to place under loan, but for which the producer forgoes obtaining the loan in return for a payment under this subsection.

(3) **LOAN PAYMENT RATE.**—For the purposes of this subsection, the loan payment rate shall be the amount by which—

(A) the loan rate established under subsection (b); exceeds

(B) the rate at which a loan may be repaid under subsection (d).

(4) **TIME FOR PAYMENT.**—The Secretary shall make a payment under this subsection to a producer with respect to a quantity of a honey as of the earlier of the following:

(A) The date on which the producer marketed or otherwise lost beneficial interest in the honey, as determined by the Secretary.

(B) The date the producer requests the payment.

(f) **LIMITATIONS.**—The marketing assistance loan gains and loan deficiency payments that a person may receive for a crop of honey under this section shall be subject to a separate payment limitation, but in the same dollar amount, as the payment limitation that applies to marketing assistance loans and loan deficiency payments received by producers of other agricultural commodities in the same crop year.

(g) **PREVENTION OF FORFEITURES.**—The Secretary shall carry out this section in such a manner as to minimize forfeitures of honey marketing assistance loans.

**SEC. 132. PRODUCER RETENTION OF ERRONEOUSLY PAID LOAN DEFICIENCY PAYMENTS AND MARKETING LOAN GAINS.**

Notwithstanding any other provision of law, the Secretary of Agriculture and the Commodity Credit Corporation shall not require producers in Erie County, Pennsylvania, to repay loan deficiency payments and marketing loan gains erroneously paid or determined to have been earned by the Commodity Credit Corporation for certain 1998 and 1999 crops under subtitle C of title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7231 et seq.). In the case of a producer who has already made the repayment on or before the date of the enactment of this Act, the Commodity Credit Corporation shall reimburse the producer for the full amount of the repayment.

**SEC. 133. RESERVE STOCK ADJUSTMENT.**

Section 301(b)(14)(C) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301(b)(14)(C)) is amended—

- (1) in clause (i), by striking “100,000,000” and inserting “75,000,000”; and
- (2) in clause (ii), by striking “15 percent” and inserting “10 percent”.

**Subtitle C—Other Commodities**  
**CHAPTER 1—DAIRY**

**SEC. 141. MILK PRICE SUPPORT PROGRAM.**

(a) **SUPPORT ACTIVITIES.**—During the period beginning on January 1, 2002, and ending on December 31, 2011, the Secretary of Agriculture shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(b) **RATE.**—During the period specified in subsection (a), the price of milk shall be supported at a rate equal to \$9.90 per hundred-weight for milk containing 3.67 percent butyfat.

(c) **PURCHASE PRICES.**—The support purchase prices under this section for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under subsection (b).

(d) **SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK PURCHASE PRICES.**—

(1) **ALLOCATION OF PURCHASE PRICES.**—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. Not later than 10 days after making or changing an allocation, the Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation. Section 553 of title 5, United States Code, shall not apply with respect to the implementation of this section.

(2) **TIMING OF PURCHASE PRICE ADJUSTMENTS.**—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(e) **COMMODITY CREDIT CORPORATION.**—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

**SEC. 142. REPEAL OF RECOURSE LOAN PROGRAM FOR PROCESSORS.**

Section 142 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7252) is repealed.

**SEC. 143. EXTENSION OF DAIRY EXPORT INCENTIVE AND DAIRY INDEMNITY PROGRAMS.**

(a) **DAIRY EXPORT INCENTIVE PROGRAM.**—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14(a)) is amended by striking “2002” and inserting “2011”.

(b) **DAIRY INDEMNITY PROGRAM.**—Section 3 of Public Law 90–484 (7 U.S.C. 4501) is amended by striking “1995” and inserting “2011”.

**SEC. 144. FLUID MILK PROMOTION.**

(a) **DEFINITION OF FLUID MILK PRODUCT.**—Section 1999C of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6402) is amended by striking paragraph (3) and inserting the following new paragraph:

“(3) **FLUID MILK PRODUCT.**—The term ‘fluid milk product’ has the meaning given such term—

“(A) in section 1000.15 of title 7, Code of Federal Regulations, subject to such amendments as may be made from time to time; or

“(B) in any successor regulation providing a definition of such term that is promulgated pursuant to the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.”.

(b) **DEFINITION OF FLUID MILK PROCESSOR.**—Section 1999C(4) of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6402(4)) is amended by striking “500,000” and inserting “3,000,000”.

(c) **ELIMINATION OF ORDER TERMINATION DATE.**—Section 1999O of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6414) is amended—

- (1) by striking subsection (a); and
- (2) by redesignating subsections (b) and (c) as subsections (a) and (b), respectively.

**SEC. 145. DAIRY PRODUCT MANDATORY REPORTING.**

Section 273(b)(1)(B) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1637b(b)(1)(B)) is amended—

(1) by inserting “and substantially identical products designated by the Secretary” after “dairy products” the first place it appears; and

(2) by inserting “and such substantially identical products” after “dairy products” the second place it appears.

**SEC. 146. STUDY OF NATIONAL DAIRY POLICY.**

(a) **STUDY REQUIRED.**—Not later than April 30, 2002, the Secretary of Agriculture shall submit to Congress a comprehensive economic evaluation of the potential direct and indirect effects of the various elements of the national dairy policy, including an examination of the effect of the national dairy policy on—

(1) farm price stability, farm profitability and viability, and local rural economies in the United States;

(2) child, senior, and low-income nutrition programs, including impacts on schools and institutions participating in the programs, on program recipients, and other factors; and

(3) the wholesale and retail cost of fluid milk, dairy farms, and milk utilization.

(b) **NATIONAL DAIRY POLICY DEFINED.**—In this section, the term “national dairy policy” means the dairy policy of the United States as evidenced by the following policies and programs:

(1) Federal Milk Marketing Orders.

(2) Interstate dairy compacts (including proposed compacts described in H.R. 1827 and S. 1157, as introduced in the 107th Congress).

(3) Over-order premiums and State pricing programs.

(4) Direct payments to milk producers.

(5) Federal milk price support program.

(6) Export programs regarding milk and dairy products, such as the Dairy Export Incentive Program.

**CHAPTER 2—SUGAR****SEC. 151. SUGAR PROGRAM.**

(a) **CONTINUATION OF PROGRAM.**—Subsection (i) of section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7251) is amended—

(1) by striking “(other than subsection (f))”; and

(2) by striking “2002 crops” and inserting “2011 crops”.

(b) **TERMINATION OF MARKETING ASSESSMENT AND FORFEITURE PENALTY.**—Effective as of October 1, 2001, subsections (f) and (g) of such section are repealed.

(c) **LOAN RATE ADJUSTMENTS.**—Subsection (c) of such section is amended—

(1) by striking “REDUCTION IN LOAN RATES” and inserting “LOAN RATE ADJUSTMENTS”; and

(2) in paragraph (1)—

(A) by striking “REDUCTION REQUIRED” and inserting “POSSIBLE REDUCTION”; and

(B) by striking “shall” and inserting “may”.

(d) **NOTIFICATION.**—Subsection (e) of such section is amended by adding at the end the following new paragraph:

“(3) **PREVENTION OF ONEROUS NOTIFICATION REQUIREMENTS.**—The Secretary may not impose or enforce any prenotification or similar administrative requirement that has the effect of preventing a processor from choosing to forfeit the loan collateral upon the maturity of the loan.”.

(e) **IN PROCESS SUGAR.**—Such section is further amended by inserting after subsection (e) the following new subsection (f):

“(f) **LOANS FOR IN-PROCESS SUGAR.**—

“(1) **AVAILABILITY; RATE.**—The Secretary shall make nonrecourse loans available to processors of domestically grown sugarcane and sugar beets for in-process sugars and syrups derived from such crops. The loan rate shall be equal to 80 percent of the loan rate applicable to raw cane sugar or refined beet sugar, depending on the source material for the in-process sugars and syrups.

“(2) **FURTHER PROCESSING UPON FORFEITURE.**—As a condition on the forfeiture of in-process sugars and syrups serving as collateral for a loan under paragraph (1), the processor shall, within such reasonable time period as the Secretary may prescribe and at no cost to the Commodity Credit Corporation, convert the in-process sugars and syrups into raw cane sugar or refined beet sugar of acceptable grade and quality for sugars eligible for loans under subsection (a) or (b). Once the in-process sugars and syrups are fully processed into raw cane sugar or refined beet sugar, the processor shall transfer the sugar to the Corporation, which shall make a payment to the processor in an amount equal to the difference between the loan rate for raw cane sugar or refined beet sugar, whichever applies, and the loan rate the processor received under paragraph (1).

“(3) **LOAN CONVERSION.**—If the processor does not forfeit the collateral as described in paragraph (2), but instead further processes the in-process sugars and syrups into raw cane sugar or refined beet sugar and repays the loan on the in-process sugars and syrups, the processor may then obtain a loan under subsection (a) or (b) on the raw cane sugar or refined beet sugar, as appropriate.

“(4) **DEFINITION.**—In this subsection the term ‘in-process sugars and syrups’ does not include raw sugar, liquid sugar, invert sugar, invert syrup, or other finished products that are otherwise eligible for loans under subsection (a) or (b).”.

(f) **ADMINISTRATION OF PROGRAM.**—Such section is further amended by adding at the end the following new subsection:

“(j) **AVOIDING FORFEITURES; CORPORATION INVENTORY DISPOSITION.**—

“(1) **NO COST.**—To the maximum extent practicable, the Secretary shall operate the sugar program established under this section at no cost to the Federal Government by avoiding the forfeiture of sugar to the Commodity Credit Corporation.

“(2) **INVENTORY DISPOSITION.**—In support of the objective specified in paragraph (1), the Commodity Credit Corporation may accept bids for commodities in the inventory of the Corporation from (or otherwise make available such commodities, on appropriate terms and conditions, to) processors of sugarcane and processors of sugar beets (when the processors are acting in conjunction with the producers of the sugarcane or sugar beets processed by such processors) in return for the reduction of production of raw cane sugar or refined beet sugar, as appropriate. The authority provided under this paragraph is in addition to any authority of the Corporation under any other law.”.

(g) INFORMATION REPORTING.—Subsection (h) of such section is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (4) and (5), respectively;

(2) by inserting after paragraph (1) the following new paragraphs:

“(2) DUTY OF PRODUCERS TO REPORT.—

“(A) PROPORTIONATE SHARE STATES.—The Secretary shall require a producer of sugarcane located in a State (other than Puerto Rico) in which there are in excess of 250 sugarcane producers to report, in the manner prescribed by the Secretary, the producer's sugarcane yields and acres planted to sugarcane.

“(B) OTHER STATES.—The Secretary may require producers of sugarcane or sugar beets not covered by paragraph (1) to report, in the manner prescribed by the Secretary, each producer's sugarcane or sugar beet yields and acres planted to sugarcane or sugar beets, respectively.

“(3) DUTY OF IMPORTERS TO REPORT.—The Secretary shall require an importer of sugars, syrups or molasses to be used for human consumption or to be used for the extraction of sugar for human consumption, except such sugars, syrups, or molasses that are within the quantities of tariff-rate quotas that are at the lower rate of duties, to report, in the manner prescribed by the Secretary, the quantities of such products imported and the sugar content or equivalent of such products.”; and

(3) in paragraph (5), as so redesignated, by striking “paragraph (1)” and inserting “this subsection”.

(h) INTEREST RATE.—Section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283) is amended by adding at the end the following new sentence: “For purposes of this section, raw cane sugar, refined beet sugar, and in process sugar eligible for a loan under section 156 shall not be considered an agricultural commodity.”.

#### SEC. 152. REAUTHORIZE PROVISIONS OF AGRICULTURAL ADJUSTMENT ACT OF 1938 REGARDING SUGAR.

(a) INFORMATION REPORTING.—Section 359a of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa) is repealed.

(b) ESTIMATES.—Section 359b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359bb) is amended:

(1) in the section heading—

(A) by inserting “flexible” before “marketing”; and

(B) by striking “and crystalline fructose”;

(2) in subsection (a)—

(A) in paragraph (1)—

(i) by striking “Before” and inserting “Not later than August 1 before”;

(ii) by striking “1992 through 1998” and inserting “2002 through 2011”;

(iii) in subparagraph (A), by striking “(other than sugar)” and all that follows through “stocks”;

(iv) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (E), respectively;

(v) by inserting after subparagraph (A) the following:

“(B) the quantity of sugar that would provide for reasonable carryover stocks”;

(vi) in subparagraph (C), as so redesignated—

(I) by striking “or” and all that follows through “beets”;

(II) by striking the “and” following the semicolon;

(vii) by inserting after subparagraph (C), as so redesignated, the following:

“(D) the quantity of sugar that will be available from the domestic processing of sugarcane and sugar beets; and”;

(viii) in subparagraph (E), as so redesignated—

(I) by striking “quantity of sugar” and inserting “quantity of sugars, syrups, and molasses”;

(II) by inserting “human” after “imported for” the first place it appears;

(III) by inserting after “consumption” the first place it appears the following: “or to be used for the extraction of sugar for human consumption”;

(IV) by striking “year” and inserting “year, whether such articles are under a tariff-rate quota or are in excess or outside of a tariff rate quota”;

(V) by striking “(other than sugar)” and all that follows through “carry-in stocks”;

(B) by redesignating paragraph (2) as paragraph (3);

(C) by inserting after paragraph (1) the following new paragraph:

“(2) EXCLUSION.—The estimates in this section shall not include sugar imported for the production of polyhydric alcohol or to be refined and re-exported in refined form or in sugar containing products.”;

(D) in paragraph (3), as so redesignated—

(i) by striking “QUARTERLY REESTIMATES” and inserting “REESTIMATES”;

(ii) by inserting “as necessary, but” after “a fiscal year”;

(3) in subsection (b)—

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

“(1) IN GENERAL.—By the beginning of each fiscal year, the Secretary shall establish for that fiscal year appropriate allotments under section 359c for the marketing by processors of sugar processed from sugar beets and from domestically-produced sugarcane at a level that the Secretary estimates will result in no forfeitures of sugar to the Commodity Credit Corporation under the loan program for sugar.”; and

(B) in paragraph (2), by striking “or crystalline fructose”;

(4) by striking subsection (c);

(5) by redesignating subsection (d) as subsection (c); and

(6) in subsection (c), as so redesignated—

(A) by striking paragraph (2);

(B) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively; and

(C) in paragraph (2), as so redesignated—

(i) by striking “or manufacturer” and all that follows through “(2)”;

(ii) by striking “or crystalline fructose”.

(c) ESTABLISHMENT.—Section 359c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359cc) is amended—

(1) in the section heading by inserting “flexible” after “of”;

(2) in subsection (a), by inserting “flexible” after “establish”;

(3) in subsection (b)—

(A) in paragraph (1)(A), by striking “1,250,000” and inserting “1,532,000”; and

(B) in paragraph (2), by striking “to the maximum extent practicable”;

(4) by striking subsection (c) and inserting the following new subsection:

“(c) MARKETING ALLOTMENT FOR SUGAR DERIVED FROM SUGAR BEETS AND MARKETING ALLOTMENT FOR SUGAR DERIVED FROM SUGARCANE.—The overall allotment quantity for the fiscal year shall be allotted among—

“(1) sugar derived from sugar beets by establishing a marketing allotment for a fiscal year at a quantity equal to the product of multiplying the overall allotment quantity for the fiscal year by the percentage of 54.35; and

“(2) sugar derived from sugarcane by establishing a marketing allotment for a fiscal year at a quantity equal to the product of multiplying the overall allotment quantity for the fiscal year by the percentage of 45.65.”;

(5) by amending subsection (d) to read as follows:

“(d) FILLING CANE SUGAR AND BEET SUGAR ALLOTMENTS.—Each marketing allotment for cane sugar established under this section may only be filled with sugar processed from domestically grown sugarcane, and each marketing allotment for beet sugar established under this section may only be filled with sugar domestically processed from sugar beets.”;

(6) by striking subsection (e);

(7) by redesignating subsection (f) as subsection (e);

(8) in subsection (e), as so redesignated—

(A) by inserting “(1) IN GENERAL.—” before “The allotment for sugar” and indenting such paragraph appropriately;

(B) in such paragraph (1)—

(i) by striking “the 5” and inserting “the”;

(ii) by inserting after “sugarcane is produced,” the following: “after a hearing, if requested by the affected sugar cane processors and growers, and on such notice as the Secretary by regulation may prescribe”;

(iii) by striking “on the basis of past marketings” and all that follows through “allotments”, and inserting “as provided in this subsection and section 359d(a)(2)(A)(iv)”;

(C) by inserting after paragraph (1) the following new paragraphs:

“(2) OFFSHORE ALLOTMENT.—

“(A) COLLECTIVELY.—Prior to the allotment of sugar derived from sugarcane to any other State, 325,000 short tons, raw value shall be allotted to the offshore States.

“(B) INDIVIDUALLY.—The collective offshore State allotment provided for under subparagraph (A) shall be further allotted among the offshore States in which sugarcane is produced, after a hearing if requested by the affected sugar cane processors and growers, and on such notice as the Secretary by regulation may prescribe, in a fair and equitable manner on the basis of—

“(i) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from the 1996 through 2000 crops;

“(ii) the ability of processors to market the sugar covered under the allotments for the crop year; and

“(iii) past processings of sugar from sugarcane based on the 3 year average of the crop years 1998 through 2000.

“(3) MAINLAND ALLOTMENT.—The allotment for sugar derived from sugarcane, less the amount provided for under paragraph (2), shall be allotted among the mainland States in the United States in which sugarcane is produced, after a hearing if requested by the affected sugar cane processors and growers, and on such notice as the Secretary by regulation may prescribe, in a fair and equitable manner on the basis of—

“(A) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from the 1996 through 2000 crops;

“(B) the ability of processors to market the sugar covered under the allotments for the crop year; and

“(C) past processings of sugar from sugarcane, based on the 3 crop years with the greatest processings (in the mainland States collectively) during the 1991 through 2000 crop years.”;

(9) by inserting after subsection (e), as so redesignated, the following new subsection (f):

“(f) FILLING CANE SUGAR ALLOTMENTS.—Except as otherwise provided in section 359e, a State cane sugar allotment established under subsection (e) for a fiscal year may be filled only with sugar processed from sugarcane grown in the State covered by the allotment.”;

(10) in subsection (g)—

(A) in paragraph (1), by striking “359b(a)(2)—” and all that follows through

the comma at the end of subparagraph (C) and inserting “359b(a)(3), adjust upward or downward marketing allotments in a fair and equitable manner”;

(B) in paragraph (2) by striking “359f(b)” and inserting “359f(c)”;

(C) in paragraph (3)—

(i) by striking “REDUCTIONS” and inserting “CARRY-OVER OF REDUCTIONS”;

(ii) by inserting after “this subsection, if” the following: “at the time of the reduction”;

(iii) by striking “price support” and inserting “nonrecourse”;

(iv) by striking “206” and all that follows through “the allotment” and inserting “156 of the Agricultural Market Transition Act (7 U.S.C. 7272)”;

(v) by striking “, if any,”;

(1) by amending subsection (h) to read as follows:

“(h) **SUSPENSION OF ALLOTMENTS.**—Whenever the Secretary estimates, or reestimates, under section 359b(a), or has reason to believe that imports of sugars, syrups or molasses for human consumption or to be used for the extraction of sugar for human consumption, whether under a tariff-rate quota or in excess or outside of a tariff-rate quota, will exceed 1.532 million short tons, raw value equivalent, and that such imports would lead to a reduction of the overall allotment quantity, the Secretary shall suspend the marketing allotments until such time as such imports have been restricted, eliminated, or otherwise reduced to or below the level of 1.532 million tons.”.

(d) **ALLOCATION.**—Section 359d of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359dd) is amended—

(1) in subsection (a)(2)(A)—

(A) by inserting “(i) **IN GENERAL.**—” before “The Secretary shall” and indenting such clause appropriately;

(B) in clause (i), as so designated—

(i) by striking “interested parties” and inserting “the affected sugar cane processors and growers”;

(ii) by striking “by taking” and all that follows through “allotment allocated.” and inserting “with this subparagraph.”;

(iii) by inserting at the end the following new sentence: “Each such allocation shall be subject to adjustment under section 359c(g).”;

(C) by inserting after clause (i) the following new clauses:

“(ii) **MULTIPLE PROCESSOR STATES.**—Except as provided in clause (iii), the Secretary shall allocate the allotment for cane sugar among multiple cane sugar processors in a single State based upon—

“(I) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from among the 1996 through 2000 crops;

“(II) the ability of processors to market sugar covered by that portion of the allotment allocated for the crop year;

“(III) past processings of sugar from sugarcane, based on the average of the 3 highest years from among crop years 1996 through 2000; and

“(IV) however, only with respect to allotments under subclauses (I), (II), and (III) attributable to the former operations of the Talisman processing facility, shall be allocated among processors in the State coincident with the provisions of the agreements of March 25 and March 26, 1999, between the affected processors and the Department of the Interior.

“(iii) **PROPORTIONATE SHARE STATES.**—In the case of States subject to section 359f(c), the Secretary shall allocate the allotment for cane sugar among multiple cane sugar processors in a single state based upon—

“(I) past marketings of sugar, based on the average of the two highest years of production of raw cane sugar from among the 1997 through 2001 crop years;

“(II) the ability of processors to market sugar covered by that portion of the allotments allocated for the crop year; and

“(III) past processings of sugar from sugarcane, based on the average of the two highest crop years from the five crop years 1997 through 2001.

“(iv) **NEW ENTRANTS.**—Notwithstanding clauses (ii) and (iii), the Secretary, on application of any processor that begins processing sugarcane on or after the date of enactment of this clause, and after a hearing if requested by the affected sugarcane processors and growers, and on such notice as the Secretary by regulation may prescribe, may provide such processor with an allocation which provides a fair, efficient and equitable distribution of the allocations from the allotment for the State in which the processor is located and, in the case of proportionate share States, shall establish proportionate shares in an amount sufficient to produce the sugarcane required to satisfy such allocations. However, the allotment for a new processor under this clause shall not exceed 50,000 short tons, raw value.

“(v) **TRANSFER OF OWNERSHIP.**—Except as otherwise provided in section 359f(c)(8), in the event that a sugarcane processor is sold or otherwise transferred to another owner, or closed as part of an affiliated corporate group processing consolidation, the Secretary shall transfer the allotment allocation for the processor to the purchaser, new owner, or successor in interest, as applicable, of the processor.”;

(2) in subsection (a)(2)(B)—

(A) by striking “interested parties” and inserting “the affected sugar beet processors and growers”;

(B) by striking “processing capacity” and all that follows through “allotment allocated” and inserting the following: “the marketings of sugar processed from sugar beets of any or all of the 1996 through 2000 crops, and such other factors as the Secretary may deem appropriate after consultation with the affected sugar beet processors and growers. However, in the case of any processor which has started processing sugar beets after January 1, 1996, the Secretary shall provide such processor with an allocation which provides a fair, efficient and equitable distribution of the allocations”.

(e) **REASSIGNMENT.**—Section 359e(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ee(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B) by striking the “and” after the semicolon;

(B) by redesignating subparagraph (C) as subparagraph (D);

(C) by inserting after subparagraph (B) the following new subparagraph:

“(C) if after the reassignments, the deficit cannot be completely eliminated, the Secretary shall reassign the estimated quantity of the deficit to the sale of any inventories of sugar held by the Commodity Credit Corporation; and”;

(D) in subparagraph (D), as so redesignated, by inserting “and sales” after “reassignments”;

(2) in paragraph (2)—

(A) in subparagraph (A) by striking the “and” after the semicolon;

(B) in subparagraph (B), by striking “reassign the remainder to imports.” and inserting “use the estimated quantity of the deficit for the sale of any inventories of sugar held by the Commodity Credit Corporation; and”;

(C) by inserting after subparagraph (B) the following new subparagraph:

“(C) if after such reassignments and sales, the deficit cannot be completely eliminated, the Secretary shall reassign the remainder to imports.”.

(f) **PRODUCER PROVISIONS.**—Section 359f of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ff) is amended—

(1) in subsection (a)—

(A) by striking “processor’s allocation” in the second sentence and inserting “allocation to the processor”;

(B) by inserting after “request of either party” the following: “, and such arbitration should be completed within 45 days, but not more than 60 days, of the request”;

(2) by redesignating subsection (b) as subsection (c);

(3) by inserting after subsection (a) the following new subsection:

“(b) **SUGAR BEET PROCESSING FACILITY CLOSURES.**—In the event that a sugar beet processing facility is closed and the sugar beet growers who previously delivered beets to such facility desire to deliver their beets to another processing company:

“(1) Such growers may petition the Secretary to modify existing allocations to accommodate such a transition; and

“(2) The Secretary may increase the allocation to the processing company to which the growers desire to deliver their sugar beets, and which the processing company agrees to accept, not to exceed its processing capacity, to accommodate the change in deliveries.

“(3) Such increased allocation shall be deducted from the allocation to the company that owned the processing facility that has been closed and the remaining allocation will be unaffected.

“(4) The Secretary’s determination on the issues raised by the petition shall be made within 60 days of the filing of the petition.”;

(4) in subsection (c), as so redesignated—

(A) in paragraph (3)(A), by striking “the preceding five years” and inserting “the two highest years from among the years 1999, 2000, and 2001”;

(B) in paragraph (4)(A), by striking “each” and all that follows through “in effect” and inserting “the two highest of the three (3) crop years 1999, 2000, and 2001”;

(C) by inserting after paragraph (7) the following new paragraph:

“(8) **PROCESSING FACILITY CLOSURES.**—In the event that a sugarcane processing facility subject to this subsection is closed and the sugarcane growers who previously delivered sugarcane to such facility desire to deliver their sugarcane to another processing company—

“(A) such growers may petition the Secretary to modify existing allocations to accommodate such a transition;

“(B) the Secretary may increase the allocation to the processing company to which the growers desire to deliver the sugarcane, and which the processing company agrees to accept, not to exceed its processing capacity, to accommodate the change in deliveries;

“(C) such increased allocation shall be deducted from the allocation to the company that owned the processing facility that has been closed and the remaining allocation will be unaffected; and

“(D) the Secretary’s determination on the issues raised by the petition shall be made within 60 days of the filing of the petition.”.

(g) **CONFORMING AMENDMENTS.**—(1) The heading of part VII of subtitle B of Title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 359aa et seq.) is amended to read as follows:

#### “PART VII—FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR”.

(2) Section 359g of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359gg) is amended—

(A) by striking “359f” each place it appears and inserting “359f(c)”;

(B) in subsection (b), by striking “3 consecutive” and inserting “5 consecutive”; and

(C) in subsection (c), by inserting “or adjusted” after “share established”.

(3) Section 359(j) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359jj) is amended—

(A) by amending the subsection heading to read as follows: “DEFINITIONS.—”;

(B) by striking “Notwithstanding” and inserting the following:

“(1) UNITED STATES AND STATE.—Notwithstanding”; and

(C) by inserting after such paragraph (1) the following new paragraph:

“(2) OFFSHORE STATES.—For purposes of this part, the term ‘offshore States’ means the sugarcane producing States located outside of the continental United States.”.

(h) LIFTING OF SUSPENSION.—Section 171(a)(1)(E) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301(a)(1)(E)) is amended by inserting before the period at the end the following: “, but only with respect to sugar marketings through fiscal year 2002”.

#### SEC. 153. STORAGE FACILITY LOANS.

(a) STORAGE FACILITY LOAN PROGRAM.—Notwithstanding any other provision of law and as soon as practicable after the date of the enactment of this section, the Commodity Credit Corporation shall amend part 1436 of title 7, Code of Federal Regulations, to establish a sugar storage facility loan program to provide financing for processors of domestically-produced sugarcane and sugar beets to build or upgrade storage and handling facilities for raw sugars and refined sugars.

(b) ELIGIBLE PROCESSORS.—Storage facility loans shall be made available to any processor of domestically produced sugarcane or sugar beets that has a satisfactory credit history, determines a need for increased storage capacity (taking into account the effects of marketing allotments), and demonstrates an ability to repay the loan.

(c) TERM OF LOANS.—Storage facility loans shall be for a minimum of seven years, and shall be in such amounts and on such terms and conditions (including down payment, security requirements, and eligible equipment) as are normal, customary, and appropriate for the size and commercial nature of the borrower.

(d) ADMINISTRATION.—The sugar storage facility loan program shall be administered using the services, facilities, funds, and authorities of the Commodity Credit Corporation.

### CHAPTER 3—PEANUTS

#### SEC. 161. DEFINITIONS.

In this chapter:

(1) COUNTER-CYCLICAL PAYMENT.—The term “counter-cyclical payment” means a payment made to peanut producers under section 164.

(2) EFFECTIVE PRICE.—The term “effective price” means the price calculated by the Secretary under section 164 for peanuts to determine whether counter-cyclical payments are required to be made under such section for a crop year.

(3) HISTORIC PEANUT PRODUCER.—The term “historic peanut producer” means a peanut producer on a farm in the United States that produced or attempted to produce peanuts during any or all of crop years 1998, 1999, 2000, and 2001.

(4) FIXED, DECOUPLED PAYMENT.—The term “fixed, decoupled payment” means a payment made to peanut producers under section 163.

(5) PAYMENT ACRES.—The term “payment acres” means 85 percent of the peanut acres

on a farm, as established under section 162, upon which fixed, decoupled payments and counter-cyclical payments are to be made.

(6) PEANUT ACRES.—The term “peanut acres” means the number of acres assigned to a particular farm by historic peanut producers pursuant to section 162(b).

(7) PAYMENT YIELD.—The term “payment yield” means the yield assigned to a particular farm by historic peanut producers pursuant to section 162(b).

(8) PEANUT PRODUCER.—The term “peanut producer” means an owner, operator, landlord, tenant, or sharecropper who shares in the risk of producing a crop of peanuts in the United States and who is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced.

(9) SECRETARY.—The term “Secretary” means the Secretary of Agriculture.

(10) STATE.—The term “State” means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.

(11) TARGET PRICE.—The term “target price” means the price per ton of peanuts used to determine the payment rate for counter-cyclical payments.

(12) UNITED STATES.—The term “United States”, when used in a geographical sense, means all of the States.

#### SEC. 162. ESTABLISHMENT OF PAYMENT YIELD, PEANUT ACRES, AND PAYMENT ACRES FOR A FARM.

(a) ESTABLISHMENT OF PAYMENT YIELD AND PAYMENT ACRES.—

(1) DETERMINATION OF AVERAGE YIELD.—

(A) IN GENERAL.—The Secretary shall determine, for each historic peanut producer, the average yield for peanuts on each farm on which the historic peanut producer produced peanuts for the 1998 through 2001 crop years, excluding any crop year in which the producer did not produce peanuts. If, for any of these four crop years in which peanuts were planted on a farm by the producer, the farm would have satisfied the eligibility criteria established to carry out section 1102 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (7 U.S.C. 1421 note; Public Law 105-277), the Secretary shall assign a yield for the producer for that year equal to 65 percent of the county yield, as determined by the Secretary.

(B) SELECTION BY PRODUCER.—If a county in which a historical peanut producer described in subparagraph (A) is located is declared a disaster area during 1 or more of the 4 crop years described in subparagraph (A), for the purposes of determining the 4-year average yield for the historical peanut producer, the historical peanut producer may elect to substitute, for not more than 1 of the crop years during which a disaster is declared—

(i) the State 4-year average yield of peanuts produced in the State; or

(ii) the average yield for the historical peanut producer determined by the Secretary under subparagraph (A).

(2) ACREAGE AVERAGE.—Except as provided in paragraph (3), the Secretary shall determine, for the historical peanut producer, the 4-year average of—

(A) acreage planted to peanuts on all farms for harvest during the 1998 through 2001 crop years; and

(B) any acreage that was prevented from being planting to peanuts during the crop years because of drought, flood, or other natural disaster, or other condition beyond the control of the historical peanut producer, as determined by the Secretary.

(3) SELECTION BY PRODUCER.—If a county in which a historical peanut producer described in paragraph (2) is located is declared a dis-

aster area during 1 or more of the 4 crop years described in paragraph (2), for the purposes of determining the 4-year average acreage for the historical peanut producer, the historical peanut producer may elect to substitute, for not more than 1 of the crop years during which a disaster is declared—

(A) the State average of acreage actually planted to peanuts; or

(B) the average of acreage for the historical peanut producer determined by the Secretary under paragraph (2).

(4) TIME FOR DETERMINATIONS; FACTORS.—

(A) TIMING.—The Secretary shall make the determinations required by this subsection not later than 90 days after the date of enactment of this section.

(B) FACTORS.—In making the determinations, the Secretary shall take into account changes in the number and identity of historical peanut producers sharing in the risk of producing a peanut crop since the 1998 crop year, including providing a method for the assignment of average acres and average yield to a farm when a historical peanut producer is no longer living or an entity composed of historical peanut producers has been dissolved.

(b) ASSIGNMENT OF YIELD AND ACRES TO FARMS.—

(1) ASSIGNMENT BY HISTORICAL PEANUT PRODUCERS.—For each of the 2002 and 2003 crop years, the Secretary shall provide each historical peanut producer with an opportunity to assign the average peanut yield and average acreage determined under subsection (a) for the historical peanut producer to cropland on a farm.

(2) PAYMENT YIELD.—The average of all of the yields assigned by historical peanut producers to a farm shall be considered to be the payment yield for the farm for the purpose of making direct payments and counter-cyclical payments under this chapter.

(3) PEANUT ACRES.—Subject to subsection (e), the total number of acres assigned by historical peanut producers to a farm shall be considered to be the peanut acres for the farm for the purpose of making direct payments and counter-cyclical payments under this chapter.

(c) ELECTION.—Not later than 180 days after the date of enactment of this section for the 2002 crop, and not later than 180 days after January 1, 2003, for the 2003 crop, a historical peanut producer shall notify the Secretary of the assignments described in subsection (b).

(d) PAYMENT ACRES.—The payment acres for peanuts on a farm shall be equal to 85 percent of the peanut acres assigned to the farm.

(e) PREVENTION OF EXCESS PEANUT ACRES.—

(1) REQUIRED REDUCTION.—If the total of the peanut acres for a farm, together with the acreage described in paragraph (3), exceeds the actual cropland acreage of the farm, the Secretary shall reduce the quantity of peanut acres for the farm or contract acreage for 1 or more covered commodities for the farm as necessary so that the total of the peanut acres and acreage described in paragraph (3) does not exceed the actual cropland acreage of the farm.

(2) SELECTION OF ACRES.—The Secretary shall give the peanut producers on the farm the opportunity to select the peanut acres or contract acreage against which the reduction will be made.

(3) OTHER ACREAGE.—For the purposes of paragraph (1), the Secretary shall include—

(A) any contract acreage for the farm under subtitle B;

(B) any acreage on the farm enrolled in the conservation reserve program or wetlands reserve program under chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.); and

(C) any other acreage on the farm enrolled in a conservation program for which payments are made in exchange for not producing an agricultural commodity on the acreage.

(3) **DOUBLE-CROPPED ACREAGE.**—In applying paragraph (1), the Secretary shall take into account additional acreage as a result of an established double-cropping history on a farm, as determined by the Secretary.

#### SEC. 163. DIRECT PAYMENTS FOR PEANUTS.

(a) **IN GENERAL.**—For each of the 2002 through 2006 fiscal years, the Secretary shall make direct payments to peanut producers on a farm with peanut acres under section 158B and a payment yield for peanuts under section 164.

(b) **PAYMENT RATE.**—The payment rate used to make direct payments with respect to peanuts for a fiscal year shall be equal to \$0.018 per pound.

(c) **PAYMENT AMOUNT.**—The amount of the direct payment to be paid to the peanut producers on a farm for peanuts for a fiscal year shall be equal to the product obtained by multiplying—

(1) the payment rate specified in subsection (b);

(2) the payment acres on the farm; by

(3) the payment yield for the farm.

(d) **TIME FOR PAYMENT.**—

(1) **IN GENERAL.**—The Secretary shall make direct payments—

(A) in the case of the 2002 fiscal year, during the period beginning December 1, 2001, and ending September 30, 2002; and

(B) in the case of each of the 2003 through 2006 fiscal years, not later than September 30 of the fiscal year.

(2) **ADVANCE PAYMENTS.**—

(A) **IN GENERAL.**—At the option of the peanut producers on a farm, the Secretary shall pay 50 percent of the direct payment for a fiscal year for the producers on the farm on a date selected by the peanut producers on the farm.

(B) **SELECTED DATE.**—The selected date for a fiscal year shall be on or after December 1 of the fiscal year.

(C) **SUBSEQUENT FISCAL YEARS.**—The peanut producers on a farm may change the selected date for a subsequent fiscal year by providing advance notice to the Secretary.

(3) **REPAYMENT OF ADVANCE PAYMENTS.**—If any peanut producer on a farm that receives an advance direct payment for a fiscal year ceases to be eligible for a direct payment before the date the direct payment would have been made by the Secretary under paragraph (1), the peanut producer shall be responsible for repaying the Secretary the full amount of the advance payment.

#### SEC. 164. COUNTER-CYCLICAL PAYMENTS FOR PEANUTS.

(a) **IN GENERAL.**—For each of the 2002 through 2006 crops of peanuts, the Secretary shall make counter-cyclical payments with respect to peanuts if the Secretary determines that the effective price for peanuts is less than the income protection price for peanuts.

(b) **EFFECTIVE PRICE.**—For the purposes of subsection (a), the effective price for peanuts is equal to the total of—

(1) the greater of—

(A) the national average market price received by peanut producers during the marketing season for peanuts, as determined by the Secretary; or

(B) the national average loan rate for a marketing assistance loan for peanuts under section 167 in effect for the marketing season for peanuts under this chapter; and

(2) the payment rate in effect for peanuts under section 165 for the purpose of making direct payments with respect to peanuts.

(c) **INCOME PROTECTION PRICE.**—For the purposes of subsection (a), the income pro-

tection price for peanuts shall be equal to \$550 per ton.

(d) **PAYMENT AMOUNT.**—The amount of the counter-cyclical payment to be paid to the peanut producers on a farm for a crop year shall be equal to the product obtained by multiplying—

(1) the payment rate specified in subsection (e);

(2) the payment acres on the farm; by

(3) the payment yield for the farm.

(e) **PAYMENT RATE.**—The payment rate used to make counter-cyclical payments with respect to peanuts for a crop year shall be equal to the difference between—

(1) the income protection price for peanuts; and

(2) the effective price determined under subsection (b) for peanuts.

(f) **TIME FOR PAYMENTS.**—

(1) **IN GENERAL.**—The Secretary shall make counter-cyclical payments to peanut producers on a farm under this section for a crop of peanuts as soon as practicable after determining under subsection (a) that the payments are required for the crop year.

(2) **PARTIAL PAYMENT.**—

(A) **IN GENERAL.**—At the option of the Secretary, the peanut producers on a farm may elect to receive up to 40 percent of the projected counter-cyclical payment to be made under this section for a crop of peanuts on completion of the first 2 months of the marketing season for the crop, as determined by the Secretary.

(B) **REPAYMENT.**—The peanut producers on a farm shall repay to the Secretary the amount, if any, by which the payment received by producers on the farm (including any partial payments) exceeds the counter-cyclical payment the producers on the farm are eligible for under this section.

#### SEC. 165. PRODUCER AGREEMENTS.

(a) **COMPLIANCE WITH CERTAIN REQUIREMENTS.**—

(1) **REQUIREMENTS.**—Before the peanut producers on a farm may receive direct payments or counter-cyclical payments with respect to the farm, the peanut producers on the farm shall agree during the fiscal year or crop year, respectively, for which the payments are received, in exchange for the payments—

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

(B) to comply with applicable wetland conservation requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.);

(C) to comply with the planting flexibility requirements of section 166; and

(D) to use a quantity of the land on the farm equal to the peanut acres, for an agricultural or conserving use, and not for a non-agricultural commercial or industrial use, as determined by the Secretary.

(2) **COMPLIANCE.**—The Secretary may promulgate such regulations as the Secretary considers necessary to ensure peanut producer compliance with paragraph (1).

(b) **FORECLOSURE.**—

(1) **IN GENERAL.**—The Secretary shall not require the peanut producers on a farm to repay a direct payment or counter-cyclical payment if a foreclosure has occurred with respect to the farm and the Secretary determines that forgiving the repayment is appropriate to provide fair and equitable treatment.

(2) **COMPLIANCE WITH REQUIREMENTS.**—

(A) **IN GENERAL.**—This subsection shall not void the responsibilities of the peanut producers on a farm under subsection (a) if the peanut producers on the farm continue or resume operation, or control, of the farm.

(B) **APPLICABLE REQUIREMENTS.**—On the resumption of operation or control over the

farm by the peanut producers on the farm, the requirements of subsection (a) in effect on the date of the foreclosure shall apply.

(c) **TRANSFER OR CHANGE OF INTEREST IN FARM.**—

(1) **TERMINATION.**—Except as provided in paragraph (5), a transfer of (or change in) the interest of the peanut producers on a farm in peanut acres for which direct payments or counter-cyclical payments are made shall result in the termination of the payments with respect to the peanut acres, unless the transferee or owner of the acreage agrees to assume all obligations under subsection (a).

(2) **EFFECTIVE DATE.**—The termination takes effect on the date of the transfer or change.

(3) **TRANSFER OF PAYMENT BASE AND YIELD.**—The Secretary shall not impose any restriction on the transfer of the peanut acres or payment yield of a farm as part of a transfer or change described in paragraph (1).

(4) **MODIFICATION.**—At the request of the transferee or owner, the Secretary may modify the requirements of subsection (a) if the modifications are consistent with the purposes of subsection (a), as determined by the Secretary.

(5) **EXCEPTION.**—If a peanut producer entitled to a direct payment or counter-cyclical payment dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment, in accordance with regulations promulgated by the Secretary.

(d) **ACREAGE REPORTS.**—As a condition on the receipt of any benefits under this chapter, the Secretary shall require the peanut producers on a farm to submit to the Secretary acreage reports for the farm.

(e) **TENANTS AND SHARECROPPERS.**—In carrying out this chapter, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

(f) **SHARING OF PAYMENTS.**—The Secretary shall provide for the sharing of direct payments and counter-cyclical payments among the peanut producers on a farm on a fair and equitable basis.

#### SEC. 166. PLANTING FLEXIBILITY.

(a) **PERMITTED CROPS.**—Subject to subsection (b), any commodity or crop may be planted on peanut acres on a farm.

(b) **LIMITATIONS AND EXCEPTIONS REGARDING CERTAIN COMMODITIES.**—

(1) **LIMITATIONS.**—The planting of the following agricultural commodities shall be prohibited on peanut acres:

(A) Fruits.

(B) Vegetables (other than lentils, mung beans, and dry peas).

(C) In the case of the 2003 and subsequent crops of an agricultural commodity, wild rice.

(2) **EXCEPTIONS.**—Paragraph (1) shall not limit the planting of an agricultural commodity specified in paragraph (1)—

(A) in any region in which there is a history of double-cropping of peanuts with agricultural commodities specified in paragraph (1), as determined by the Secretary, in which case the double-cropping shall be permitted;

(B) on a farm that the Secretary determines has a history of planting agricultural commodities specified in paragraph (1) on peanut acres, except that direct payments and counter-cyclical payments shall be reduced by an acre for each acre planted to the agricultural commodity; or

(C) by the peanut producers on a farm that the Secretary determines has an established planting history of a specific agricultural commodity specified in paragraph (1), except that—

(i) the quantity planted may not exceed the average annual planting history of the



agricultural commodity by the peanut producers on the farm during the 1996 through 2001 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and

(ii) direct payments and counter-cyclical payments shall be reduced by an acre for each acre planted to the agricultural commodity.

**SEC. 167. MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS FOR PEANUTS.**

(a) NONRECOURSE LOANS AVAILABLE.—

(1) AVAILABILITY.—For each of the 2002 through 2006 crops of peanuts, the Secretary shall make available to peanut producers on a farm nonrecourse marketing assistance loans for peanuts produced on the farm.

(2) TERMS AND CONDITIONS.—The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under subsection (b).

(3) ELIGIBLE PRODUCTION.—The producers on a farm shall be eligible for a marketing assistance loan under this section for any quantity of peanuts produced on the farm.

(4) TREATMENT OF CERTAIN COMMINGLED COMMODITIES.—In carrying out this section, the Secretary shall make loans to peanut producers on a farm that would be eligible to obtain a marketing assistance loan but for the fact the peanuts owned by the peanut producers on the farm are commingled with other peanuts of other producers in facilities unlicensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the peanut producers on a farm obtaining the loan agree to immediately redeem the loan collateral in accordance with section 165.

(5) OPTIONS FOR OBTAINING LOAN.—A marketing assistance loan under this subsection, and loan deficiency payments under subsection (e), may be obtained at the option of the peanut producers on a farm through—

(A) a designated marketing association of peanut producers that is approved by the Secretary, which may own or construct necessary storage facilities;

(B) the Farm Service Agency; or

(C) a loan servicing agent approved by the Secretary.

(b) LOAN RATE.—The loan rate for a marketing assistance loan for peanuts under subsection (a) shall be equal to \$400 per ton.

(c) TERM OF LOAN.—

(1) IN GENERAL.—A marketing assistance loan for peanuts under subsection (a) shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made.

(2) EXTENSIONS PROHIBITED.—The Secretary may not extend the term of a marketing assistance loan for peanuts under subsection (a).

(d) REPAYMENT RATE.—The Secretary shall permit peanut producers on a farm to repay a marketing assistance loan for peanuts under subsection (a) at a rate that is the lesser of—

(1) the loan rate established for peanuts under subsection (b), plus interest (as determined by the Secretary); or

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

(B) minimize the accumulation of stocks of peanuts by the Federal Government;

(C) minimize the cost incurred by the Federal Government in storing peanuts; and

(D) allow peanuts produced in the United States to be marketed freely and competitively, both domestically and internationally.

(e) LOAN DEFICIENCY PAYMENTS.—

(1) AVAILABILITY.—The Secretary may make loan deficiency payments available to the peanut producers on a farm that, al-

though eligible to obtain a marketing assistance loan for peanuts under subsection (a), agree to forgo obtaining the loan for the peanuts in return for payments under this subsection.

(2) AMOUNT.—A loan deficiency payment under this subsection shall be obtained by multiplying—

(A) the loan payment rate determined under paragraph (3) for peanuts; by

(B) the quantity of the peanuts produced by the peanut producers on the farm, excluding any quantity for which the producers on the farm obtain a loan under subsection (a).

(3) LOAN PAYMENT RATE.—For the purposes of this subsection, the loan payment rate shall be the amount by which—

(A) the loan rate established under subsection (b); exceeds

(B) the rate at which a loan may be repaid under subsection (d).

(4) TIME FOR PAYMENT.—The Secretary shall make a payment under this subsection to the peanut producers on a farm with respect to a quantity of peanuts as of the earlier of—

(A) the date on which the peanut producers on the farm marketed or otherwise lost beneficial interest in the peanuts, as determined by the Secretary; or

(B) the date the peanut producers on the farm request the payment.

(f) COMPLIANCE WITH CONSERVATION REQUIREMENTS.—As a condition of the receipt of a marketing assistance loan under subsection (a), the peanut producers on a farm shall comply during the term of the loan with—

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

(2) applicable wetland conservation requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.).

(g) REIMBURSABLE AGREEMENTS AND PAYMENT OF EXPENSES.—To the maximum extent practicable, the Secretary shall implement any reimbursable agreements or provide for the payment of expenses under this chapter in a manner that is consistent with the implementation of the agreements or payment of the expenses for other commodities.

**SEC. 168. QUALITY IMPROVEMENT.**

(a) OFFICIAL INSPECTION.—All peanuts placed under a marketing assistance loan under section 167 or otherwise sold or marketed shall be officially inspected and graded by a Federal or State inspector.

(b) EFFECTIVE DATE.—This section shall take effect with the 2002 crop of peanuts.

**SEC. 169. PAYMENT LIMITATIONS.**

For purposes of sections 1001 through 1001C of the Food Security Act of 1985 (7 U.S.C. 1308 through 1308-3), separate payment limitations shall apply to peanuts with respect to—

(1) fixed, decoupled payments;

(2) counter-cyclical payments; and

(3) limitations on marketing loan gains and loan deficiency payments.

**SEC. 170. TERMINATION OF MARKETING QUOTA PROGRAMS FOR PEANUTS AND COMPENSATION TO PEANUT QUOTA HOLDERS FOR LOSS OF QUOTA ASSET VALUE.**

(a) REPEAL OF MARKETING QUOTA.—

(1) REPEAL.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357-1359a), relating to peanuts, is repealed.

(2) TREATMENT OF 2001 CROP.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357-1359a), as in effect on the day before the date of the enactment of this Act, shall continue to apply with respect to the 2001 crop of peanuts not-

withstanding the amendment made by paragraph (1).

(b) COMPENSATION CONTRACT REQUIRED.—The Secretary shall offer to enter into a contract with eligible peanut quota holders for the purpose of providing compensation for the lost value of the quota on account of the repeal of the marketing quota program for peanuts under subsection (a). Under the contracts, the Secretary shall make payments to eligible peanut quota holders during fiscal years 2002 through 2006.

(c) TIME FOR PAYMENT.—The payments required under the contracts shall be provided in five equal installments not later than September 30 of each of fiscal years 2002 through 2006.

(d) PAYMENT AMOUNT.—The amount of the payment for a fiscal year to a peanut quota holder under a contract shall be equal to the product obtained by multiplying—

(1) \$0.10 per pound; by

(2) the actual farm poundage quota (excluding seed and experimental peanuts) established for the peanut quota holder's farm under section 358-1(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358-1(b)) for the 2001 marketing year.

(e) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)), relating to assignment of payments, shall apply to the payments made to peanut quota holders under the contracts. The peanut quota holder making the assignment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require, of any assignment made under this subsection.

(f) PEANUT QUOTA HOLDER DEFINED.—In this section, the term "peanut quota holder" means a person or enterprise that owns a farm that—

(1) was eligible, immediately before the date of the enactment of this Act, to have a peanut quota established upon it;

(2) if there are not quotas currently established upon it for the succeeding crop year, in the absence of the amendment made by subsection (a); or

(3) is otherwise a farm that was eligible for such a quota at the time the general quota establishment authority was repealed.

The Secretary shall apply this definition without regard to temporary leases or transfers or quotas for seed or experimental purposes.

**Subtitle D—Administration**

**SEC. 181. ADMINISTRATION GENERALLY.**

(a) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall carry out this title through the Commodity Credit Corporation.

(b) DETERMINATIONS BY SECRETARY.—A determination made by the Secretary under this title shall be final and conclusive.

(c) REGULATIONS.—Not later than 90 days after the date of the enactment of this Act, the Secretary and the Commodity Credit Corporation, as appropriate, shall issue such regulations as are necessary to implement this title. The issuance of the regulations shall be made without regard to—

(1) the notice and comment provisions of section 553 of title 5, United States Code;

(2) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804) relating to notices of proposed rulemaking and public participation in rulemaking; and

(3) chapter 35 of title 44, United States Code (commonly known as the "Paperwork Reduction Act").

(d) PROTECTION OF PRODUCERS.—The protection afforded producers that elect the option to accelerate the receipt of any payment under a production flexibility contract

payable under the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7212 note) shall also apply to the advance payment of fixed, decoupled payments and counter-cyclical payments.

(e) **ADJUSTMENT AUTHORITY RELATED TO URUGUAY ROUND COMPLIANCE.**—If the Secretary determines that expenditures under subtitles A, B, and C that are subject to the total allowable domestic support levels under the Uruguay Round Agreements (as defined in section 2(7) of the Uruguay Round Agreements Act (19 U.S.C. 3501(7))), as in effect on the date of the enactment of this Act, will exceed such allowable levels for any applicable reporting period, the Secretary may make adjustments in the amount of such expenditures during that period to ensure that such expenditures do not exceed, but in no case are less than, such allowable levels.

**SEC. 182. EXTENSION OF SUSPENSION OF PERMANENT PRICE SUPPORT AUTHORITY.**

(a) **AGRICULTURAL ADJUSTMENT ACT OF 1938.**—Section 171(a)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301(a)(1)) is amended by striking “2002” both places it appears and inserting “2011”.

(b) **AGRICULTURAL ACT OF 1949.**—Section 171(b)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301(b)(1)) is amended by striking “2002” both places it appears and inserting “2011”.

(c) **SUSPENSION OF CERTAIN QUOTA PROVISIONS.**—Section 171(c) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301(c)) is amended by striking “2002” and inserting “2011”.

**SEC. 183. LIMITATIONS.**

(a) **LIMITATION ON AMOUNTS RECEIVED.**—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended—

(1) in paragraph (1)—

(A) by striking “PAYMENTS UNDER PRODUCTION FLEXIBILITY CONTRACTS” and inserting “FIXED, DECOUPLED PAYMENTS”;

(B) by striking “contract payments made under the Agricultural Market Transition Act to a person under 1 or more production flexibility contracts” and inserting “fixed, decoupled payments made to a person”; and

(C) by striking “4” and inserting “5”;

(2) in paragraphs (2) and (3)—

(A) by striking “payments specified” and all that follows through “and oilseeds” and inserting “following payments that a person shall be entitled to receive”;

(B) by striking “75” and inserting “150”;

(C) by striking the period at the end of paragraph (2) and all that follows through “the following” in paragraph (3);

(D) by striking “section 131” and all that follows through “section 132” and inserting “section 121 of the Farm Security Act of 2001 for a crop of any covered commodity at a lower level than the original loan rate established for the commodity under section 122”; and

(E) by striking “section 135” and inserting “section 125”; and

(3) by inserting after paragraph (2) the following new paragraph (3):

“(3) **LIMITATION ON COUNTER-CYCLICAL PAYMENTS.**—The total amount of counter-cyclical payments that a person may receive during any crop year shall not exceed the amount specified in paragraph (2), as in effect on the day before the date of the enactment of the Farm Security Act of 2001.”.

(b) **DEFINITIONS.**—Paragraph (4) of section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended to read as follows:

“(4) **DEFINITIONS.**—In this title, the terms ‘covered commodity’, ‘counter-cyclical payment’, and ‘fixed, decoupled payment’ have the meaning given those terms in section 100 of the Farm Security Act of 2001.”.

(c) **TRANSITION.**—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308), as in effect on the day before the date of the enactment of this Act, shall continue to apply with respect to fiscal year 2001 and the 2001 crop of any covered commodity.

**SEC. 184. ADJUSTMENTS OF LOANS.**

Section 162(b) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7282(b)) is amended by striking “this title” and inserting “this title and title I of the Farm Security Act of 2001”.

**SEC. 185. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.**

Section 164 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7284) is amended by striking “this title” each places it appears and inserting “this title and title I of the Farm Security Act of 2001”.

**SEC. 186. EXTENSION OF EXISTING ADMINISTRATIVE AUTHORITY REGARDING LOANS.**

Section 166 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7286) is amended—

(1) in subsection (a)—

(A) by striking “IN GENERAL.” and inserting “SPECIFIC PAYMENTS.”; and

(B) by striking “subtitle C” and inserting “subtitle C of this title and title I of the Farm Security Act of 2001”; and

(2) in subsection (c)(1)—

(A) by striking “producer” the first two places it appears and inserting “person”; and

(B) by striking “to producers under subtitle C” and inserting “by the Commodity Credit Corporation”.

**SEC. 187. ASSIGNMENT OF PAYMENTS.**

The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)), relating to assignment of payments, shall apply to payments made under the authority of this Act. The producer making the assignment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require, of any assignment made under this section.

**SEC. 188. REPORT ON EFFECT OF CERTAIN FARM PROGRAM PAYMENTS ON ECONOMIC VIABILITY OF PRODUCERS AND FARMING INFRASTRUCTURE.**

(a) **REVIEW REQUIRED.**—The Secretary of Agriculture shall conduct a review of the effects that payments under production flexibility contracts and market loss assistance payments have had, and that fixed, decoupled payments and counter-cyclical payments are likely to have, on the economic viability of producers and the farming infrastructure, particularly in areas where climate, soil types, and other agronomic conditions severely limit the covered crops that producers can choose to successfully and profitably produce.

(b) **CASE STUDY RELATED TO RICE PRODUCTION.**—The review shall include a case study of the effects that the payments described in subsection (a), and the forecast effects of increasing these or other decoupled payments, are likely to have on rice producers (including tenant rice producers), the rice milling industry, and the economies of rice farming areas in Texas, where harvested rice acreage has fallen from 320,000 acres in 1995 to only 211,000 acres in 2001.

(c) **REPORT AND RECOMMENDATIONS.**—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the information collected for the review and the case study and any findings made on the basis of such information. The report shall include recommendations for minimizing the adverse

effects on producers, with a special focus on producers who are tenants, on the agricultural economies in farming areas generally, on those particular areas described in subsection (a), and on the area that is the subject of the case study in subsection (b).

**TITLE II—CONSERVATION**

**Subtitle A—Environmental Conservation  
Acres Reserve Program**

**SEC. 201. GENERAL PROVISIONS.**

Title XII of the Food Security Act of 1985 is amended—

(1) in section 1230(a), by striking “1996 through 2002” and inserting “2002 through 2011”;

(2) by striking subsection (c) of section 1230; and

(3) in section 1230A (16 U.S.C. 3830a), by striking “chapter” each place it appears and inserting “title”.

**Subtitle B—Conservation Reserve Program**

**SEC. 211. REAUTHORIZATION.**

(a) **IN GENERAL.**—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended in each of subsections (a) and (d) by striking “2002” and inserting “2011”.

(b) **SCOPE OF PROGRAM.**—Section 1231(a) of such Act (16 U.S.C. 3831(a)) is amended by striking “and water” and inserting “, water, and wildlife”.

**SEC. 212. ENROLLMENT.**

(a) **CONSERVATION PRIORITY AREAS.**—

(1) **ELIGIBILITY.**—Section 1231(b) of the Food Security Act of 1985 (16 U.S.C. 3831(b)) is amended—

(A) by striking paragraph (1) and inserting the following:

“(1) highly erodible cropland that—

“(A)(i) if permitted to remain untreated could substantially reduce the production capability for future generations; or

“(ii) cannot be farmed in accordance with a conservation plan that complies with the requirements of subtitle B; and

“(B) the Secretary determines had a cropping history or was considered to be planted for 3 of the 6 years preceding the date of enactment of the Agriculture, Conservation, and Rural Enhancement Act of 2001 (except for land enrolled in the conservation reserve program as of that date);” and

(B) by adding at the end the following:

“(5) the portion of land in a field not enrolled in the conservation reserve in a case in which more than 50 percent of the land in the field is enrolled as a buffer under a program described in section 1234(i)(1), if the land is enrolled as part of the buffer; and

“(6) land (including land that is not cropland) enrolled through continuous signup—

“(A) to establish conservation buffers as part of the program described in a notice issued on March 24, 1998 (63 Fed. Reg. 14109) or a successor program; or

“(B) into the conservation reserve enhancement program described in a notice issued on May 27, 1998 (63 Fed. Reg. 28965) or a successor program.”.

(2) **CRP PRIORITY AREAS.**—Section 1231(f) of the Food Security Act of 1985 (16 U.S.C. 3831(f)) is amended by adding at the end the following:

“(5) **PRIORITY.**—In designating conservation priority areas under paragraph (1), the Secretary shall give priority to areas in which designated land would facilitate the most rapid completion of projects that—

“(A) are ongoing as of the date of the application; and

“(B) meet the purposes of the program established under this subchapter.”.

(b) **ELIGIBILITY ON CONTRACT EXPIRATION.**—Section 1231(f) of such Act (16 U.S.C. 3831(f)) is amended to read as follows:

“(f) **ELIGIBILITY ON CONTRACT EXPIRATION.**—On the expiration of a contract entered into under this subchapter, the land

subject to the contract shall be eligible to be considered for re-enrollment in the conservation reserve.”.

(C) **BALANCE OF NATURAL RESOURCE PURPOSES.**—

(1) **IN GENERAL.**—Section 1231 of such Act (16 U.S.C. 3831) is amended by adding at the end the following:

“(i) **BALANCE OF NATURAL RESOURCE PURPOSES.**—In determining the acceptability of contract offers under this subchapter, the Secretary shall ensure an equitable balance among the conservation purposes of soil erosion, water quality and wildlife habitat.”.

(2) **REGULATIONS.**—Not later than 180 days after the date of the enactment of this Act, the Secretary of Agriculture shall issue final regulations implementing section 1231(i) of the Food Security Act of 1985, as added by paragraph (1) of this subsection.

#### SEC. 213. DUTIES OF OWNERS AND OPERATORS.

Section 1232 of the Food Security Act of 1985 (16 U.S.C. 3832) is amended—

(1) in subsection (a)—

(A) in paragraph (3), by inserting “as described in section 1232(a)(7) or for other purposes” before “as permitted”;

(B) in paragraph (4), by inserting “where practicable, or maintain existing cover” before “on such land”; and

(C) in paragraph (7), by striking “Secretary—” and all that follows and inserting “Secretary may permit, consistent with the conservation of soil, water quality, and wildlife habitat—

“(A) managed grazing and limited haying, in which case the Secretary shall reduce the conservation reserve payment otherwise payable under the contract by an amount commensurate with the economic value of the activity;

“(B) wind turbines for the provision of wind energy, whether or not commercial in nature; and

“(C) land subject to the contract to be harvested for recovery of biomass used in energy production, in which case the Secretary shall reduce the conservation reserve payment otherwise payable under the contract by an amount commensurate with the economic value of such activity.”; and

(2) by striking subsections (c) and (d) and redesignating subsection (e) as subsection (c).

#### SEC. 214. REFERENCE TO CONSERVATION RESERVE PAYMENTS.

Subchapter B of chapter 1 of subtitle D of title XII of such Act (16 U.S.C. 3831–3836) is amended—

(1) by striking “rental payment” each place it appears and inserting “conservation reserve payment”;

(2) by striking “rental payments” each place it appears and inserting “conservation reserve payments”; and

(3) in the paragraph heading for section 1235(e)(4), by striking “RENTAL PAYMENT” and inserting “CONSERVATION RESERVE PAYMENT”.

#### SEC. 215. EXPANSION OF PILOT PROGRAM TO ALL STATES.

Section 1231(h) of the Food Security Act of 1985 (16 U.S.C. 3831(h)) is amended—

(1) in paragraph (1), by striking “and 2002” and all that follows through “South Dakota” and inserting “through 2011 calendar years, the Secretary shall carry out a program in each State”;

(2) in paragraph (3)(C), by striking “—” and all that follows and inserting “not more than 150,000 acres in any 1 State.”; and

(3) by striking paragraph (2) and redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively.

#### Subtitle C—Wetlands Reserve Program

##### SEC. 221. ENROLLMENT.

(a) **MAXIMUM.**—Section 1237(b) of the Food Security Act of 1985 (16 U.S.C. 3837(b)) is

amended by striking paragraph (1) and inserting the following:

“(1) **ANNUAL ENROLLMENT.**—In addition to any acres enrolled in the wetlands reserve program as of the end of a calendar year, the Secretary may in the succeeding calendar year enroll in the program a number of additional acres equal to—

“(A) if the succeeding calendar year is calendar year 2002, 150,000; or

“(B) if the succeeding calendar year is a calendar year after calendar year 2002—

“(i) 150,000; plus

“(ii) the amount (if any) by which 150,000, multiplied by the number of calendar years in the period that begins with calendar year 2002 and ends with the calendar year preceding such succeeding calendar year, exceeds the total number of acres added to the reserve during the period.”.

(b) **METHODS.**—Section 1237 of such Act (16 U.S.C. 3837(b)(2)) is amended—

(1) in subsection (b), by striking paragraph (2) and inserting the following:

“(2) **METHODS OF ENROLLMENT.**—The Secretary shall enroll acreage into the wetlands reserve program through the use of easements, restoration cost share agreements, or both.”; and

(2) by striking subsection (g).

(c) **EXTENSION.**—Section 1237(c) of such Act (16 U.S.C. 3837(c)) is amended by striking “2002” and inserting “2011”.

##### SEC. 222. EASEMENTS AND AGREEMENTS.

Section 1237A of the Food Security Act of 1985 (16 U.S.C. 3837a) is amended—

(1) in subsection (b), by striking paragraph (2) and inserting the following:

“(2) prohibits the alteration of wildlife habitat and other natural features of such land, unless specifically permitted by the plan.”;

(2) in subsection (e), by striking paragraph (2) and inserting the following:

“(2) shall be consistent with applicable State law.”;

(3) by striking subsection (h).

##### SEC. 223. DUTIES OF THE SECRETARY.

Section 1237C of the Food Security Act of 1985 (16 U.S.C. 3837c) is amended by striking subsection (d).

##### SEC. 224. CHANGES IN OWNERSHIP; AGREEMENT MODIFICATION; TERMINATION.

Section 1237E(a)(2) of the Food Security Act of 1985 (16 U.S.C. 3837e(a)(2)) is amended to read as follows:

“(2) the ownership change occurred due to foreclosure on the land and the owner of the land immediately before the foreclosure exercises a right of redemption from the mortgage holder in accordance with State law; or”.

#### Subtitle D—Environmental Quality Incentives Program

##### SEC. 231. PURPOSES.

Section 1240 of the Food Security Act of 1985 (16 U.S.C. 3839aa) is amended—

(1) by striking “to—” and all that follows through “provides—” and inserting “to provide—”;

(2) by striking “that face the most serious threats to” and inserting “to address environmental needs and provide benefits to air.”;

(3) by redesignating the subparagraphs (A) through (D) that follow the matter amended by paragraph (2) of this section as paragraphs (1) through (4), respectively;

(4) by moving each of such redesignated provisions 2 ems to the left; and

(5) by striking “farmers and ranchers” each place it appears and inserting “producers”.

##### SEC. 232. DEFINITIONS.

Section 1240A of the Food Security Act of 1985 (16 U.S.C. 3839aa–1) is amended—

(1) in paragraph (1)—

(A) by inserting “non-industrial private forest land,” before “and other land”; and

(B) by striking “poses a serious threat” and all that follows and inserting “provides increased environmental benefits to air, soil, water, or related resources.”; and

(2) in paragraph (4), by inserting “, including non-industrial private forestry” before the period.

##### SEC. 233. ESTABLISHMENT AND ADMINISTRATION.

(a) **REAUTHORIZATION.**—Section 1240B(a)(1) of the Food Security Act of 1985 (16 U.S.C. 3839aa–2(a)(1)) is amended by striking “2002” and inserting “2011”.

(b) **TERM OF CONTRACTS.**—Section 1240B(b)(2) of such Act (16 U.S.C. 3839aa–2(b)(2)) is amended by striking “not less than 5, nor more than 10, years” and inserting “not less than 1 year, nor more than 10 years”.

(c) **STRUCTURAL PRACTICES.**—Section 1240B(c)(1)(B) of such Act (16 U.S.C. 3839aa–2(c)(1)(B)) is amended to read as follows:

“(B) achieving the purposes established under this subtitle.”.

(d) **ELIMINATION OF CERTAIN LIMITATIONS ON ELIGIBILITY FOR COST-SHARE PAYMENTS.**—Section 1240B(e)(1) of such Act (16 U.S.C. 3839aa–2(e)(1)) is amended—

(1) by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B); and

(2) in subparagraph (B) (as so redesignated), by striking “or 3”.

(e) **INCENTIVE PAYMENTS.**—Section 1240B of such Act (16 U.S.C. 3839aa–2) is amended—

(1) in subsection (e)—

(A) in the subsection heading, by striking “, INCENTIVE PAYMENTS.”; and

(B) by striking paragraph (2); and

(2) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively, and inserting after subsection (e) the following:

“(f) **CONSERVATION INCENTIVE PAYMENTS.**—

“(1) **IN GENERAL.**—The Secretary may make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage a producer to perform multiple land management practices and to promote the enhancement of soil, water, wildlife habitat, air, and related resources.

“(2) **SPECIAL RULE.**—In determining the amount and rate of incentive payments, the Secretary may accord great weight to those practices that include residue, nutrient, pest, invasive species, and air quality management.”.

##### SEC. 234. EVALUATION OF OFFERS AND PAYMENTS.

Section 1240C of the Food Security Act of 1985 (16 U.S.C. 3839aa–3) is amended by striking paragraphs (1) through (3) and inserting the following:

“(1) aid producers in complying with this title and Federal and State environmental laws, and encourage environmental enhancement and conservation;

“(2) maximize the beneficial usage of animal manure and other similar soil amendments which improve soil health, tilth, and water-holding capacity; and

“(3) encourage the utilization of sustainable grazing systems, such as year-round, rotational, or managed grazing.”.

##### SEC. 235. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

Section 1240E(a) of the Food Security Act of 1985 (16 U.S.C. 3839aa–5(a)) is amended by striking “that incorporates such conservation practices” and all that follows and inserting “that provides or will continue to provide increased environmental benefits to air, soil, water, or related resources.”.

##### SEC. 236. DUTIES OF THE SECRETARY.

Section 1240F(3) of the Food Security Act of 1985 (16 U.S.C. 3839aa–6(3)) is amended to read as follows:

“(3) providing technical assistance or cost-share payments for developing and implementing 1 or more structural practices or 1 or more land management practices, as appropriate;”.

#### SEC. 237. LIMITATION ON PAYMENTS.

Section 1240G of the Food Security Act of 1985 (16 U.S.C. 3839aa-7) is amended—

- (1) in subsection (a)—
  - (A) in paragraph (1), by striking “\$10,000” and inserting “\$50,000”; and
  - (B) in paragraph (2), by striking “\$50,000” and inserting “\$200,000”;
- (2) in subsection (b)(2), by striking “the maximization of environmental benefits per dollar expended and”; and
- (3) by striking subsection (c).

#### SEC. 238. GROUND AND SURFACE WATER CONSERVATION.

Section 1240H of the Food Security Act of 1985 (16 U.S.C. 3839aa-8) is amended to read as follows:

##### “SEC. 1240H. GROUND AND SURFACE WATER CONSERVATION.

“(a) SUPPORT FOR CONSERVATION MEASURES.—The Secretary shall provide cost-share payments and low-interest loans to encourage ground and surface water conservation, including irrigation system improvement, and provide incentive payments for capping wells, reducing use of water for irrigation, and switching from irrigation to dryland farming.

“(b) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available the following amounts to carry out this section:

- “(1) \$30,000,000 for fiscal year 2002.
- “(2) \$45,000,000 for fiscal year 2003.
- “(3) \$60,000,000 for each of fiscal years 2004 through 2011.”.

##### Subtitle E—Funding and Administration

#### SEC. 241. REAUTHORIZATION.

Section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended by striking “2002” and inserting “2011”.

#### SEC. 242. FUNDING.

Section 1241(b)(1) of the Food Security Act of 1985 (16 U.S.C. 3841(b)(1)) is amended—

- (1) by striking “\$130,000,000” and all that follows through “2002, for” and inserting “the following amounts for purposes of”;
- (2) by striking “subtitle D.” and inserting “subtitle D.”; and
- (3) by adding at the end the following:
  - “(A) \$200,000,000 for fiscal year 2001.
  - “(B) \$1,025,000,000 for each of fiscal years 2002 and 2003.
  - “(C) \$1,200,000,000 for each of fiscal years 2004, 2005, and 2006.
  - “(D) \$1,400,000,000 for each of fiscal years 2007, 2008, and 2009.
  - “(E) \$1,500,000,000 for each of fiscal years 2010 and 2011.”.

#### SEC. 243. ALLOCATION FOR LIVESTOCK PRODUCTION.

Section 1241(b)(2) of the Food Security Act of 1985 (16 U.S.C. 3841(b)(2)) is amended by striking “2002” and inserting “2011”.

#### SEC. 244. ADMINISTRATION AND TECHNICAL ASSISTANCE.

(a) BROADENING OF EXCEPTION TO ACREAGE LIMITATION.—Section 1243(b)(2) of the Food Security Act of 1985 (16 U.S.C. 3843(b)(2)) is amended by striking “that—” and all that follows and inserting “that the action would not adversely affect the local economy of the county.”.

(b) RULES GOVERNING PROVISION OF TECHNICAL ASSISTANCE.—Section 1243(d) of such Act (16 U.S.C. 3843(d)) is amended to read as follows:

“(d) RULES GOVERNING PROVISION OF TECHNICAL ASSISTANCE.—

“(1) IN GENERAL.—The Secretary shall provide technical assistance under this title to

a producer eligible for such assistance, by providing the assistance directly or, at the option of the producer, through an approved third party if available.

“(2) REEVALUATION.—The Secretary shall reevaluate the provision of, and the amount of, technical assistance made available under subchapters B and C of chapter 1 and chapter 4 of subtitle D.

“(3) CERTIFICATION OF THIRD-PARTY PROVIDERS.—

“(A) IN GENERAL.—Not later than 6 months after the date of the enactment of this subsection, the Secretary of Agriculture shall, by regulation, establish a system for approving persons to provide technical assistance pursuant to chapter 4 of subtitle D. For purposes of this paragraph, a person shall be considered approved if they have a memorandum of understanding regarding the provision of technical assistance in place with the Secretary.

“(B) EXPERTISE REQUIRED.—In prescribing such regulations, the Secretary shall ensure that persons with expertise in the technical aspects of conservation planning, watershed planning, environmental engineering, including commercial entities, nonprofit entities, State or local governments or agencies, and other Federal agencies, are eligible to become approved providers of such technical assistance.”.

(c) DUTY OF SECRETARY.—

(1) IN GENERAL.—Section 1770(d) of such Act (7 U.S.C. 2276(d)) is amended—

(A) by striking “or” at the end of paragraph (9);

(B) by striking the period at the end of paragraph (11) and inserting “; or”; and

(C) by adding at the end the following:

“(12) title XII of this Act.”.

(2) CONFORMING AMENDMENTS.—Section 1770(e) of such Act (7 U.S.C. 2276(e)) is amended—

(A) by striking the subsection heading and inserting “EXCEPTIONS”; and

(B) by inserting “, or as necessary to carry out a program under title XII of this Act as determined by the Secretary” before the period.

##### Subtitle F—Other Programs

#### SEC. 251. PRIVATE GRAZING LAND CONSERVATION ASSISTANCE.

Section 386(d)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 2005b(d)(1)) is amended—

(1) by striking “and” at the end of subparagraph (G);

(2) by striking the period at the end of subparagraph (H) and inserting “; and”; and

(3) by adding at the end the following new subparagraph:

“(I) encouraging the utilization of sustainable grazing systems, such as year-round, rotational, or managed grazing.”.

#### SEC. 252. WILDLIFE HABITAT INCENTIVES PROGRAM.

Subsection (c) of section 387 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3836a) is amended to read as follows:

“(c) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall make available \$25,000,000 for each of fiscal years 2002 through 2011 to carry out this section.”.

#### SEC. 253. FARMLAND PROTECTION PROGRAM.

(a) REMOVAL OF ACREAGE LIMITATION; EXPANSION OF PURPOSES.—Subsection (a) of section 388 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3830 note) is amended—

(1) by striking “not less than 170,000, nor more than 340,000 acres of”; and

(2) by inserting “, or agricultural land that contains historic or archaeological resources,” after “other productive soil”.

(b) FUNDING.—Subsection (c) of such section is amended to read as follows:

“(c) FUNDING.—The Secretary shall use not more than \$50,000,000 of the funds of the Commodity Credit Corporation in each of fiscal years 2002 through 2011 to carry out this section.”.

(c) ELIGIBLE ENTITIES.—Such section is further amended—

(1) in subsection (a), by striking “a State or local government” and inserting “an eligible entity”; and

(2) by adding at the end the following:

“(d) DEFINITION OF ELIGIBLE ENTITY.—In this section, the term ‘eligible entity’ means—

“(1) any agency of any State or local government, or federally recognized Indian tribe, including farmland protection boards and land resource councils established under State law; and

“(2) any organization that—

“(A) is organized for, and at all times since the formation of the organization has been operated principally for, one or more of the conservation purposes specified in clause (i), (ii), or (iii) of section 170(h)(4)(A) of the Internal Revenue Code of 1986;

“(B) is an organization described in section 501(c)(3) of that Code that is exempt from taxation under section 501(a) of that Code;

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

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

#### SEC. 254. RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.

(a) PURPOSE.—Section 1528 of the Agriculture and Food Act of 1981 (16 U.S.C. 3451) is amended—

(1) by striking the section heading and all that follows through “SEC. 1528. It is the purpose” and inserting the following:

“SEC. 1528. STATEMENT OF PURPOSE.

“It is the purpose”; and

(2) by inserting “through designated RC&D councils” before “in rural areas”.

(b) DEFINITIONS.—Section 1529 of such Act (16 U.S.C. 3452) is amended—

(1) by striking the section heading and all that follows through “SEC. 1529. As used in this subtitle—” and inserting the following:

“SEC. 1529. DEFINITIONS.

“In this title:”; and

(2) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by inserting “RC&D council” before “area plan”; and

(B) in subparagraph (B), by striking “through control of nonpoint sources of pollution”; and

(C) in subparagraph (C)—

(i) by striking “natural resources based” and inserting “resource-based”; and

(ii) by striking “development of aquaculture”; and

(iii) by striking “and satisfaction” and inserting “satisfaction”; and

(iv) by inserting “, food security, economic development, and education” before the semicolon; and

(D) in subparagraph (D), by striking “other” the 1st place it appears and inserting “land management”; and

(3) in paragraph (3), by striking “any State, local unit of government, or local nonprofit organization” and inserting “the designated RC&D council”; and

(4) by striking paragraphs (4) through (6) and inserting the following:

“(4)(A) The term ‘financial assistance’ means the Secretary may—

“(i) provide funds directly to RC&D councils or associations of RC&D councils through grants, cooperative agreements, and interagency agreements that directly implement RC&D area plans; and

“(ii) may join with other federal agencies through interagency agreements and other arrangements as needed to carry out the program’s purpose.

“(B) Funds may be used for such things as—

“(i) technical assistance;

“(ii) financial assistance in the form of grants for planning, analysis and feasibility studies, and business plans;

“(iii) training and education; and

“(iv) all costs associated with making such services available to RC&D councils or RC&D associations.

“(5) The term ‘RC&D council’ means the responsible leadership of the RC&D area. RC&D councils and associations are nonprofit entities whose members are volunteers and include local civic and elected officials. Affiliations of RC&D councils are formed in states and regions.”;

(5) in paragraph (8), by inserting “and federally recognized Indian tribes” before the period;

(6) in paragraph (9), by striking “works of improvement” and inserting “projects”;

(7) by redesignating paragraphs (7) through (9) as paragraphs (6) through (8), respectively; and

(8) by striking paragraph (10) and inserting the following:

“(9) The term ‘project’ means any action taken by a designated RC&D council that achieves any of the elements identified under paragraph (1).”.

(c) **ESTABLISHMENT AND SCOPE.**—Section 1530 of such Act (16 U.S.C. 3453) is amended—

(1) by striking the section heading and all that follows through “Sec. 1530. The Secretary” and inserting the following:

**“SEC. 1530. ESTABLISHMENT AND SCOPE.**

“The Secretary”; and

(2) by striking “the technical and financial assistance necessary to permit such States, local units of government, and local nonprofit organizations” and inserting “through designated RC&D councils the technical and financial assistance necessary to permit such RC&D Councils”.

(d) **SELECTION OF DESIGNATED AREAS.**—Section 1531 of such Act (16 U.S.C. 3454) is amended by striking the section heading and all that follows through “Sec. 1531. The Secretary” and inserting the following:

**“SEC. 1531. SELECTION OF DESIGNATED AREAS.**

“The Secretary”.

(e) **AUTHORITY OF SECRETARY.**—Section 1532 of such Act (16 U.S.C. 3455) is amended—

(1) by striking the section heading and all that follows through “Sec. 1532. In carrying” and inserting the following:

**“SEC. 1532. AUTHORITY OF SECRETARY.**

“In carrying”;

(2) in each of paragraphs (1) and (3)—

(A) by striking “State, local unit of government, or local nonprofit organization” and inserting “RC&D council”; and

(B) by inserting “RC&D council” before “area plan”;

(3) in paragraph (2), by inserting “RC&D council” before “area plans”; and

(4) in paragraph (4), by striking “States, local units of government, and local nonprofit organizations” and inserting “RC&D councils or affiliations of RC&D councils”.

(f) **TECHNICAL AND FINANCIAL ASSISTANCE.**—Section 1533 of such Act (16 U.S.C. 3456) is amended—

(1) by striking the section heading and all that follows through “Sec. 1533. (a) Technical” and inserting the following:

**“SEC. 1533. TECHNICAL AND FINANCIAL ASSISTANCE.**

“(a) Technical”;

(2) in subsection (a)—

(A) by striking “State, local unit of government, or local nonprofit organization to

assist in carrying out works of improvement specified in an” and inserting “RC&D councils or affiliations of RC&D councils to assist in carrying out a project specified in a RC&D council”;

(B) in paragraph (1)—

(i) by striking “State, local unit of government, or local nonprofit organization” and inserting “RC&D council or affiliate”; and

(ii) by striking “works of improvement” each place it appears and inserting “project”;

(C) in paragraph (2)—

(i) by striking “works of improvement” and inserting “project”; and

(ii) by striking “State, local unit of government, or local nonprofit organization” and inserting “RC&D council”;

(D) in paragraph (3), by striking “works of improvement” and all that follows and inserting “project concerned is necessary to accomplish and RC&D council area plan objective”;

(E) in paragraph (4), by striking “the works of improvement provided for in the” and inserting “the project provided for in the RC&D council”;

(F) in paragraph (5), by inserting “federally recognized Indian tribe” before “or local” each place it appears; and

(G) in paragraph (6), by inserting “RC&D council” before “area plan”;

(3) in subsection (b), by striking “work of improvement” and inserting “project”; and

(4) in subsection (c), by striking “any State, local unit of government, or local nonprofit organization to carry out any” and inserting “RC&D council to carry out any RC&D council”.

(g) **RESOURCE CONSERVATION AND DEVELOPMENT POLICY BOARD.**—Section 1534 of such Act (16 U.S.C. 3457) is amended—

(1) by striking the section heading and all that follows through “Sec. 1534. (a) The Secretary” and inserting the following:

**“SEC. 1534. RESOURCE CONSERVATION AND DEVELOPMENT POLICY BOARD.**

“(a) The Secretary”; and

(2) in subsection (b), by striking “seven”.

(h) **PROGRAM EVALUATION.**—Section 1535 of such Act (16 U.S.C. 3458) is amended—

(1) by striking the section heading and all that follows through “Sec. 1535. The Secretary” and inserting the following:

**“SEC. 1535. PROGRAM EVALUATION.**

“The Secretary”;

(2) by inserting “with assistance from RC&D councils” before “provided”;

(3) by inserting “federally recognized Indian tribes,” before “local units”; and

(4) by striking “1986” and inserting “2007”.

(i) **LIMITATION ON ASSISTANCE.**—Section 1536 of such Act (16 U.S.C. 3458) is amended by striking the section heading and all that follows through “Sec. 1536. The program” and inserting the following:

**“SEC. 1536. LIMITATION ON ASSISTANCE.**

“The program”.

(j) **SUPPLEMENTAL AUTHORITY OF THE SECRETARY.**—Section 1537 of such Act (16 U.S.C. 3460) is amended—

(1) by striking the section heading and all that follows through “Sec. 1537. The authority” and inserting the following:

**“SEC. 1537. SUPPLEMENTAL AUTHORITY OF SECRETARY.**

“The authority”; and

(2) by striking “States, local units of government, and local nonprofit organizations” and inserting “RC&D councils”.

(i) **AUTHORIZATION OF APPROPRIATIONS.**—Section 1538 of such Act (16 U.S.C. 3461) is amended—

(1) by striking the section heading and all that follows through “Sec. 1538. There are” and inserting the following:

**“SEC. 1538. AUTHORIZATION OF APPROPRIATIONS.**

“There are”; and

(2) by striking “for each of the fiscal years 1996 through 2002”.

**SEC. 255. GRASSLAND RESERVE PROGRAM.**

(a) **IN GENERAL.**—Chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830–3837f) is amended by adding at the end the following:

**“Subchapter D—Grassland Reserve Program**

**“SEC. 1238. GRASSLAND RESERVE PROGRAM.**

“(a) **ESTABLISHMENT.**—The Secretary, acting through the Natural Resource Conservation Service, shall establish a grassland reserve program (referred to in this subchapter as ‘the program’) to assist owners in restoring and protecting eligible land described in subsection (c).

“(b) **ENROLLMENT CONDITIONS.**—

“(1) **IN GENERAL.**—The Secretary shall enroll in the program, from willing owners, not less than—

“(A) 100 contiguous acres of land west of the 90th meridian; or

“(B) 50 contiguous acres of land east of the 90th meridian.

“(2) **MAXIMUM ENROLLMENT.**—The total number of acres enrolled in the program shall not exceed 1,000,000 acres.

“(3) **METHODS OF ENROLLMENT.**—The Secretary shall enroll land in the program through—

“(A) permanent easements or 30-year easements;

“(B) in a State that imposes a maximum duration for such an easement, an easement for the maximum duration allowed under State law; or

“(C) a 30-year rental agreement.

“(c) **ELIGIBLE LAND.**—Land shall be eligible to be enrolled in the program if the Secretary determines that the land is—

“(1) natural grassland or shrubland;

“(2) land that—

“(A) is located in an area that has been historically dominated by natural grassland or shrubland; and

“(B) has potential to serve as habitat for animal or plant populations of significant ecological value if the land is restored to natural grassland or shrubland; or

“(3) land that is incidental to land described in paragraph (1) or (2), if the incidental land is determined by the Secretary to be necessary for the efficient administration of the easement.

**“SEC. 1238A. EASEMENTS AND AGREEMENTS.**

“(a) **IN GENERAL.**—To be eligible to enroll land in the program, the owner of the land shall enter into an agreement with the Secretary—

“(1) to grant an easement that runs with the land to the Secretary;

“(2) to create and record an appropriate deed restriction in accordance with applicable State law to reflect the easement;

“(3) to provide a written statement of consent to the easement signed by persons holding a security interest or any vested interest in the land;

“(4) to provide proof of unencumbered title to the underlying fee interest in the land that is the subject of the easement; and

“(5) to comply with the terms of the easement and restoration agreement.

“(b) **TERMS OF EASEMENT.**—An easement under subsection (a) shall—

“(1) permit—

“(A) grazing on the land in a manner that is consistent with maintaining the viability of natural grass and shrub species indigenous to that locality;

“(B) haying (including haying for seed production) or mowing, except during the nesting season for birds in the area that are in significant decline, as determined by the

Natural Resources Conservation Service State conservationist, or are protected Federal or State law; and

“(C) fire rehabilitation, construction of fire breaks, and fences (including placement of the posts necessary for fences);

“(2) prohibit—

“(A) the production of row crops, fruit trees, vineyards, or any other agricultural commodity that requires breaking the soil surface; and

“(B) except as permitted under paragraph (1)(C), the conduct of any other activities that would disturb the surface of the land covered by the easement, including—

“(i) plowing; and

“(ii) disking; and

“(3) include such additional provisions as the Secretary determines are appropriate to carry out this subchapter or to facilitate the administration of this subchapter.

“(c) EVALUATION AND RANKING OF EASEMENT APPLICATIONS.—

“(1) IN GENERAL.—The Secretary, in conjunction with State technical committees, shall establish criteria to evaluate and rank applications for easements under this subchapter.

“(2) CRITERIA.—In establishing the criteria, the Secretary shall emphasize support for grazing operations, plant and animal biodiversity, and grassland and shrubland under the greatest threat of conversion.

“(d) RESTORATION AGREEMENTS.—

“(1) IN GENERAL.—The Secretary shall prescribe the terms by which grassland and shrubland subject to an easement under an agreement entered into under the program shall be restored.

“(2) REQUIREMENTS.—The restoration agreement shall describe the respective duties of the owner and the Secretary (including paying the Federal share of the cost of restoration and the provision of technical assistance).

“(e) VIOLATIONS.—

“(1) IN GENERAL.—On the violation of the terms or conditions of an easement or restoration agreement entered into under this section—

“(A) the easement shall remain in force; and

“(B) the Secretary may require the owner to refund all or part of any payments received by the owner under this subchapter, with interest on the payments as determined appropriate by the Secretary.

“(2) PERIODIC INSPECTIONS.—

“(A) IN GENERAL.—After providing notice to the owner, the Secretary shall conduct periodic inspections of land subject to easements under this subchapter to ensure that the terms of the easement and restoration agreement are being met.

“(B) LIMITATION.—The Secretary may not prohibit the owner, or a representative of the owner, from being present during a periodic inspection.

#### “SEC. 1238B. DUTIES OF SECRETARY.

“(a) IN GENERAL.—In return for the granting of an easement by an owner under this subchapter, the Secretary shall, in accordance with this section—

“(1) make easement payments;

“(2) pay the Federal share of the cost of restoration; and

“(3) provide technical assistance to the owner.

“(b) PAYMENT SCHEDULE.—

“(1) EASEMENT PAYMENTS.—

“(A) AMOUNT.—In return for the granting of an easement by an owner under this subchapter, the Secretary shall make easement payments to the owner in an amount equal to—

“(i) in the case of a permanent easement, the fair market value of the land less the

grazing value of the land encumbered by the easement; and

“(ii) in the case of a 30-year easement or an easement for the maximum duration allowed under applicable State law, 30 percent of the fair market value of the land less the grazing value of the land for the period during which the land is encumbered by the easement.

“(B) SCHEDULE.—Easement payments may be provided in not less than 1 payment nor more than 10 annual payments of equal or unequal amount, as agreed to by the Secretary and the owner.

“(2) RENTAL AGREEMENT PAYMENTS.—

“(A) AMOUNT.—If an owner enters into a 30-year rental agreement authorized under section 1238(b)(3)(C), the Secretary shall make 30 annual rental payments to the owner in an amount that equals, to the maximum extent practicable, the 30-year easement payment amount under paragraph (1)(A)(ii).

“(B) ASSESSMENT.—Not less than once every 5 years throughout the 30-year rental period, the Secretary shall assess whether the value of the rental payments under subparagraph (A) equals, to the maximum extent practicable, the 30-year easement payments as of the date of the assessment.

“(C) ADJUSTMENT.—If on completion of the assessment under subparagraph (B), the Secretary determines that the rental payments do not equal, to the maximum extent practicable, the value of payments under a 30-year easement, the Secretary shall adjust the amount of the remaining payments to equal, to the maximum extent practicable, the value of a 30-year easement over the entire 30-year rental period.

“(c) FEDERAL SHARE OF COST OF RESTORATION.—The Secretary shall make payments to the owner of not more than 75 percent of the cost of carrying out measures and practices necessary to restore grassland and shrubland functions and values.

“(d) TECHNICAL ASSISTANCE.—

“(1) IN GENERAL.—The Secretary shall provide owners with technical assistance to execute easement documents and restore the grassland and shrubland.

“(2) REIMBURSEMENT BY COMMODITY CREDIT CORPORATION.—The Commodity Credit Corporation shall reimburse the Secretary, acting through the Natural Resources Conservation Service, for not more than 10 percent of the cost of acquisition of the easement and the Federal share of the cost of restoration obligated for that fiscal year.

“(e) PAYMENTS TO OTHERS.—If an owner that is entitled to a payment under this subchapter dies, becomes incompetent, is otherwise unable to receive the payment, or is succeeded by another person who renders or completes the required performance, the Secretary shall make the payment, in accordance with regulations promulgated by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable in light of all the circumstances.

“(f) OTHER PAYMENTS.—Easement payments received by an owner under this subchapter shall be in addition to, and not affect, the total amount of payments that the owner is otherwise eligible to receive under other Federal laws.

#### “SEC. 1238C. ADMINISTRATION.

“(a) DELEGATION TO PRIVATE ORGANIZATIONS.—

“(1) IN GENERAL.—The Secretary shall permit a private conservation or land trust organization or a State agency to hold and enforce an easement under this subchapter, in lieu of the Secretary, if—

“(A) the Secretary determines that granting such permission is likely to promote grassland and shrubland protection; and

“(B) the owner authorizes the private conservation or land trust or a State agency to hold and enforce the easement.

“(2) APPLICATION.—An organization that desires to hold an easement under this subchapter shall apply to the Secretary for approval.

“(3) APPROVAL BY SECRETARY.—The Secretary shall approve an organization under this subchapter that is constituted for conservation or ranching purposes and is competent to administer grassland and shrubland easements.

“(4) REASSIGNMENT.—If an organization holding an easement on land under this subchapter terminates—

“(A) the owner of the land shall reassign the easement to another organization described in paragraph (1) or to the Secretary; and

“(B) the owner and the new organization shall notify the Secretary in writing that a reassignment for termination has been made.

“(b) REGULATIONS.—Not later than 180 days after the date of enactment of this subchapter, the Secretary shall issue such regulations as are necessary to carry out this subchapter.”.

(b) FUNDING.—Section 1241(a)(2) of the Food Security Act of 1985 (16 U.S.C. 3841(a)(2)) is amended by striking “subchapter C” and inserting “subchapters C and D”.

#### SEC. 256. FARMLAND STEWARDSHIP PROGRAM.

Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830-3839bb) is amended by inserting after chapter 1 (and the matter added by section 255 of this Act) the following:

#### “CHAPTER 2—FARMLAND STEWARDSHIP PROGRAM

##### “SEC. 1238. DEFINITIONS.

“In this chapter:

“(1) AGREEMENT.—The term ‘agreement’ means a service contract authorized by this chapter.

“(2) BIOFUEL.—

“(A) IN GENERAL.—The term ‘biofuel’ means an energy source derived from living organisms.

“(B) INCLUSIONS.—The term ‘biofuel’ includes—

“(i) plant residue that is harvested, dried, and burned, or further processed into a solid, liquid, or gaseous fuel;

“(ii) agricultural waste (such as cereal straw, seed hulls, corn stalks and cobs);

“(iii) native shrubs and herbaceous plants (such as some varieties of willows and prairie switchgrass); and

“(iv) animal waste (including methane gas that is produced as a byproduct of animal waste).

“(3) BIOPRODUCT.—The term ‘bioproduct’ means a product that is manufactured or produced—

“(A) by using plant material and plant byproduct (such as glucose, starch, and protein); and

“(B) to replace a petroleum-based product, additive, or activator used in the production of a solvent, paint, adhesive, chemical, or other product (such as tires or Styrofoam cups).

“(4) CARBON SEQUESTRATION.—The term ‘carbon sequestration’ means the process of providing plant cover to avoid contributing to the greenhouse effect by—

“(A) removing carbon dioxide from the air; and

“(B) developing a ‘carbon sink’ to retain that carbon dioxide.

“(5) CONTRACTING AGENCY.—The term ‘contracting agency’ means a local conservation district, resource conservation and development council, extension service office, state-chartered stewardship entity, nonprofit organization, local office of the Department, or



other participating government agency that is authorized by the Secretary to enter into farmland stewardship agreements on behalf of the Secretary.

“(6) **ELIGIBLE AGRICULTURAL LAND.**—The term ‘eligible agricultural land’ means private land that is in primarily native or natural condition, or that is classified by the Secretary as cropland, pastureland, grazing land, timberland, or another similar type of land, that—

“(A) contains wildlife habitat, wetland, or other natural resources; or

“(B) provides 1 or more benefits to the public, such as—

“(i) conservation of soil, water, and related resources;

“(ii) water quality protection or improvement;

“(iii) control of invasive and exotic species;

“(iv) wetland restoration, development, and protection;

“(v) wildlife habitat development and protection;

“(vi) survival and recovery of listed species or candidate species;

“(vii) preservation of open spaces or prime, unique, or other productive farm land;

“(viii) increased participation in Federal agricultural or forestry programs in an area or region that has traditional underrepresentation in those programs;

“(ix) provision of a structure for interstate cooperation to address ecosystem challenges that affect an area involving 1 or more States;

“(x) improvements in the ecological integrity of the area, region or corridor;

“(xi) carbon sequestration;

“(xii) phytoremediation;

“(xiii) improvements in the economic viability of agriculture;

“(xiv) production of biofuels and bioproducts;

“(xv) establishment of experimental or innovative crops;

“(xvi) use of existing crops or crop byproducts in experimental or innovative ways;

“(xvii) installation of equipment to produce materials that may be used for biofuels or other bioproducts;

“(xviii) maintenance of experimental or innovative crops until the earlier of the date on which—

“(I) a viable market is established for those crops; or

“(II) an agreement terminates; and

“(xix) other similar conservation purposes identified by the Secretary.

“(7) **GERMPLASM.**—The term ‘germplasm’ means the genetic material of a germ cell of any life form that is important for food or agricultural production.

“(8) **INDIAN TRIBE.**—The term ‘Indian tribe’ has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

“(9) **PROGRAM.**—The term ‘program’ means the farmland stewardship program established by this chapter.

“(10) **PHYTOREMEDIATION.**—The term ‘phytoremediation’ means the use of green living plant material (including plants that may be harvested and used to produce biofuel or other bioproducts) to remove contaminants from water and soil.

“(11) **SECRETARY.**—The term ‘Secretary’ means the Secretary of Agriculture, acting—

“(A) through the Natural Resources Conservation Service; and

“(B) in cooperation with any applicable agricultural or other agencies of a State.

“(12) **SERVICE CONTRACT.**—The term ‘service contract’ means a legally binding agreement between 2 parties under which—

“(A) 1 party agrees to render 1 or more services in accordance with the terms of the contract; and

“(B) the second party agrees to pay the first party for the each service rendered.

**“SEC. 1238A. ESTABLISHMENT AND PURPOSE OF PROGRAM.**

“(a) **ESTABLISHMENT.**—

“(1) **IN GENERAL.**—The Secretary shall establish within the Department a program to be known as the ‘farmland stewardship program’.

“(2) **PURPOSE.**—The purpose of the program shall be to modify and more effectively target conservation programs administered by the Secretary to the specific conservation needs of, and opportunities presented by, individual parcels of eligible agricultural land.

“(b) **RELATION TO OTHER CONSERVATION PROGRAMS.**—Under the program, the Secretary may implement, alone or in combination, the features of—

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

“(2) any conservation program administered by another Federal agency or a State or local government, if implementation by the Secretary—

“(A) is feasible; and

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

“(3) **CONSERVATION ENHANCEMENT PROGRAMS.**—

“(A) **IN GENERAL.**—States, local governments, Indian tribes, or any combination of those entities may submit, and the Secretary may approve, a conservation enhancement program that integrates 1 or more Federal agriculture and forestry conservation programs and 1 or more State, local, or private efforts to address, in critical areas and corridors, in a manner that enhances the conservation benefits of the individual programs and modifies programs to more effectively address State and local needs—

“(i) water quality;

“(ii) wildlife;

“(iii) farm preservation; and

“(iv) any other conservation need.

“(B) **REQUIREMENT.**—

“(1) **IN GENERAL.**—A conservation enhancement program submitted under subparagraph (A) shall be designed to provide benefits greater than benefits that, by reason of any factor described in clause (ii), would be provided through the individual application of a conservation program administered by the Secretary.

“(ii) **FACTORS.**—Factors referred to in clause (i) include—

“(I) conservation commitments of greater duration;

“(II) more intensive conservation benefits;

“(III) integrated treatment of special natural resource problems (such as preservation and enhancement of natural resource corridors); and

“(IV) improved economic viability for agriculture.

“(C) **APPROVAL.**—

“(i) **DEFINITION OF RESOURCES.**—In this subparagraph, the term ‘resources’ means, with respect to any conservation program administered by the Secretary—

“(I) acreage enrolled under the conservation program; and

“(II) funding made available to the Secretary to carry out the conservation program with respect to acreage described in subclause (I).

“(ii) **DETERMINATION.**—If the Secretary determines that a plan submitted under subparagraph (A) meets the requirements of subparagraph (B), the Secretary, in accordance with an agreement, may use not more than 20 percent of the resources of any con-

servation program administered by the Secretary to implement the plan.

“(D) **CRP ACREAGE.**—Acreage enrolled under an approved conservation reserve enhancement program shall be considered acreage of conservation reserve program that is committed to conservation reserve enhancement program.

“(c) **FUNDING.**—

“(1) **IN GENERAL.**—The program and agreements shall be funded by the Secretary using—

“(A) the funding authorities of the conservation programs that are implemented through the use of Farmland Stewardship Agreements for the conservation purposes listed in Sec. 1238(4)(A) and (B)(i through x);

“(B) technical assistance in accordance with Sec. 1243(d); and

“(C) such other funds as are appropriated to carry out the Farmland Stewardship Program.

“(2) **COST SHARING.**—It shall be a requirement of the Farmland Stewardship Program that the majority of the funds to carry out the Program must come from existing conservation programs, which may be Federal, State, regional, local, or private, that are combined into and made a part of an agreement, with the balance made up from matching funding contributions made by State, regional, or local agencies and divisions of government or from private funding sources. Funds from existing programs may be used only to carry out the purposes and intents of those programs to the degree that those programs are made a part of a Farmland Stewardship Agreement. Funding for other purposes or intents must come from the funds provided under paragraphs (1)(B) and (1)(C) of subsection (c) or from the matching funding contributions made by State, regional, or local agencies and divisions of government or from private funding sources.

“(d) **PERSONNEL COSTS.**—The Secretary shall use the Natural Resources Conservation Service to carry out the Farmland Stewardship Program in cooperation with the state department of agriculture or other designated agency within the state. The role of the Natural Resources Conservation Service shall be limited to federal oversight of the program. The Natural Resources Conservation Service shall perform its normal functions with respect to the conservation programs that it administers. However, it shall play no role in the assembly of programs administered by other federal agencies into Farmland Stewardship Agreements.

“(e) **STATE LEVEL ADMINISTRATION.**—The state departments of agriculture shall have primary responsibility for operating the Farmland Stewardship Program. A state department of agriculture may choose to operate the program on its own, may collaborate with another local, state or federal agency, conservation district or tribe in operating the program, or may delegate responsibility to another state agency, such as the state department of natural resources or the state conservation district agency. The state department of agriculture or designated state agency shall consult with the agencies with management authority and responsibility for the resources affected on properties on which Farmland Stewardship Agreements are negotiated and assembled.

“(1) A state department of agriculture shall submit an application to the Secretary requesting designation as the ‘designated state agency’ to operate the Farmland Stewardship Program. If the state department of agriculture chooses to delegate responsibility to another state agency, the department of agriculture shall ask the governor to designate another agency for this purpose and that agency shall submit application to the Secretary.

“(2) The Secretary shall approve the request for designation as the ‘designated state agency’ if the agency demonstrates that it has the capability to implement the Farmland Stewardship Program and attests that it shall conform with the confidentiality requirements in Sec. 1238B(g). Upon approval of the request, the Secretary shall enter into a memorandum of understanding with the designated state agency specifying the state’s responsibilities in carrying out the program and the amount of technical assistance funds that shall be provided to the state on an annual basis to operate the program, in accordance with paragraphs (1)(C), (1)(E) and (1)(F) of subsection (g).

“(f) ANNUAL REPORTS.—The designated state agency shall annually submit to the Secretary and make publicly available a report that describes—

“(1) The progress achieved, the funds expended, the purposes for which funds were expended and monitoring and evaluating results obtained by local contracting agencies, and

“(2) The plans and objectives of the State for future activities under the program.

“(g) TECHNICAL ASSISTANCE.—

“(1) Of the funds used from other programs and of funds made available to carry out the Farmland Stewardship Program for a fiscal year, the Secretary shall reserve not more than twenty-five percent for the provision of technical assistance under the Program. Of the funds made available—

“(A) not more than 1.5% shall be reserved for administration, coordination and oversight through the Natural Resources Conservation Service headquarters office;

“(B) not more than 1.5% shall be reserved for the Farmland Stewardship Council to carry out its duties in cooperation with the State Technical Committees, as provided under section 1238E;

“(C) not more than 2.0% shall be reserved for administration and coordination through the designated state agency in the state where the property is located;

“(D) not more than 1.0% shall be reserved for administration and coordination through the Natural Resources Conservation Service state office, in the state where property is located;

“(E) not more than 1.0% shall be reserved for administration and coordination through the state conservation district agency, unless such agency is the designated state agency for administering this program, in which case these funds shall be added to the funds in the next paragraph; and

“(F) not less than 18% shall be reserved for local technical assistance, carried out through a designated ‘contracting agency’ and subcontractors chosen by and working with the contracting agency for preparing and executing agreements and monitoring, evaluating and administering agreements for their full term.

“(2) An owner or operator who is receiving a benefit under this chapter shall be eligible to receive technical assistance in accordance with section 1243(d) to assist the owner or operator in carrying out a contract entered into under this chapter.

“(h) ENSURING AVAILABILITY OF FUNDS.—All amounts required for preparing, executing, carrying out, monitoring, evaluating and administering an agreement for its entire term shall be made available by the Federal, State, and local agencies and private sector entities involved in funding the agreement upon execution of the agreement.

**“SEC. 1238B. USE OF FARMLAND STEWARDSHIP AGREEMENTS.**

“(a) AGREEMENTS AUTHORIZED.—The Secretary shall carry out the Farmland Stewardship Program by entering into service contracts as determined by the Secretary, to

be known as farmland stewardship agreements, with the owners or operators of eligible agricultural land to maintain and protect the natural and agricultural resources on the land.

“(b) LEGAL BASIS.—An agreement shall operate in all respects as a service contract and, as such, provides the Secretary with the opportunity to hire the owner or operator of eligible agricultural land as a vendor to perform one or more specific services for an equitable fee for each service rendered. Any agency participating in the Farmland Stewardship Program that has the authority to enter into service contracts and to expend public funds under such contracts may enter into or participate in the funding of an agreement.

“(c) BASIC PURPOSES.—An agreement with the owner or operator of eligible agricultural land shall be used—

“(1) to negotiate a mutually agreeable set of guidelines, practices, and procedures under which conservation practices will be provided by the owner or operator to protect, maintain, and, where possible, improve, the natural resources on the land covered by the agreement in return for annual payments to the owner or operator;

“(2) to enable an owner or operator to participate in one or more of the conservation programs offered through agencies at all levels of government and the private sector and, where possible and feasible, comply with permit requirements and regulations, through a one-stop, one-application process.

“(3) to implement a conservation program or series of programs where there is no such program or to implement conservation management activities where there is no such activity;

“(4) to expand or maintain conservation practices and resource management activities to a property where it is not possible at the present time to negotiate or reach agreement on a public purchase of a fee-simple or less-than-fee interest in the property for conservation purposes; and

“(5) to negotiate and develop agreements with private owners and operators to expand or maintain their participation in conservation activities and programs; to enable them to install or maintain best management practices (BMPs) and other recommended practices to improve the compatibility of agriculture, horticulture, silviculture, aquaculture and equine activities with the environment; and improve compliance with public health, safety and environmental regulations.

“(d) MODIFICATION OF OTHER CONSERVATION PROGRAM ELEMENTS.—If most, but not all, of the limitations, conditions, policies and requirements of a conservation program that is implemented in whole, or in part, through the Farmland Stewardship Program are met with respect to a parcel of eligible agricultural land, and the purposes to be achieved by the agreement to be entered into for such land are consistent with the purposes of the conservation program, then the Secretary may waive any remaining limitations, conditions, policies or requirements of the conservation program that would otherwise prohibit or limit the agreement. The Secretary may also grant requests to—

“(1) establish different or automatic enrollment criteria than otherwise established by regulation or policy;

“(2) establish different compensation rates to the extent the parties to the agreement consider justified;

“(3) establish different conservation practice criteria if doing so will achieve greater conservation benefits;

“(4) provide more streamlined and integrated paperwork requirements;

“(5) provide for the transfer of conservation program funds to states with flexible incentives accounts; and

“(6) provide funds for an adaptive management process to monitor the effectiveness of the Program for wildlife, the protection of natural resources, economic effectiveness and sustaining the agricultural economy.

“(7) For a waiver or exception to be considered, a contracting agency or the designated state agency must—

“(A) Submit a request for a waiver to the Secretary or Administrator who has responsibility for the program for which a waiver or exception is being requested. Requests for waivers or exceptions in programs administered by the United States Department of Agriculture shall be submitted to the Secretary of Agriculture, while requests for waivers or exceptions in programs administered by the United States Department of Interior shall be submitted to the Secretary of Interior and requests for waivers or exceptions in programs administered by the United States Environmental Protection Agency shall be submitted to the Administrator of that Agency, and so forth.

“(B) The request shall—

“(i) explain why the property qualifies for participation in the program;

“(ii) explain why it is necessary or desirable to make an exception to or waive one or more program limitations, conditions, policies or requirements;

“(iii) if possible, suggest alternative methods or approaches to satisfying these limitations, conditions, policies or requirements that are appropriate for the property in question;

“(iv) request that the Secretary or Administrator grant the exception or waiver, based on the documentation submitted.

“(C) The Secretary or Administrator may request additional documentation, or may suggest alternative methods of overcoming program limitations or obstacles on the property in question, prior to deciding whether or not to grant a request for an exception or waiver.

“(D) Waivers and exceptions may be granted by a Secretary or Administrator to allow additional flexibility in tailoring conservation programs to the specific needs, opportunities and challenges offered by individual parcels of land, and to remove administrative and regulatory obstacles that previously may have limited the use of these programs on eligible agricultural land, or would prevent these programs from being combined together through a Farmland Stewardship Agreement. Waivers and exceptions may be granted only if the purposes to be achieved by the program after the waiver or exception is granted remain consistent with the purposes for which the program was established.

“(E) The Secretaries and Administrators who receive requests for waivers or exceptions under this chapter shall respond to these requests within sixty (60) days of receipt. Decisions on whether to grant a request shall be rendered within one hundred eighty (180) days of receipt.

“(e) PROVISIONAL CONTRACTS.—Provisional contracts shall be used to provide payments to private landowners or operators, and to the organization or agency that will oversee the agreement, while baseline data is gathered, documents are prepared and the formal agreement is being negotiated. Provisional contracts shall pay for all technical services required to establish an agreement. Provisional contracts may be used to establish a Farmland Stewardship Agreement, or any other type of conservation program, permit or agreement on private land. Provisional contracts shall be used during a two-year planning period, which may be extended for up to two additional periods of six months

each by mutual agreement between the Secretary, the contracting agency and the owner or operator.

“(f) **PAYMENTS.**—Payments to owners and operators shall be made as provided in the programs that are combined as part of a Farmland Stewardship Agreement. At the election of the owner or operator, payments may be collected and combined together by the designated state agency and issued to the owner or operator in equal annual payments over the term of the agreement. Payments for other services rendered by the owner or operator shall be made as follows—

“(1) **IN GENERAL.**—Programs that contain term or permanent easements may be combined into a Farmland Stewardship Agreement. Except for portions of a property affected by easements, Farmland Stewardship Agreements shall provide no interest in property and shall be solely contracts for specific services. The fees paid shall be based on the services provided. Compensation shall include—

“(A) **ANNUAL BASE PAYMENT.**—All owners or operators enrolled in a Farmland Stewardship Agreement shall receive an annual base payment, at a rate to be determined by the Secretary. The annual base payment shall be considered by the Secretary to be satisfied if the owner or operator receives annual payments from another conservation program that has been incorporated into the Farmland Stewardship Agreement. In addition, owners and operators shall receive—

“(B) **DIRECT FEES FOR SERVICES.**—These fees shall be based on the cost of providing each service. These fees may be set by adopting private sector market prices for the performance of similar services or by competitive bidding. Or, alternatively—

“(C) **ANNUAL PER-ACRE STEWARDSHIP FEES.**—These fees shall be based on the services provided, or the quantity of benefits provided, with higher fees for greater benefits that can be quantified. Such values shall be determined and set by the Secretary. Or, alternatively—

“(D) **OTHER INCENTIVES.**—Other forms of compensation acceptable to an owner or operator also may be considered. These other forms of compensation may include federal, state or local tax waivers, credits, reductions or exclusions; priority processing of permits from state and local agencies; consolidation of permits from state and local agencies into a single operating plan; extended-duration permits from state and local agencies; enhanced eligibility and priority listing for participation in cost-share programs, loan programs, conservation programs and permanent conservation easement or public purchase programs; and priority access to technical assistance services provided by federal and, where possible, local, regional and state agencies.

“(g) **CONFIDENTIALITY OF DATA.**—All information or data provided to, obtained by or developed by the Secretary, or any contractor to the Secretary or the designated state agency, for the purpose of providing technical or financial assistance to owners or operators in connection with the United States Department of Agriculture's conservation programs, or in connection with the Farmland Stewardship Program, shall be—

“(1) Kept confidential by all officers and employees of the Department and the designated state agency;

“(2) Not released, disclosed, made public or in any manner communicated to any agency, state or person outside the Department and the designated state agency; and

“(3) Not subject to any other law that would require the information or data to be released, disclosed, made public or in any way communicated to any agency, state or

person outside the Department and designated state agency.

“(4) Any information or data related to an individual farm owner or operator may be reported only in an anonymous, aggregated form as currently provided under the Department's National Agricultural Statistic Services.

“(h) **STATE AND LOCAL CONSERVATION PRIORITIES.**—To the maximum extent practicable, agreements shall address the conservation priorities established by the State and locality in which the eligible agricultural land are located. The Secretary may adopt for this purpose a pre-existing state or regional conservation plan or strategy that maps economically and ecologically important land, including a plan developed pursuant to planning requirements under Title VIII of the 2001 Interior Appropriations Act and Title IX of the 2001 Commerce, Justice, State Appropriations Act.

“(i) **WATERSHED ENHANCEMENT.**—To the extent practicable, the Secretary shall encourage the development of Farmland Stewardship Program applications on a watershed basis.

#### “SEC. 1238C. PARTNERSHIP APPROACH TO PROGRAM.

“(a) **AUTHORITY OF SECRETARY EXERCISED THROUGH PARTNERSHIPS.**—The Secretary may administer agreements under the Farmland Stewardship Program in partnership with other Federal, State, and local agencies whose programs are incorporated into the Program under section 1238A, and in partnership with state departments of agriculture or other designated state agencies.

“(b) **DESIGNATION AND USE OF CONTRACTING AGENCIES.**—Subject to subsection (c), the Secretary may authorize a local conservation district, resource conservation and development council, extension service office, state-chartered stewardship entity, non-profit organization, local office of the Department of Agriculture, or other participating government agency to enter into and administer agreements under the Program as a contracting agency on behalf of the Secretary.

“(c) **CONDITIONS OF DESIGNATION.**—The Secretary may designate an eligible district or office as a contracting agency under subsection (b) only if the district or office—

“(1) submits a written request for such designation to the Secretary;

“(2) affirms that it is willing to follow all guidelines for executing and administering an agreement, as promulgated by the Secretary;

“(3) demonstrates to the satisfaction of the Secretary that it has established working relationships with owners and operators of eligible agricultural land, and based on the history of these working relationships, demonstrates that it has the ability to work with owners and operators of eligible agricultural land in a cooperative manner;

“(4) affirms its responsibility for preparing all documentation for the agreement, negotiating its terms with an owner or operator, monitoring compliance, making annual reports to the Secretary, and administering the agreement throughout its full term; and

“(5) demonstrates to the satisfaction of the Secretary that it has or will have the necessary staff resources and expertise to carry out its responsibilities under paragraphs (3) and (4).

“(d) **DELEGATION OF RESPONSIBILITY.**—The Secretary may delegate responsibility for reviewing and approving applications from local contracting agencies to the state department of agriculture or other designated state agency in the state in which the property is located, provided that the designated agency follows the criteria for reviewing and approving applications as established by the

Secretary and consults with the agencies with management authority and responsibility for the resources affected on properties on which Farmland Stewardship Agreements are negotiated and assembled.

#### “SEC. 1238D. PARTICIPATION OF OWNERS AND OPERATORS OF ELIGIBLE AGRICULTURAL LAND.

“(a) **APPLICATION AND APPROVAL PROCESS.**—To participate in the Farmland Stewardship Program, an owner or operator of eligible agricultural land shall—

“(1) submit to the Secretary an application indicating interest in the Program and describing the owner's or operator's property, its resources, and their ecological and agricultural values;

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

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

“(b) **APPLICATION ON BEHALF OF AN OWNER OR OPERATOR.**—A designated contracting agency may submit the application required by subsection (a) on behalf of an owner or operator if the contracting agency has secured the consent of the owner or operator to enter into an agreement.

“(c) **DELEGATION OF RESPONSIBILITY.**—The Secretary may delegate responsibility for reviewing and approving applications from or on behalf of an owner or operator to the state department of agriculture or other designated agency in the state in which the property is located, provided that the designated agency follows the criteria for reviewing and approving applications as established by the Secretary and consults with the agencies with management authority and responsibility for the resources affected on properties on which Farmland Stewardship Agreements are negotiated and assembled.

#### “SEC. 1238E. CREATION OF A FARMLAND STEWARDSHIP COUNCIL REGARDING PROGRAM.

“(a) **APPOINTMENT.**—The Secretary shall appoint an advisory committee to assist the Secretary in carrying out the Farmland Stewardship Program.

“(b) **IN GENERAL.**—The Committee shall be known as the Farmland Stewardship Council and shall operate on the federal level in the same manner, with the same roles and responsibilities and the same membership requirements as provided in the policies and guidelines governing State Technical Committees in Subpart B of Part 501 of the United States Department of Agriculture's directives to the Natural Resources Conservation Service regarding Conservation Program Delivery.

“(c) **DUTIES.**—The Farmland Stewardship Council shall cooperate in all respects with the State Technical Committees and Resource Advisory Committees in each state. In addition to the roles and responsibilities set forth for these committees, the Farmland Stewardship Council shall assist the Secretary in—

“(1) drafting such regulations as are necessary to carry out the Program;

“(2) developing the documents necessary for executing farmland stewardship agreements;

“(3) developing procedures and guidelines to facilitate partnerships with other levels of government and nonprofit organizations and assist contracting agencies in gathering data and negotiating agreements;

“(4) designing criteria to consider applications submitted under sections 1238C and 1238D;

“(5) providing assistance and training to designated state agencies, project partners and contracting agencies;

“(6) assisting designated state agencies, project partners and contracting agencies in combining together other conservation programs into agreements;

“(7) tailoring the agreements to each individual property;

“(8) developing agreements that are highly flexible and can be used to respond to and fit in with the conservation needs and opportunities on any property in the United States;

“(9) developing a methodology for determining a fair market price in each state for each service rendered by a private owner or operator under a Farmland Stewardship Agreement;

“(10) developing guidelines for administering the Farmland Stewardship Program on a national basis that respond to the conservation needs and opportunities in each state and in each rural community in which Farmland Stewardship Agreements may be implemented;

“(11) monitoring progress under the agreements; and

“(12) reviewing and recommending possible modifications, additions, adaptations, improvements, enhancements, or other changes to the Program to improve the way in which the program operates.

“(d) MEMBERSHIP.—The Farmland Stewardship Council shall have the same membership requirements as the State Technical Committees, except that C

“(1) All participating members must have offices located in the Washington, D.C. metropolitan area;

“(2) The list of members representing ‘Federal Agencies and Other Groups Required by Law’ shall be expanded to include all federal agencies whose programs might be included in Farmland Stewardship Program;

“(3) State agency representation shall be provided by the organizations located in the Washington, D.C. metropolitan area representing state agencies and shall include individuals from organizations representing wetland managers, environmental councils, fish and wildlife agencies, counties, resource and conservation development councils, state conservation agencies, state departments of agriculture, state foresters, and governors; and

“(4) Private Interest Membership shall be comprised of 21 members representing the principal agricultural commodity groups, farm organizations, national forestry associations, woodland owners, conservation districts, rural stewardship organizations, and up to a maximum of six (6) conservation and environment organizations, including organizations with an emphasis on wildlife, rangeland management and soil and water conservation.

“(5) The Secretary shall appoint one of the Private Interest Members to serve as chair. The Private Interest Members shall appoint another member to serve as co-chair.

“(6) The Secretary shall follow equal opportunity practices in making appointments to the Farmland Stewardship Council. To ensure that recommendations of the Council take into account the needs of the diverse groups served by the United States Department of Agriculture, membership will include, to the extent practicable, individuals with demonstrated ability to represent minorities, women, and persons with disabilities.

“(e) PERSONNEL COSTS.—The technical assistance funds designated in Sec. 1238A(g)(1)(B) may be used to provide staff

positions and support for the Farmland Stewardship Council to—

“(1) carry out its duties as provided in subsection (c);

“(2) ensure communication and coordination with all federal agencies, state organizations and Private Interest Members on the council, and the constituencies represented by these agencies, organizations and members;

“(3) ensure communication and coordination with the State Technical Committees and Resource Advisory Committees in each state;

“(4) solicit input from agricultural producers and owners and operators of private forestry operations and woodland through the organizations represented on the council and other organizations, as necessary; and

“(5) take into consideration the needs and interests of producers of different agricultural commodities and forest products in different regions of the nation.

“(6) Representatives of federal agencies and state organizations shall serve without additional compensation, except for reimbursement of travel expenses and per diem costs which are incurred as a result of their Council responsibilities and service.

“(7) Payments may be made to the organizations serving as Private Interest Members for the purposes of providing staff and support to carry out paragraphs (1) through (5). The amounts and duration of these payments and the number of staff positions to be created within Private Interest Member organizations to carry out these duties shall be determined by the Secretary.

“(f) REPORTS.—The Farmland Stewardship Council shall annually submit to the Secretary and make publicly available a report that describes—

“(1) The progress achieved, the funds expended, the purposes for which funds were expended and results obtained by the council; and

“(2) The plans and objectives for future activities.

“(g) TERMINATION.—The Farmland Stewardship Council shall remain in force for as long as the Secretary administers the Farmland Stewardship Program, except that the council will terminate in 2011 unless renewed by Congress in the next Farm Bill.

#### “SEC. 1238F. STATE BLOCK GRANT PROGRAM.

“(a) IN GENERAL.—The Secretary of Agriculture may provide agricultural stewardship block grants on an annual basis to state departments of agriculture as a means of providing assistance and support, cost-share payments, incentive payments, technical assistance or education to agricultural producers and owners and operators of agriculture, silviculture, aquaculture, horticulture or equine operations for environmental enhancements, best management practices, or air and water quality improvements addressing resource concerns. Under the block grant program, states shall have maximum flexibility to—

“(1) Address threats to soil, air, water and related natural resources including grazing land, wetland and wildlife habitats;

“(2) Comply with state and federal environmental laws;

“(3) Make beneficial, cost-effective changes to cropping systems; grazing management; nutrient, pest, or irrigation management; land uses; or other measures needed to conserve and improve soil, water, and related natural resources; and

“(4) Implement other practices or obtain other services to benefit the public through Farmland Stewardship Agreements.

“(b) PROGRAM APPLICATION.—A state department of agriculture, in collaboration with other state and local agencies, con-

servation districts, tribes, partners or organizations, may submit an application to the Secretary requesting approval for an agricultural stewardship block grant program. The Secretary shall approve the grant request if the program proposed by the state maintains or improves the state's natural resources, and the state has the capability to implement the agricultural stewardship program. Upon approval of a stewardship program submitted by a state department of agriculture, the Secretary shall—

“(1) Allocate funds to the state for administration of the program, and

“(2) Enter into a memorandum of understanding with the state department of agriculture specifying the state's responsibilities in carrying out the program and the amount of the block grant that shall be provided to the state on an annual basis.

“(c) PARTICIPATION.—A state department of agriculture may choose to operate the block grant program, may collaborate with another local, state or federal agency, conservation district or tribe in operating the program, or may delegate responsibility for the program to another local, state or federal agency, such as the state office of the United States Department of Agriculture, Natural Resources Conservation Service, or the state conservation district agency.

“(d) COORDINATION.—A state department of agriculture may establish an agricultural stewardship planning committee, or other advisory body, or expand the authority of an existing body, to design, develop and implement the state's agricultural stewardship block grant program. Such planning committee or advisory committee shall cooperate fully with the Farmland Stewardship Council established in Sec. 1238E and the State Technical Committee and Resource Advisory Committee in the state.

“(e) DELIVERY.—The state department of agriculture, or other designated agency, shall administer the stewardship block grants through existing delivery systems, infrastructure or processes, including contracts, cooperative agreements, and grants with local, state and federal agencies that address resource concerns and were prioritized and developed in cooperation with locally-led advisory groups.

“(f) STRATEGIC PLANS.—The state department of agriculture may collaborate with a local advisory or planning committee to develop a state strategic plan for the enhancement and protection of land, air, water and wildlife through resource planning. The state strategic plan shall be submitted to the Secretary annually in a report on the implementation of projects, activities, and other measures under the block grant program. In general, state strategic plans shall include—

“(1) A description of goals and objectives, including outcome-related goals for designated program activities;

“(2) A description of how the goals and objectives are to be achieved, including a description of the operational processes, skills and technologies, and the human capital, information and other resources required to meet the goals and objectives;

“(3) A description of performance indicators to be used in measuring or assessing the relevant output service levels and outcomes of the program activities; and

“(4) A description of the program evaluation to be used in comparing actual results with established goals and objectives.

“(g) ANNUAL REPORTS.—The state department of agriculture shall annually submit to the Secretary and make publicly available a report that describes—

“(1) The progress achieved, the funds expended, the purposes for which funds were expended and monitoring results obtained by

the agricultural stewardship planning committee or local advisory group, where applicable; and

“(2) The plans and objectives of the State for future activities under the program.

“(h) COORDINATION WITH FEDERAL AGENCIES.—To the maximum extent possible, the Secretary shall coordinate with other federal departments and agencies to acknowledge and ensure that the block grant program is consistent with and is meeting the needs and desired public benefits of other federal programs on a state-by-state basis.

“(i) PAYMENTS.—The agricultural stewardship program may be used as a means of providing compensation to owners and operators for implementing on-farm practices that enhance environmental goals. The type of financial assistance may be in the form of cost-share payments, incentive payments or Farmland Stewardship Agreements, as determined by guidelines established by the state department of agriculture and the agricultural stewardship planning committee.

“(j) PROGRAM EXPENDITURES.—States shall have flexibility to target resources where needed, including the ability to allocate dollars between payments to owners and operators or technical assistance based upon needs and priorities.

“(k) METHOD OF PAYMENT.—A state department of agriculture may collaborate with the agricultural stewardship planning committee or other local advisory group to determine payment levels and methods for individual program activities and projects, including any conditions, limitations or restrictions. Payments may be made—

“(1) To compensate for a verifiable or measurable loss;

“(2) Under a binding agreement providing for payments to carry out specific activities, measures, practices or services prioritized by the state department of agriculture, the agricultural stewardship planning committee or a local advisory board; or

“(3) To fund portions of projects and measures to complement other federal programs, including the Conservation Reserve Program, the Environmental Quality Incentives Program, the Wetlands Reserve Program, the Forestry Incentives Program, the Farmland Protection Program, and the Wildlife Habitat Incentives Program.”

#### SEC. 257. SMALL WATERSHED REHABILITATION PROGRAM.

Section 14(h) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012(h)) is amended—

(1) by adding “and” at the end of paragraph (1); and

(2) by striking all that follows paragraph (1) and inserting the following:

“(2) \$15,000,000 for fiscal year 2002 and each succeeding fiscal year.”

#### SEC. 258. PROVISION OF ASSISTANCE FOR REPAUPO CREEK TIDE GATE AND DIKE RESTORATION PROJECT, NEW JERSEY.

Notwithstanding section 403 of the Agricultural Credit Act of 1978 (16 U.S.C. 2203), the Secretary of Agriculture, acting through the Natural Resources Conservation Service, shall provide assistance for planning and implementation of the Repaupo Creek Tide Gate and Dike Restoration Project in the State of New Jersey.

#### SEC. 259. GRASSROOTS SOURCE WATER PROTECTION PROGRAM.

Section 1256 of the Food Security Act of 1985 (16 U.S.C. 2101 note) is amended to read as follows:

#### “SEC. 1256. GRASSROOTS SOURCE WATER PROTECTION PROGRAM.

“(a) IN GENERAL.—The Secretary shall establish a national grassroots water protection program to more effectively use onsite

technical assistance capabilities of each State rural water association that, as of the date of enactment of the Farm Security Act of 2001, operates a wellhead or groundwater protection program in the State.

“(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$5,000,000 for each fiscal year.”

#### Subtitle G—Repeals

#### SEC. 261. PROVISIONS OF THE FOOD SECURITY ACT OF 1985.

(a) WETLANDS MITIGATION BANKING PROGRAM.—Section 1222 of the Food Security Act of 1985 (16 U.S.C. 3822) is amended by striking subsection (k).

(b) CONSERVATION RESERVE PROGRAM.—

(1) REPEALS.—(A) Section 1234(f) of such Act (16 U.S.C. 3834(f)) is amended by striking paragraph (3) and by redesignating paragraph (4) as paragraph (3).

(B) Section 1236 of such Act (16 U.S.C. 3836) is repealed.

(2) CONFORMING AMENDMENTS.—(A) Section 1232(a)(5) of such Act (16 U.S.C. 3832(a)(5)) is amended by striking “in addition to the remedies provided under section 1236(d).”

(B) Section 1234(d)(4) of such Act (16 U.S.C. 3834(d)(4)) is amended by striking “subsection (f)(4)” and inserting “subsection (f)(3)”.

(c) WETLANDS RESERVE PROGRAM.—Section 1237D(c) of such Act (16 U.S.C. 3837d(c)) is amended by striking paragraph (3).

(d) ENVIRONMENTAL EASEMENT PROGRAM.—

(1) REPEAL.—Chapter 3 of subtitle D of title XII of such Act (16 U.S.C. 3839–3839d) is repealed.

(2) CONFORMING AMENDMENT.—Section 1243(b)(3) of such Act (16 U.S.C. 3843(b)(3)) is amended by striking “or 3”.

(e) CONSERVATION FARM OPTION.—Chapter 5 of subtitle D of title XII of such Act (16 U.S.C. 3839bb) is repealed.

#### SEC. 262. NATIONAL NATURAL RESOURCES CONSERVATION FOUNDATION ACT.

Subtitle F of title III of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 5801–5809) is repealed.

#### TITLE III—TRADE

#### SEC. 301. MARKET ACCESS PROGRAM.

Section 211(c)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)(1)) is amended—

(1) by striking “and not more” and inserting “not more”;

(2) by inserting “and not more than \$200,000,000 for each of fiscal years 2002 through 2011,” after “2002.”; and

(3) by striking “2002” and inserting “2001”.

#### SEC. 302. FOOD FOR PROGRESS.

(a) IN GENERAL.—Subsections (f)(3), (g), (k), and (l)(1) of section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o) are each amended by striking “2002” and inserting “2011”.

(b) INCREASE IN FUNDING.—Section 1110(l)(1) of the Food Security Act of 1985 (7 U.S.C. 1736o(l)(1)) is amended—

(1) by striking “2002” and inserting “2011”; and

(2) by striking “\$10,000,000” and inserting “\$15,000,000.”

(c) EXCLUSION FROM LIMITATION.—Section 1110(e)(2) of the Food Security Act of 1985 (7 U.S.C. 1736o(e)(2)) is amended by inserting “, and subsection (g) does not apply to such commodities furnished on a grant basis or on credit terms under title I of the Agricultural Trade Development Act of 1954” before the final period.

(d) TRANSPORTATION COSTS.—Section 1110(f)(3) of the Food Security Act of 1985 (7 U.S.C. 1736o(f)(3)) is amended by striking “\$30,000,000” and inserting “\$40,000,000”.

(e) AMOUNTS OF COMMODITIES.—Section 1110(g) of the Food Security Act of 1985 (7 U.S.C. 1736o(g)) is amended by striking “500,000” and inserting “1,000,000”.

(f) MULTIYEAR BASIS.—Section 1110(j) of the Food Security Act of 1985 (7 U.S.C. 1736o(j)) is amended—

(1) by striking “may” and inserting “is encouraged”; and

(2) by inserting “to” before “approve”.

(g) MONETIZATION.—Section 1110(l)(3) of the Food Security Act of 1985 (7 U.S.C. 1736o(l)(3)) is amended by striking “local currencies” and inserting “proceeds”.

(h) NEW PROVISIONS.—Section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o) is amended by adding at the end the following:

“(p) The Secretary is encouraged to finalize program agreements and resource requests for programs under this section before the beginning of the relevant fiscal year. By November 1 of the relevant fiscal year, the Secretary shall provide to the Committee on Agriculture and the Committee on International Relations of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a list of approved programs, countries, and commodities, and the total amounts of funds approved for transportation and administrative costs, under this section.”

#### SEC. 303. SURPLUS COMMODITIES FOR DEVELOPING OR FRIENDLY COUNTRIES.

(a) USE OF CURRENCIES.—Section 416(b)(7)(D) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)(7)(D)) is amended—

(1) in clauses (i) and (iii), by striking “foreign currency” each place it appears;

(2) in clause (ii)—

(A) by striking “Foreign currencies” and inserting “Proceeds”; and

(B) by striking “foreign currency”; and

(3) in clause (iv)—

(A) by striking “Foreign currency proceeds” and inserting “Proceeds”; and

(B) by striking “country of origin” the second place it appears and all that follows through “as necessary to expedite” and inserting “country of origin as necessary to expedite”;

(C) by striking “; or” and inserting a period; and

(D) by striking subclause (II).

(b) IMPLEMENTATION OF AGREEMENTS.—Section 416(b)(8)(A) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)(8)(A)) is amended—

(1) by inserting “(i)” after “(A)”; and

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

“(ii) The Secretary shall publish in the Federal Register, not later than October 31 of each fiscal year, an estimate of the commodities that shall be available under this section for that fiscal year.

“(iii) The Secretary is encouraged to finalize program agreements under this section not later than December 31 of each fiscal year.”

#### SEC. 304. EXPORT ENHANCEMENT PROGRAM.

Section 301(e)(1)(G) of the Agricultural Trade Act of 1978 (7 U.S.C. 5651(e)(1)(G)) is amended by inserting “and for each fiscal year thereafter through fiscal year 2011” after “2002”.

#### SEC. 305. FOREIGN MARKET DEVELOPMENT CO-OPERATOR PROGRAM.

(a) IN GENERAL.—Section 703 of the Agricultural Trade Act of 1978 (7 U.S.C. 5723) is amended—

(1) by inserting “(a) PRIOR YEARS.—” before “There”; and

(2) by striking “2002” and inserting “2001”; and

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

“(b) FISCAL 2002 AND LATER.—For each of fiscal years 2002 through 2011 there are authorized to be appropriated such sums as may be necessary to carry out this title, and, in addition to any sums so appropriated, the Secretary shall use \$37,000,000 of the funds of,

or an equal value of the commodities of, the Commodity Credit Corporation to carry out this title.”.

(b) **VALUE ADDED PRODUCTS.**—

(1) **IN GENERAL.**—Section 702(a) of the Agricultural Trade Act of 1978 (7 U.S.C. 5721 et seq.) is amended by inserting “, with a significant emphasis on the importance of the export of value-added United States agricultural products into emerging markets” after “products”.

(2) **REPORT TO CONGRESS.**—Section 702 of the Agricultural Trade Act of 1978 (7 U.S.C. 5722) is amended by adding at the end the following:

“(c) **REPORT TO CONGRESS.**—

“(1) **IN GENERAL.**—The Secretary shall report annually to appropriate congressional committees the amount of funding provided, types of programs funded, the value added products that have been targeted, and the foreign markets for those products that have been developed.

“(2) **DEFINITION.**—In this subsection, the term ‘appropriate congressional committees’ means—

“(A) the Committee on Agriculture and the Committee on International Relations of the House of Representatives; and

“(B) the Committee on Agriculture, Nutrition and Forestry and the Committee on Foreign Relations of the Senate.”.

**SEC. 306. EXPORT CREDIT GUARANTEE PROGRAM.**

(a) **REAUTHORIZATION.**—Section 211(b)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(b)(1)) is amended by striking “2002” and inserting “2011”.

(b) **PROCESSED AND HIGH VALUE PRODUCTS.**—Section 202(k)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5622(k)(1)) is amended by striking “, 2001, and 2002” and inserting “through 2011”.

**SEC. 307. FOOD FOR PEACE (PUBLIC LAW 480).**

The Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) is amended—

(1) in section 2 (7 U.S.C. 1691), by striking paragraph (2) and inserting the following:

“(2) promote broad-based, equitable, and sustainable development, including agricultural development as well as conflict prevention;”;

(2) in section 202(e)(1) (7 U.S.C. 1722(e)(1)), by striking “not less than \$10,000,000, and not more than \$28,000,000” and inserting “not less than 5 percent and not more than 10 percent of such funds”;

(3) in section 203(a) (7 U.S.C. 1723(a)), by striking “the recipient country, or in a country” and inserting “one or more recipient countries, or one or more countries”;

(4) in section 203(c) (7 U.S.C. 1723(c))—

(A) by striking “foreign currency”; and

(B) by striking “the recipient country, or in a country” and inserting “one or more recipient countries, or one or more countries”;

(5) in section 203(d) (7 U.S.C. 1723(d))—

(A) by striking “Foreign currencies” and inserting “Proceeds”;

(B) in paragraph (2)—

(i) by striking “income generating” and inserting “income-generating”; and

(ii) by striking “the recipient country or within a country” and inserting “one or more recipient countries, or one or more countries”; and

(C) in paragraph (3), by inserting a comma after “invested” and “used”;

(6) in section 204(a) (7 U.S.C. 1724(a))—

(A) by striking “1996 through 2002” and inserting “2002 through 2011”; and

(B) by striking “2,025,000” and inserting “2,250,000”;

(7) in section 205(f) (7 U.S.C. 1725(f)), by striking “2002” and inserting “2011”; and

(8) by striking section 206 (7 U.S.C. 1726);

(9) in section 207(a) (7 U.S.C. 1726a(a))—

(A) by redesignating paragraph (2) as paragraph (3); and

(B) by striking paragraph (1) and inserting the following:

“(1) **RECIPIENT COUNTRIES.**—A proposal to enter into a non-emergency food assistance agreement under this title shall identify the recipient country or countries subject to the agreement.

“(2) **TIME FOR DECISION.**—Not later than 120 days after receipt by the Administrator of a proposal submitted by an eligible organization under this title, the Administrator shall make a decision concerning such proposal.”;

(10) in section 208(f), by striking “2002” and inserting “2011”;

(11) in section 403 (7 U.S.C. 1733), by inserting after subsection (k) the following:

“(1) **SALES PROCEDURES.**—Subsections (b) and (h) shall apply to sales of commodities to generate proceeds for titles II and III of this Act, section 416(b) of the Agricultural Act of 1949, and section 1110 of the Food and Security Act of 1985. Such sales transactions may be in United States dollars and other currencies.”;

(12) in section 407(c)(4), by striking “2001 and 2002” and inserting “2001 through 2011”;

(13) in section 407(c)(1) (7 U.S.C. 1736a(c)(1))—

(A) by striking “The Administrator” and inserting “(A) The Administrator”; and

(B) by adding at the end the following:

“(B) In the case of commodities made available for nonemergency assistance under title II for least developed countries that meet the poverty and other eligibility criteria established by the International Bank for Reconstruction and Development for financing under the International Development Association, the Administrator may pay the transportation costs incurred in moving the commodities from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs.”.

(14) in section 408, by striking “2002” and inserting “2011”; and

(15) in section 501(c), by striking “2002” and inserting “2011”.

**SEC. 308. EMERGING MARKETS.**

Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5622 note) is amended—

(1) in subsections (a) and (d)(1)(A)(i), by striking “2002” and inserting “2011”; and

(2) in subsection (d)(1)(H), by striking “\$10,000,000 in any fiscal year” and inserting “\$13,000,000 for each of fiscal years 2002 through 2011”.

**SEC. 309. BILL EMERSON HUMANITARIAN TRUST.**

Subsections (b)(2)(B)(i), (h)(1), and (h)(2) of section 302 of the Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f-1) are each amended by striking “2002” and inserting “2011”.

**SEC. 310. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.**

(a) **ESTABLISHMENT.**—The Secretary of Agriculture shall establish an export assistance program (referred to in this section as the “program”) to address unique barriers that prohibit or threaten the export of United States specialty crops.

(b) **PURPOSE.**—The program shall provide direct assistance through public and private sector projects and technical assistance to remove, resolve, or mitigate sanitary and phytosanitary and related barriers to trade.

(c) **PRIORITY.**—The program shall address time sensitive and strategic market access projects based on—

(1) trade effect on market retention, market access, and market expansion; and

(2) trade impact.

(d) **FUNDING.**—The Secretary shall make available \$3,000,000 for each of fiscal years

2002 through 2011 of the funds of, or an equal value of commodities owned by, the Commodity Credit Corporation.

**SEC. 311. FARMERS FOR AFRICA AND CARIBBEAN BASIN PROGRAM.**

(a) **FINDINGS.**—Congress finds the following:

(1) Many African farmers and farmers in Caribbean Basin countries use antiquated techniques to produce their crops, which result in poor crop quality and low crop yields.

(2) Many of these farmers are losing business to farmers in European and Asian countries who use advanced planting and production techniques and are supplying agricultural produce to restaurants, resorts, tourists, grocery stores, and other consumers in Africa and Caribbean Basin countries.

(3) A need exists for the training of African farmers and farmers in Caribbean Basin countries and other developing countries in farming techniques that are appropriate for the majority of eligible farmers in African or Caribbean countries, including standard growing practices, insecticide and sanitation procedures, and other farming methods that will produce increased yields of more nutritious and healthful crops.

(4) African-American and other American farmers, as well as banking and insurance professionals, are a ready source of agribusiness expertise that would be invaluable for African farmers and farmers in Caribbean Basin countries.

(5) A United States commitment is appropriate to support the development of a comprehensive agricultural skills training program for these farmers that focuses on—

(A) improving knowledge of insecticide and sanitation procedures to prevent crop destruction;

(B) teaching modern farming techniques, including the identification and development of standard growing practices and the establishment of systems for recordkeeping, that would facilitate a continual analysis of crop production;

(C) the use and maintenance of farming equipment that is appropriate for the majority of eligible farmers in African or Caribbean Basin countries;

(D) expansion of small farming operations into agribusiness enterprises through the development and use of village banking systems and the use of agricultural risk insurance pilot products, resulting in increased access to credit for these farmers; and

(E) marketing crop yields to prospective purchasers (businesses and individuals) for local needs and export.

(6) The participation of African-American and other American farmers and American agricultural farming specialists in such a training program promises the added benefit of improving access to African and Caribbean Basin markets for American farmers and United States farm equipment and products and business linkages for United States insurance providers offering technical assistance on, among other things, agricultural risk insurance products.

(7) Existing programs that promote the exchange of agricultural knowledge and expertise through the exchange of American and foreign farmers have been effective in promoting improved agricultural techniques and food security, and, thus, the extension of additional resources to such farmer-to-farmer exchanges is warranted.

(b) **DEFINITIONS.**—In this section:

(1) **AGRICULTURAL FARMING SPECIALIST.**—The term “agricultural farming specialist” means an individual trained to transfer information and technical support relating to agribusiness, food security, the mitigation and alleviation of hunger, the mitigation of agricultural and farm risk, maximization of crop yields, agricultural trade, and other



needs specific to a geographical location as determined by the President.

(2) **CARIBBEAN BASIN COUNTRY.**—The term “Caribbean Basin country” means a country eligible for designation as a beneficiary country under section 212 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702).

(3) **ELIGIBLE FARMER.**—The term “eligible farmer” means an individual owning or working on farm land (as defined by a particular country’s laws relating to property) in the sub-Saharan region of the continent of Africa, in a Caribbean Basin country, or in any other developing country in which the President determines there is a need for farming expertise or for information or technical support described in paragraph (1).

(4) **PROGRAM.**—The term “Program” means the Farmers for Africa and Caribbean Basin Program established under this section.

(c) **ESTABLISHMENT OF PROGRAM.**—The President shall establish a grant program, to be known as the “Farmers for Africa and Caribbean Basin Program”, to assist eligible organizations in carrying out bilateral exchange programs whereby African-American and other American farmers and American agricultural farming specialists share technical knowledge with eligible farmers regarding—

- (1) maximization of crop yields;
- (2) use of agricultural risk insurance as financial tools and a means of risk management (as allowed by Annex II of the World Trade Organization rules);
- (3) expansion of trade in agricultural products;
- (4) enhancement of local food security;
- (5) the mitigation and alleviation of hunger;
- (6) marketing agricultural products in local, regional, and international markets; and
- (7) other ways to improve farming in countries in which there are eligible farmers.

(d) **ELIGIBLE GRANTEES.**—The President may make a grant under the Program to—

- (1) a college or university, including a historically black college or university, or a foundation maintained by a college or university; and
  - (2) a private organization or corporation, including grassroots organizations, with an established and demonstrated capacity to carry out such a bilateral exchange program.
- (e) **TERMS OF PROGRAM.**—(1) It is the goal of the Program that at least 1,000 farmers participate in the training program by December 31, 2005, of which 80 percent of the total number of participating farmers will be African farmers or farmers in Caribbean Basin countries and 20 percent of the total number of participating farmers will be American farmers.

(2) Training under the Program will be provided to eligible farmers in groups to ensure that information is shared and passed on to other eligible farmers. Eligible farmers will be trained to be specialists in their home communities and will be encouraged not to retain enhanced farming technology for their own personal enrichment.

(3) Through partnerships with American businesses, the Program will utilize the commercial industrial capability of businesses dealing in agriculture to train eligible farmers on farming equipment that is appropriate for the majority of eligible farmers in African or Caribbean Basin countries and to introduce eligible farmers to the use of insurance as a risk management tool.

(f) **SELECTION OF PARTICIPANTS.**—(1) The selection of eligible farmers, as well as African-American and other American farmers and agricultural farming specialists, to participate in the Program shall be made by grant recipients using an application process approved by the President.

(2) Participating farmers must have sufficient farm or agribusiness experience and have obtained certain targets regarding the productivity of their farm or agribusiness.

(g) **GRANT PERIOD.**—The President may make grants under the Program during a period of 5 years beginning on October 1 of the first fiscal year for which funds are made available to carry out the Program.

(h) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to carry out this section \$10,000,000 for each of fiscal years 2002 through 2011.

**SEC. 312. GEORGE MCGOVERN-ROBERT DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM.**

(a) **IN GENERAL.**—The President may, subject to subsection (j), direct the procurement of commodities and the provision of financial and technical assistance to carry out—

(1) preschool and school feeding programs in foreign countries to improve food security, reduce the incidence of hunger, and improve literacy and primary education, particularly with respect to girls; and

(2) maternal, infant, and child nutrition programs for pregnant women, nursing mothers, infants, and children who are 5 years of age or younger.

(b) **ELIGIBLE COMMODITIES AND COST ITEMS.**—Notwithstanding any other provision of law—

(1) any agricultural commodity is eligible for distribution under this section;

(2) as necessary to achieve the purposes of this section—

(A) funds may be used to pay the transportation costs incurred in moving commodities (including prepositioned commodities) provided under this section from the designated points of entry or ports of entry of one or more recipient countries to storage and distribution sites in these countries, and associated storage and distribution costs;

(B) funds may be used to pay the costs of activities conducted in the recipient countries by a nonprofit voluntary organization, cooperative, or intergovernmental agency or organization that would enhance the effectiveness of the activities implemented by such entities under this section; and

(C) funds may be provided to meet the allowable administrative expenses of private voluntary organizations, cooperatives, or intergovernmental organizations which are implementing activities under this section; and

(3) for the purposes of this section, the term “agricultural commodities” includes any agricultural commodity, or the products thereof, produced in the United States.

(c) **GENERAL AUTHORITIES.**—The President shall designate one or more Federal agencies to—

(1) implement the program established under this section;

(2) ensure that the program established under this section is consistent with the foreign policy and development assistance objectives of the United States; and

(3) consider, in determining whether a country should receive assistance under this section, whether the government of the country is taking concrete steps to improve the preschool and school systems in its country.

(d) **ELIGIBLE RECIPIENTS.**—Assistance may be provided under this section to private voluntary organizations, cooperatives, intergovernmental organizations, governments and their agencies, and other organizations.

(e) **PROCEDURES.**—

(1) **IN GENERAL.**—In carrying out subsection (a) the President shall assure that procedures are established that—

(A) provide for the submission of proposals by eligible recipients, each of which may in-

clude one or more recipient countries, for commodities and other assistance under this section;

(B) provide for eligible commodities and assistance on a multi-year basis;

(C) ensure eligible recipients demonstrate the organizational capacity and the ability to develop, implement, monitor, report on, and provide accountability for activities conducted under this section;

(D) provide for the expedited development, review, and approval of proposals submitted in accordance with this section;

(E) ensure monitoring and reporting by eligible recipients on the use of commodities and other assistance provided under this section; and

(F) allow for the sale or barter of commodities by eligible recipients to acquire funds to implement activities that improve the food security of women and children or otherwise enhance the effectiveness of programs and activities authorized under this section.

(2) **PRIORITIES FOR PROGRAM FUNDING.**—In carrying out paragraph (1) with respect to criteria for determining the use of commodities and other assistance provided for programs and activities authorized under this section, the implementing agency may consider the ability of eligible recipients to—

(A) identify and assess the needs of beneficiaries, especially malnourished or undernourished mothers and their children who are 5 years of age or younger, and school-age children who are malnourished, undernourished, or do not regularly attend school;

(B)(i) in the case of preschool and school-age children, target low-income areas where children’s enrollment and attendance in school is low or girls’ enrollment and participation in preschool or school is low, and incorporate developmental objectives for improving literacy and primary education, particularly with respect to girls; and

(ii) in the case of programs to benefit mothers and children who are 5 years of age or younger, coordinate supplementary feeding and nutrition programs with existing or newly-established maternal, infant, and children programs that provide health-needs interventions, and which may include maternal, prenatal, and postnatal and newborn care;

(C) involve indigenous institutions as well as local communities and governments in the development and implementation to foster local capacity building and leadership; and

(D) carry out multiyear programs that foster local self-sufficiency and ensure the longevity of recipient country programs.

(f) **USE OF FOOD AND NUTRITION SERVICE.**—The Food and Nutrition Service of the Department of Agriculture may provide technical advice on the establishment of programs under subsection (a)(1) and on their implementation in the field in recipient countries.

(g) **MULTILATERAL INVOLVEMENT.**—The President is urged to engage existing international food aid coordinating mechanisms to ensure multilateral commitments to, and participation in, programs like those supported under this section. The President shall report annually to the Committee on International Relations and the Committee on Agriculture of the United States House of Representatives and the Committee on Foreign Relations and the Committee on Agriculture, Nutrition, and Forestry of the United States Senate on the commitments and activities of governments, including the United States government, in the global effort to reduce child hunger and increase school attendance.

(h) **PRIVATE SECTOR INVOLVEMENT.**—The President is urged to encourage the support and active involvement of the private sector,

foundations, and other individuals and organizations in programs assisted under this section.

(i) **REQUIREMENT TO SAFEGUARD LOCAL PRODUCTION AND USUAL MARKETING.**—The requirement of section 403(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733(a) and 1733(h)) applies with respect to the availability of commodities under this section.

(j) **FUNDING.**—

(1) **IN GENERAL.**—There are authorized to be appropriated such sums as may be necessary to carry out this section for each of fiscal years 2002 through 2011. Nothing in this section shall be interpreted to preclude the use of authorities in effect before the date of the enactment of this Act to carry out the ongoing Global Food for Education Initiative.

(2) **ADMINISTRATIVE EXPENSES.**—Funds made available to carry out the purposes of this section may be used to pay the administrative expenses of any agency of the Federal Government implementing or assisting in the implementation of this section.

#### SEC. 313. STUDY ON FEE FOR SERVICES.

(a) **STUDY.**—Not later than 1 year after the date of the enactment of this Act, the Secretary shall provide a report to the designated congressional committees on the feasibility of instituting a program which would charge and retain a fee to cover the costs for providing persons with commercial services performed abroad on matters within the authority of the Department of Agriculture administered through the Foreign Agriculture Service or any successor agency.

(b) **DEFINITION.**—In this section, the term “designated congressional committees” means the Committee on Agriculture and the Committee on International Relations of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate.

#### SEC. 314. NATIONAL EXPORT STRATEGY REPORT.

(a) **REPORT.**—Not later than 1 year after the date of the enactment of this Act, the Secretary of Agriculture shall provide to the designated congressional committees a report on the policies and programs that the Department of Agriculture has undertaken to implement the National Export Strategy Report. The report shall contain a description of the effective coordination of these policies and programs through all other appropriate Federal agencies participating in the Trade Promotion Coordinating Committee and the steps the Department of Agriculture is taking to reduce the level of protectionism in agricultural trade, to foster market growth, and to improve the commercial potential of markets in both developed and developing countries for United States agricultural commodities.

(b) **DEFINITION.**—In this section, the term “designated congressional committees” means the Committee on Agriculture and the Committee on International Relations of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate.

### TITLE IV—NUTRITION PROGRAMS

#### Subtitle A—Food Stamp Program

#### SEC. 401. SIMPLIFIED DEFINITION OF INCOME.

Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended—

(1) in paragraph (3)—

(A) by striking “and (C)” and inserting “(C)”; and

(B) by inserting after “premiums,” the following:

“and (D) to the extent that any other educational loans on which payment is deferred, grants, scholarships, fellowships, veterans’ educational benefits, and the like, are required to be excluded under title XIX of the

Social Security Act, the state agency may exclude it under this subsection.”;

(2) by striking “and (15)” and inserting “(15)”; and

(3) by inserting before the period at the end the following:

“(16) any state complementary assistance program payments that are excluded pursuant to subsections (a) and (b) of section 1931 of title XIX of the Social Security Act, and (17) at the option of the State agency, any types of income that the State agency does not consider when determining eligibility for cash assistance under a program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1), except that this paragraph shall not authorize a State agency to exclude earned income, payments under title I, II, IV, X, XIV, or XVI of the Social Security Act, or such other types of income whose consideration the Secretary determines essential to equitable determinations of eligibility and benefit levels except to the extent that those types of income may be excluded under other paragraphs of this subsection”.

#### SEC. 402. STANDARD DEDUCTION.

Section 5(e)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(1)) is amended—

(1) by striking “of \$134, \$229, \$189, \$269, and \$118” and inserting “equal to 9.7 percent of the eligibility limit established under section 5(c)(1) for fiscal year 2002 but not more than 9.7 percent of the eligibility limit established under section 5(c)(1) for a household of six for fiscal year 2002 nor less than \$134, \$229, \$189, \$269, and \$118”; and

(2) by inserting before the period at the end the following:

“, except that the standard deduction for Guam shall be determined with reference to 2 times the eligibility limits under section 5(c)(1) for fiscal year 2002 for the 48 contiguous states and the District of Columbia”.

#### SEC. 403. TRANSITIONAL FOOD STAMPS FOR FAMILIES MOVING FROM WELFARE.

(a) **IN GENERAL.**—Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended by adding at the end the following:

“(8) **TRANSITIONAL BENEFITS OPTION.**—

“(1) **IN GENERAL.**—A State may provide transitional food stamp benefits to a household that is no longer eligible to receive cash assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

“(2) **TRANSITIONAL BENEFITS PERIOD.**—Under paragraph (1), a household may continue to receive food stamp benefits for a period of not more than 6 months after the date on which cash assistance is terminated.

“(3) **AMOUNT.**—During the transitional benefits period under paragraph (2), a household shall receive an amount equal to the allotment received in the month immediately preceding the date on which cash assistance is terminated. A household receiving benefits under this subsection may apply for recertification at any time during the transitional benefit period. If a household re-applies, its allotment shall be determined without regard to this subsection for all subsequent months.

“(4) **DETERMINATION OF FUTURE ELIGIBILITY.**—In the final month of the transitional benefits period under paragraph (2), the State agency may—

“(A) require a household to cooperate in a redetermination of eligibility to receive an authorization card; and

“(B) renew eligibility for a new certification period for the household without regard to whether the previous certification period has expired.

“(5) **LIMITATION.**—A household sanctioned under section 6, or for a failure to perform an

action required by Federal, State, or local law relating to such cash assistance program, shall not be eligible for transitional benefits under this subsection.”.

(b) **CONFORMING AMENDMENTS.**—(1) Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended by adding at the end the following: “The limits in this section may be extended until the end of any transitional benefit period established under section 11(s).”.

(2) Section 6(c) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)) is amended by striking “No household” and inserting “Except in a case in which a household is receiving transitional benefits during the transitional benefits period under section 11(s), no household”.

#### SEC. 404. QUALITY CONTROL SYSTEMS.

(a) **TARGETED QUALITY CONTROL SYSTEM.**—Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) is amended—

(1) in paragraph (1)(C)—

(A) in the matter preceding clause (i), by inserting “the Secretary determines that a 95 percent statistical probability exists that for the 3d consecutive year” after “year in which”; and

(B) in clause (i)(II)(aa)(bbb) by striking “the national performance measure for the fiscal year” and inserting “10 percent”;

(2) in the 1st sentence of paragraph (4)—

(A) by striking “or claim” and inserting “claim”; and

(B) by inserting “or performance under the measures established under paragraph (10),” after “for payment error.”;

(3) in paragraph (5), by inserting “to comply with paragraph (10) and” before “to establish”;

(4) in the 1st sentence of paragraph (6), by inserting “one percentage point more than” after “measure that shall be”; and

(5) by inserting at the end the following:

“(10)(A) In addition to the measures established under paragraph (1), the Secretary shall measure the performance of State agencies in each of the following regards—

“(i) compliance with the deadlines established under paragraphs (3) and (9) of section 11(e); and

“(ii) the percentage of negative eligibility decisions that are made correctly.

“(B) For each fiscal year, the Secretary shall make excellence bonus payments of \$1,000,000 each to the 5 States with the highest combined performance in the 2 measures in subparagraph (A) and to the 5 States whose combined performance under the 2 measures in subparagraph (A) most improved in such fiscal year.

“(C) For any fiscal year in which the Secretary determines that a 95 percent statistical probability exists that a State agency’s performance with respect to any of the 2 performance measures established in subparagraph (A) is substantially worse than a level the Secretary deems reasonable, other than for good cause shown, the Secretary shall investigate that State agency’s administration of the food stamp program. If this investigation determines that the State’s administration has been deficient, the Secretary shall require the State agency to take prompt corrective action.”.

(b) **IMPLEMENTATION.**—The amendment made by subsection (a)(5) shall apply to all fiscal years beginning on or after October 1, 2001, and ending before October 1, 2007. All other amendments made by this section shall apply to all fiscal years beginning on or after October 1, 1999.

#### SEC. 405. SIMPLIFIED APPLICATION AND ELIGIBILITY DETERMINATION SYSTEMS.

Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended by inserting at the end the following:

“(1) SIMPLIFICATION OF SYSTEMS.—The Secretary shall expend up to \$9,500,000 million in each fiscal year to pay 100 percent of the costs of State agencies to develop and implement simple application and eligibility determination systems.”

#### SEC. 406. AUTHORIZATION OF APPROPRIATIONS.

(a) EMPLOYMENT AND TRAINING PROGRAMS.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended—

(1) in subparagraph (A)(vii) by striking “fiscal year 2002” and inserting “each of the fiscal years 2003 through 2011”; and

(2) in subparagraph (B) by striking “2002” and inserting “2011”.

(b) COST ALLOCATION.—Section 16(k)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(3)) is amended—

(1) in subparagraph (A) by striking “2002” and inserting “2011”; and

(2) in subparagraph (B)(ii) by striking “2002” and inserting “2011”.

(c) CASH PAYMENT PILOT PROJECTS.—Section 17(b)(1)(B)(vi) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(vi)) is amended by striking “2002” and inserting “2011”.

(d) OUTREACH DEMONSTRATION PROJECTS.—Section 17(i)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(i)(1)(A)) is amended by striking “1992 through 2002” and inserting “2003 through 2011”.

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking “1996 through 2002” and inserting “2003 through 2011”.

(f) PUERTO RICO.—Section 19(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)) is amended—

(1) in subparagraph (A)—

(A) in clause (ii) by striking “and” at the end;

(B) in clause (iii) by adding “and” at the end; and

(C) by inserting after clause (iii) the following:

“(iv) for each of fiscal years 2003 through 2011, the amount equal to the amount required to be paid under this subparagraph for the preceding fiscal year, as adjusted by the percentage by which the thrifty food plan is adjusted under section 3(o)(4) for the current fiscal year for which the amount is determined under this clause;”;

(2) in subparagraph (B)—

(A) by inserting “(i)” after “(B)”;

(B) by adding at the end the following:

“(ii) Notwithstanding subparagraph (A) and clause (i), the Commonwealth may spend up to \$6,000,000 of the amount required under subparagraph (A) to be paid for fiscal year 2002 to pay 100 percent of the cost to upgrade and modernize the electronic data processing system used to provide such food assistance and to implement systems to simplify the determination of eligibility to receive such assistance.”

(g) TERRITORY OF AMERICAN SAMOA.—Section 24 of the Food Stamp Act of 1977 (7 U.S.C. 2033) is amended—

(1) by striking “Effective October 1, 1995, from” and inserting “From”; and

(2) by striking “\$5,300,000 for each of fiscal years 1996 through 2002” and inserting “\$5,750,000 for fiscal year 2002 and \$5,800,000 for each of fiscal years 2003 through 2011”.

(h) ASSISTANCE FOR COMMUNITY FOOD PROJECTS.—Section 25(b)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2034(b)(2)) is amended—

(1) in subparagraph (A) by striking “and” at the end;

(2) in subparagraph (B)—

(A) by striking “2002” and inserting “2001”; and

(B) by striking the period at the end and inserting “; and”; and

(3) by inserting after subparagraph (B) the following:

“(C) \$7,500,000 for each of the fiscal years 2002 through 2011.”

(i) AVAILABILITY OF COMMODITIES FOR THE EMERGENCY FOOD ASSISTANCE PROGRAM.—Section 27 of the Food Stamp Act of 1977 (7 U.S.C. 2036) is amended—

(1) in subsection (a)—

(A) by striking “1997 through 2002” and inserting “2002 through 2011”; and

(B) by striking “\$100,000,000” and inserting “\$140,000,000”; and

(2) by adding at the end the following:

“(c) USE OF FUNDS FOR RELATED COSTS.—For each of the fiscal years 2002 through 2011, the Secretary shall use \$10,000,000 of the funds made available under subsection (a) to pay for the direct and indirect costs of the States related to the processing, storing, transporting, and distributing to eligible recipient agencies of commodities purchased by the Secretary under such subsection and commodities secured from other sources, including commodities secured by gleaning (as defined in section 111 of the Hunger Prevention Act of 1988 (7 U.S.C. 612c note)).”

(j) SPECIAL EFFECTIVE DATE.—The amendments made by subsections (g), (h), and (i) shall take effect on October 1, 2001.

#### Subtitle B—Commodity Distribution

#### SEC. 441. DISTRIBUTION OF SURPLUS COMMODITIES TO SPECIAL NUTRITION PROJECTS.

Section 1114(a) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e) is amended by striking “2002” and inserting “2011”.

#### SEC. 442. COMMODITY SUPPLEMENTAL FOOD PROGRAM.

The Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended—

(1) in section 4(a) by striking “1991 through 2002” and inserting “2003 through 2011”; and

(2) in subsections (a)(2) and (d)(2) of section 5 by striking “1991 through 2002” and inserting “2003 through 2011”.

#### SEC. 443. EMERGENCY FOOD ASSISTANCE.

The 1st sentence of section 204(a)(1) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)(1)) is amended—

(1) by striking “1991 through 2002” and inserting “2003 through 2011”; and

(2) by striking “administrative”; and

(3) by inserting “storage,” after “processing.”

#### Subtitle C—Miscellaneous Provisions

#### SEC. 461. HUNGER FELLOWSHIP PROGRAM.

(a) SHORT TITLE; FINDINGS.—

(1) SHORT TITLE.—This section may be cited as the “Congressional Hunger Fellows Act of 2001”.

(2) FINDINGS.—The Congress finds as follows:

(A) There is a critical need for compassionate individuals who are committed to assisting people who suffer from hunger as well as a need for such individuals to initiate and administer solutions to the hunger problem.

(B) Bill Emerson, the distinguished late Representative from the 8th District of Missouri, demonstrated his commitment to solving the problem of hunger in a bipartisan manner, his commitment to public service, and his great affection for the institution and the ideals of the United States Congress.

(C) George T. (Mickey) Leland, the distinguished late Representative from the 18th District of Texas, demonstrated his compassion for those in need, his high regard for public service, and his lively exercise of political talents.

(D) The special concern that Mr. Emerson and Mr. Leland demonstrated during their lives for the hungry and poor was an inspiration for others to work toward the goals of equality and justice for all.

(E) These two outstanding leaders maintained a special bond of friendship regardless of political affiliation and worked together to encourage future leaders to recognize and provide service to others, and therefore it is especially appropriate to honor the memory of Mr. Emerson and Mr. Leland by creating a fellowship program to develop and train the future leaders of the United States to pursue careers in humanitarian service.

(b) ESTABLISHMENT.—There is established as an independent entity of the legislative branch of the United States Government the Congressional Hunger Fellows Program (hereinafter in this section referred to as the “Program”).

(c) BOARD OF TRUSTEES.—

(1) IN GENERAL.—The Program shall be subject to the supervision and direction of a Board of Trustees.

(2) MEMBERS OF THE BOARD OF TRUSTEES.—

(A) APPOINTMENT.—The Board shall be composed of 6 voting members appointed under clause (i) and one nonvoting ex officio member designated in clause (ii) as follows:

(i) VOTING MEMBERS.—(I) The Speaker of the House of Representatives shall appoint two members.

(II) The minority leader of the House of Representatives shall appoint one member.

(III) The majority leader of the Senate shall appoint two members.

(IV) The minority leader of the Senate shall appoint one member.

(ii) NONVOTING MEMBER.—The Executive Director of the program shall serve as a nonvoting ex officio member of the Board.

(B) TERMS.—Members of the Board shall serve a term of 4 years.

(C) VACANCY.—

(i) AUTHORITY OF BOARD.—A vacancy in the membership of the Board does not affect the power of the remaining members to carry out this section.

(ii) APPOINTMENT OF SUCCESSORS.—A vacancy in the membership of the Board shall be filled in the same manner in which the original appointment was made.

(iii) INCOMPLETE TERM.—If a member of the Board does not serve the full term applicable to the member, the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

(D) CHAIRPERSON.—As the first order of business of the first meeting of the Board, the members shall elect a Chairperson.

(E) COMPENSATION.—

(i) IN GENERAL.—Subject to clause (ii), members of the Board may not receive compensation for service on the Board.

(ii) TRAVEL.—Members of the Board may be reimbursed for travel, subsistence, and other necessary expenses incurred in carrying out the duties of the program.

(3) DUTIES.—

(A) BYLAWS.—

(i) ESTABLISHMENT.—The Board shall establish such bylaws and other regulations as may be appropriate to enable the Board to carry out this section, including the duties described in this paragraph.

(ii) CONTENTS.—Such bylaws and other regulations shall include provisions—

(I) for appropriate fiscal control, funds accountability, and operating principles;

(II) to prevent any conflict of interest, or the appearance of any conflict of interest, in the procurement and employment actions taken by the Board or by any officer or employee of the Board and in the selection and placement of individuals in the fellowships developed under the program;

(III) for the resolution of a tie vote of the members of the Board; and

(IV) for authorization of travel for members of the Board.

(iii) TRANSMITTAL TO CONGRESS.—Not later than 90 days after the date of the first meeting of the Board, the Chairperson of the Board shall transmit to the appropriate congressional committees a copy of such bylaws.

(B) BUDGET.—For each fiscal year the program is in operation, the Board shall determine a budget for the program for that fiscal year. All spending by the program shall be pursuant to such budget unless a change is approved by the Board.

(C) PROCESS FOR SELECTION AND PLACEMENT OF FELLOWS.—The Board shall review and approve the process established by the Executive Director for the selection and placement of individuals in the fellowships developed under the program.

(D) ALLOCATION OF FUNDS TO FELLOWSHIPS.—The Board of Trustees shall determine the priority of the programs to be carried out under this section and the amount of funds to be allocated for the Emerson and Leland fellowships.

(d) PURPOSES; AUTHORITY OF PROGRAM.—

(1) PURPOSES.—The purposes of the program are—

(A) to encourage future leaders of the United States to pursue careers in humanitarian service, to recognize the needs of people who are hungry and poor, and to provide assistance and compassion for those in need;

(B) to increase awareness of the importance of public service; and

(C) to provide training and development opportunities for such leaders through placement in programs operated by appropriate organizations or entities.

(2) AUTHORITY.—The program is authorized to develop such fellowships to carry out the purposes of this section, including the fellowships described in paragraph (3).

(3) FELLOWSHIPS.—

(A) IN GENERAL.—The program shall establish and carry out the Bill Emerson Hunger Fellowship and the Mickey Leland Hunger Fellowship.

(B) CURRICULUM.—

(i) IN GENERAL.—The fellowships established under subparagraph (A) shall provide experience and training to develop the skills and understanding necessary to improve the humanitarian conditions and the lives of individuals who suffer from hunger, including—

(I) training in direct service to the hungry in conjunction with community-based organizations through a program of field placement; and

(II) experience in policy development through placement in a governmental entity or nonprofit organization.

(ii) FOCUS OF BILL EMERSON HUNGER FELLOWSHIP.—The Bill Emerson Hunger Fellowship shall address hunger and other humanitarian needs in the United States.

(iii) FOCUS OF MICKEY LELAND HUNGER FELLOWSHIP.—The Mickey Leland Hunger Fellowship shall address international hunger and other humanitarian needs.

(iv) WORKPLAN.—To carry out clause (i) and to assist in the evaluation of the fellowships under paragraph (4), the program shall, for each fellow, approve a work plan that identifies the target objectives for the fellow in the fellowship, including specific duties and responsibilities related to those objectives.

(C) PERIOD OF FELLOWSHIP.—

(i) EMERSON FELLOW.—A Bill Emerson Hunger Fellowship awarded under this paragraph shall be for no more than 1 year.

(ii) LELAND FELLOW.—A Mickey Leland Hunger Fellowship awarded under this paragraph shall be for no more than 2 years. Not less than 1 year of the fellowship shall be dedicated to fulfilling the requirement of subparagraph (B)(i)(I).

(D) SELECTION OF FELLOWS.—

(i) IN GENERAL.—A fellowship shall be awarded pursuant to a nationwide competition established by the program.

(ii) QUALIFICATION.—A successful applicant shall be an individual who has demonstrated—

(I) an intent to pursue a career in humanitarian service and outstanding potential for such a career;

(II) a commitment to social change;

(III) leadership potential or actual leadership experience;

(IV) diverse life experience;

(V) proficient writing and speaking skills;

(VI) an ability to live in poor or diverse communities; and

(VII) such other attributes as determined to be appropriate by the Board.

(iii) AMOUNT OF AWARD.—

(I) IN GENERAL.—Each individual awarded a fellowship under this paragraph shall receive a living allowance and, subject to subclause (II), an end-of-service award as determined by the program.

(II) REQUIREMENT FOR SUCCESSFUL COMPLETION OF FELLOWSHIP.—Each individual awarded a fellowship under this paragraph shall be entitled to receive an end-of-service award at an appropriate rate for each month of satisfactory service as determined by the Executive Director.

(iv) RECOGNITION OF FELLOWSHIP AWARD.—

(I) EMERSON FELLOW.—An individual awarded a fellowship from the Bill Emerson Hunger Fellowship shall be known as an “Emerson Fellow”.

(II) LELAND FELLOW.—An individual awarded a fellowship from the Mickey Leland Hunger Fellowship shall be known as a “Leland Fellow”.

(4) EVALUATION.—The program shall conduct periodic evaluations of the Bill Emerson and Mickey Leland Hunger Fellowships. Such evaluations shall include the following:

(A) An assessment of the successful completion of the work plan of the fellow.

(B) An assessment of the impact of the fellow on the fellows.

(C) An assessment of the accomplishment of the purposes of the program.

(D) An assessment of the impact of the fellow on the community.

(e) TRUST FUND.—

(1) ESTABLISHMENT.—There is established the Congressional Hunger Fellows Trust Fund (hereinafter in this section referred to as the “Fund”) in the Treasury of the United States, consisting of amounts appropriated to the Fund under subsection (i), amounts credited to it under paragraph (3), and amounts received under subsection (g)(3)(A).

(2) INVESTMENT OF FUNDS.—The Secretary of the Treasury shall invest the full amount of the Fund. Each investment shall be made in an interest bearing obligation of the United States or an obligation guaranteed as to principal and interest by the United States that, as determined by the Secretary in consultation with the Board, has a maturity suitable for the Fund.

(3) RETURN ON INVESTMENT.—Except as provided in subsection (f)(2), the Secretary of the Treasury shall credit to the Fund the interest on, and the proceeds from the sale or redemption of, obligations held in the Fund.

(f) EXPENDITURES; AUDITS.—

(1) IN GENERAL.—The Secretary of the Treasury shall transfer to the program from the amounts described in subsection (e)(3) and subsection (g)(3)(A) such sums as the Board determines are necessary to enable the program to carry out the provisions of this section.

(2) LIMITATION.—The Secretary may not transfer to the program the amounts appropriated to the Fund under subsection (i).

(3) USE OF FUNDS.—Funds transferred to the program under paragraph (1) shall be used for the following purposes:

(A) STIPENDS FOR FELLOWS.—To provide for a living allowance for the fellows.

(B) TRAVEL OF FELLOWS.—To defray the costs of transportation of the fellows to the fellowship placement sites.

(C) INSURANCE.—To defray the costs of appropriate insurance of the fellows, the program, and the Board.

(D) TRAINING OF FELLOWS.—To defray the costs of preservice and midservice education and training of fellows.

(E) SUPPORT STAFF.—Staff described in subsection (g).

(F) AWARDS.—End-of-service awards under subsection (d)(3)(D)(iii)(II).

(G) ADDITIONAL APPROVED USES.—For such other purposes that the Board determines appropriate to carry out the program.

(4) AUDIT BY GAO.—

(A) IN GENERAL.—The Comptroller General of the United States shall conduct an annual audit of the accounts of the program.

(B) BOOKS.—The program shall make available to the Comptroller General all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the program and necessary to facilitate such audit.

(C) REPORT TO CONGRESS.—The Comptroller General shall submit a copy of the results of each such audit to the appropriate congressional committees.

(g) STAFF; POWERS OF PROGRAM.—

(1) EXECUTIVE DIRECTOR.—

(A) IN GENERAL.—The Board shall appoint an Executive Director of the program who shall administer the program. The Executive Director shall carry out such other functions consistent with the provisions of this section as the Board shall prescribe.

(B) RESTRICTION.—The Executive Director may not serve as Chairperson of the Board.

(C) COMPENSATION.—The Executive Director shall be paid at a rate not to exceed the rate of basic pay payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(2) STAFF.—

(A) IN GENERAL.—With the approval of a majority of the Board, the Executive Director may appoint and fix the pay of additional personnel as the Executive Director considers necessary and appropriate to carry out the functions of the provisions of this section.

(B) COMPENSATION.—An individual appointed under subparagraph (A) shall be paid at a rate not to exceed the rate of basic pay payable for level GS-15 of the General Schedule.

(3) POWERS.—In order to carry out the provisions of this section, the program may perform the following functions:

(A) GIFTS.—The program may solicit, accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the program. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Fund and shall be available for disbursement upon order of the Board.

(B) EXPERTS AND CONSULTANTS.—The program may procure temporary and intermittent services under section 3109 of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay payable for GS-15 of the General Schedule.

(C) CONTRACT AUTHORITY.—The program may contract, with the approval of a majority of the members of the Board, with and

compensate Government and private agencies or persons without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

(D) OTHER NECESSARY EXPENDITURES.—The program shall make such other expenditures which the program considers necessary to carry out the provisions of this section, but excluding project development.

(h) REPORT.—Not later than December 31 of each year, the Board shall submit to the appropriate congressional committees a report on the activities of the program carried out during the previous fiscal year, and shall include the following:

(1) An analysis of the evaluations conducted under subsection (d)(4) (relating to evaluations of the Emerson and Leland fellowships and accomplishment of the program purposes) during that fiscal year.

(2) A statement of the total amount of funds attributable to gifts received by the program in that fiscal year (as authorized under subsection (g)(3)(A)), and the total amount of such funds that were expended to carry out the program that fiscal year.

(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated \$18,000,000 to carry out the provisions of this section.

(j) DEFINITION.—In this section, the term “appropriate congressional committees” means—

(1) the Committee on Agriculture and the Committee on International Relations of the House of Representatives; and

(2) the Committee on Agriculture, Nutrition and Forestry and the Committee on Foreign Relations of the Senate.

#### SEC. 462. GENERAL EFFECTIVE DATE.

Except as otherwise provided in this title, the amendments made by this title shall take effect on October 1, 2002.

### TITLE V—CREDIT

#### Subtitle A—Farm Ownership Loans

##### SEC. 501. DIRECT LOANS.

Section 302(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922(b)(1)) is amended by striking “operated” and inserting “participated in the business operations of”.

##### SEC. 502. FINANCING OF BRIDGE LOANS.

Section 303(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1923(a)(1)) is amended—

(1) in subparagraph (C), by striking “or” at the end;

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

(3) by adding at the end the following:

“(E) refinancing, during a fiscal year, a short-term, temporary bridge loan made by a commercial or cooperative lender to a beginning farmer or rancher for the acquisition of land for a farm or ranch, if—

“(i) the Secretary approved an application for a direct farm ownership loan to the beginning farmer or rancher for acquisition of the land; and

“(ii) funds for direct farm ownership loans under section 346(b) were not available at the time at which the application was approved.”.

##### SEC. 503. LIMITATIONS ON AMOUNT OF FARM OWNERSHIP LOANS.

Section 305 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1925) is amended by striking subsection (a) and inserting the following:

“(a) IN GENERAL.—The Secretary shall not make or insure a loan under section 302, 303, 304, 310D, or 310E that would cause the unpaid indebtedness under those sections of any 1 borrower to exceed the lesser of—

“(1) the value of the farm or other security; or

“(2)(A) in the case of a loan made by the Secretary—

“(i) to a beginning farmer or rancher, \$250,000, as adjusted (beginning with fiscal year 2003) by the inflation percentage applicable to the fiscal year in which the loan is made; or

“(ii) to a borrower other than a beginning farmer or rancher, \$200,000; or

“(B) in the case of a loan guaranteed by the Secretary, \$700,000, as—

“(i) adjusted (beginning with fiscal year 2000) by the inflation percentage applicable to the fiscal year in which the loan is guaranteed; and

“(ii) reduced by the amount of any unpaid indebtedness of the borrower on loans under subtitle B that are guaranteed by the Secretary.”.

##### SEC. 504. JOINT FINANCING ARRANGEMENTS.

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

(1) by striking “If” and inserting the following:

“(i) IN GENERAL.—Subject to clause (ii), if”; and

(2) by adding at the end the following:

“(ii) BEGINNING FARMERS AND RANCHERS.—The interest rate charged a beginning farmer or rancher for a loan described in clause (i) shall be 50 basis points less than the rate charged farmers and ranchers that are not beginning farmers or ranchers.”.

##### SEC. 505. GUARANTEE PERCENTAGE FOR BEGINNING FARMERS AND RANCHERS.

Section 309(h)(6) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(h)(6)) is amended by striking “GUARANTEED UP” and all that follows through “more than” and inserting “GUARANTEED AT 95 PERCENT.—The Secretary shall guarantee”.

##### SEC. 506. GUARANTEE OF LOANS MADE UNDER STATE BEGINNING FARMER OR RANCHER PROGRAMS.

Section 309 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929) is amended by adding at the end the following:

“(j) GUARANTEE OF LOANS MADE UNDER STATE BEGINNING FARMER OR RANCHER PROGRAMS.—The Secretary may guarantee under this title a loan made under a State beginning farmer or rancher program, including a loan financed by the net proceeds of a qualified small issue agricultural bond for land or property described in section 144(a)(12)(B)(ii) of the Internal Revenue Code of 1986.”.

##### SEC. 507. DOWN PAYMENT LOAN PROGRAM.

Section 310E of the Consolidated Farm and Rural Development Act (7 U.S.C. 1935) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking “30 percent” and inserting “40 percent”; and

(B) in paragraph (3), by striking “10 years” and inserting “20 years”; and

(2) in subsection (c)(3)(B), by striking “10-year” and inserting “20-year”.

##### SEC. 508. BEGINNING FARMER AND RANCHER CONTRACT LAND SALES PROGRAM.

(a) IN GENERAL.—Subtitle A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922 et seq.) is amended by adding at the end the following:

##### “SEC. 310F. BEGINNING FARMER AND RANCHER CONTRACT LAND SALES PROGRAM.

“(a) IN GENERAL.—Not later than October 1, 2002, the Secretary shall carry out a pilot program in not fewer than 10 geographically dispersed States, as determined by the Secretary, to guarantee up to 5 loans per State in each of fiscal years 2003 through 2006 made by a private seller of a farm or ranch to a qualified beginning farmer or rancher on a contract land sale basis, if the loan meets applicable underwriting criteria and a commercial lending institution agrees to serve as escrow agent.

“(b) DATE OF COMMENCEMENT OF PROGRAM.—The Secretary shall commence the

pilot program on making a determination that guarantees of contract land sales present a risk that is comparable with the risk presented in the case of guarantees to commercial lenders.”.

##### (b) REGULATIONS.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary of Agriculture shall promulgate such regulations as are necessary to implement the amendment made by subsection (a).

(2) PROCEDURE.—The promulgation of the regulations and administration of the amendment made by subsection (a) shall be made without regard to—

(A) the notice and comment provisions of section 553 of title 5, United States Code;

(B) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and

(C) chapter 35 of title 44, United States Code (commonly known as the “Paperwork Reduction Act”).

(3) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out the amendment made by subsection (a), the Secretary shall use the authority provided under section 808 of title 5, United States Code.

#### Subtitle B—Operating Loans

##### SEC. 511. DIRECT LOANS.

Section 311(c)(1)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(c)(1)(A)) is amended by striking “who has not” and all that follows through “5 years”.

##### SEC. 512. AMOUNT OF GUARANTEE OF LOANS FOR TRIBAL FARM OPERATIONS; WAIVER OF LIMITATIONS FOR TRIBAL OPERATIONS AND OTHER OPERATIONS.

(a) AMOUNT OF GUARANTEE OF LOANS FOR TRIBAL OPERATIONS.—Section 309(h) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(h)) is amended—

(1) in paragraph (4), by striking “paragraphs (5) and (6)” and inserting “paragraphs (5), (6), and (7)”; and

(2) by adding at the end the following:

“(7) AMOUNT OF GUARANTEE OF LOANS FOR TRIBAL OPERATIONS.—In the case of an operating loan made to a Native American farmer or rancher whose farm or ranch is within an Indian reservation (as defined in section 335(e)(1)(A)(ii)), the Secretary shall guarantee 95 percent of the loan.”.

(b) WAIVER OF LIMITATIONS.—Section 311(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(c)) is amended—

(1) in paragraph (1), by striking “paragraph (3)” and inserting “paragraphs (3) and (4)”; and

(2) by adding at the end the following:

“(4) WAIVERS.—

“(A) TRIBAL FARM AND RANCH OPERATIONS.—The Secretary shall waive the limitation under paragraph (1)(C) for a direct loan made under this subtitle to a Native American farmer or rancher whose farm or ranch is within an Indian reservation (as defined in section 335(e)(1)(A)(ii)) if the Secretary determines that commercial credit is not generally available for such farm or ranch operations.

“(B) OTHER FARM AND RANCH OPERATIONS.—On a case-by-case determination not subject to administrative appeal, the Secretary may grant a borrower a waiver, 1 time only for a period of 2 years, of the limitation under paragraph (1)(C) for a direct operating loan if the borrower demonstrates to the satisfaction of the Secretary that—

“(i) the borrower has a viable farm or ranch operation;

“(ii) the borrower applied for commercial credit from at least 2 commercial lenders;

“(iii) the borrower was unable to obtain a commercial loan (including a loan guaranteed by the Secretary); and

“(iv) the borrower successfully has completed, or will complete within 1 year, borrower training under section 359 (from which requirement the Secretary shall not grant a waiver under section 359(f)).”.

#### Subtitle C—Administrative Provisions

#### SEC. 521. ELIGIBILITY OF LIMITED LIABILITY COMPANIES FOR FARM OWNERSHIP LOANS, FARM OPERATING LOANS, AND EMERGENCY LOANS.

(a) IN GENERAL.—Sections 302(a), 311(a), and 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922(a), 1941(a), 1961(a)) are amended by striking “and joint operations” each place it appears and inserting “joint operations, and limited liability companies”.

(b) CONFORMING AMENDMENT.—Section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended by striking “or joint operations” each place it appears and inserting “joint operations, or limited liability companies”.

#### SEC. 522. DEBT SETTLEMENT.

Section 331(b)(4) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981(b)(4)) is amended by striking “carried out—” and all that follows through “(B) after” and inserting “carried out after”.

#### SEC. 523. TEMPORARY AUTHORITY TO ENTER INTO CONTRACTS; PRIVATE COLLECTION AGENCIES.

(a) IN GENERAL.—Section 331 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981) is amended by striking subsections (d) and (e).

(b) APPLICATION.—The amendment made by subsection (a) shall not apply to a contract entered into before the effective date of this Act.

#### SEC. 524. INTEREST RATE OPTIONS FOR LOANS IN SERVICING.

Section 331B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981b) is amended—

(1) by striking “lower of (1) the” and inserting the following: “lowest of—

“(1) the”; and

(2) by striking “original loan or (2) the” and inserting the following: “original loan;

“(2) the rate being charged by the Secretary for loans, other than guaranteed loans, of the same type at the time at which the borrower applies for a deferral, consolidation, rescheduling, or reamortization; or

“(3) the”.

#### SEC. 525. ANNUAL REVIEW OF BORROWERS.

Section 333 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983) is amended by striking paragraph (2) and inserting the following:

“(2) except with respect to a loan under section 306, 310B, or 314—

“(A) an annual review of the credit history and business operation of the borrower; and

“(B) an annual review of the continued eligibility of the borrower for the loan;”.

#### SEC. 526. SIMPLIFIED LOAN APPLICATIONS.

Section 333A(g)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983A(g)(1)) is amended by striking “of loans the principal amount of which is \$50,000 or less” and inserting “of farmer program loans the principal amount of which is \$100,000 or less”.

#### SEC. 527. INVENTORY PROPERTY.

Section 335(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985(c)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B)—

(i) in clause (i), by striking “75 days” and inserting “135 days”; and

(ii) by adding at the end the following:

“(iv) COMBINING AND DIVIDING OF PROPERTY.—To the maximum extent practicable, the Secretary shall maximize the opportunity for beginning farmers and ranchers to purchase real property acquired by the Secretary under this title by combining or dividing inventory parcels of the property in such manner as the Secretary determines to be appropriate.”; and

(B) in subparagraph (C)—

(i) by striking “75 days” and inserting “135 days”; and

(ii) by striking “75-day period” and inserting “135-day period”;

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

“(2) PREVIOUS LEASE.—In the case of real property acquired before April 4, 1996, that the Secretary leased before April 4, 1996, not later than 60 days after the lease expires, the Secretary shall offer to sell the property in accordance with paragraph (1).”; and

(3) in paragraph (3)—

(A) in subparagraph (A), by striking “subparagraph (B)” and inserting “subparagraphs (B) and (C)”; and

(B) by adding at the end the following:

“(C) OFFER TO SELL OR GRANT FOR FARMLAND PRESERVATION.—For the purpose of farmland preservation, the Secretary shall—

“(i) in consultation with the State Conservationist of each State in which inventory property is located, identify each parcel of inventory property in the State that should be preserved for agricultural use; and

“(ii) offer to sell or grant an easement, restriction, development right, or similar legal right to each parcel identified under clause (i) to a State, a political subdivision of a State, or a private nonprofit organization separately from the underlying fee or other rights to the property owned by the United States.”.

#### SEC. 528. DEFINITIONS.

(a) QUALIFIED BEGINNING FARMER OR RANCHER.—Section 343(a)(11)(F) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(11)(F)) is amended by striking “25 percent” and inserting “30 percent”.

(b) DEBT FORGIVENESS.—Section 343(a)(12) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(12)) is amended by striking subparagraph (B) and inserting the following:

“(B) EXCEPTIONS.—The term ‘debt forgiveness’ does not include—

“(i) consolidation, rescheduling, reamortization, or deferral of a loan; or

“(ii) any write-down provided as part of a resolution of a discrimination complaint against the Secretary.”.

#### SEC. 529. LOAN AUTHORIZATION LEVELS.

Section 346 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994) is amended—

(1) in subsection (b)—

(A) by striking paragraph (1) and inserting the following:

“(1) IN GENERAL.—The Secretary may make or guarantee loans under subtitles A and B from the Agricultural Credit Insurance Fund provided for in section 309 for not more than \$3,750,000,000 for each of fiscal years 2002 through 2006, of which, for each fiscal year—

“(A) \$750,000,000 shall be for direct loans, of which—

“(i) \$200,000,000 shall be for farm ownership loans under subtitle A; and

“(ii) \$550,000,000 shall be for operating loans under subtitle B; and

“(B) \$3,000,000,000 shall be for guaranteed loans, of which—

“(i) \$1,000,000,000 shall be for guarantees of farm ownership loans under subtitle A; and

“(ii) \$2,000,000,000 shall be for guarantees of operating loans under subtitle B.”; and

(B) in paragraph (2)(A)(ii), by striking “farmers and ranchers” and all that follows and inserting “farmers and ranchers 35 percent for each of fiscal years 2002 through 2006.”; and

(2) in subsection (c), by striking the last sentence.

#### SEC. 530. INTEREST RATE REDUCTION PROGRAM.

Section 351 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999) is amended—

(1) in subsection (a)—

(A) by striking “PROGRAM.—” and all that follows through “The Secretary” and inserting “PROGRAM.—The Secretary”; and

(B) by striking paragraph (2);

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

“(c) AMOUNT OF INTEREST RATE REDUCTION.—

“(1) IN GENERAL.—In return for a contract entered into by a lender under subsection (b) for the reduction of the interest rate paid on a loan, the Secretary shall make payments to the lender in an amount equal to not more than 100 percent of the cost of reducing the annual rate of interest payable on the loan, except that such payments shall not exceed the cost of reducing the rate by more than—

“(A) in the case of a borrower other than a beginning farmer or rancher, 3 percent; and

“(B) in the case of a beginning farmer or rancher, 4 percent.

“(2) BEGINNING FARMERS AND RANCHERS.—The percentage reduction of the interest rate for which payments are authorized to be made for a beginning farmer or rancher under paragraph (1) shall be 1 percent more than the percentage reduction for farmers and ranchers that are not beginning farmers or ranchers.”; and

(3) in subsection (e), by striking paragraph (2) and inserting the following:

“(2) MAXIMUM AMOUNT OF FUNDS.—

“(A) IN GENERAL.—The total amount of funds used by the Secretary to carry out this section for a fiscal year shall not exceed \$750,000,000.

“(B) BEGINNING FARMERS AND RANCHERS.—

“(i) IN GENERAL.—The Secretary shall reserve not less than 25 percent of the funds used by the Secretary under subparagraph (A) to make payments for guaranteed loans made to beginning farmers and ranchers.

“(ii) DURATION OF RESERVATION OF FUNDS.—Funds reserved for beginning farmers or ranchers under clause (i) for a fiscal year shall be reserved only until April 1 of the fiscal year.”.

#### SEC. 531. OPTIONS FOR SATISFACTION OF OBLIGATION TO PAY RECAPTURE AMOUNT FOR SHARED APPRECIATION AGREEMENTS.

(a) IN GENERAL.—Section 353(e)(7) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001(e)(7)) is amended—

(1) in subparagraph (C), by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively, and adjusting the margins appropriately;

(2) by redesignating subparagraphs (A) through (C) as clauses (i) through (iii), respectively, and adjusting the margins appropriately;

(3) by striking the paragraph heading and inserting the following:

“(7) OPTIONS FOR SATISFACTION OF OBLIGATION TO PAY RECAPTURE AMOUNT.—

“(A) IN GENERAL.—As an alternative to repaying the full recapture amount at the end of the term of the agreement (as determined by the Secretary in accordance with this section), a borrower may satisfy the obligation to pay the amount of recapture by—

“(i) financing the recapture payment in accordance with subparagraph (B); or



“(ii) granting the Secretary an agricultural use protection and conservation easement on the property subject to the shared appreciation agreement in accordance with subparagraph (C).”

“(B) FINANCING OF RECAPTURE PAYMENT.—”; and

(4) by adding at the end the following:

“(C) AGRICULTURAL USE PROTECTION AND CONSERVATION EASEMENT.—

“(i) IN GENERAL.—Subject to clause (iii), the Secretary shall accept an agricultural use protection and conservation easement from the borrower for all of the real security property subject to the shared appreciation agreement in lieu of payment of the recapture amount.

“(ii) TERM.—The term of an easement accepted by the Secretary under this subparagraph shall be 25 years.

“(iii) CONDITIONS.—The easement shall require that the property subject to the easement shall continue to be used or conserved for agricultural and conservation uses in accordance with sound farming and conservation practices, as determined by the Secretary.

“(iv) REPLACEMENT OF METHOD OF SATISFYING OBLIGATION.—A borrower that has begun financing of a recapture payment under subparagraph (B) may replace that financing with an agricultural use protection and conservation easement under this subparagraph.”

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply to a shared appreciation agreement that—

(1) matures on or after the date of enactment of this Act; or

(2) matured before the date of enactment of this Act, if—

(A) the recapture amount was reamortized under section 353(e)(7) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001(e)(7)) (as in effect on the day before the date of enactment of this Act); or

(B)(i) the recapture amount had not been paid before the date of enactment of this Act because of circumstances beyond the control of the borrower; and

(ii) the borrower acted in good faith (as determined by the Secretary) in attempting to repay the recapture amount.

#### SEC. 532. WAIVER OF BORROWER TRAINING CERTIFICATION REQUIREMENT.

Section 359 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006a) is amended by striking subsection (f) and inserting the following:

“(f) WAIVERS.—

“(1) IN GENERAL.—The Secretary may waive the requirements of this section for an individual borrower if the Secretary determines that the borrower demonstrates adequate knowledge in areas described in this section.

“(2) CRITERIA.—The Secretary shall establish criteria providing for the application of paragraph (1) consistently in all counties nationwide.”

#### SEC. 533. ANNUAL REVIEW OF BORROWERS.

Section 360(d)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006b(d)(1)) is amended by striking “biannual” and inserting “annual”.

#### Subtitle D—Farm Credit

#### SEC. 541. REPEAL OF BURDENSOME APPROVAL REQUIREMENTS.

(a) BANKS FOR COOPERATIVES.—Section 3.1(11)(B) of the Farm Credit Act of 1971 (12 U.S.C. 2122(11)(B)) is amended—

(1) by striking clause (iii); and

(2) by redesignating clause (iv) as clause (iii).

(b) OTHER SYSTEM BANKS; ASSOCIATIONS.—Section 4.18A of the Farm Credit Act of 1971 (12 U.S.C. 2206a) is amended—

(1) in subsection (a)(1), by striking “3.1(11)(B)(iv)” and inserting “3.1(11)(B)(iii)”; and

(2) by striking subsection (c).

#### SEC. 542. BANKS FOR COOPERATIVES.

Section 3.7(b) of the Farm Credit Act of 1971 (12 U.S.C. 2128(b)) is amended—

(1) in paragraphs (1) and (2)(A)(i), by striking “farm supplies” each place it appears and inserting “agricultural supplies”; and

(2) by adding at the end the following:

“(4) DEFINITION OF AGRICULTURAL SUPPLY.—In this subsection, the term ‘agricultural supply’ includes—

“(A) a farm supply; and

“(B)(i) agriculture-related processing equipment;

“(ii) agriculture-related machinery; and

“(iii) other capital-related goods related to the storage or handling of agricultural commodities or products.”

#### SEC. 543. INSURANCE CORPORATION PREMIUMS.

(a) REDUCTION IN PREMIUMS FOR GSE-GUARANTEED LOANS.—

(1) IN GENERAL.—Section 5.55 of the Farm Credit Act of 1971 (12 U.S.C. 2277a-4) is amended—

(A) in subsection (a)—

(i) in paragraph (1)—

(I) in subparagraph (A), by striking “government-guaranteed loans provided for in subparagraph (C)” and inserting “loans provided for in subparagraphs (C) and (D)”; and

(II) in subparagraph (B), by striking “and” at the end;

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

(IV) by adding at the end the following:

“(D) the annual average principal outstanding for such year on the guaranteed portions of Government Sponsored Enterprise-guaranteed loans made by the bank that are in accrual status, multiplied by a factor, not to exceed 0.0015, determined by the Corporation at the sole discretion of the Corporation.”; and

(ii) by adding at the end the following:

“(4) DEFINITION OF GOVERNMENT SPONSORED ENTERPRISE-GUARANTEED LOAN.—In this section and sections 1.12(b) and 5.56(a), the term ‘Government Sponsored Enterprise-guaranteed loan’ means a loan or credit, or portion of a loan or credit, that is guaranteed by an entity that is chartered by Congress to serve a public purpose and the debt obligations of which are not explicitly guaranteed by the United States, including the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank System, and the Federal Agricultural Mortgage Corporation, but not including any other institution of the Farm Credit System.”; and

(B) in subsection (e)(4)(B), by striking “government-guaranteed loans described in subsection (a)(1)(C)” and inserting “loans described in subparagraph (C) or (D) of subsection (a)(1)”; and

(2) CONFORMING AMENDMENTS.—

(A) Section 1.12(b) of the Farm Credit Act of 1971 (12 U.S.C. 2020(b)) is amended—

(i) in paragraph (1), by inserting “and Government Sponsored Enterprise-guaranteed loans (as defined in section 5.55(a)(4)) provided for in paragraph (4)” after “government-guaranteed loans (as defined in section 5.55(a)(3)) provided for in paragraph (3)”; and

(ii) in paragraph (2), by striking “and” at the end;

(iii) in paragraph (3), by striking the period at the end and inserting “; and”; and

(iv) by adding at the end the following:

“(4) the annual average principal outstanding for such year on the guaranteed portions of Government Sponsored Enterprise-guaranteed loans (as so defined) made by the association, or by the other financing

institution and funded by or discounted with the Farm Credit Bank, that are in accrual status, multiplied by the factor, not to exceed 0.0015, determined by the Corporation for the purpose of setting the premium for such guaranteed portions of loans under section 5.55(a)(1)(D).”

(B) Section 5.56(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a-5(a)) is amended—

(i) in paragraph (1), by inserting “and Government Sponsored Enterprise-guaranteed loans (as defined in section 5.55(a)(4))” after “government-guaranteed loans”; and

(ii) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(iii) by inserting after paragraph (3) the following:

“(4) the annual average principal outstanding on the guaranteed portions of Government Sponsored Enterprise-guaranteed loans (as defined in section 5.55(a)(4)) that are in accrual status.”

(b) EFFECTIVE DATE.—The amendments made by subsection (a) take effect on the date on which Farm Credit System Insurance Corporation premiums are due from insured Farm Credit System banks under section 5.55 of the Farm Credit Act of 1971 (12 U.S.C. 2277a-4) for calendar year 2001.

#### SEC. 544. BOARD OF DIRECTORS OF THE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

Section 8.2(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa-2(b)) is amended—

(1) in paragraph (2)—

(A) by striking “15” and inserting “17”; and

(B) in subparagraph (A), by striking “common stock” and all that follows and inserting “Class A voting common stock”; and

(C) in subparagraph (B), by striking “common stock” and all that follows and inserting “Class B voting common stock”; and

(D) by redesignating subparagraph (C) as subparagraph (D); and

(E) by inserting after subparagraph (B) the following:

“(C) 2 members shall be elected by holders of Class A voting common stock and Class B voting common stock, 1 of whom shall be the chief executive officer of the Corporation and 1 of whom shall be another executive officer of the Corporation; and”

(2) in paragraph (3), by striking “(2)(C)” and inserting “(2)(D)”; and

(3) in paragraph (4)—

(A) in subparagraph (A), by striking “(A) or (B)” and inserting “(A), (B), or (C)”; and

(B) in subparagraph (B), by striking “(2)(C)” and inserting “(2)(D)”; and

(4) in paragraph (5)(A)—

(A) by inserting “executive officers of the Corporation or” after “from among persons who are”; and

(B) by striking “such a representative” and inserting “such an executive officer or representative”; and

(5) in paragraph (6)(B), by striking “(A) and (B)” and inserting “(A), (B), and (C)”; and

(6) in paragraph (7), by striking “8 members” and inserting “Nine members”; and

(7) in paragraph (8)—

(A) in the paragraph heading, by inserting “OR EXECUTIVE OFFICERS OF THE CORPORATION” after “EMPLOYEES”; and

(B) by inserting “or executive officers of the Corporation” after “United States”; and

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

“(9) CHAIRPERSON.—

“(A) ELECTION.—The permanent board shall annually elect a chairperson from among the members of the permanent board.

“(B) TERM.—The term of the chairperson shall coincide with the term served by elected members of the permanent board under paragraph (6)(B).”

**Subtitle E—General Provisions****SEC. 551. INAPPLICABILITY OF FINALITY RULE.**

Section 281(a)(1) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7001(a)(1)) is amended—

(1) by striking “This subsection” and inserting the following:

“(A) IN GENERAL.—Except as provided in subparagraph (B), this subsection”; and

(2) by adding at the end the following:

“(B) AGRICULTURAL CREDIT DECISIONS.—This subsection shall not apply with respect to an agricultural credit decision made by such a State, county, or area committee, or employee of such a committee, under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.).”

**SEC. 552. TECHNICAL AMENDMENTS.**

(a) Section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended by striking “Disaster Relief and Emergency Assistance Act” each place it appears and inserting “Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.)”.

(b) Section 336(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1986(b)) is amended in the second sentence by striking “provided for in section 332 of this title”.

(c) Section 359(c)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006a(c)(1)) is amended by striking “established pursuant to section 332”.

(d) Section 360(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006b(a)) is amended by striking “established pursuant to section 332”.

**SEC. 553. EFFECT OF AMENDMENTS.**

(a) IN GENERAL.—Except as otherwise specifically provided in this title and notwithstanding any other provision of law, this title and the amendments made by this title shall not affect the authority of the Secretary of Agriculture to carry out a farm credit program for any of the 1996 through 2001 fiscal years under a provision of law in effect immediately before the enactment of this Act.

(b) LIABILITY.—A provision of this title or an amendment made by this title shall not affect the liability of any person under any provision of law as in effect immediately before the enactment of this Act.

**SEC. 554. EFFECTIVE DATE.**

(a) IN GENERAL.—Except as provided in subsection (b) and section 543(b), this title and the amendments made by this title take effect on October 1, 2001.

(b) BOARD OF DIRECTORS OF THE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.—The amendments made by section 544 take effect on the date of enactment of this Act.

**TITLE VI—RURAL DEVELOPMENT****SEC. 601. FUNDING FOR RURAL LOCAL TELEVISION BROADCAST SIGNAL LOAN GUARANTEES.**

Section 1011(a) of the Launching Our Communities' Access to Local Television Act of 2000 (title X of H.R. 5548, as enacted by section 1(a)(2) of Public Law 106-553) is amended by adding at the end the following: “In addition, a total of \$200,000,000 of the funds of the Commodity Credit Corporation shall be available during fiscal years 2002 through 2006, without fiscal year limitation, for loan guarantees under this title.”

**SEC. 602. EXPANDED ELIGIBILITY FOR VALUE-ADDED AGRICULTURAL PRODUCT MARKET DEVELOPMENT GRANTS.**

Section 231(a) of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note) is amended—

(1) by striking paragraph (1) and inserting the following:

“(1) ESTABLISHMENT AND PURPOSES.—

“(A) IN GENERAL.—In each of fiscal years 2002 through 2011, the Secretary shall award competitive grants—

“(i) to eligible independent producers (as determined by the Secretary) of value-added agricultural commodities and products of agricultural commodities to assist an eligible producer—

“(I) to develop a business plan for viable marketing opportunities for a value-added agricultural commodity or product of an agricultural commodity; or

“(II) to develop strategies for the ventures that are intended to create marketing opportunities for the producers; and

“(ii) to public bodies, institutions of higher learning, and trade associations to assist such entities—

“(I) to develop a business plan for viable marketing opportunities in emerging markets for a value-added agricultural commodity or product of an agricultural commodity; or

“(II) to develop strategies for the ventures that are intended to create marketing opportunities in emerging markets for the producers.

“(B) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph \$50,000,000 for each of fiscal years 2002 through 2011.”;

(2) by striking “producer” each place it appears thereafter and inserting “grantee”; and

(3) in the heading for paragraph (3), by striking “PRODUCER” and inserting “GRANTEE”.

**SEC. 603. AGRICULTURE INNOVATION CENTER DEMONSTRATION PROGRAM.**

(a) PURPOSES.—The purposes of this section are to carry out a demonstration program under which agricultural producers are provided—

(1) technical assistance, including engineering services, applied research, scale production, and similar services to enable the producers to establish businesses for further processing of agricultural products;

(2) marketing, market development, and business planning; and

(3) overall organizational, outreach, and development assistance to increase the viability, growth, and sustainability of value-added agricultural businesses.

(b) NATURE OF PROGRAM.—The Secretary of Agriculture (in this section referred to as the “Secretary”) shall—

(1) make grants to eligible applicants for the purposes of enabling the applicants to obtain the assistance described in subsection (a); and

(2) provide assistance to eligible applicants through the research and technical services of the Department of Agriculture.

(c) ELIGIBILITY REQUIREMENTS.—

(1) IN GENERAL.—An applicant shall be eligible for a grant and assistance described in subsection (b) to establish an Agriculture Innovation Center if—

(A) the applicant—

(i) has provided services similar to those described in subsection (a); or

(ii) shows the capability of providing the services;

(B) the application of the applicant for the grant and assistance sets forth a plan, in accordance with regulations which shall be prescribed by the Secretary, outlining support of the applicant in the agricultural community, the technical and other expertise of the applicant, and the goals of the applicant for increasing and improving the ability of local producers to develop markets and processes for value-added agricultural products;

(C) the applicant demonstrates that resources (in cash or in kind) of definite value are available, or have been committed to be made available, to the applicant, to increase and improve the ability of local producers to

develop markets and processes for value-added agricultural products; and

(D) the applicant meets the requirement of paragraph (2).

(2) BOARD OF DIRECTORS.—The requirement of this paragraph is that the applicant shall have a board of directors comprised of representatives of the following groups:

(A) The 2 general agricultural organizations with the greatest number of members in the State in which the applicant is located.

(B) The Department of Agriculture or similar State organization or department, for the State.

(C) Organizations representing the 4 highest grossing commodities produced in the State, according to annual gross cash sales.

(d) GRANTS AND ASSISTANCE.—

(1) IN GENERAL.—Subject to subsection (g), the Secretary shall make annual grants to eligible applicants under this section, each of which grants shall not exceed the lesser of—

(A) \$1,000,000; or

(B) twice the dollar value of the resources (in cash or in kind) that the applicant has demonstrated are available, or have been committed to be made available, to the applicant in accordance with subsection (c)(1)(C).

(2) INITIAL LIMITATION.—In the first year of the demonstration program under this section, the Secretary shall make grants under this section, on a competitive basis, to not more than 5 eligible applicants.

(3) EXPANSION OF DEMONSTRATION PROGRAM.—In the second year of the demonstration program under this section, the Secretary may make grants under this section to not more than 10 eligible applicants, in addition to any entities to which grants are made under paragraph (2) for such year.

(4) STATE LIMITATION.—In the first 3 years of the demonstration program under this section, the Secretary shall not make an Agriculture Innovation Center Demonstration Program grant under this section to more than 1 entity in a single State.

(e) USE OF FUNDS.—An entity to which a grant is made under this section may use the grant only for the following purposes, but only to the extent that the use is not described in section 231(d) of the Agricultural Risk Protection Act of 2000:

(1) Applied research.

(2) Consulting services.

(3) Hiring of employees, at the discretion of the board of directors of the entity.

(4) The making of matching grants, each of which shall be not more than \$5,000, to agricultural producers, so long as the aggregate amount of all such matching grants shall be not more than \$50,000.

(5) Legal services.

(f) RULE OF INTERPRETATION.—This section shall not be construed to prevent a recipient of a grant under this section from collaborating with any other institution with respect to activities conducted using the grant.

(g) AVAILABILITY OF FUNDS.—Of the amount made available under section 231(a)(1) of the Agricultural Risk Protection Act of 2000 (Public Law 106-224; 7 U.S.C. 1621 note), the Secretary shall use to carry out this section—

(1) not less than \$5,000,000 for fiscal year 2002; and

(2) not less than \$10,000,000 for each of the fiscal years 2003 and 2004.

(h) REPORT ON BEST PRACTICES.—

(1) EFFECTS ON THE AGRICULTURAL SECTOR.—The Secretary shall utilize \$300,000 per year of the funds made available pursuant to this section to support research at any university into the effects of value-added projects on agricultural producers and the

commodity markets. The research should systematically examine possible effects on demand for agricultural commodities, market prices, farm income, and Federal outlays on commodity programs using linked, long-term, global projections of the agricultural sector.

(2) **DEPARTMENT OF AGRICULTURE.**—Not later than 3 years after the first 10 grants are made under this section, the Secretary shall prepare and submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and to the Committee on Agriculture of the House of Representatives a written report on the effectiveness of the demonstration program conducted under this section at improving the production of value-added agricultural products and on the effects of the program on the economic viability of the producers, which shall include the best practices and innovations found at each of the Agriculture Innovation Centers established under the demonstration program under this section, and detail the number and type of agricultural projects assisted, and the type of assistance provided, under this section.

**SEC. 604. FUNDING OF COMMUNITY WATER ASSISTANCE GRANT PROGRAM.**

(a) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out section 306A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a) \$30,000,000 for each of fiscal years 2002 through 2011.

(b) **EXTENSION OF PROGRAM.**—Section 306A(i) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a(i)) is amended by striking “2002” and inserting “2011”.

(c) **MISCELLANEOUS AMENDMENTS.**—Section 306A of such Act (7 U.S.C. 1926a) is amended—

(1) in the heading by striking “**emergency**”;

(2) in subsection (a)(1)—

(A) by striking “after” and inserting “when”; and

(B) by inserting “is imminent” after “communities”; and

(3) in subsection (c), by striking “shall—” and all that follows and inserting “shall be a public or private nonprofit entity.”.

**SEC. 605. LOAN GUARANTEES FOR THE FINANCING OF THE PURCHASE OF RENEWABLE ENERGY SYSTEMS.**

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

(1) by inserting “(a)” before “The Secretary”; and

(2) by adding after and below the end the following:

“(b) **LOAN GUARANTEES FOR THE FINANCING OF THE PURCHASE OF RENEWABLE ENERGY SYSTEMS.**—The Secretary may provide a loan guarantee, on such terms and conditions as the Secretary deems appropriate, for the purpose of financing the purchase of a renewable energy system, including a wind energy system and anaerobic digestors for the purpose of energy generation, by any person or individual who is a farmer, a rancher, or an owner of a small business (as defined by the Secretary) that is located in a rural area (as defined by the Secretary). In providing guarantees under this subsection, the Secretary shall give priority to loans used primarily for power generation on a farm, ranch, or small business (as so defined).”.

**SEC. 606. LOANS AND LOAN GUARANTEES FOR RENEWABLE ENERGY SYSTEMS.**

Section 310B(a)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)(3)) is amended by inserting “and other renewable energy systems including wind energy systems and anaerobic digestors for the purpose of energy generation” after “solar energy systems”.

**SEC. 607. RURAL BUSINESS OPPORTUNITY GRANTS.**

Section 306(a)(11)(D) of the Consolidated Farm and Rural Development Act (7 U.S.C.

1926(a)(11)(D)) is amended by striking “2002” and inserting “2011”.

**SEC. 608. GRANTS FOR WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.**

Section 306D(d)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926d(d)(1)) is amended by striking “and 2002” and inserting “through 2011”.

**SEC. 609. RURAL COOPERATIVE DEVELOPMENT GRANTS.**

Section 310B(e)(9) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)(9)) is amended by striking “2002” and inserting “2011”.

**SEC. 610. NATIONAL RESERVE ACCOUNT OF RURAL DEVELOPMENT TRUST FUND.**

Section 381E(e)(3)(F) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009d(e)(3)(F)) is amended by striking “fiscal year 2002” and inserting “each of the fiscal years 2002 through 2011”.

**SEC. 611. RURAL VENTURE CAPITAL DEMONSTRATION PROGRAM.**

Section 381O(b)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009n(b)(3)) is amended by striking “2002” and inserting “2011”.

**SEC. 612. INCREASE IN LIMIT ON CERTAIN LOANS FOR RURAL DEVELOPMENT.**

Section 310B(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)) is amended by striking “\$25,000,000” and inserting “\$100,000,000”.

**SEC. 613. PILOT PROGRAM FOR DEVELOPMENT AND IMPLEMENTATION OF STRATEGIC REGIONAL DEVELOPMENT PLANS.**

(a) **DEVELOPMENT.**—

(1) **SELECTION OF STATES.**—The Secretary of Agriculture (in this section referred to as the “Secretary”) shall, on a competitive basis, select States in which to implement strategic regional development plans developed under this subsection.

(2) **GRANTS.**—

(A) **AUTHORITY.**—

(i) **IN GENERAL.**—From the funds made available to carry out this subsection, the Secretary shall make a matching grant to 1 or more entities in each State selected under subsection (a), to develop a strategic regional development plan that provides for rural economic development in a region in the State in which the entity is located.

(ii) **PRIORITY.**—In making grants under this subsection, the Secretary shall give priority to entities that represent a regional coalition of community-based planning, development, governmental, and business organizations.

(B) **TERMS OF MATCH.**—In order for an entity to be eligible for a matching grant under this subsection, the entity shall make a commitment to the Secretary to provide funds for the development of a strategic regional development plan of the kind referred to in subparagraph (A) in an amount that is not less than the amount of the matching grant.

(C) **LIMITATION.**—The Secretary shall not make a grant under this subsection in an amount that exceeds \$150,000.

(3) **FUNDING.**—

(A) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section for each of fiscal years 2002 through 2011 the total obtained by adding—

(i) \$2,000,000; and

(ii)  $\frac{2}{3}$  of the amounts made available by section 943 of the Farm Security Act of 2001 for grants under this section.

(B) **AVAILABILITY.**—Funds made available pursuant to subparagraph (A) shall remain available without fiscal year limitation.

(b) **STRATEGIC PLANNING IMPLEMENTATION.**—

(1) The Secretary shall use the authorities provided in the provisions of law specified in section 793(c)(1)(A)(ii) of the Federal Agriculture Improvement and Reform Act of 1996 to implement the strategic regional development plans developed pursuant to subsection (a) of this section.

(2) **FUNDING.**—

(A) **IN GENERAL.**—The Secretary shall use \$13,000,000 of the funds of the Commodity Credit Corporation, plus  $\frac{1}{13}$  of the amounts made available by section 943 of the Farm Security Act of 2001 for grants under this section, in each of fiscal years 2002 through 2011 to carry out this subsection.

(B) **AVAILABILITY.**—Funds made available pursuant to subparagraph (A) shall remain available without fiscal year limitation.

(c) **USE OF FUNDS.**—The amounts made available under subsections (a) and (b) may be used as the Secretary deems appropriate to carry out any provision of this section.

**SEC. 614. GRANTS TO NONPROFIT ORGANIZATIONS TO FINANCE THE CONSTRUCTION, REFURBISHING, AND SERVICING OF INDIVIDUALLY-OWNED HOUSEHOLD WATER WELL SYSTEMS IN RURAL AREAS FOR INDIVIDUALS WITH LOW OR MODERATE INCOMES.**

(a) **IN GENERAL.**—Subtitle A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922-1949) is amended by inserting after section 306D the following:

**“SEC. 306E. GRANTS TO NONPROFIT ORGANIZATIONS TO FINANCE THE CONSTRUCTION, REFURBISHING, AND SERVICING OF INDIVIDUALLY-OWNED HOUSEHOLD WATER WELL SYSTEMS IN RURAL AREAS FOR INDIVIDUALS WITH LOW OR MODERATE INCOMES.**

“(a) **DEFINITION OF ELIGIBLE INDIVIDUAL.**—

In this section, the term “eligible individual” means an individual who is a member of a household, the combined income of whose members for the most recent 12-month period for which the information is available, is not more than 100 percent of the median nonmetropolitan household income for the State or territory in which the individual resides, according to the most recent decennial census of the United States.

“(b) **GRANTS.**—The Secretary may make grants to private nonprofit organizations for the purpose of assisting eligible individuals in obtaining financing for the construction, refurbishing, and servicing of individual household water well systems in rural areas that are owned (or to be owned) by the eligible individuals.

“(c) **USE OF FUNDS.**—A grant made under this section may be—

“(1) used, or invested to provide income to be used, to carry out subsection (b); and

“(2) used to pay administrative expenses associated with providing the assistance described in subsection (b).

“(d) **PRIORITY IN AWARDING GRANTS.**—In awarding grants under this section, the Secretary shall give priority to an applicant that has substantial expertise and experience in promoting the safe and productive use of individually-owned household water well systems and ground water.”.

(b) **EFFECTIVE DATE.**—The amendment made by this section takes effect on October 1, 2001.

**SEC. 615. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.**

Subtitle E of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009-2009n) is amended by adding at the end the following:

**“SEC. 381P. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.**

“(a) **RURAL AREA DEFINED.**—In this section, the term “rural area” means such areas as the Secretary may determine.

“(b) **ESTABLISHMENT.**—There is established a National Rural Development Partnership

(in this section referred to as the 'Partnership'), which shall be composed of—

“(1) the National Rural Development Coordinating Committee established in accordance with subsection (c); and

“(2) State rural development councils established in accordance with subsection (d).

“(c) NATIONAL RURAL DEVELOPMENT COORDINATING COMMITTEE.—

“(1) COMPOSITION.—The National Rural Development Coordinating Committee (in this section referred to as the 'Coordinating Committee') may be composed of—

“(A) representatives of all Federal departments and agencies with policies and programs that affect or benefit rural areas;

“(B) representatives of national associations of State, regional, local, and tribal governments and intergovernmental and multi-jurisdictional agencies and organizations;

“(C) national public interest groups; and

“(D) other national nonprofit organizations that elect to participate in the activities of the Coordinating Committee.

“(2) FUNCTIONS.—The Coordinating Committee may—

“(A) provide support for the work of the State rural development councils established in accordance with subsection (d); and

“(B) develop and facilitate strategies to reduce or eliminate conflicting or duplicative administrative and regulatory impediments confronting rural areas.

“(d) STATE RURAL DEVELOPMENT COUNCILS.—

“(1) COMPOSITION.—A State rural development council may—

“(A) be composed of representatives of Federal, State, local, and tribal governments, and nonprofit organizations, the private sector, and other entities committed to rural advancement; and

“(B) have a nonpartisan and nondiscriminatory membership that is broad and representative of the economic, social, and political diversity of the State.

“(2) FUNCTIONS.—A State rural development council may—

“(A) facilitate collaboration among Federal, State, local, and tribal governments and the private and non-profit sectors in the planning and implementation of programs and policies that affect the rural areas of the State, and to do so in such a way that provides the greatest degree of flexibility and innovation in responding to the unique needs of the State and the rural areas; and

“(B) in conjunction with the Coordinating Committee, develop and facilitate strategies to reduce or eliminate conflicting or duplicative administrative and regulatory impediments confronting the rural areas of the State.

“(e) ADMINISTRATION OF THE PARTNERSHIP.—The Secretary may provide for any additional support staff to the Partnership as the Secretary determines to be necessary to carry out the duties of the Partnership.

“(f) TERMINATION.—The authority provided by this section shall terminate on the date that is 5 years after the date of the enactment of this section.”.

**SEC. 616. ELIGIBILITY OF RURAL EMPOWERMENT ZONES, RURAL ENTERPRISE COMMUNITIES, AND CHAMPION COMMUNITIES FOR DIRECT AND GUARANTEED LOANS FOR ESSENTIAL COMMUNITY FACILITIES.**

Section 306(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(1)) is amended by inserting after the 1st sentence the following: “The Secretary may also make or insure loans to communities that have been designated as rural empowerment zones or rural enterprise communities pursuant to part I of subchapter U of chapter 1 of the Internal Revenue Code of 1986, as rural enterprise communities pursu-

ant to section 766 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999, or as champion communities (as determined by the Secretary), to provide for the installation or improvement of essential community facilities including necessary related equipment, and to furnish financial assistance or other aid in planning projects for such purposes.”.

**SEC. 617. GRANTS TO TRAIN FARM WORKERS IN NEW TECHNOLOGIES AND TO TRAIN FARM WORKERS IN SPECIALIZED SKILLS NECESSARY FOR HIGHER VALUE CROPS.**

(a) IN GENERAL.—The Secretary of Agriculture may make a grant to a nonprofit organization with the capacity to train farm workers, or to a consortium of non-profit organizations, agribusinesses, State and local governments, agricultural labor organizations, and community-based organizations with that capacity.

(b) USE OF FUNDS.—An entity to which a grant is made under this section shall use the grant to train farm workers to use new technologies and develop specialized skills for agricultural development.

(c) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For grants under this section, there are authorized to be appropriated to the Secretary of Agriculture not more than \$10,000,000 for each of fiscal years 2002 through 2011.

**SEC. 618. LOAN GUARANTEES FOR THE PURCHASE OF STOCK IN A FARMER CO-OPERATIVE SEEKING TO MODERNIZE OR EXPAND.**

Section 310B(g)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(g)(2)) is amended by striking “start-up” and all that follows and inserting “capital stock of a farmer cooperative established for an agricultural purpose.”.

**SEC. 619. INTANGIBLE ASSETS AND SUBORDINATED UNSECURED DEBT REQUIRED TO BE CONSIDERED IN DETERMINING ELIGIBILITY OF FARMER-OWNED COOPERATIVE FOR BUSINESS AND INDUSTRY GUARANTEED LOAN.**

Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended by adding at the end the following:

“(h) INTANGIBLE ASSETS AND SUBORDINATED UNSECURED DEBT REQUIRED TO BE CONSIDERED IN DETERMINING ELIGIBILITY OF FARMER-OWNED COOPERATIVE FOR BUSINESS AND INDUSTRY GUARANTEED LOAN.—In determining whether a cooperative organization owned by farmers is eligible for a guaranteed loan under subsection (a)(1), the Secretary may consider the value of the intangible assets and subordinated unsecured debt of the cooperative organization.”.

**SEC. 620. BAN ON LIMITING ELIGIBILITY OF FARMER COOPERATIVE FOR BUSINESS AND INDUSTRY LOAN GUARANTEE BASED ON POPULATION OF AREA IN WHICH COOPERATIVE IS LOCATED; REFINANCING.**

Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is further amended by adding at the end of the following:

“(i) SPECIAL RULES APPLICABLE TO FARMER COOPERATIVES UNDER THE BUSINESS AND INDUSTRY LOAN PROGRAM.—In determining whether a cooperative organization owned by farmers is eligible for a guaranteed loan under subsection (a)(1), the Secretary shall not apply any lending restriction based on population to the area in which the cooperative organization is located.

“(j) REFINANCING.—A cooperative organization owned by farmers that is eligible to receive a business or industry guaranteed loan under subsection (a) shall be eligible to refinance an existing loan with the same lender or a new lender if—

“(1) the original loan—

“(A) is current and performing; and

“(B) is not in default; and

“(2) the cooperative organization has adequate security or collateral (including tangible and intangible assets).”.

**SEC. 621. RURAL WATER AND WASTE FACILITY GRANTS.**

Section 306(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)) is amended by striking “aggregating not to exceed \$590,000,000 in any fiscal year”.

**SEC. 622. RURAL WATER CIRCUIT RIDER PROGRAM.**

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a national rural water and wastewater circuit rider grant program that shall be modeled after the National Rural Water Association Rural Water Circuit Rider Program that receives funding from the Rural Utilities Service.

(b) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—To carry out subsection (a), there are authorized to be appropriated to the Secretary of Agriculture \$15,000,000 for each fiscal year.

**SEC. 623. RURAL WATER GRASSROOTS SOURCE WATER PROTECTION PROGRAM.**

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a national grassroots source water protection program that will utilize the on-site technical assistance capabilities of State rural water associations that are operating wellhead or ground water protection programs in each State.

(b) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—To carry out subsection (a), there are authorized to be appropriated to the Secretary of Agriculture \$5,000,000 for each fiscal year.

**SEC. 624. DELTA REGIONAL AUTHORITY.**

Section 382N of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa-13) is amended by striking “2002” and inserting “2011”.

**SEC. 625. PREDEVELOPMENT AND SMALL CAPITALIZATION LOAN FUND.**

The Secretary of Agriculture may make grants to private, nonprofit, multi-State rural community assistance programs to capitalize revolving funds for the purpose of financing eligible projects of predevelopment, repair, and improvement costs of existing water and wastewater systems. Financing provided using funds appropriated to carry out this program may not exceed \$300,000.

**SEC. 626. RURAL ECONOMIC DEVELOPMENT LOAN AND GRANT PROGRAM.**

The Secretary of Agriculture may use an additional source of funding for economic development programs administered by the Department of Agriculture through guaranteeing fees on guarantees of bonds and notes issued by cooperative lenders for electricity and telecommunications purposes.

**TITLE VII—RESEARCH AND RELATED MATTERS**

**Subtitle A—Extensions**

**SEC. 700. MARKET EXPANSION RESEARCH.**

Section 1436(b)(3)(C) of the Food Security Act of 1985 (7 U.S.C. 1632(b)(3)(C)) is amended by striking “1990” and inserting “2011”.

**SEC. 701. NATIONAL RURAL INFORMATION CENTER CLEARINGHOUSE.**

Section 2381(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125b(e)) is amended by striking “2002” and inserting “2011”.

**SEC. 702. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION.**

Section 1417(1) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(1)) is amended by striking “2002” and inserting “2011”.

**SEC. 703. POLICY RESEARCH CENTERS.**

Section 1419A(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3155(d)) is amended by striking “2002” and inserting “2011”.

**SEC. 704. HUMAN NUTRITION INTERVENTION AND HEALTH PROMOTION RESEARCH PROGRAM.**

Section 1424(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174(d)) is amended by striking “2002” and inserting “2011”.

**SEC. 705. PILOT RESEARCH PROGRAM TO COMBINE MEDICAL AND AGRICULTURAL RESEARCH.**

Section 1424A(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174a(d)) is amended by striking “2002” and inserting “2011”.

**SEC. 706. NUTRITION EDUCATION PROGRAM.**

Section 1425(c)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175(c)(3)) is amended by striking “2002” and inserting “2011”.

**SEC. 707. CONTINUING ANIMAL HEALTH AND DISEASE RESEARCH PROGRAMS.**

Section 1433(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195(a)) is amended by striking “2002” and inserting “2011”.

**SEC. 708. APPROPRIATIONS FOR RESEARCH ON NATIONAL OR REGIONAL PROBLEMS.**

Section 1434(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196(a)) is amended by striking “2002” and inserting “2011”.

**SEC. 709. GRANTS TO UPGRADE AGRICULTURAL AND FOOD SCIENCES FACILITIES AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY.**

Section 1447(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b(b)) is amended by striking “2002” and inserting “2011”.

**SEC. 710. NATIONAL RESEARCH AND TRAINING CENTENNIAL CENTERS AT 1890 LAND-GRANT INSTITUTIONS.**

Sections 1448(a)(1) and (f) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222c(a)(1) and (f)) are amended by striking “2002” each place it appears and inserting “2011”.

**SEC. 711. HISPANIC-SERVING INSTITUTIONS.**

Section 1455(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3241(c)) is amended by striking “2002” and inserting “2011”.

**SEC. 712. COMPETITIVE GRANTS FOR INTERNATIONAL AGRICULTURAL SCIENCE AND EDUCATION PROGRAMS.**

Section 1459A(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292b(c)) is amended by striking “2002” and inserting “2011”.

**SEC. 713. UNIVERSITY RESEARCH.**

Subsections (a) and (b) of section 1463 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311(a) and (b)) are amended by striking “2002” each place it appears and inserting “2011”.

**SEC. 714. EXTENSION SERVICE.**

Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended by striking “2002” and inserting “2011”.

**SEC. 715. SUPPLEMENTAL AND ALTERNATIVE CROPS.**

Section 1473D(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d(a)) is

amended by striking “2002” and inserting “2011”.

**SEC. 716. AGRICULTURE RESEARCH FACILITIES.**

The first sentence of section 1477 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3324) is amended by striking “2002” and inserting “2011”.

**SEC. 717. RANGELAND RESEARCH.**

Section 1483(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3336(a)) is amended by striking “2002” and inserting “2011”.

**SEC. 718. NATIONAL GENETICS RESOURCES PROGRAM.**

Section 1635(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amended by striking “2002” and inserting “2011”.

**SEC. 719. HIGH-PRIORITY RESEARCH AND EXTENSION INITIATIVES.**

Section 1672(h) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925(h)) is amended by striking “2002” and inserting “2011”.

**SEC. 720. NUTRIENT MANAGEMENT RESEARCH AND EXTENSION INITIATIVE.**

Section 1672A(g) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925a(g)) is amended by striking “2002” and inserting “2011”.

**SEC. 721. AGRICULTURAL TELECOMMUNICATIONS PROGRAM.**

Section 1673(h) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5926(h)) is amended by striking “2002” and inserting “2011”.

**SEC. 722. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION REVOLVING FUND.**

(a) **AUTHORIZATION OF APPROPRIATIONS.**—Section 1664(g)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5908(g)(1)) is amended by striking “2002” and inserting “2011”.

(b) **CAPITALIZATION.**—Section 1664(g)(2) of such Act (7 U.S.C. 5908(g)(2)) is amended by striking “2002” and inserting “2011”.

**SEC. 723. ASSISTIVE TECHNOLOGY PROGRAM FOR FARMERS WITH DISABILITIES.**

Section 1680(c)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933(c)(1)) is amended by striking “2002” and inserting “2011”.

**SEC. 724. PARTNERSHIPS FOR HIGH-VALUE AGRICULTURAL PRODUCT QUALITY RESEARCH.**

Section 402(g) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7622(g)) is amended by striking “2002” and inserting “2011”.

**SEC. 725. BIOBASED PRODUCTS.**

(a) **PILOT PROJECT.**—Section 404(e)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7624(e)(2)) is amended by striking “2001” and inserting “2011”.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—Section 404(h) of such Act (7 U.S.C. 7624(h)) is amended by striking “2002” and inserting “2011”.

**SEC. 726. INTEGRATED RESEARCH, EDUCATION, AND EXTENSION COMPETITIVE GRANTS PROGRAM.**

Section 406(e) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626(e)) is amended by striking “2002” and inserting “2011”.

**SEC. 727. INSTITUTIONAL CAPACITY BUILDING GRANTS.**

(a) **GENERALLY.**—Section 535(b)(1) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking “2000” and inserting “2011”.

(b) **AUTHORIZATION OF APPROPRIATIONS.**—Section 535(c) of such Act is amended by striking “2000” and inserting “2011”.

**SEC. 728. 1994 INSTITUTION RESEARCH GRANTS.**

Section 536(c) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking “2002” and inserting “2011”.

**SEC. 729. ENDOWMENT FOR 1994 INSTITUTIONS.**

The first sentence of section 533(b) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking “\$4,600,000” and all that follows through the period and inserting “such sums as are necessary to carry out this section for each of fiscal years 1996 through 2011”.

**SEC. 730. PRECISION AGRICULTURE.**

Section 403(i) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7623(i)) is amended by striking “2002” and inserting “2011”.

**SEC. 731. THOMAS JEFFERSON INITIATIVE FOR CROP DIVERSIFICATION.**

Section 405(h) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7625(h)) is amended by striking “2002” and inserting “2011”.

**SEC. 732. SUPPORT FOR RESEARCH REGARDING DISEASES OF WHEAT, TRITICALE, AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM OR BY TILLETIA INDICA.**

Section 408(e) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7628(e)) is amended by striking “2002” and inserting “2011”.

**SEC. 733. FOOD ANIMAL RESIDUE AVOIDANCE DATABASE PROGRAM.**

Section 604 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7642) is amended by adding at the end the following:

“(e) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to carry out this section \$1,000,000 for each of fiscal years 2002 through 2006.”.

**SEC. 734. OFFICE OF PEST MANAGEMENT POLICY.**

Section 614(f) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7653(f)) is amended by striking “2002” and inserting “2011”.

**SEC. 735. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.**

Section 1408(h) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(h)) is amended by striking “2002” and inserting “2011”.

**SEC. 736. GRANTS FOR RESEARCH ON PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.**

Section 1419(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154(d)) is amended by striking “2002” and inserting “2011”.

**SEC. 737. BIOMASS RESEARCH AND DEVELOPMENT.**

Title III of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 7624 note) is amended—

(1) in section 307(f), by striking “2005” and inserting “2011”; and

(2) in section 310, by striking “2005” and inserting “2011”.

**SEC. 738. AGRICULTURAL EXPERIMENT STATIONS RESEARCH FACILITIES.**

Section 6(a) of the Research Facilities Act (7 U.S.C. 390d(a)) is amended by striking “2002” and inserting “2011”.

**SEC. 739. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANTS NATIONAL RESEARCH INITIATIVE.**

Section 2(b)(10) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(10)) is amended by striking “2002” and inserting “2011”.

**SEC. 740. FEDERAL AGRICULTURAL RESEARCH FACILITIES AUTHORIZATION OF APPROPRIATIONS.**

Section 1431 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99-198; 99 Stat. 1556) is amended by striking "2002" and inserting "2011".

**SEC. 740A. COTTON CLASSIFICATION SERVICES.**

The first sentence of section 3a of the Act of March 3, 1927 (commonly known as the "Cotton Statistics and Estimates Act"; 7 U.S.C. 473a) is amended by striking "2002" and inserting "2011".

**SEC. 740B. CRITICAL AGRICULTURAL MATERIALS RESEARCH.**

Section 16(a) of the Critical Agricultural Materials Act (7 U.S.C. 178n(a)) is amended by striking "2002" and inserting "2011".

**SEC. 740C. PRIVATE NONINDUSTRIAL HARDWOOD RESEARCH PROGRAM.**

(a) IN GENERAL.—The Secretary shall establish a program to provide competitive grants to producers to be used for basic hardwood research projects directed at—

- (1) improving timber management techniques;
- (2) increasing timber production;
- (3) expanding genetic research; and
- (4) addressing invasive and endangered species.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$10,000,000 for each of fiscal years 2002 through 2011.

**Subtitle B—Modifications**

**SEC. 741. EQUITY IN EDUCATIONAL LAND-GRANT STATUS ACT OF 1994.**

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 534(a)(1)(A) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking "\$50,000" and inserting "\$100,000".

(b) WITHDRAWALS AND EXPENDITURES.—Section 533(c)(4)(A) of such Act is amended by striking "section 390(3)" and all that follows through "1998" and inserting "section 2(a)(7) of the Tribally Controlled College or University Assistance Act of 1978".

(c) ACCREDITATION.—Section 533(a)(3) of such Act is amended by striking "under sections 534 and 535" and inserting "under sections 534, 535, and 536".

(d) 1994 INSTITUTIONS.—Section 532 of such Act is amended by striking paragraphs (1) through (30) and inserting the following:

- "(1) Bay Mills Community College.
- "(2) Blackfeet Community College.
- "(3) Cankdeska Cikana Community College.
- "(4) College of Menominee Nation.
- "(5) Crownpoint Institute of Technology.
- "(6) D-Q University.
- "(7) Diné College.
- "(8) Dull Knife Memorial College.
- "(9) Fond du Lac Tribal and Community College.
- "(10) Fort Belknap College.
- "(11) Fort Berthold Community College.
- "(12) Fort Peck Community College.
- "(13) Haskell Indian Nations University.
- "(14) Institute of American Indian and Alaska Native Culture and Arts Development.
- "(15) Lac Courte Oreilles Ojibwa Community College.
- "(16) Leech Lake Tribal College.
- "(17) Little Big Horn College.
- "(18) Little Priest Tribal College.
- "(19) Nebraska Indian Community College.
- "(20) Northwest Indian College.
- "(21) Oglala Lakota College.
- "(22) Salish Kootenai College.
- "(23) Sinte Gleska University.
- "(24) Sisseton Wahpeton Community College.
- "(25) Si Tanka/Huron University.

"(26) Sitting Bull College.

"(27) Southwestern Indian Polytechnic Institute.

"(28) Stone Child College.

"(29) Turtle Mountain Community College.

"(30) United Tribes Technical College."

**SEC. 742. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977.**

Section 1404(4) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(4)) is amended—

(1) by striking the period at the end of subparagraph (E) and inserting "; or"; and

(2) by adding at the end the following: "(F) is one of the 1994 Institutions (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994)."

**SEC. 743. AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION REFORM ACT OF 1998.**

(a) PRIORITY MISSION AREAS.—Section 401(c)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(c)(2)) is amended—

(1) by striking "and" at the end of subparagraph (E);

(2) by striking the period at the end of subparagraph (F) and inserting "; and"; and

(3) by adding at the end the following new subparagraph:

"(G) alternative fuels and renewable energy sources."

(b) PRECISION AGRICULTURE.—Section 403 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7623) is amended—

(1) in subsection (a)(5)(F), by inserting "(including improved use of energy inputs)" after "farm production efficiencies"; and

(2) in subsection (d)—

(A) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(B) by inserting after paragraph (3) the following new paragraph:

"(4) Improve on farm energy use efficiencies."

(c) THOMAS JEFFERSON INITIATIVE FOR CROP DIVERSIFICATION.—Section 405(a) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7625(a)) is amended by striking "and marketing" and inserting "; marketing, and efficient use".

(d) COORDINATED PROGRAM OF RESEARCH, EXTENSION, AND EDUCATION TO IMPROVE VIABILITY OF SMALL- AND MEDIUM-SIZE DAIRY, LIVESTOCK, AND POULTRY OPERATIONS.—Section 407(b)(3) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7627(b)(3)) is amended by inserting "(including improved use of energy inputs)" after "poultry systems that increase efficiencies".

(e) SUPPORT FOR RESEARCH REGARDING DISEASES OF WHEAT, TRITICALE, AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM OR BY TILLETIA INDICA.—

(1) RESEARCH GRANT AUTHORIZED.—Section 408(a) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7628(a)) is amended to read as follows:

"(a) RESEARCH GRANT AUTHORIZED.—The Secretary of Agriculture may make grants to consortia of land-grant colleges and universities to enhance the ability of the consortia to carry out multi-State research projects aimed at understanding and combating diseases of wheat, triticale, and barley caused by Fusarium graminearum and related fungi (referred to in this section as 'wheat scab') or by Tilletia indica and related fungi (referred to in this section as 'Karnal bunt')."

(2) RESEARCH COMPONENTS.—Section 408(b) of such Act (7 U.S.C. 7628(b)) is amended—

(A) in paragraph (1), by inserting "or of Karnal bunt," after "epidemiology of wheat scab";

(B) in paragraph (1), by inserting "triticale," after "occurring in wheat";

(C) in paragraph (2), by inserting "or Karnal bunt" after "wheat scab";

(D) in paragraph (3)(A), by striking "and barley for the presence of" and inserting "triticale, and barley for the presence of Karnal bunt or of";

(E) in paragraph (3)(B), by striking "and barley infected with wheat scab" and inserting "triticale, and barley infected with wheat scab or with Karnal bunt";

(F) in paragraph (3)(C), by inserting "wheat scab" after "to render";

(G) in paragraph (4), by striking "and barley to wheat scab" and inserting "triticale, and barley to wheat scab and to Karnal bunt"; and

(H) in paragraph (5)—

(i) by inserting "and Karnal bunt" after "wheat scab"; and

(ii) by inserting "triticale," after "resistant wheat".

(3) COMMUNICATIONS NETWORKS.—Section 408(c) of such Act (7 U.S.C. 7628(c)) is amended by inserting "or Karnal bunt" after "wheat scab".

(4) TECHNICAL AMENDMENTS.—(A) The section heading for section 408 of such Act is amended by striking "AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM" and inserting "TRITICALE, AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM OR BY TILLETIA INDICA".

(B) The table of sections for such Act is amended by striking "and barley caused by fusarium graminearum" in the item relating to section 408 and inserting "triticale, and barley caused by Fusarium graminearum or by Tilletia indica".

(f) PROGRAM TO CONTROL JOHNE'S DISEASE.—Title IV of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621 et seq.) is amended by adding at the end the following new section:

**"SEC. 409. BOVINE JOHNE'S DISEASE CONTROL PROGRAM.**

"(a) ESTABLISHMENT.—The Secretary of Agriculture, in coordination with State veterinarians and other appropriate State animal health professionals, may establish a program to conduct research, testing, and evaluation of programs for the control and management of Johne's disease in livestock.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary such sums as may be necessary to carry out this section for each of fiscal years 2003 through 2011."

**SEC. 744. FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990.**

(a) AGRICULTURAL GENOME INITIATIVE.—Section 1671(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5924(b)) is amended—

(1) in paragraph (3), by inserting "pathogens and" before "diseases causing economic hardship";

(2) in paragraph (6), by striking "and" at the end;

(3) by redesignating paragraph (7) as paragraph (8); and

(4) by inserting after paragraph (6) the following new paragraph:

"(7) reducing the economic impact of plant pathogens on commercially important crop plants; and"

(b) HIGH-PRIORITY RESEARCH AND EXTENSION INITIATIVES.—Section 1672(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925) is amended by adding at the end the following new paragraphs:

"(25) RESEARCH TO PROTECT THE UNITED STATES FOOD SUPPLY AND AGRICULTURE FROM BIOTERRORISM.—Research grants may be made under this section for the purpose of developing technologies, which support the



capability to deal with the threat of agricultural bioterrorism.

“(26) WIND EROSION RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of validating wind erosion models.

“(27) CROP LOSS RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of validating crop loss models.

“(28) LAND USE MANAGEMENT RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purposes of evaluating the environmental benefits of land use management tools such as those provided in the Farmland Protection Program.

“(29) WATER AND AIR QUALITY RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of better understanding agricultural impacts to air and water quality and means to address them.

“(30) REVENUE AND INSURANCE TOOLS RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purposes of better understanding the impact of revenue and insurance tools on farm income.

“(31) AGROTOURISM RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of better understanding the economic, environmental, and food systems impacts on agrotourism.

“(32) HARVESTING PRODUCTIVITY FOR FRUITS AND VEGETABLES.—Research and extension grants may be made under this section for the purpose of improving harvesting productivity for fruits and vegetables (including citrus), including the development of mechanical harvesting technologies and effective, economical, and safe abscission compounds.

“(33) NITROGEN-FIXATION BY PLANTS.—Research and extension grants may be made under this section for the purpose of enhancing the nitrogen-fixing ability and efficiency of legumes, developing new varieties of legumes that fix nitrogen more efficiently, and developing new varieties of other commercially important crops that potentially are able to fix nitrogen.

“(34) AGRICULTURAL MARKETING.—Extension grants may be made under this section for the purpose of providing education materials, information, and outreach programs regarding commodity and livestock marketing strategies for agricultural producers and for cooperatives and other marketers of any agricultural commodity, including livestock.

“(35) ENVIRONMENT AND PRIVATE LANDS RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of researching the use of computer models to aid in assessment of best management practices on a watershed basis, working with government, industry, and private landowners to help craft industry-led solutions to identified environmental issues, researching and monitoring water, air, or soil environmental quality to aid in the development of new approaches to local environmental concerns, and working with local, State, and federal officials to help craft effective environmental solutions that respect private property rights and agricultural production realities.

“(36) LIVESTOCK DISEASE RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of identifying possible livestock disease threats, educating the public regarding livestock disease threats, training persons to deal with such threats, and conducting related research.

“(37) PLANT GENE EXPRESSION.—Research and development grants may be made under this section for the purpose of plant gene expression research to accelerate the application of basic plant genomic science to the development and testing of new varieties of enhanced food crops, crops that can be used as renewable energy sources, and other alternative uses of agricultural crops.”.

#### SEC. 745. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977.

(a) NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMIC ADVISORY BOARD.—Section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123) is amended—

(1) in subsection (b)(3)—

(A) by redesignating subparagraphs (R) through (DD) as subparagraphs (S) through (EE), respectively; and

(B) by inserting after subparagraph (Q) the following new subparagraph:

“(R) 1 member representing a nonland grant college or university with a historic commitment to research in the food and agricultural sciences.”;

(2) in subsection (c)(1), by striking “and land-grant colleges and universities” and inserting “, land-grant colleges and universities, and the Committee on Agriculture of the House of Representatives, the Committee on Agriculture, Nutrition, and Forestry of the Senate, the Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies of the Committee on Appropriations of the House of Representatives, and the Subcommittee on Agriculture, Rural Development and Related Agencies of the Committee on Appropriations of the Senate”;

(3) in subsection (d)(1), inserting “consult with any appropriate agencies of the Department of Agriculture and” after “the Advisory Board shall”; and

(4) in subsection (b)(1), by striking “30 members” and inserting “31 members”.

(b) GRANTS FOR RESEARCH ON PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.—Section 1419 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154) is amended—

(1) in subsection (a)(2), by inserting “and animal fats and oils” after “industrial oil-seed crops”; and

(2) in subsection (a)(4), by inserting “or triglycerides” after “other industrial hydrocarbons”.

(c) FAS OVERSEAS INTERN PROGRAM.—Section 1458(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3291(a)) is amended—

(1) by striking “and” at the end of paragraph (8);

(2) by striking the period at the end of paragraph (9) and inserting “; and”; and

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

“(10) establish a program, to be coordinated by the Cooperative State Research, Education, and Extension Service and the Foreign Agricultural Service, to place interns from United States colleges and universities at Foreign Agricultural Service field offices overseas.”.

#### SEC. 746. BIOMASS RESEARCH AND DEVELOPMENT.

Title III of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 7624 note) is amended—

(1) in section 302(3), by inserting “or biodiesel” after “such as ethanol”;

(2) in section 303(3), by inserting “animal byproducts,” after “fibers,”; and

(3) in section 306(b)(1)—

(A) by redesignating subparagraphs (E) through (J) as subparagraphs (F) through (K), respectively; and

(B) by inserting after subparagraph (D) the following new subparagraph:

“(E) an individual affiliated with a livestock trade association;”.

#### SEC. 747. BIOTECHNOLOGY RISK ASSESSMENT RESEARCH.

Section 1668 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5921) is amended to read as follows:

#### “SEC. 1668. BIOTECHNOLOGY RISK ASSESSMENT RESEARCH.

“(a) PURPOSE.—It is the purpose of this section—

“(1) to authorize and support environmental assessment research to help identify and analyze environmental effects of biotechnology; and

“(2) to authorize research to help regulators develop long-term policies concerning the introduction of such technology.

“(b) GRANT PROGRAM.—The Secretary of Agriculture shall establish a grant program within the Cooperative State Research, Education, and Extension Service and the Agricultural Research Service to provide the necessary funding for environmental assessment research concerning the introduction of genetically engineered plants and animals into the environment.

“(c) TYPES OF RESEARCH.—Types of research for which grants may be made under this section shall include the following:

“(1) Research designed to identify and develop appropriate management practices to minimize physical and biological risks associated with genetically engineered animals and plants once they are introduced into the environment.

“(2) Research designed to develop methods to monitor the dispersal of genetically engineered animals and plants.

“(3) Research designed to further existing knowledge with respect to the characteristics, rates and methods of gene transfer that may occur between genetically engineered plants and animals and related wild and agricultural organisms.

“(4) Environmental assessment research designed to provide analysis, which compares the relative impacts of plants and animals modified through genetic engineering to other types of production systems.

“(5) Other areas of research designed to further the purposes of this section.

“(d) ELIGIBILITY REQUIREMENTS.—Grants under this section shall be—

“(1) made on the basis of the quality of the proposed research project; and

“(2) available to any public or private research or educational institution or organization.

“(e) CONSULTATION.—In considering specific areas of research for funding under this section, the Secretary of Agriculture shall consult with the Administrator of the Animal and Plant Health Inspection Service and the National Agricultural Research, Extension, Education, and Economics Advisory Board.

“(f) PROGRAM COORDINATION.—The Secretary of Agriculture shall coordinate research funded under this section with the Office of Research and Development of the Environmental Protection Agency in order to avoid duplication of research activities.

“(g) AUTHORIZATION OF APPROPRIATIONS.—

“(1) IN GENERAL.—There are authorized to be appropriated such sums as necessary to carry out this section.

“(2) WITHHOLDINGS FROM BIOTECHNOLOGY OUTLAYS.—The Secretary of Agriculture shall withhold from outlays of the Department of Agriculture for research on biotechnology, as defined and determined by the Secretary, at least 3 percent of such amount

for the purpose of making grants under this section for research on biotechnology risk assessment. Except that, funding from this authorization should be collected and applied to the maximum extent practicable to risk assessment research on all categories identified as biotechnology by the Secretary."

**SEC. 748. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANTS.**

Section 2(a) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(a)) is amended by adding at the end the following new paragraph:

"(3) DETERMINATION OF HIGH PRIORITY RESEARCH.—Research priorities shall be determined by the Secretary on an annual basis, taking into account input as gathered by the Secretary through the National Agricultural Research, Extension, Education, and Economics Advisory Board."

**SEC. 749. MATCHING FUNDS REQUIREMENT FOR RESEARCH AND EXTENSION ACTIVITIES OF 1890 INSTITUTIONS.**

Section 1449 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222d) is amended—

(1) by amending subsection (c) to read as follows:

"(c) MATCHING FORMULA.—For each of fiscal years 2003 through 2011, the State shall provide matching funds from non-Federal sources. Such matching funds shall be for an amount equal to not less than 60 percent of the formula funds to be distributed to the eligible institution, and shall increase by 10 percent each fiscal year thereafter until fiscal year 2007."; and

(2) by amending subsection (d) to read as follows:

"(d) WAIVER AUTHORITY.—Notwithstanding subsection (f), the Secretary may waive the matching funds requirement under subsection (c) above the 50 percent level for fiscal years 2003 through 2011 for an eligible institution of a State if the Secretary determines that the State will be unlikely to satisfy the matching requirement."

**SEC. 749A. MATCHING FUNDS REQUIREMENT FOR RESEARCH AND EXTENSION ACTIVITIES FOR THE UNITED STATES TERRITORIES.**

(a) RESEARCH MATCHING REQUIREMENT.—Section 3(d)(4) of the Hatch Act of 1887 (7 U.S.C. 361c(d)(4)) is amended by striking "the same matching funds" and all that follows through the end of the sentence and inserting "matching funds requirements from non-Federal sources for fiscal years 2003 through 2011 in an amount equal to not less than 50 percent of the formula funds to be distributed to the Territory. The Secretary may waive the matching funds requirements for a Territory for any of the fiscal years 2003 through 2011 if the Secretary determines that the Territory will be unlikely to satisfy the matching funds requirement for that fiscal year."

(b) EXTENSION MATCHING REQUIREMENT.—Section 3(e)(4) of the Smith-Lever Act (7 U.S.C. 343(e)(4)) is amended by striking "the same matching funds" and all that follows through the end of the sentence and inserting "matching funds requirements from non-Federal sources for fiscal years 2003 through 2011 in an amount equal to not less than 50 percent of the formula funds to be distributed to the Territory. The Secretary may waive the matching funds requirements for a Territory for any of the fiscal years 2003 through 2011 if the Secretary determines that the Territory will be unlikely to satisfy the matching funds requirement for that fiscal year."

**SEC. 750. INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.**

(a) FUNDING.—Section 401(b)(1) of the Agricultural Research, Extension, and Education

Reform Act of 1998 (7 U.S.C. 7621(b)(1)) is amended to read as follows:

"(1) IN GENERAL.—

"(A) TOTAL AMOUNT TO BE TRANSFERRED.—On October 1, 2003, and each October 1 thereafter through September 30, 2011, the Secretary of Agriculture shall deposit funds of the Commodity Credit Corporation into the Account. The total amount of Commodity Credit Corporation funds deposited into the Account under this subparagraph shall equal \$1,160,000,000.

"(B) EQUAL AMOUNTS.—To the maximum extent practicable, the amounts deposited into the Account pursuant to subparagraph (A) shall be deposited in equal amounts for each fiscal year.

"(C) AVAILABILITY OF FUNDS.—Amounts deposited into the Account pursuant to subparagraph (A) shall remain available until expended."

(b) AVAILABILITY OF FUNDS.—Section 401(f)(6) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(f)(6)) is amended to read as follows:

"(6) AVAILABILITY OF FUNDS.—Funds made available under this section to the Secretary prior to October 1, 2003, for grants under this section shall be available to the Secretary for a 2-year period."

**SEC. 751. CARBON CYCLE RESEARCH.**

Section 221 of the Agricultural Risk Protection Act of 2000 (Public Law 106-224; 114 Stat. 407) is amended—

(1) in subsection (a), by striking "Of the amount" and all that follows through "to provide" and inserting "To the extent funds are made available for this purpose, the Secretary shall provide";

(2) in subsection (d), by striking "under subsection (a)" and inserting "for this section"; and

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

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for fiscal years 2002 through 2011 such sums as may be necessary to carry out this section."

**SEC. 752. DEFINITION OF FOOD AND AGRICULTURAL SCIENCES.**

Section 2(3) of the Research Facilities Act (7 U.S.C. 390(2)(3)) is amended to read as follows:

"(3) FOOD AND AGRICULTURAL SCIENCES.—The term 'food and agricultural sciences' has the meaning given that term in section 1404(8) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(8))."

**SEC. 753. FEDERAL EXTENSION SERVICE.**

Section 3(b)(3) of the Smith-Lever Act (7 U.S.C. 343(b)(3)) is amended by striking "\$5,000,000" and inserting "such sums as are necessary".

**SEC. 754. POLICY RESEARCH CENTERS.**

Section 1419A(c)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3155(c)(3)) is amended by striking "collect and analyze data" and inserting "collect, analyze, and disseminate data".

**SEC. 755. ANIMALS USED IN RESEARCH.**

Section 2(g) of the Animal Welfare Act (7 U.S.C. 2132(g)) is amended by inserting "birds, rats of the genus *Rattus*, and mice of the genus *Mus*, that are bred for use in research, and" after "excludes".

**Subtitle C—Related Matters**

**SEC. 761. RESIDENT INSTRUCTION AT LAND-GRANT COLLEGES IN UNITED STATES TERRITORIES.**

(a) PURPOSE.—It is the purpose of this section to promote and strengthen higher education in the food and agricultural sciences at agricultural and mechanical colleges lo-

cated in the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau (hereinafter referred to in this section as "eligible institutions") by formulating and administering programs to enhance teaching programs in agriculture, natural resources, forestry, veterinary medicine, home economics, and disciplines closely allied to the food and agriculture production and delivery system.

(b) GRANTS.—The Secretary of Agriculture shall make competitive grants to those eligible institutions having a demonstrable capacity to carry out the teaching of food and agricultural sciences.

(c) USE OF GRANT FUNDS.—Grants made under subsection (b) shall be used to—

(1) strengthen institutional educational capacities, including libraries, curriculum, faculty, scientific instrumentation, instruction delivery systems, and student recruitment and retention, in order to respond to identified State, regional, national, or international education needs in the food and agricultural sciences;

(2) attract and support undergraduate and graduate students in order to educate them in identified areas of national need to the food and agriculture sciences;

(3) facilitate cooperative initiatives between two or more eligible institutions or between eligible institutions and units of State Government, organizational in the private sector, to maximize the development and use of resources such as faculty, facilities, and equipment to improve food and agricultural sciences teaching programs; and

(4) conduct undergraduate scholarship programs to assist in meeting national needs for training food and agricultural scientists.

(d) GRANT REQUIREMENTS.—

(1) The Secretary of Agriculture shall ensure that each eligible institution, prior to receiving grant funds under subsection (b), shall have a significant demonstrable commitment to higher education programs in the food and agricultural sciences and to each specific subject area for which grant funds under this subsection are to be used.

(2) The Secretary of Agriculture may require that any grant awarded under this section contain provisions that require funds to be targeted to meet the needs identified in section 1402 of the National Agriculture Research, Extension, and Teaching Policy Act of 1977.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary for each of the fiscal years 2002 through 2011 to carry out this section.

**SEC. 762. DECLARATION OF EXTRAORDINARY EMERGENCY AND RESULTING AUTHORITIES.**

(a) REVIEW OF PAYMENT OF COMPENSATION.—Section 415(e) of the Plant Protection Act (7 U.S.C. 7715(e)) is amended by inserting before the final period the following: "or review by any officer of the Government other than the Secretary or the designee of the Secretary".

(b) REVIEW OF CERTAIN DECISIONS.—

(1) PLANT PROTECTION ACT.—Section 442 of the Plant Protection Act (7 U.S.C. 7772) is amended by adding at the end following new subsection:

"(f) SECRETARIAL DISCRETION.—The action of any officer, employee, or agent of the Secretary in carrying out this section, including determining the amount of and making any payment authorized to be made under this section, shall not be subject to review by any officer of the Government other than the Secretary or the designee of the Secretary."

(2) OTHER PLANT AND ANIMAL PEST AND DISEASE LAWS.—Section 11 of the Act of May 29, 1884 (21 U.S.C. 114a; commonly known as the “Animal Industry Act”) and the first section of the Act of September 25, 1981 (7 U.S.C. 147b), are each amended by adding at the end the following new sentence: “The action of any officer, employee, or agent of the Secretary in carrying out this section, including determining the amount of and making any payment authorized to be made under this section, shall not be subject to review by any officer of the Government other than the Secretary or the designee of the Secretary.”.

(c) METHYL BROMIDE.—The Plant Protection Act (7 U.S.C. 7701 et seq.) is amended by inserting after section 418 the following new section:

**“SEC. 419. METHYL BROMIDE.**

“(a) IN GENERAL.—The Secretary, upon request of State, local, or tribal authorities, shall determine whether methyl bromide treatments or applications required by State, local, or tribal authorities to prevent the introduction, establishment, or spread of plant pests (including diseases) or noxious weeds should be authorized as an official control or official requirement.

“(b) ADMINISTRATION.—

“(1) TIMELINE FOR DETERMINATION.—The Secretary shall make the determination required by subsection (a) not later than 90 days after receiving the request for such a determination.

“(2) REGULATIONS.—The promulgation of regulations for and the administration of this section shall be made without regard to—

“(A) the notice and comment provisions of section 553 of title 5, United States Code;

“(B) the Statement of Policy of the Secretary of Agriculture, effective July 24, 1971 (36 Fed. Reg. 13804; relating to notices of proposed rulemaking and public participation in rulemaking); and

“(C) chapter 35 of title 44, United States Code (commonly known as the ‘Paperwork Reduction Act’).

“(c) REGISTRY.—Not later than 180 days after the date of the enactment of this section, the Secretary shall publish, and thereafter maintain, a registry of State, local, and tribal requirements authorized by the Secretary under this section.”.

**SEC. 763. AGRICULTURAL BIOTECHNOLOGY RESEARCH AND DEVELOPMENT FOR THE DEVELOPING WORLD.**

(a) GRANT PROGRAM.—The Secretary of Agriculture shall establish a program to award grants to entities described in subsection (b) for the development of agricultural biotechnology with respect to the developing world. The Secretary shall administer and oversee the program through the Foreign Agricultural Service of the Department of Agriculture.

(b) PARTNERSHIPS.—(1) In order to be eligible to receive a grant under this section, the grantee must be a participating institution of higher education, a nonprofit organization, or consortium of for profit institutions with in-country agricultural research institutions.

(2) A participating institution of higher education shall be an historically black or land-grant college or university, an Hispanic serving institution, or a tribal college or university that has agriculture or the biosciences in its curricula.

(c) COMPETITIVE AWARD.—Grants shall be awarded under this section on a merit-reviewed competitive basis.

(d) USE OF FUNDS.—The activities for which the grant funds may be expended include the following:

(1) Enhancing the nutritional content of agricultural products that can be grown in

the developing world to address malnutrition through biotechnology.

(2) Increasing the yield and safety of agricultural products that can be grown in the developing world through biotechnology.

(3) Increasing through biotechnology the yield of agricultural products that can be grown in the developing world that are drought and stress-resistant.

(4) Extending the growing range of crops that can be grown in the developing world through biotechnology.

(5) Enhancing the shelf-life of fruits and vegetables grown in the developing world through biotechnology.

(6) Developing environmentally sustainable agricultural products through biotechnology.

(7) Developing vaccines to immunize against life-threatening illnesses and other medications that can be administered by consuming genetically engineered agricultural products.

(e) FUNDING SOURCE.—Of the funds deposited in the Treasury account known as the Initiative for Future Agriculture and Food Systems on October 1, 2003, and each October 1 thereafter through October 1, 2007, the Secretary of Agriculture shall use \$5,000,000 during each of fiscal years 2004 through 2008 to carry out this section.

**Subtitle D—Repeal of Certain Activities and Authorities**

**SEC. 771. FOOD SAFETY RESEARCH INFORMATION OFFICE AND NATIONAL CONFERENCE.**

(a) REPEAL.—Subsections (b) and (c) of section 615 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7654(b) and (c)) are repealed.

(b) CONFORMING AMENDMENTS.—

(1) GENERALLY.—Section 615 of such Act is amended—

(A) in the section heading, by striking “AND NATIONAL CONFERENCE”;

(B) by striking “(a) FOOD SAFETY RESEARCH INFORMATION OFFICE.—”;

(C) by redesignating paragraphs (1), (2), and (3) as subsections (a), (b), and (c), respectively, and moving the margins 2 ems to the left;

(D) in subsection (b) (as so redesignated), by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively, and moving the margins 2 ems to the left; and

(E) in subsection (c) (as so redesignated), by striking “this subsection” and inserting “this section”.

(2) TABLE OF SECTIONS.—The table of sections for such Act is amended by striking “and National Conference” in the item relating to section 615.

**SEC. 772. REIMBURSEMENT OF EXPENSES UNDER SHEEP PROMOTION, RESEARCH, AND INFORMATION ACT OF 1994.**

Section 617 of the Agricultural Research, Extension, and Education Reform Act of 1998 (Public Law 105-185; 112 Stat. 607) is repealed.

**SEC. 773. NATIONAL GENETIC RESOURCES PROGRAM.**

Section 1634 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5843) is repealed.

**SEC. 774. NATIONAL ADVISORY BOARD ON AGRICULTURAL WEATHER.**

(a) REPEAL.—Section 1639 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5853) is repealed.

(b) CONFORMING AMENDMENT.—Section 1640(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5854(b)) is amended by striking “take into” and all that follows through “Weather and”.

**SEC. 775. AGRICULTURAL INFORMATION EXCHANGE WITH IRELAND.**

Section 1420 of the National Agricultural Research, Extension and Teaching Policy

Act Amendments of 1985 (Public Law 99-198; 99 Stat. 1551) is repealed.

**SEC. 776. PESTICIDE RESISTANCE STUDY.**

Section 1437 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99-198; 99 Stat. 1558) is repealed.

**SEC. 777. EXPANSION OF EDUCATION STUDY.**

Section 1438 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99-198; 99 Stat. 1559) is repealed.

**SEC. 778. SUPPORT FOR ADVISORY BOARD.**

(a) REPEAL.—Section 1412 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3127) is repealed.

(b) CONFORMING AMENDMENT.—Section 1413(c) of such Act (7 U.S.C. 3128(c)) is amended by striking “section 1412 of this title and”.

**SEC. 779. TASK FORCE ON 10-YEAR STRATEGIC PLAN FOR AGRICULTURAL RESEARCH FACILITIES.**

(a) REPEAL.—Section 4 of the Research Facilities Act (7 U.S.C. 390b) is repealed.

(b) CONFORMING AMENDMENT.—Section 2 of such Act (7 U.S.C. 390) is amended by striking paragraph (5).

**Subtitle E—Agriculture Facility Protection**

**SEC. 790. ADDITIONAL PROTECTIONS FOR ANIMAL OR AGRICULTURAL ENTERPRISES, RESEARCH FACILITIES, AND OTHER ENTITIES.**

(a) DEFINITIONS.—The Research Facilities Act (7 U.S.C. 390 et seq.) is amended—

(1) by redesignating section 6 as section 7; and

(2) by inserting after section 5 the following new section:

**“SEC. 6. ADDITIONAL PROTECTIONS FOR ANIMAL OR AGRICULTURAL ENTERPRISES, RESEARCH FACILITIES, AND OTHER ENTITIES AGAINST DISRUPTION.**

“(a) DEFINITIONS.—For the purposes of this section, the following definitions apply:

“(1) ANIMAL OR AGRICULTURAL ENTERPRISE.—The term ‘animal or agricultural enterprise’ means any of the following:

“(A) A commercial, governmental, or academic enterprise that uses animals, plants, or other biological materials for food or fiber production, breeding, processing, research, or testing.

“(B) A zoo, aquarium, circus, rodeo, or other entity that exhibits or uses animals, plants, or other biological materials for educational or entertainment purposes.

“(C) A fair or similar event intended to advance agricultural arts and sciences.

“(D) A facility managed or occupied by an association, federation, foundation, council, or other group or entity of food or fiber producers, processors, or agricultural or biomedical researchers intended to advance agricultural or biomedical arts and sciences.

“(2) ECONOMIC DAMAGE.—The term ‘economic damage’ means the replacement of the following:

“(A) The cost of lost or damaged property (including all real and personal property) of an animal or agricultural enterprise.

“(B) The cost of repeating an interrupted or invalidated experiment.

“(C) The loss of revenue (including costs related to business recovery) directly related to the disruption of an animal or agricultural enterprise.

“(D) The cost of the tuition and expenses of any student to complete an academic program that was disrupted, or to complete a replacement program, when the tuition and expenses are incurred as a result of the damage or loss of the property of an animal or agricultural enterprise.

“(3) PROPERTY OF AN ANIMAL OR AGRICULTURAL ENTERPRISE.—The term ‘property of

an animal or agricultural enterprise' means real and personal property of or used by any of the following:

“(A) An animal or agricultural enterprise.  
“(B) An employee of an animal or agricultural enterprise.

“(C) A student attending an academic animal or agricultural enterprise.

“(4) **DISRUPTION.**—The term ‘disruption’ does not include any lawful disruption that results from lawful public, governmental, or animal or agricultural enterprise employee reaction to the disclosure of information about an animal or agricultural enterprise.

“(b) **VIOLATION.**—A person may not recklessly, knowingly, or intentionally cause, or contribute to, the disruption of the functioning of an animal or agricultural enterprise by damaging or causing the loss of any property of the animal or agricultural enterprise that results in economic damage, as determined by the Secretary.

“(c) **ASSESSMENT OF CIVIL PENALTY.**—

“(1) **IN GENERAL.**—The Secretary may impose on any person that the Secretary determines violates subsection (b) a civil penalty in an amount determined under paragraphs (2) and (3). The civil penalty may be assessed only on the record after an opportunity for a hearing.

“(2) **RECOVERY OF DEPARTMENT COSTS.**—The civil penalty assessed by the Secretary against a person for a violation of subsection (b) shall be not less than the total cost incurred by the Secretary for investigation of the violation, conducting any hearing regarding the violation, and assessing the civil penalty.

“(3) **RECOVERY OF ECONOMIC DAMAGE.**—In addition to the amount determined under paragraph (2), the amount of the civil penalty shall include an amount not less than the total cost (or, in the case of knowing or intentional disruption, not less than 150 percent of the total cost) of the economic damage incurred by the animal or agricultural enterprise, any employee of the animal or agricultural enterprise, or any student attending an academic animal or agricultural enterprise as a result of the damage or loss of the property of an animal or agricultural enterprise.

“(d) **IDENTIFICATION.**—The Secretary shall identify for each civil penalty assessed under subsection (c), the portion of the amount of the civil penalty that represents the recovery of Department costs and the portion that represents the recovery of economic losses.

“(e) **OTHER FACTORS IN DETERMINING PENALTY.**—In determining the amount of a civil penalty under subsection (c), the Secretary shall consider the following:

“(1) The nature, circumstance, extent, and gravity of the violation or violations.

“(2) The ability of the injured animal or agricultural enterprise to continue to operate, costs incurred by the animal or agricultural enterprise to recover lost business, and the effect of the violation on earnings of employees of the animal or agricultural enterprise.

“(3) The interruptions experienced by students attending an academic animal or agricultural enterprise.

“(4) Whether the violator has previously violated subsection (a).

“(5) The violator's degree of culpability.

“(f) **FUND TO ASSIST VICTIMS OF DISRUPTION.**—

“(1) **FUND ESTABLISHED.**—There is established in the Treasury a fund which shall consist of that portion of each civil penalty collected under subsection (c) that represents the recovery of economic damages.

“(2) **USE OF AMOUNTS IN FUND.**—The Secretary of Agriculture shall use amounts in the fund to compensate animal or agricultural enterprises, employees of an animal or

agricultural enterprise, and student attending an academic animal or agricultural enterprise for economic losses incurred as a result of the disruption of the functioning of an animal or agricultural enterprise in violation of subsection (b).”.

## TITLE VIII—FORESTRY INITIATIVES

### SEC. 801. REPEAL OF FORESTRY INCENTIVES PROGRAM AND STEWARDSHIP INCENTIVE PROGRAM.

The Cooperative Forestry Assistance Act of 1978 is amended by striking section 4 (16 U.S.C. 2103) and section 6 (16 U.S.C. 2103b).

### SEC. 802. ESTABLISHMENT OF FOREST LAND ENHANCEMENT PROGRAM.

(a) **FINDINGS.**—Congress finds the following:

(1) There is a growing dependence on private nonindustrial forest lands to supply the necessary market commodities and non-market values, such as habitat for fish and wildlife, aesthetics, outdoor recreation opportunities, and other forest resources, required by a growing population.

(2) There is a strong demand for expanded assistance programs for owners of nonindustrial private forest land since the majority of the wood supply of the United States comes from nonindustrial private forest land.

(3) The soil, carbon stores, water and air quality of the United States can be maintained and improved through good stewardship of nonindustrial private forest lands.

(4) The products and services resulting from stewardship of nonindustrial private forest lands provide income and employment that contribute to the economic health and diversity of rural communities.

(5) Wildfires threaten human lives, property, forests, and other resources, and Federal and State cooperation in forest fire prevention and control has proven effective and valuable, in that properly managed forest stands are less susceptible to catastrophic fire, as dramatized by the catastrophic fire seasons of 1998 and 2000.

(6) Owners of private nonindustrial forest lands are being faced with increased pressure to convert their forestland to development and other uses.

(7) Complex, long-rotation forest investments, including sustainable hardwood management, are often the most difficult commitment for small, nonindustrial private forest landowners and, thus, should receive equal consideration under cost-share programs.

(8) The investment of one Federal dollar in State and private forestry programs is estimated to leverage \$9 on average from State, local, and private sources.

(b) **PURPOSE.**—It is the purpose of this section to strengthen the commitment of the Department of Agriculture to sustainable forestry and to establish a coordinated and cooperative Federal, State, and local sustainable forest program for the establishment, management, maintenance, enhancement, and restoration of forests on nonindustrial private forest lands in the United States.

(c) **FOREST LAND ENHANCEMENT PROGRAM.**—The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 3 (16 U.S.C. 2102) the following new section 4:

### “SEC. 4. FOREST LAND ENHANCEMENT PROGRAM.

“(a) **ESTABLISHMENT.**—

“(1) **ESTABLISHMENT; PURPOSE.**—The Secretary shall establish a Forest Land Enhancement Program (in this section referred to as the ‘Program’) for the purpose of providing financial, technical, educational, and related assistance to State foresters to encourage the long-term sustainability of nonindustrial private forest lands in the United States by assisting the owners of such lands

in more actively managing their forest and related resources by utilizing existing State, Federal, and private sector resource management expertise, financial assistance, and educational programs.

“(2) **ADMINISTRATION.**—The Secretary shall carry out the Program within, and administer the Program through, the Natural Resources Conservation Service.

“(3) **COORDINATION.**—The Secretary shall implement the Program in coordination with State foresters.

“(b) **PROGRAM OBJECTIVES.**—In implementing the Program, the Secretary shall target resources to achieve the following objectives:

“(1) Investment in practices to establish, restore, protect, manage, maintain, and enhance the health and productivity of the nonindustrial private forest lands in the United States for timber, habitat for flora and fauna, water quality, and wetlands.

“(2) Ensuring that afforestation, reforestation, improvement of poorly stocked stands, timber stand improvement, practices necessary to improve seedling growth and survival, and growth enhancement practices occur where needed to enhance and sustain the long-term productivity of timber and nontimber forest resources to help meet future public demand for all forest resources and provide environmental benefits.

“(3) Reduce the risks and help restore, recover, and mitigate the damage to forests caused by fire, insects, invasive species, disease, and damaging weather.

“(4) Increase and enhance carbon sequestration opportunities.

“(5) Enhance implementation of agroforestry practices.

“(6) Maintain and enhance the forest landbase and leverage State and local financial and technical assistance to owners that promote the same conservation and environmental values.

“(c) **ELIGIBILITY.**—

“(1) **IN GENERAL.**—An owner of nonindustrial private forest land is eligible for cost-sharing assistance under the Program if the owner—

“(A) agrees to develop and implement an individual stewardship, forest, or stand management plan addressing site specific activities and practices in cooperation with, and approved by, the State forester, state official, or private sector program in consultation with the State forester;

“(B) agrees to implement approved activities in accordance with the plan for a period of not less than 10 years, unless the State forester approves a modification to such plan; and

“(C) meets the acreage restrictions as determined by the State forester in conjunction with the State Forest Stewardship Coordinating Committee established under section 19.

“(2) **STATE PRIORITIES.**—The Secretary, in consultation with the State forester and the State Forest Stewardship Coordinating Committee may develop State priorities for cost sharing under the Program that will promote forest management objectives in that State.

“(3) **DEVELOPMENT OF PLAN.**—An owner shall be eligible for cost-share assistance for the development of the individual stewardship, forest, or stand management plan required by paragraph (1).

“(d) **APPROVED ACTIVITIES.**—

“(1) **DEVELOPMENT.**—The Secretary, in consultation with the State forester and the State Forest Stewardship Coordinating Committee, shall develop a list of approved forest activities and practices that will be eligible for cost-share assistance under the Program within each State.

“(2) TYPE OF ACTIVITIES.—In developing a list of approved activities and practices under paragraph (1), the Secretary shall attempt to achieve the establishment, restoration, management, maintenance, and enhancement of forests and trees for the following:

“(A) The sustainable growth and management of forests for timber production.

“(B) The restoration, use, and enhancement of forest wetlands and riparian areas.

“(C) The protection of water quality and watersheds through the application of State-developed forestry best management practices.

“(D) Energy conservation and carbon sequestration purposes.

“(E) Habitat for flora and fauna.

“(F) The control, detection, and monitoring of invasive species on forestlands as well as preventing the spread and providing for the restoration of lands affected by invasive species.

“(G) Hazardous fuels reduction and other management activities that reduce the risks and help restore, recover, and mitigate the damage to forests caused by fire.

“(H) The development of forest or stand management plans.

“(I) Other activities approved by the Secretary, in coordination with the State forester and the State Forest Stewardship Coordinating Committee.

“(e) COOPERATION.—In implementing the Program, the Secretary shall cooperate with other Federal, State, and local natural resource management agencies, institutions of higher education, and the private sector.

“(f) REIMBURSEMENT OF ELIGIBLE ACTIVITIES.—

“(1) IN GENERAL.—The Secretary shall share the cost of implementing the approved activities that the Secretary determines are appropriate, in the case of an owner that has entered into an agreement to place non-industrial private forest lands of the owner in the Program.

“(2) RATE.—The Secretary shall determine the appropriate reimbursement rate for cost-share payments under paragraph (1) and the schedule for making such payments.

“(3) MAXIMUM.—The Secretary shall not make cost-share payments under this subsection to an owner in an amount in excess of 75 percent of the total cost, or a lower percentage as determined by the State forester, to such owner for implementing the practices under an approved plan. The maximum payments to any one owner shall be determined by the Secretary.

“(4) CONSULTATION.—The Secretary shall make determinations under this subsection in consultation with the State forester.

“(g) RECAPTURE.—

“(1) IN GENERAL.—The Secretary shall establish and implement a mechanism to recapture payments made to an owner in the event that the owner fails to implement any approved activity specified in the individual stewardship, forest, or stand management plan for which such owner received cost-share payments.

“(2) ADDITIONAL REMEDY.—The remedy provided in paragraph (1) is in addition to any other remedy available to the Secretary.

“(h) DISTRIBUTION.—The Secretary shall distribute funds available for cost sharing under the Program among the States only after giving appropriate consideration to—

“(1) the total acreage of nonindustrial private forest land in each State;

“(2) the potential productivity of such land;

“(3) the number of owners eligible for cost sharing in each State;

“(4) the opportunities to enhance non-timber resources on such forest lands;

“(5) the anticipated demand for timber and nontimber resources in each State;

“(6) the need to improve forest health to minimize the damaging effects of catastrophic fire, insects, disease, or weather; and

“(7) the need and demand for agroforestry practices in each State.

“(i) DEFINITIONS.—In this section:

“(1) NONINDUSTRIAL PRIVATE FOREST LANDS.—The term ‘nonindustrial private forest lands’ means rural lands, as determined by the Secretary, that—

“(A) have existing tree cover or are suitable for growing trees; and

“(B) are owned or controlled by any non-industrial private individual, group, association, corporation, Indian tribe, or other private legal entity (other than a nonprofit private legal entity) so long as the individual, group, association, corporation, tribe, or entity has definitive decision-making authority over the lands, including through long-term leases and other land tenure systems, for a period of time long enough to ensure compliance with the Program.

“(2) OWNER.—The term ‘owner’ includes a private individual, group, association, corporation, Indian tribe, or other private legal entity (other than a nonprofit private legal entity) that has definitive decision-making authority over nonindustrial private forest lands through a long-term lease or other land tenure systems.

“(3) SECRETARY.—The term ‘Secretary’ means the Secretary of Agriculture.

“(4) STATE FORESTER.—The term ‘State forester’ means the director or other head of a State Forestry Agency or equivalent State official.

“(j) AVAILABILITY OF FUNDS.—The Secretary shall use \$200,000,000 of funds of the Commodity Credit Corporation to carry out the Program during the period beginning on October 1, 2001, and ending on September 30, 2011.”

(d) CONFORMING AMENDMENT.—Section 246(b)(2) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)(2)) is amended by striking “forestry incentive program” and inserting “Forest Land Enhancement Program”.

#### SEC. 803. RENEWABLE RESOURCES EXTENSION ACTIVITIES.

(a) EXTENSION AND AUTHORIZATION INCREASE.—Section 6 of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1675) is amended—

(1) by striking “\$15,000,000” and inserting “\$30,000,000”; and

(2) by striking “2002” and inserting “2011”.

(b) SUSTAINABLE FORESTRY OUTREACH INITIATIVE.—The Renewable Resources Extension Act of 1978 is amended by inserting after section 5A (16 U.S.C. 1674a) the following new section:

#### “SEC. 5B. SUSTAINABLE FORESTRY OUTREACH INITIATIVE.

“The Secretary shall establish a program to be known as the ‘Sustainable Forestry Outreach Initiative’ for the purpose of educating landowners regarding the following:

“(1) The value and benefits of practicing sustainable forestry.

“(2) The importance of professional forestry advice in achieving their sustainable forestry objectives.

“(3) The variety of public and private sector resources available to assist them in planning for and practicing sustainable forestry.”

#### SEC. 804. ENHANCED COMMUNITY FIRE PROTECTION.

(a) FINDINGS.—Congress finds the following:

(1) The severity and intensity of wildland fires has increased dramatically over the

past few decades as a result of past fire and land management policies.

(2) The record 2000 fire season is a prime example of what can be expected if action is not taken.

(3) These wildfires threaten not only the nation’s forested resources, but the thousands of communities intermingled with the wildlands in the wildland-urban interface.

(4) The National Fire Plan developed in response to the 2000 fire season is the proper, coordinated, and most effective means to address this wildfire issue.

(5) Whereas adequate authorities exist to tackle the wildfire issues at the landscape level on Federal lands, there is limited authority to take action on most private lands where the largest threat to life and property lies.

(6) There is a significant Federal interest in enhancing community protection from wildfire.

(b) ENHANCED PROTECTION.—The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 10 (16 U.S.C. 2106) the following new section:

#### “SEC. 10A. ENHANCED COMMUNITY FIRE PROTECTION.

“(a) COOPERATIVE MANAGEMENT RELATED TO WILDFIRE THREATS.—The Secretary may cooperate with State foresters and equivalent State officials in the management of lands in the United States for the following purposes:

“(1) Aid in wildfire prevention and control.

“(2) Protect communities from wildfire threats.

“(3) Enhance the growth and maintenance of trees and forests that promote overall forest health.

“(4) Ensure the continued production of all forest resources, including timber, outdoor recreation opportunities, wildlife habitat, and clean water, through conservation of forest cover on watersheds, shelterbelts, and windbreaks.

“(b) COMMUNITY AND PRIVATE LAND FIRE ASSISTANCE PROGRAM.—

“(1) ESTABLISHMENT; PURPOSE.—The Secretary shall establish a Community and Private Land Fire Assistance program (in this section referred to as the ‘Program’)—

“(A) to focus the Federal role in promoting optimal firefighting efficiency at the Federal, State, and local levels;

“(B) to augment Federal projects that establish landscape level protection from wildfires;

“(C) to expand outreach and education programs to homeowners and communities about fire prevention; and

“(D) to establish defensible space around private landowners homes and property against wildfires.

“(2) ADMINISTRATION AND IMPLEMENTATION.—The Program shall be administered by the Forest Service and implemented through the State forester or equivalent State official.

“(3) COMPONENTS.—In coordination with existing authorities under this Act, the Secretary may undertake on both Federal and non-Federal lands—

“(A) fuel hazard mitigation and prevention;

“(B) invasive species management;

“(C) multi-resource wildfire planning;

“(D) community protection planning;

“(E) community and landowner education enterprises, including the program known as FIREWISE;

“(F) market development and expansion;

“(G) improved wood utilization;

“(H) special restoration projects.

“(4) CONSIDERATIONS.—The Secretary shall use local contract personnel wherever possible to carry out projects under the Program.

“(c) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated to the Secretary \$35,000,000 for each of fiscal years 2002 through 2011, and such sums as may be necessary thereafter, to carry out this section.”.

#### SEC. 805. INTERNATIONAL FORESTRY PROGRAM.

Section 2405(d) of the Global Climate Change Prevention Act of 1990 (title XXIV of Public Law 101-624; 7 U.S.C. 6704(d)) is amended by striking “2002” and inserting “2011”.

#### SEC. 806. WILDFIRE PREVENTION AND HAZARDOUS FUEL PURCHASE PROGRAM.

(a) FINDINGS.—Congress finds that—

(1) the damage caused by wildfire disasters has been equivalent in magnitude to the damage resulting from the Northridge earthquake, Hurricane Andrew, and the recent flooding of the Mississippi River and the Red River;

(2) more than 20,000 communities in the United States are at risk from wildfire and approximately 11,000 of those communities are located near Federal land;

(3) the accumulation of heavy forest fuel loads continues to increase as a result of disease, insect infestations, and drought, further increasing the risk of fire each year;

(4) modification of forest fuel load conditions through the removal of hazardous fuels would—

(A) minimize catastrophic damage from wildfires;

(B) reduce the need for emergency funding to respond to wildfires; and

(C) protect lives, communities, watersheds, and wildlife habitat;

(5) the hazardous fuels removed from forest land represent an abundant renewable resource, as well as a significant supply of biomass for biomass-to-energy facilities;

(6) the United States should invest in technologies that promote economic and entrepreneurial opportunities in processing forest products removed through hazardous fuel reduction activities; and

(7) the United States should—

(A) develop and expand markets for traditionally underused wood and other biomass as a value-added outlet for excessive forest fuels; and

(B) commit resources to support planning, assessments, and project reviews to ensure that hazardous fuels management is accomplished expeditiously and in an environmentally sound manner.

(b) DEFINITIONS.—In this section:

(1) BIOMASS-TO-ENERGY FACILITY.—The term “biomass-to-energy facility” means a facility that uses biomass as a raw material to produce electric energy, useful heat, or a transportation fuel.

(2) ELIGIBLE COMMUNITY.—The term “eligible community” means—

(A) any town, township, municipality, or other similar unit of local government (as determined by the Secretary), or any area represented by a nonprofit corporation or institution organized under Federal or State law to promote broad-based economic development, that—

(i) has a population of not more than 10,000 individuals;

(ii) is located within a county in which at least 15 percent of the total primary and secondary labor and proprietor income is derived from forestry, wood products, and forest-related industries, such as recreation, forage production, and tourism; and

(iii) is located near forest land, the condition of which land the Secretary determines poses a substantial present or potential hazard to the safety of—

(I) a forest ecosystem;

(II) wildlife; or

(III) in the case of a wildfire, human, community, or firefighter safety, in a year in which drought conditions are present; and

(B) any county that is not contained within a metropolitan statistical area that meets the conditions described in clauses (ii) and (iii) of subparagraph (A).

(3) FOREST BIOMASS.—The term “forest biomass” means fuel and biomass accumulation from precommercial thinnings, slash, and brush on forest land of the United States.

(4) HAZARDOUS FUEL.—

(A) IN GENERAL.—The term “hazardous fuel” means any excessive accumulation of organic material on public and private forest land (especially land in an urban-wildland interface area or in an area that is located near an eligible community and designated as condition class 2 under the report of the Forest Service entitled ‘Protecting People and Sustainable Resources in Fire-Adapted Ecosystems’, dated October 13, 2000, or that is designated as condition class 3 under that report) that the Secretary determines poses a substantial present or potential hazard to the safety of—

(i) a forest ecosystem;

(ii) wildlife; or

(iii) in the case of wildfire, human, community, or firefighter safety, in a year in which drought conditions are present.

(B) EXCLUSION.—The term “hazardous fuel” does not include forest biomass.

(5) INDIAN TRIBE.—The term “Indian tribe” has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(6) SECRETARY.—The term “Secretary” means—

(A) the Secretary of Agriculture (or a designee), with respect to National Forest System land and private land in the United States; and

(B) the Secretary of the Interior (or a designee) with respect to Federal land under the jurisdiction of the Secretary of the Interior or an Indian tribe.

(c) HAZARDOUS FUEL GRANT PROGRAM.—

(1) GRANTS.—

(A) IN GENERAL.—Subject to the availability of appropriations, the Secretary may make grants to persons that operate biomass-to-energy facilities to offset the costs incurred by those persons in purchasing hazardous fuels derived from public and private forest land adjacent to eligible communities.

(B) SELECTION CRITERIA.—The Secretary shall select recipients for grants under subparagraph (A) based on—

(i) planned purchases by the recipients of hazardous fuels, as demonstrated by the recipient through the submission to the Secretary of such assurances as the Secretary may require; and

(ii) the level of anticipated benefits of those purchases in reducing the risk of wildfires.

(2) GRANT AMOUNTS.—

(A) IN GENERAL.—A grant under this subsection shall—

(i) be based on—

(I) the distance required to transport hazardous fuels to a biomass-to-energy facility; and

(II) the cost of removal of hazardous fuels; and

(ii) be in an amount that is at least equal to the product obtained by multiplying—

(I) the number of tons of hazardous fuels delivered to a grant recipient; by

(II) an amount that is at least \$5 but not more than \$10 per ton of hazardous fuels, as determined by the Secretary taking into consideration the factors described in clause (i).

(B) LIMITATION ON INDIVIDUAL GRANTS.—

(i) IN GENERAL.—Except as provided in clause (ii), a grant under subparagraph (A)

shall not exceed \$1,500,000 for any biomass-to-energy facility for any year.

(ii) SMALL BIOMASS-TO-ENERGY FACILITIES.—A biomass-to-energy facility that has an annual production of 5 megawatts or less shall not be subject to the limitation under clause (i).

(3) MONITORING OF GRANT RECIPIENT ACTIVITIES.—

(A) IN GENERAL.—As a condition of receipt of a grant under this subsection, a grant recipient shall keep such records as the Secretary may require, including records that—

(i) completely and accurately disclose the use of grant funds; and

(ii) describe all transactions involved in the purchase of hazardous fuels derived from forest land.

(B) ACCESS.—On notice by the Secretary, the operator of a biomass-to-energy facility that purchases hazardous fuels, or uses hazardous fuels purchased, with funds from a grant under this subsection shall provide the Secretary with—

(i) reasonable access to the biomass-to-facility; and

(ii) an opportunity to examine the inventory and records of the biomass-to-energy facility.

(4) MONITORING OF EFFECT OF TREATMENTS.—The Secretary shall monitor Federal land from which hazardous fuels are removed and sold to a biomass-to-energy facility under this subsection to determine and document the reduction in fire hazards on that land.

(5) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection \$50,000,000 for each fiscal year.

(d) LONG-TERM FOREST STEWARDSHIP CONTRACTS FOR HAZARDOUS FUELS REMOVAL.—

(1) ANNUAL ASSESSMENT OF TREATMENT ACREAGE.—

(A) IN GENERAL.—Subject to the availability of appropriations, not later than March 1 of each of fiscal years 2002 through 2006, the Secretary shall submit to Congress an assessment of the number of acres of Federal forest land recommended to be treated during the subsequent fiscal year using stewardship end result contracts authorized by paragraph (3).

(B) COMPONENTS.—The assessment shall—

(i) be based on the treatment schedules contained in the report entitled ‘Protecting People and Sustaining Resources in Fire-Adapted Ecosystems’, dated October 13, 2000 and incorporated into the National Fire Plan;

(ii) identify the acreage by condition class, type of treatment, and treatment year to achieve the restoration goals outlined in the report within 10-, 15-, and 20-year time periods;

(iii) give priority to condition class 3 areas (as described in subsection (a)(4)(A)), include modifications in the restoration goals based on the effects of—

(I) fire;

(II) hazardous fuel treatments under the National Fire Plan; or

(III) updates in data;

(iv) provide information relating to the type of material and estimated quantities and range of sizes of material that shall be included in the treatments;

(v) describe the land allocation categories in which the contract authorities shall be used; and

(vi) give priority to areas described in subsection (a)(4)(A).

(2) FUNDING RECOMMENDATION.—The Secretary shall include in the annual assessment under paragraph (1) a request for funds sufficient to implement the recommendations contained in the assessment using stewardship end result contracts described in



paragraph (3) in any case in which the Secretary determines that the objectives of the National Fire Plan would best be accomplished through forest stewardship end result contracting.

**(3) STEWARDSHIP END RESULT CONTRACTING.—**

(A) IN GENERAL.—Subject to the availability of appropriations, the Secretary may enter into stewardship end result contracts to implement the National Fire Plan on National Forest System land based on the stewardship treatment schedules provided in the annual assessments conducted under paragraph (1).

(B) PERIOD OF CONTRACTS.—The contracting goals and authorities described in subsections (b) through (g) of section 347 of the Department of the Interior and Related Agencies Appropriations Act, 1999 (commonly known as the ‘Stewardship End Result Contracting Demonstration Project’) (16 U.S.C. 2104 note; Public Law 105-277), shall apply to contracts entered into under this paragraph, except that the period of each such contract shall be 10 years.

(C) STATUS REPORT.—Beginning with the assessment required under paragraph (1) for fiscal year 2003, the Secretary shall include in the annual assessment under paragraph (1) a status report of the stewardship end result contracts entered into under this paragraph.

(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this subsection.

(e) TERMINATION OF AUTHORITY.—The authority provided under this section shall terminate on September 30, 2006.

**SEC. 807. MCINTIRE-STENNIS COOPERATIVE FORESTRY RESEARCH PROGRAM.**

It is the sense of Congress to reaffirm the importance of Public Law 87-88 (16 U.S.C. 582a et seq.), commonly known as the McIntire-Stennis Cooperative Forestry Act.

**TITLE IX—MISCELLANEOUS PROVISIONS**  
**Subtitle A—Tree Assistance Program**

**SEC. 901. ELIGIBILITY.**

(a) LOSS.—Subject to the limitation in subsection (b), the Secretary of Agriculture shall provide assistance, as specified in section 902, to eligible orchardists that planted trees for commercial purposes but lost such trees as a result of a natural disaster, as determined by the Secretary.

(b) LIMITATION.—An eligible orchardist shall qualify for assistance under subsection (a) only if such orchardist's tree mortality, as a result of the natural disaster, exceeds 15 percent (adjusted for normal mortality).

**SEC. 902. ASSISTANCE.**

The assistance provided by the Secretary of Agriculture to eligible orchardists for losses described in section 901 shall consist of either—

(1) reimbursement of 75 percent of the cost of replanting trees lost due to a natural disaster, as determined by the Secretary, in excess of 15 percent mortality (adjusted for normal mortality); or

(2) at the discretion of the Secretary, sufficient seedlings to reestablish the stand.

**SA 2679.** Mr. DURBIN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike the period at the end of section 164 and insert a period and the following:

**SEC. 165. RESTRICTION OF COMMODITY AND CROP INSURANCE PAYMENTS, LOANS, AND BENEFITS TO PREVIOUSLY CROPPED LAND; FOOD STAMP PROGRAM FUNDING INCREASES.**

(a) RESTRICTION.—Section 194 of the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104-127; 110 Stat. 945) is amended to read as follows:

**“SEC. 194. RESTRICTION OF COMMODITY AND CROP INSURANCE PAYMENTS, LOANS, AND BENEFITS TO PREVIOUSLY CROPPED LAND.**

“(a) DEFINITION OF AGRICULTURAL COMMODITY.—In this section:

“(1) IN GENERAL.—The term ‘agricultural commodity’ has the meaning given the term in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602).

“(2) EXCLUSIONS.—The term ‘agricultural commodity’ does not include forage, livestock, timber, forest products, or hay.

“(b) COMMODITIES.—

“(1) IN GENERAL.—Notwithstanding any other provision of this title, except as provided in paragraph (2), the Secretary shall not provide a payment, loan, or other benefit under this title to an owner or producer, with respect to land or a loan commodity planted or considered planted on land during a crop year unless the land has been planted, considered planted, or devoted to an agricultural commodity during —

“(A) at least 1 of the 5 crop years preceding the 2002 crop year; or

“(B) at least 3 of the 10 crop years preceding the 2002 crop year.

“(2) CROP ROTATION.—Paragraph (1) shall not apply to an owner or producer, with respect to any agricultural commodity planted or considered planted, on land if the land—

“(A) has been planted, considered planted, or devoted to an agricultural commodity during at least 1 of the 20 crop years preceding the 2002 crop year; and

“(B) has been maintained, and will continue to be maintained, using long-term crop rotation practices, as determined by the Secretary.

“(c) CROP INSURANCE.—Notwithstanding any provision of the Federal Crop Insurance Act (7 U.S.C.1501 et seq.), the Federal Crop Insurance Corporation shall not pay premium subsidies or administrative costs of a reinsured company for insurance regarding a crop insurance policy of a producer under that Act unless, the land that is covered by the insurance policy—

“(1) has been planted, considered planted, or devoted to an agricultural commodity during—

“(A) at least 1 of the 5 crop years preceding the 2002 crop year; or

“(B) at least 3 of the 10 crop years preceding the 2002 crop year; or

“(2)(A) has been planted, considered planted, or devoted to an agricultural commodity during at least 1 of the 20 crop years preceding the 2002 crop year; and

“(B) has been maintained, and will continue to be maintained, using long-term crop rotation practices, as determined by the Secretary.

“(d) CONSERVATION RESERVE LAND.—For purposes of this section, land that is enrolled in the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C.3831 et seq.) shall be considered planted to an agricultural commodity.”.

(b) FOOD STAMP PROGRAM.—

(1) EXCLUSION OF LICENSED VEHICLES FROM FINANCIAL RESOURCES.—

(A) IN GENERAL.—Section 5(g)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)) is

amended by striking subparagraph (C) and inserting the following:

“(C) EXCLUDED VEHICLES.—Financial resources under this paragraph shall not include—

“(i) 1 licensed vehicle per household; and

“(ii) a vehicle (and any other property, real or personal, to the extent that the property is directly related to the maintenance or use of the vehicle) if the vehicle is—

“(I) used to produce earned income;

“(II) necessary for the transportation of a physically disabled household member; or

“(III) depended on by a household to carry fuel for heating or water for home use and provides the primary source of fuel or water, respectively, for the household.”.

(B) CONFORMING AMENDMENT.—Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by striking subsection (h).

(2) NUTRITION ASSISTANCE FOR ELDERLY INDIVIDUALS.—

(A) RESTORATION OF ELIGIBILITY.—Section 402(a)(2)(I) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(I)) is amended by striking “who” and all that follows and inserting the following: “who—

“(i) is lawfully residing in the United States; and

“(ii) is 65 years of age or older.”.

(B) CONFORMING AMENDMENTS.—

(i) Section 421(d)(3) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1631(d)(3)) (as added by section 452(a)(2)(B)) is amended by striking “section 402(a)(2)(J)” and inserting “subparagraph (I) or (J) of section 402(a)(2)”.

(ii) Section 423(d) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1183a note; Public Law 104-193) is amended by adding at the end the following:

“(12) Benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).”.

(iii) Section 5(i)(2)(E) of the Food Stamp Act of 1977 (7 U.S.C. 2014(i)(2)(E)) (as amended by section 452(a)(2)(C)) is amended by inserting before the period at the end the following: “or is 65 years of age or older”.

(C) APPLICABILITY.—The amendments made by this paragraph shall apply to fiscal year 2004 and each fiscal year thereafter.

**SA 2680.** Mr. CRAIG submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**SEC. 1022. STUDY OF PROPOSAL TO PROHIBIT PACKERS FROM OWNING, FEEDING, OR CONTROLLING LIVESTOCK.**

(a) IN GENERAL.—Not later than 270 days after the date of enactment of this Act, the Secretary of Agriculture shall complete a study to determine the impact that prohibiting packers described in subsection (b) from owning, feeding, or controlling livestock intended for slaughter more than 14 days prior to slaughter would have on—

(1) livestock producers that market under contract, grid, basis contract, or forward contract;

(2) rural communities and employees of commercial feedlots associated with a packer;

(3) private or cooperative joint ventures in packing facilities;

(4) livestock producers that market feeder livestock to feedlots owned or controlled by packers;

(5) the market price for livestock (both cash and future prices);

(6) the ability of livestock producers to obtain credit from commercial sources;

(7) specialized programs for marketing specific cuts of meat;

(8) the ability of the United States to compete in international livestock markets; and

(9) future investment decisions by packers and the potential location of new livestock packing operations.

(b) **PACKERS.**—The packers referred to in subsection (a) are packers that slaughter more than 2 percent of the slaughter of a particular type of livestock slaughtered in the United States in any year.

(c) **CONSIDERATION.**—In conducting the study under subsection (a), the Secretary of Agriculture shall—

(1) consider the legal conditions that have existed in the past regarding the feeding by packers of livestock intended for slaughter; and

(2) determine the impact of those legal conditions.

(d) **EFFECTIVENESS OF OTHER PROVISION.**—The section entitled “**PROHIBITION ON PACKERS OWNING, FEEDING, OR CONTROLLING LIVESTOCK**”, amending section 202 of the Packers and Stockyards Act, 1921 (7 U.S.C. 192), shall have no effect.

**SA 2681.** Mr. CRAIG submitted an amendment intended to be proposed by him to the bill S. 1731 to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**SEC. \_\_\_\_ STUDY OF PROPOSAL TO PROHIBIT PACKERS FROM OWNING, FEEDING, OR CONTROLLING LIVESTOCK.**

(a) **IN GENERAL.**—Not later than 270 days after the date of enactment of this Act, the Secretary of Agriculture shall complete a study to determine the impact that prohibiting packers described in subsection (b) from owning, feeding, or controlling livestock intended for slaughter more than 14 days prior to slaughter would have on—

(1) livestock producers that market under contract, grid, basis contract, or forward contract;

(2) rural communities and employees of commercial feedlots associated with a packer;

(3) private or cooperative joint ventures in packing facilities;

(4) livestock producers that market feeder livestock to feedlots owned or controlled by packers;

(5) the market price for livestock (both cash and future prices);

(6) the ability of livestock producers to obtain credit from commercial sources;

(7) specialized programs for marketing specific cuts of meat;

(8) the ability of the United States to compete in international livestock markets; and

(9) future investment decisions by packers and the potential location of new livestock packing operations.

(b) **PACKERS.**—The packers referred to in subsection (a) are packers that slaughter

more than 2 percent of the slaughter of a particular type of livestock slaughtered in the United States in any year.

(c) **CONSIDERATION.**—In conducting the study under subsection (a), the Secretary of Agriculture shall—

(1) consider the legal conditions that have existed in the past regarding the feeding by packers of livestock intended for slaughter; and

(2) determine the impact of those legal conditions.

(d) **EFFECTIVENESS OF OTHER PROVISION.**—The section entitled “**PROHIBITION ON PACKERS OWNING, FEEDING, OR CONTROLLING LIVESTOCK**”, amending section 202 of the Packers and Stockyards Act, 1921 (7 U.S.C. 192), shall have no effect.

**SA 2682.** Mr. DORGAN submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike section 165 and insert the following:

**SEC. 165. PAYMENT AND NET INCOME LIMITATIONS.**

(a) **PAYMENT LIMITATIONS.**—

(1) **IN GENERAL.**—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking paragraphs (1) through (4) and inserting the following:

“(1) **LIMITATION ON DIRECT PAYMENTS.**—The total amount of direct payments made to a person during any fiscal year may not exceed \$80,000, with a separate limitation for—

“(A) all contract commodities; and

“(B) peanuts.

“(2) **LIMITATION ON COUNTER-CYCLICAL PAYMENTS.**—The total amount of counter-cyclical payments made to a person during any fiscal year may not exceed \$75,000, with a separate limitation for—

“(A) all contract commodities; and

“(B) peanuts.

“(3) **LIMITATION ON MARKETING LOAN GAINS AND LOAN DEFICIENCY PAYMENTS.**—

“(A) **IN GENERAL.**—The total amount of the payments and benefits specified in subparagraph (B) that a person shall be entitled to receive under title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7201 et seq.) for 1 or more loan commodities during any crop year may not exceed \$75,000, with a separate limitation for—

“(i) all loan commodities (other than wool and honey);

“(ii) wool;

“(iii) honey; and

“(iv) peanuts.

“(B) **DESCRIPTION OF PAYMENTS AND BENEFITS SUBJECT TO LIMITATION.**—The payments referred to in subparagraph (A) are the following:

“(i) **MARKETING LOAN GAINS.**—Any gain realized by a producer from repaying a marketing assistance loan under section 131 or 158G(a) of the Federal Agriculture Improvement and Reform Act of 1996 for a crop of any loan commodity or peanuts, respectively, at a lower level than the original loan rate established for the loan commodity or peanuts under section 132 or 158G(d) of that Act, respectively.

“(ii) **LOAN DEFICIENCY PAYMENTS.**—Any loan deficiency payment received for a loan commodity or peanuts under section 135 or 158G(e) of that Act, respectively.

“(4) **DEFINITIONS.**—In paragraphs (1) through (3):

“(A) **CONTRACT COMMODITY.**—The term ‘contract commodity’ has the meaning given the term in section 102 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7202).

“(B) **COUNTER-CYCLICAL PAYMENT.**—The term ‘counter-cyclical payment’ means a payment made under section 114 or 158D of that Act.

“(C) **DIRECT PAYMENT.**—The term ‘direct payment’ means a payment made under section 113 or 158C of that Act.

“(D) **LOAN COMMODITY.**—The term ‘loan commodity’ has the meaning given the term in section 102 of that Act.

“(E) **SECRETARY.**—The term ‘Secretary’ means the Secretary of Agriculture.”

(2) **TRANSITION.**—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308), as in effect on the day before the date of the enactment of this Act, shall continue to apply with respect to fiscal year 2001 and the 2001 crop of any contract commodity or loan commodity (as defined in section 102 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7202)).

(b) **NET INCOME LIMITATION.**—The Food Security Act of 1985 is amended by inserting after section 1001E (7 U.S.C. 1308-5) the following:

**“SEC. 1001F. NET INCOME LIMITATION.**

“(a) **DEFINITIONS.**—In this section:

“(1) **ADJUSTED GROSS AGRICULTURAL INCOME.**—The term ‘adjusted gross agricultural income’ means the adjusted gross income for all agricultural enterprises of an owner or producer in a year, excluding revenue earned from nonagricultural sources, as determined by the Secretary—

“(A) by taking into account gross receipts from the sale of crops and livestock on all agricultural enterprises of the owner or producer, including insurance indemnities resulting from losses in the agricultural enterprises;

“(B) by including all farm payments paid by the Secretary for all agricultural enterprises of the owner or producer, including payments and benefits described in section 1001(2)(B);

“(C) by deducting the cost or basis of livestock or other items purchased for resale, such as feeder livestock, on all agricultural enterprises of the owner or producer; and

“(D) as represented on a schedule F of the Federal income tax returns of the owner or producer or a comparable tax form related to the agricultural enterprises of the owner or producer, as approved by the Secretary.

“(2) **ADJUSTED GROSS INCOME.**—The term ‘adjusted gross income’ has the meaning given the term in section 62 of the Internal Revenue Code of 1986.

“(b) **LIMITATION.**—Notwithstanding any other provision of title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7201 et seq.), an owner or producer shall not be eligible for a payment or benefit described in paragraphs (1) or (2) of section 1001 for a fiscal or crop year (as appropriate) if—

“(1) the average adjusted gross income of the owner or producer for each of the preceding 3 taxable years exceeds \$2,500,000; and

“(2) less than 75 percent of the adjusted gross income of the owner or producer is adjusted gross agricultural income.”

(c) **LOAN DEFICIENCY PAYMENTS.**—

(1) **ELIGIBILITY.**—Section 135 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235) (as amended by section 126(1)) is amended by striking subsection (a) and inserting the following:

“(a) **IN GENERAL.**—The Secretary may make loan deficiency payments available to—

“(1) producers on a farm that, although eligible to obtain a marketing assistance loan

under section 131 with respect to a loan commodity, agree to forgo obtaining the loan for the covered commodity in return for payments under this section; and

“(2) effective only for the 2000 and 2001 crop years, producers that, although not eligible to obtain such a marketing assistance loan under section 131, produce a loan commodity.”.

(2) **BENEFICIAL INTEREST.**—Section 135(e)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235(e)) (as amended by section 126(2)) is amended by striking “A producer” and inserting “Effective for the 2001 crop, a producer”.

(d) **PAYMENTS IN LIEU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.**—Subtitle C of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7231 et seq.) is amended by adding at the end the following:

**“SEC. 138. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.**

“(a) **IN GENERAL.**—For each of the 2002 through 2006 crops of wheat, grain sorghum, barley, and oats, in the case of the producers on a farm that would be eligible for a loan deficiency payment under section 135 for wheat, grain sorghum, barley, or oats, but that elects to use acreage planted to the wheat, grain sorghum, barley, or oats for the grazing of livestock, the Secretary shall make a payment to the producers on the farm under this section if the producers on the farm enter into an agreement with the Secretary to forgo any other harvesting of the wheat, grain sorghum, barley, or oats on the acreage.

“(b) **PAYMENT AMOUNT.**—The amount of a payment made to the producers on a farm under this section shall be equal to the amount obtained by multiplying—

“(1) the loan deficiency payment rate determined under section 135(c) in effect, as of the date of the agreement, for the county in which the farm is located; by

“(2) the payment quantity obtained by multiplying—

“(A) the quantity of the grazed acreage on the farm with respect to which the producers on the farm elect to forgo harvesting of wheat, grain sorghum, barley, or oats; and

“(B) the payment yield for that contract commodity on the farm.

“(c) **TIME, MANNER, AND AVAILABILITY OF PAYMENT.**—

“(1) **TIME AND MANNER.**—A payment under this section shall be made at the same time and in the same manner as loan deficiency payments are made under section 135.

“(2) **AVAILABILITY.**—The Secretary shall establish an availability period for the payment authorized by this section that is consistent with the availability period for wheat, grain sorghum, barley, and oats established by the Secretary for marketing assistance loans authorized by this subtitle.

“(d) **PROHIBITION ON CROP INSURANCE OR NONINSURED CROP ASSISTANCE.**—The producers on a farm shall not be eligible for insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) or noninsured crop assistance under section 196 with respect to a 2002 through 2006 crop of wheat, grain sorghum, barley, or oats planted on acreage that the producers on the farm elect, in the agreement required by subsection (a), to use for the grazing of livestock in lieu of any other harvesting of the crop.”.

**SA 2683.** Mr. LEAHY submitted an amendment intended to be proposed to amendment SA 2568 submitted by Mr. HELMS and intended to be proposed to the amendment SA 2471 proposed by Mr. DASCHLE to the bill (S. 1731) to strengthen the safety net for agricul-

tural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

In lieu of the matter proposed to be inserted, in amendment No. 2568, insert the following:

**SEC. 1. UNLAWFUL STOCKYARD PRACTICES INVOLVING NONAMBULATORY LIVESTOCK.**

Title III of the Packers and Stockyards Act, 1921, (7 U.S.C. 201 et seq.) is amended by adding at the end the following:

**“SEC. 318. UNLAWFUL STOCKYARD PRACTICES INVOLVING NONAMBULATORY LIVESTOCK.**

“(a) **DEFINITIONS.**—In this section:

“(1) **HUMANELY EUTHANIZE.**—The term ‘humanely euthanize’ means to kill an animal by mechanical, chemical, or other means that immediately render the animal unconscious, with this state remaining until the animal’s death.

“(2) **NONAMBULATORY LIVESTOCK.**—The term ‘nonambulatory livestock’ means any livestock that is unable to stand and walk unassisted.

“(b) **UNLAWFUL PRACTICES.**—

“(1) **IN GENERAL.**—Except as provided in paragraph (2), it shall be unlawful for any stockyard owner, market agency, or dealer to buy, sell, give, receive, transfer, market, hold, or drag any nonambulatory livestock unless the nonambulatory livestock has been humanely euthanized.

“(2) **EXCEPTIONS.**—

“(A) **NON-GIPSA FARMS.**—Paragraph (1) shall not apply to any farm the animal care practices of which are not subject to the authority of the Grain Inspection, Packers, and Stockyards Administration.

“(B) **VETERINARY CARE.**—Paragraph (1) shall not apply in a case in which nonambulatory livestock receive veterinary care intended to render the livestock ambulatory.

“(c) **APPLICATION OF PROHIBITION.**—Subsection (b) shall apply beginning one year after the date of the enactment of the Agriculture, Conservation, and Rural Enhancement Act of 2001. By the end of such period, the Secretary shall promulgate regulations to carry out this section.”.

**SA 2684.** Mr. LEVIN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike the period at the end of subtitle C of title X and insert a period and the following:

**SEC. 1033. IMPORTATION OF MUNICIPAL SOLID WASTE.**

(a) **DEFINITION OF MUNICIPAL SOLID WASTE.**—

(1) **IN GENERAL.**—In this section, the term “municipal solid waste” means waste material generated by—

(A) a household (including a single family or multifamily residence); and

(B) a commercial, industrial, or institutional entity, to the extent that the waste material—

(i) is essentially the same as waste normally generated by a household;

(ii) is collected and disposed of with other municipal solid waste as part of normal municipal solid waste collection services; and

(iii) contains a relative quantity of hazardous substances no greater than the relative quantity of hazardous substances contained in waste material generated by a typical single-family household.

(2) **INCLUSIONS.**—The term “municipal solid waste” includes—

(A) food and yard waste;

(B) paper;

(C) clothing;

(D) appliances;

(E) consumer product packaging;

(F) disposable diapers;

(G) office supplies;

(H) cosmetics;

(I) glass and metal food containers;

(J) elementary or secondary school science laboratory waste; and

(K) household hazardous waste.

(3) **EXCLUSIONS.**—The term “municipal solid waste” does not include—

(A) combustion ash generated by resource recovery facilities or municipal incinerators; or

(B) waste material from manufacturing or processing operations (including pollution control operations) that is not essentially the same as waste normally generated by households.

(b) **IMPLEMENTATION OF AGREEMENTS.**—As soon as practicable after the date of enactment of this Act, the President shall implement the agreement entitled “Agreement Between the Government of the United States and the Government of Canada Concerning the Transboundary Movement of Hazardous Waste, Ottawa, 1986”, done at Ottawa on October 28, 1986 (TIAS 11099), as amended at Washington on November 4 and 25, 1992.

**SA 2685.** Mr. ALLARD submitted an amendment intended to be proposed by him to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**SEC. . AGRICULTURAL RESEARCH AND TECHNOLOGY.**

(a) **FIELD STUDIES.**—

(1) **IN GENERAL.**—As soon as practicable after the date of enactment of this Act, the Secretary of Agriculture shall conduct field studies on—

(A) the transmission of spongiform encephalopathy in deer, elk, and moose; and

(B) chronic wasting disease (including the risks that chronic wasting disease poses to livestock).

(2) **REPORT.**—Not later than February 1, 2002, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the results of the field studies.

(b) **RESEARCH AND EXTENSION GRANT PROGRAM.**—As soon as practicable after the date of enactment of this Act, the Secretary shall establish a program to provide research and extension grants to eligible entities (as determined by the Secretary) to develop, for livestock production—

(1) prevention and control methodologies for infectious animal diseases that affect trade, including—

(A) vesicular stomatitis;  
 (B) bovine tuberculosis;  
 (C) transmissible spongiform encephalopathy;  
 (D) brucellosis; and  
 (E) *E. coli* 0157:H7 infection;  
 (2) laboratory tests to expedite detection of—

(A) infected livestock; and  
 (B) the presence of diseases within herds or flocks of livestock; and  
 (3) prevention strategies, including vaccination programs, for infectious diseases that affect livestock.

(C) OFFICE OF SCIENCE AND TECHNOLOGY POLICY.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the President shall—

(A) establish within the Office of Science and Technology Policy a noncareer, senior executive service appointment position for a Veterinary Advisor; and  
 (B) appoint an individual to the position.

(2) QUALIFICATIONS; DUTIES.—The individual appointed to the position described in paragraph (1) shall—

(A) hold the degree of Doctor of Veterinary Medicine from an accredited college of veterinary medicine in the United States; and  
 (B) provide to the science advisor of the President expertise in—

(i) exotic animal disease detection, prevention, and control;  
 (ii) food safety; and  
 (iii) animal agriculture.

(3) EXECUTIVE SCHEDULE PAY RATES.—Section 5313 of title 5, United States Code, is amended by adding at the end the following:

“Veterinary Advisor, Office of Science and Technology Policy.”

(d) VACCINES.—

(1) VACCINE STORAGE STUDY.—Not later than December 1, 2001, the Secretary shall—

(A) conduct a study to determine the number of doses of livestock disease vaccines that should be available to protect against livestock diseases that could be introduced into the United States; and

(B) compare that number with the number of doses of the livestock disease vaccines that are available as of that date.

(2) STOCKPILING OF VACCINES.—If, after conducting the study and comparison described in paragraph (1), the Secretary determines that there is an insufficient number of doses of a particular vaccine referred to in that paragraph, the Secretary shall take such actions as are necessary to obtain the required additional doses of the vaccine.

(e) VETERINARY TRAINING.—Not later than December 1, 2001, the Secretary shall develop a plan to ensure that, during the 2-year period beginning on that date, veterinarians representing all regions of the United States, especially regions in which livestock production is a major industry, are trained to identify highly infectious livestock diseases.

(f) FUNDING FOR FISCAL YEAR 2002.—

(1) IN GENERAL.—On October 1, 2002, out of any moneys in the Treasury not otherwise appropriated, the Secretary of the Treasury shall provide to the Secretary \$15,000,000 to carry out this section, to remain available until expended.

(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive the funds and shall accept the funds provided under paragraph (1), without further appropriation.

**SA 2686.** Mr. GRASSLEY (for himself, Mr. HAGEL, Mr. LUGAR, and Mr. JOHNSON) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for

agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

In lieu of the matter to be inserted, insert: Notwithstanding any other provision of this act, the payment limitation provisions shall be:

**SEC. . PAYMENT LIMITATIONS; NUTRITION AND COMMODITY PROGRAMS.**

(a) PAYMENT LIMITATIONS.—

(1) IN GENERAL.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking paragraphs (1) through (6) and inserting the following:

“(1) LIMITATIONS ON DIRECT AND COUNTER-CYCLICAL PAYMENTS.—Subject to paragraph (5)(A), the total amount of direct payments and counter-cyclical payments made directly or indirectly to an individual or entity during any fiscal year may not exceed \$75,000.

“(2) LIMITATIONS ON MARKETING LOAN GAINS, LOAN DEFICIENCY PAYMENTS, AND COMMODITY CERTIFICATE TRANSACTIONS.—

“(A) IN GENERAL.—Subject to paragraph (5)(A), the total amount of the payments and benefits described in subparagraph (B) that an individual or entity may directly or indirectly receive during any crop year may not exceed \$150,000.

“(B) PAYMENTS AND BENEFITS.—Subparagraph (A) shall apply to the following payments and benefits:

“(i) MARKETING LOAN GAINS.—

“(I) REPAYMENT GAINS.—Any gain realized by a producer from repaying a marketing assistance loan under section 131 or 158G(a) of the Federal Agriculture Improvement and Reform Act of 1996 for a crop of any loan commodity or peanuts, respectively, at a lower level than the original loan rate established for the loan commodity or peanuts under section 132 or 158G(d) of that Act, respectively.

“(II) FORFEITURE GAINS.—In the case of settlement of a marketing assistance loan under section 131 or 158G(a) of that Act for a crop of any loan commodity or peanuts, respectively, for forfeiture, the amount by which the loan amount exceeds the repayment amount for the loan if the loan had been settled by repayment instead of forfeiture.

“(ii) LOAN DEFICIENCY PAYMENTS.—Any loan deficiency payment received for a loan commodity or peanuts under section 135 or 158G(e) of that Act, respectively.

“(iii) COMMODITY CERTIFICATES.—Any gain realized from the use of a commodity certificate issued by the Commodity Credit Corporation, as determined by the Secretary, including the use of a certificate for the settlement of a marketing assistance loan made under section 131 or 158G(a) of that Act.

“(3) SETTLEMENT OF CERTAIN LOANS.—Notwithstanding subtitle C and section 158G of the Federal Agriculture Improvement and Reform Act of 1996, if the amount of payments and benefits described in paragraph (2)(B) attributed directly or indirectly to an individual or entity for a crop year reaches the limitation described in paragraph (2)(A), the portion of any unsettled marketing assistance loan made under section 131 or 158G(a) of that Act attributed directly or indirectly to the individual or entity shall be settled through the repayment of the total loan principal, plus applicable interest.

“(4) DEFINITIONS.—In this section and sections 1001A through 1001F:

“(A) COUNTER-CYCLICAL PAYMENT.—The term ‘counter-cyclical payment’ means a

payment made under section 114 or 158D of the Federal Agriculture Improvement and Reform Act of 1996.

“(B) DIRECT PAYMENT.—The term ‘direct payment’ means a payment made under section 113 or 158C of that Act.

“(C) LOAN COMMODITY.—The term ‘loan commodity’ has the meaning given the term in section 102 of that Act.

“(D) SECRETARY.—The term ‘Secretary’ means the Secretary of Agriculture.

“(5) APPLICATION OF LIMITATION.—

“(A) MARRIED COUPLES.—The total amount of payments and benefits described paragraphs (1) and (2) that a married couple may receive directly or indirectly may not exceed \$275,000 during the fiscal or crop year (as appropriate).

“(B) TENANT RULE.—

“(i) IN GENERAL.—Any individual or entity that conducts a farming operation to produce a crop subject to the limitations established under this section as a tenant shall be ineligible to receive any payment or benefit described in paragraph (1) or (2), or subtitle D of title XII, with respect to the land unless the individual or entity makes a contribution of active personal labor to the operation that is at least equal to the lesser of—

“(I) 1000 hours; or

“(II) 40 percent of the minimum number of labor hours required to produce each commodity by the operation (as described in clause (ii)).

“(ii) MINIMUM NUMBER OF LABOR HOURS.—For the purpose of clause (i)(II), the minimum number of labor hours required to produce each commodity shall be equal to the number of hours that would be necessary to conduct a farming operation for the production of each commodity that is comparable in size to an individual or entity's commensurate share in the farming operation for the production of the commodity, based on the minimum number of hours per acre required to produce the commodity in the State where the farming operation is located, as determined by the Secretary.

“(6) PUBLIC SCHOOLS.—The provisions of this section that limit payments to any individual or entity shall not be applicable to land owned by a public school district or land owned by a State that is used to maintain a public school.”

(2) SUBSTANTIVE CHANGE.—Section 1001A(a) of the Food Security Act of 1985 (7 U.S.C. 1308-1(a)) is amended—

(A) in the section heading, by striking “PREVENTION OF CREATION OF ENTITIES TO QUALITY AS SEPARATE PERSONS;” AND INSERTING “SUBSTANTIVE CHANGE;”;

(B) by striking “(a) PREVENTION” and all that follows through the end of paragraph (2) and inserting the following:

“(a) SUBSTANTIVE CHANGE.—

“(1) IN GENERAL.—The Secretary may not approve (for purposes of the application of the limitations under this section) any change in a farming operation that otherwise will increase the number of individuals or entities to which the limitations under this section are applied unless the Secretary determines that the change is bona fide and substantive.

“(2) FAMILY MEMBERS.—For the purpose of paragraph (1), the addition of a family member to a farming operation under the criteria established under subsection (b)(1)(B) shall be considered a bona fide and substantive change in the farming operation.”;

(C) in the first sentence of paragraph (3)—

(i) by striking “as a separate person”; and

(ii) by inserting “, as determined by the Secretary” before the period at the end; and

(D) by striking paragraph (4).

(3) **ACTIVELY ENGAGED IN FARMING.**—Section 1001A(b) of the Food Security Act of 1985 (7 U.S.C. 1308-1(b)) is amended—

(A) by striking paragraph (1) and inserting the following:

“(1) **IN GENERAL.**—To be eligible to receive, directly or indirectly, payments (as described in paragraphs (1) and (2) of section 1001 as being subject to limitation) with respect to a particular farming operation an individual or entity shall be actively engaged in farming with respect to the operation, as provided under paragraphs (2), (3), and (4).”;

(B) in paragraph (2), by adding at the end the following:

“(E) **ACTIVE PERSONAL MANAGEMENT.**—For an individual to be considered to be providing active personal management under this paragraph on behalf of the individual or a corporation or entity, the management provided by the individual shall be personally provided on a regular, substantial, and continuous basis through the direction supervision and direction of—

“(i) activities and labor involved in the farming operation; and

“(ii) on-site services that are directly related and necessary to the farming operation.”;

(C) in paragraph (3)—

(i) by striking subparagraph (A) and inserting the following:

“(A) **LANDOWNERS.**—An individual or entity that is a landowner contributing the owned land to the farming operation and that meets the standard provided in clauses (ii) and (iii) of paragraph (2)(A), if the landowner—

“(i) share rents the land; or

“(ii) makes a significant contribution of active personal management.”; and

(ii) in subparagraph (B), by striking “persons” and inserting “individuals and entities”; and

(D) in paragraph (4)—

(i) in the paragraph heading, by striking “PERSONS” and inserting “INDIVIDUALS AND ENTITIES”;;

(ii) in the matter preceding subparagraph (A), by striking “persons” and inserting “individuals and entities”; and

(iii) in subparagraph (B)—

(I) in the subparagraph heading, by striking “PERSONS” and inserting “INDIVIDUALS AND ENTITIES”; and

(II) by striking “person, or class of persons” and inserting “individual or entity, or class of individuals or entities”;;

(E) by striking paragraph (5);

(F) in paragraph (6), by striking “a person” and inserting “an individual or entity”; and

(G) by redesignating paragraph (6) as paragraph (5).

(4) **ADMINISTRATION.**—Section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308-1) is amended by adding at the end the following:

“(c) **ADMINISTRATION.**—

“(1) **REVIEWS.**—

“(A) **IN GENERAL.**—During each of fiscal years 2002 through 2006, the Office of Inspector General for the Department of Agriculture shall conduct a review of the administration of the requirements of this section and sections 1001, 1001B, 1001C, and 1001E in at least 6 States.

“(B) **MINIMUM NUMBER OF COUNTIES.**—Each State review described in subparagraph (A) shall cover at least 5 counties in the State.

“(C) **REPORT.**—Not later than 90 days after completing a review described in subparagraph (A), the Inspector General for the Department of Agriculture shall issue a final report to the Secretary of the findings of the Inspector General.

“(2) **EFFECT OF REPORT.**—If a report issued under paragraph (1) reveals that significant problems exist in the implementation of pay-

ment limitation requirements of this section and sections 1001, 1001B, 1001C, and 1001E in a State and the Secretary agrees that the problems exist, the Secretary—

“(A) shall initiate a training program regarding the payment limitation requirements; and

“(B) may require that all payment limitation determinations regarding farming operations in the State be issued from the headquarters of the Farm Service Agency.”.

(5) **SCHEME OR DEVICE.**—Section 1001B of the Food Security Act of 1985 (7 U.S.C. 1308-2) is amended by striking “person” each place it appears and inserting “individual or entity”.

(6) **FOREIGN INDIVIDUALS AND ENTITIES.**—Section 1001C(b) of the Food Security Act of 1985 (7 U.S.C. 1308-3(b)) is amended in the first sentence by striking “considered a person that is”.

(7) **EDUCATION PROGRAM.**—Section 1001D(c) of the Food Security Act of 1985 (7 U.S.C. 1308-4(c)) is amended by striking “5 persons” and inserting “5 individuals or entities”.

(8) **REPORT TO CONGRESS.**—No later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall provide a report to and to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that describes—

(A) how State and county office employees are trained regarding the payment limitation requirements of section 1001 through 1001E of the Food Security Act of 1985 (7 U.S.C. 1308 through 1308-5);

(B) the general procedures used by State and county office employees to identify potential violations of the payment limitation requirements;

(C) the requirements for State and county office employees to report serious violations of the payment limitation requirements, including violations of section 1001B of that Act to the county committee, higher level officials of the Farm Service Agency, and to the Office of Inspector General; and

(D) the sanctions imposed against State and county office employees who fail to report or investigate potential violations of the payment limitation requirements.

(b) **NET INCOME LIMITATION.**—The Food Security Act of 1985 is amended by inserting after section 1001E (7 U.S.C. 1308-5) the following:

**“SEC. 1001F. NET INCOME LIMITATION.**

“Notwithstanding any other provision of title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7201 et seq.), an owner or producer shall not be eligible for a payment or benefit described in paragraphs (1) or (2) of section 1001 for a fiscal or crop year (as appropriate) if the average adjusted gross income (as defined in section 62 of the Internal Revenue Code of 1986) of the owner or producer for each of the preceding 3 taxable years exceeds \$2,500,000.”.

(c) **FOOD STAMP PROGRAM.**—

(1) **INCREASE IN BENEFITS TO HOUSEHOLDS WITH CHILDREN.**—Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking paragraph (1) and inserting the following:

“(1) **STANDARD DEDUCTION.**—

“(A) **IN GENERAL.**—Subject to the other provisions of this paragraph, the Secretary shall allow for each household a standard deduction that is equal to the greater of—

“(i) the applicable percentage specified in subparagraph (D) of the applicable income standard of eligibility established under subsection (c)(1); or

“(ii) the minimum deduction specified in subparagraph (E).

“(B) **GUAM.**—The Secretary shall allow for each household in Guam a standard deduction that is—

“(i) equal to the applicable percentage specified in subparagraph (D) of twice the income standard of eligibility established under subsection (c)(1) for the 48 contiguous States and the District of Columbia; but

“(ii) not less than the minimum deduction for Guam specified in subparagraph (E).

“(C) **HOUSEHOLDS OF 6 OR MORE MEMBERS.**—The income standard of eligibility established under subsection (c)(1) for a household of 6 members shall be used to calculate the standard deduction for each household of 6 or more members.

“(D) **APPLICABLE PERCENTAGE.**—For the purpose of subparagraph (A), the applicable percentage shall be—

“(i) 8 percent for each of fiscal years 2002 through 2004;

“(ii) 8.25 percent for each of fiscal years 2005 and 2006;

“(iii) 8.5 percent for each of fiscal years 2007 and 2008;

“(iv) 8.75 percent for fiscal year 2009; and

“(v) 9 percent for each of fiscal years 2010 and 2011.

“(E) **MINIMUM DEDUCTION.**—The minimum deduction shall be \$134, \$229, \$189, \$269, and \$118 for the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States, respectively.”.

(2) **PARTICIPANT EXPENSES.**—Section 6(d)(4)(I)(i) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)(I)(i)) is amended by striking “, except that the State agency may limit such reimbursement to each participant to \$25 per month”.

(3) **FEDERAL REIMBURSEMENT.**—Section 16(h)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(3)) is amended by striking “such total amount shall not exceed an amount representing \$25 per participant per month for costs of transportation and other actual costs (other than dependent care costs) and” and inserting “the amount of the reimbursement for dependent care expenses shall not exceed”.

(4) **EFFECTIVENESS OF CERTAIN PROVISIONS.**—Section 413 and subsections (c) and (d) of section 433, and the amendments made by section 413 and subsections (c) and (d) of section 433, shall have no effect.

(d) **EXCLUSION OF RETIREMENT ACCOUNTS FROM FINANCIAL RESOURCES.**—SECTION 5(G)(2)(B) OF THE FOOD STAMP ACT OF 1977 (7 U.S.C. 2014(G)(2)(B)) (AS AMENDED BY SECTION 423(A)(1)) IS AMENDED BY STRIKING CLAUSE (IV) AND INSERTING THE FOLLOWING:

“(iv) any savings account (other than a retirement account (including an individual account)).”.

(e) **LOAN DEFICIENCY PAYMENTS.**—

(1) **ELIGIBILITY.**—Section 135 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235) (as amended by section 126(1)) is amended by striking subsection (a) and inserting the following:

“(a) **IN GENERAL.**—The Secretary may make loan deficiency payments available to—

“(1) producers on a farm that, although eligible to obtain a marketing assistance loan under section 131 with respect to a loan commodity, agree to forgo obtaining the loan for the covered commodity in return for payments under this section; and

“(2) effective only for the 2000 and 2001 crop years, producers that, although not eligible to obtain such a marketing assistance loan under section 131, produce a loan commodity.”.

(2) **BENEFICIAL INTEREST.**—Section 135(e)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235(e)) (as amended by section 126(2)) is amended by striking “A producer” and inserting “Effective for the 2001 through 2006 crops, a producer”.

(f) INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.—Section 401(b)(1) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(b)(1)) (as amended by section 741) is amended—

(1) in subparagraph (A), by striking “\$120,000,000” and inserting “\$130,000,000”; and

(2) in subparagraph (B), by striking “\$145,000,000” and inserting “\$225,000,000”.

**SA 2687.** Mr. HOLLINGS submitted an amendment intended to be proposed by him to the bill H.R. 3210, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; which was ordered to lie on the table; as follows:

Strike out all after the enacting clause and insert the following:

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

(a) **SHORT TITLE.**—This Act may be cited as the “National Terrorism Reinsurance Loan and Grant Act”.

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

Sec. 1. Short title; table of contents.

#### **TITLE I—GENERAL PROVISIONS**

Sec. 101. Loan and grant programs.

Sec. 102. Credit for reinsurance.

Sec. 103. Mandatory coverage by property and casualty insurers for acts of terrorism.

Sec. 104. Monitoring and enforcement.

Sec. 105. Administrative provisions.

Sec. 106. Termination of programs.

Sec. 107. Definitions.

#### **TITLE II—LOAN PROGRAM**

Sec. 201. National terrorism reinsurance loan program.

Sec. 202. Repayment of loans.

Sec. 203. Reports by insurers.

Sec. 204. Rates; rate-making methodology and data.

#### **TITLE III—GRANT PROGRAM**

Sec. 301. National terrorism insurance loss grant program.

Sec. 302. Coverage provided.

Sec. 303. Authorization of appropriations.

#### **TITLE IV—LITIGATION**

Sec. 401. Procedures for civil actions.

Sec. 402. Punitive damages against insurers.

#### **TITLE I—GENERAL PROVISIONS**

##### **SEC. 101. LOAN AND GRANT PROGRAMS.**

(a) **IN GENERAL.**—If the Secretary determines that there are losses from terrorism on covered lines in calendar year 2002 then the Secretary shall—

(1) make loans to insurers under title II, to the extent that the aggregate amount of such losses does not exceed \$10,000,000,000; and

(2) make grants under title III, to the extent that the aggregate amount of such losses exceeds \$10,000,000,000.

(b) **DETERMINATION.**—

(1) **INITIAL DETERMINATION.**—The Secretary shall make an initial determination as to whether the losses were caused by an act of terrorism.

(2) **NOTICE AND HEARING.**—The Secretary shall give public notice of the initial determination and afford all interested parties an opportunity to be heard on the question of whether the losses were caused by an act of terrorism.

(3) **FINAL DETERMINATION.**—Within 30 days after the Secretary's initial determination, the Secretary shall make a final determination as to whether the losses were caused by an act of terrorism.

(4) **STANDARD OF REVIEW.**—The Secretary's determination shall be upheld upon judicial review if based upon substantial evidence.

##### **SEC. 102. CREDIT FOR REINSURANCE.**

Each State shall afford an insurer credit on the same basis and to the same extent that credit for reinsurance would be available to that insurer under applicable State law when reinsurance is obtained from an assuming insurer licensed or accredited in that State that is economically equivalent to that insurer's eligibility for loans under title II and grants under title III.

##### **SEC. 103. MANDATORY COVERAGE BY PROPERTY AND CASUALTY INSURERS FOR ACTS OF TERRORISM.**

(a) **IN GENERAL.**—An insurer that provides lines of coverage described in section 107(1) (A) or (B) may not—

(1) exclude or limit coverage in those lines for losses from acts of terrorism in the United States, its territories, and possessions in property and casualty insurance policy forms; or

(2) deny or cancel coverage solely due to the risk of losses from acts of terrorism in the United States.

(b) **TERMS AND CONDITIONS.**—Insurance against losses from acts of terrorism in the United States shall be covered with the same deductibles, limits, terms, and conditions as the standard provisions of the policy for non-catastrophic perils.

##### **SEC. 104. MONITORING AND ENFORCEMENT.**

(a) **FTC ANALYSIS AND ENFORCEMENT.**—The Federal Trade Commission shall review reports submitted by insurers under title II or III treating any proprietary data, privileged data, or trade or business secret information contained in the reports as privileged and confidential, for the purpose of determining whether any insurer is engaged in unfair methods of competition or unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5 of the Federal Trade Commission Act (15 U.S.C. 45)).

(b) **GAO REVIEW OF REPORTS AND STATE REGULATORS.**—The Comptroller General shall—

(1) provide for review and analysis of the reports submitted under titles II and III;

(2) review the efforts of State insurance regulatory authorities to keep premium rates for insurance against losses from acts of terrorism on covered lines reasonable;

(3) if the Secretary makes any loans under this title, provide for the audit of loan claims filed by insurers as requested by the Secretary; and

(4) on a timely basis, make any recommendations the Comptroller General may deem appropriate to the Congress for improvements in the programs established by this title before its termination.

(c) **APPLICATION OF CERTAIN LAWS.**—Notwithstanding any limitation in the McCarran-Ferguson Act (15 U.S.C. 1011 et seq.) or section 6 of the Federal Trade Commission Act (15 U.S.C. 46), the Federal Trade Commission Act (15 U.S.C. 41 et seq.) shall apply to insurers receiving a loan or grant under this Act. In determining whether any such insurer has been, or is, using any unfair method of competition, or unfair or deceptive act or practice, in violation of section 5 of that Act (15 U.S.C. 45), the Federal Trade Commission shall consider relevant information provided in reports submitted under this Act.

##### **SEC. 105. ADMINISTRATIVE PROVISIONS.**

In carrying out this Act, the Secretary may—

(1) issue such rules and regulations as may be necessary to administer this Act;

(2) make loans and grants and carry out the activities necessary to implement this Act;

(3) take appropriate action to collect premiums or assessments under this Act; and

(4) audit the reports, claims, books, and records of insurers to which the Secretary has made loans or grants under this Act.

##### **SEC. 106. TERMINATION OF PROGRAMS.**

(a) **LOAN PROGRAM.**

(1) **IN GENERAL.**—The authority of the Secretary to make loans under title II terminates on December 31, 2002, except to the extent necessary—

(A) to provide loans for losses from acts of terrorism occurring during calendar year 2002; and

(B) to recover the amount of any loans made under this title.

(2) **ASSESSMENT AND COLLECTION OF LOAN REPAYMENTS.**—The Secretary shall continue assessment and collection operations under title II as long as loans from the Secretary under that title are outstanding.

(3) **REPORTING AND ENFORCEMENT.**—The provisions of sections 202, 203, and 204 shall terminate when the authority of the Secretary to make loans under this title terminates.

(b) **GRANT PROGRAM.**—The authority of the Secretary to make grants under title III terminates on December 31, 2002.

##### **SEC. 107. DEFINITIONS.**

In this Act:

(1) **COVERED LINE.**

(A) **IN GENERAL.**—The term “covered line” means any one or a combination of the following, written on a direct basis, as reported by property and casualty insurers in required financial reports on Statutory Page 14 of the NAIC Annual Statement Blank:

(i) Fire.

(ii) Allied lines.

(iii) Commercial multiple peril.

(iv) Ocean marine.

(v) Inland marine.

(vi) Workers compensation.

(vii) Products liability.

(viii) Commercial auto no-fault (personal injury protection), other commercial auto liability, or commercial auto physical damage.

(ix) Aircraft (all peril).

(x) Fidelity and surety.

(xi) Burglary and theft.

(xii) Boiler and machinery.

(xiii) Any other line of insurance that is reported by property and casualty insurers in required financial reports on Statutory Page 14 of the NAIC Annual Statement Blank which is voluntarily elected by an insurer to be included in its terrorism coverage.

(B) **OTHER LINES.**—For purposes of clause (xiii), the lines of business that may be voluntarily selected are the following:

(i) Farmowners multiple peril.

(ii) Homeowners multiple peril.

(iii) Mortgage guaranty.

(iv) Financial guaranty.

(v) Private passenger automobile insurance

(C) **ELECTION.**—The election to voluntarily include another line of insurance, if made, must apply to all affiliated insurers that are members of an insurer group. Any voluntary election is on a one-time basis and is irrevocable.

(2) **INSURER.**

(A) **IN GENERAL.**—The term “insurer” means an entity writing covered lines on a direct basis and licensed as a property and casualty insurer, risk retention group, or other entity authorized by law as a residual market mechanism providing property or casualty coverage in at least one jurisdiction of the United States, its territories, or possessions and includes residual market insurers.

(B) **VOLUNTARY PARTICIPATION.**—A State workers' compensation, auto, or property insurance fund may voluntarily participate as an insurer.

(C) **GROUP LIFE INSURERS.**—The Secretary shall provide, by rule, for—



(i) the term "insurer" to include entities writing group life insurance on a direct basis and licensed as group life insurers; and

(ii) the term "covered line" to include group life insurance written on a direct basis, as reported by group life insurers in required financial reports on the appropriate NAIC Annual Statement Blank.

(3) LOSSES.—The term "losses" means direct incurred losses from an act of terrorism for covered lines, plus defense and cost containment expenses.

(4) NAIC.—The term "NAIC" means the National Association of Insurance Commissioners.

(5) SECRETARY.—Except where otherwise specifically provided, the term "Secretary" means the Secretary of Commerce.

(6) TERRORISM; ACT OF TERRORISM.

(A) IN GENERAL.—The terms "terrorism" and "act of terrorism" mean any act, certified by the Secretary in concurrence with the Secretary of State and the Attorney General, as a violent act or act dangerous to human life, property or infrastructure, within the United States, its territories and possessions, that is committed by an individual or individuals acting on behalf of foreign agents or foreign government) as part of an effort to coerce or intimidate the civilian population of the United States or to influence the policy or affect the conduct of the United States government.

(B) ACTS OF WAR.—No act shall be certified as an act of terrorism if the act is committed in the course of a war declared by the Congress of the United States or by a foreign government.

(C) FINALITY OF CERTIFICATION.—Any certification, or determination not to certify, by the Secretary under subparagraph (A) is final and not subject to judicial review.

## TITLE II—LOAN PROGRAM

### SEC. 201. NATIONAL TERRORISM REINSURANCE LOAN PROGRAM.

(a) IN GENERAL.—The Secretary of Commerce shall establish and administer a program to provide loans to insurers for claims for losses due to acts of terrorism.

(b) 80 PERCENT COVERAGE.—If the Secretary makes the determination described in section 101(a), then the Secretary shall provide a loan to any insurer for losses on covered lines from acts of terrorism occurring in calendar 2002 equal to 80 percent of the aggregate amount of claims on covered lines.

(c) \$800 MILLION LOAN LIMIT.—Notwithstanding any other provision of this title, the total amount of loans outstanding at any time to insurers from the Secretary under this title may not exceed \$800,000,000.

(d) 7.5 PERCENT RETENTION MUST BE PAID BEFORE LOAN RECEIVED.—The Secretary may not make a loan under subsection (b) to an insurer until that insurer has paid claims on covered lines for losses from acts of terrorism occurring in calendar year 2002 equal to at least 7.5 percent of that insurer's aggregate liability for such losses.

(e) TERM AND INTEREST RATE.—The Secretary, after consultation with the Secretary of the Treasury and after taking into account market rates of interest, credit ratings of the borrowers, risk factors, and the purpose of this title, shall establish the term, repayment schedule, and the rate of interest for any loan made under subsection (a).

### SEC. 202. REPAYMENT OF LOANS.

If the Secretary makes loans to insurers under section 201, the Secretary shall assess all insurers an annual assessment of not more than 3 percent of the direct written premium for covered lines. The annual assessment may be recovered by an insurer from its covered lines policyholders as a direct surcharge calculated as a uniform percentage of premium.

## SEC. 203. REPORTS BY INSURERS.

(a) COVERAGE AND CAPACITY.

(1) REPORTING TERRORISM COVERAGE.—An insurer shall—

(A) report the amount of its terrorism insurance coverage to the insurance regulatory authority for each State in which it does business; and

(B) obtain a certification from the State that it is not providing terrorism insurance coverage in excess of its capacity under State solvency requirements.

(2) REPORTS TO SECRETARY.—The State regulator shall furnish a copy of the certification received under paragraph (1) to the Secretary.

(b) ADDITIONAL REPORTS.—Insurers receiving loans under this title shall submit reports on a quarterly or other basis (as required by the Secretary) to the Secretary, the Federal Trade Commission, and the General Accounting Office setting forth rates, premiums, risk analysis, coverage, reserves, claims made for loans from the Secretary, and such additional financial and actuarial information as the Secretary may require regarding lines of coverage described in section 107(1)(A) or (B). The information in these reports shall be treated as confidential by the recipient.

## SEC. 204. RATES; RATE-MAKING METHODOLOGY AND DATA.

(a) PREMIUM MUST BE SEPARATELY STATED.—Each insurer offering insurance against losses from acts of terrorism in the United States on covered lines during calendar year 2002 shall state the premium for that insurance separately in any invoice, proposal, or other written communication to policyholders and prospective policyholders.

(b) RATE-MAKING METHODS AND DATA MUST BE PUBLICLY DISCLOSED.

(1) 45-DAY NOTICE.—Not less than 45 days before the date on which an insurer establishes or increases the premium rate for any covered line of insurance described in section 107(1) based, in whole or in part, on risk associated with insurance against losses due to acts of terrorism during calendar year 2002, the insurer shall file a report with the State insurance regulatory authority for the State in which the premium is effective that—

(A) sets forth the methodology and data used to determine the premium; and

(B) identifies the portion of the premium properly attributable to risk associated with insurance offered by that insurer against losses due to acts of terrorism; and

(C) demonstrates, by substantial evidence, why that premium is actuarially justified.

(2) COPY TO FEDERAL TRADE COMMISSION AND GENERAL ACCOUNTING OFFICE.—Each insurer filing a report under paragraph (1) shall file a duplicate of the report with the Federal Trade Commission and the General Accounting Office at the same time as it is submitted to the State regulatory authority.

(3) REPORTS BY STATE REGULATORS.—Within 15 days after a State insurance regulatory authority receives a report from an insurer required by paragraph (1), the authority—

(A) shall submit a report to the Secretary of Commerce, the Federal Trade Commission, and the General Accounting Office;

(B) shall include in that report a determination with respect to whether an insurer has met the requirement of paragraph (1)(C);

(C) shall certify that—

(i) the methodology and data used by the insurer to determine the premium or increase are reasonable and adequate; and

(ii) the premium or increase is not excessive;

(D) shall disclose the methodology used by the authority to analyze the report and the methodology on which the authority based its certification; and

(E) may include with the report any commentary or analysis it deems appropriate.

(c) BASELINE DATA REPORTS.—Each insurer required to file a report under subsection (b) that provided insurance on covered lines against risk of loss from acts of terrorism in the United States on September 11, 2001, shall file a report with a report with the State insurance regulatory authority for the State in which that insurance was provided, the Federal Trade Commission, and the General Accounting Office that sets forth the methodology and data used to determine the premium for, or portion of the premium properly attributable to, insurance against risk of loss due to acts of terrorism in the United States under its insurance policies in effect on that date.

(d) SPECIAL RULE FOR INITIAL PERIOD.

(1) SEPARATE STATEMENT OF PREMIUM.—An insurer offering insurance against losses from acts of terrorism in the United States on covered lines after the date of enactment of this Act and before March 15, 2002, shall notify each policyholder in writing as soon as possible, but no later than March 1, 2002, of the premium, or portion of the premium, attributable to that insurance, stated separately from any premium or increase in premium attributable to insurance against losses from other risks. Each such insurer shall file a copy of each such policyholder notice with the State insurance regulatory authority for the State in which the premium is effective.

(2) JUSTIFICATION OF PREMIUM; BASELINE DATA.—As soon as possible after the date of enactment of this Act, but no later than March 1, 2002, each such insurer shall comply with—

(A) the requirements of subsection (b)(1) and (2), with respect to the premium or portion of the premium attributable to such insurance; and

(B) the requirements of subsection (c).

## TITLE III—GRANT PROGRAM

### SEC. 301. NATIONAL TERRORISM INSURANCE LOSS GRANT PROGRAM.

If the Secretary determines under section 101(a) that losses from terrorism on covered lines in calendar year 2002 exceed \$10,000,000,000 in the aggregate, then the Secretary shall establish and administer a program under this title to provide grants to insurers for losses to the extent that the aggregate amount of such losses exceeds \$10,000,000,000.

### SEC. 302. GRANT AMOUNTS.

(a) IN GENERAL.—The Secretary shall make grants to insurers for 90 percent of losses in excess, in the aggregate, of \$10,000,000,000 in calendar year 2002.

(b) \$50,000,000,000 LIMIT.—Except as provided in subsection (c), the Secretary may not make grants in excess of a total amount for all insurers of \$50,000,000,000.

(c) REPORTS TO STATE REGULATOR; CERTIFICATION.

(1) REPORTING TERRORISM COVERAGE.—An insurer shall—

(A) report the amount of its terrorism insurance coverage to the insurance regulatory authority for each State in which it does business; and

(B) obtain a certification from the State that it is not providing terrorism insurance coverage in excess of its capacity under State solvency requirements.

(2) REPORTS TO SECRETARY.—The State regulator shall furnish a copy of the certification received under paragraph (1) to the Secretary.

### SEC. 303. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Secretary such sums as may be necessary to carry out this title.

## TITLE IV—LITIGATION

### SEC. 401. PROCEDURES FOR CIVIL ACTIONS.

(a) FEDERAL CAUSE OF ACTION.—There shall exist a Federal cause of action for property

damage, personal injury, or death arising out of or resulting from an act of terrorism, which shall be the exclusive cause of action and remedy for claims for property damage, personal injury, or death arising out of or resulting from an act of terrorism. All State causes of action of any kind for property damage, personal injury, or death otherwise available arising out of or resulting from an act of terrorism, are hereby preempted, except as provided in subsection (c).

(b) **GOVERNING LAW.**—The substantive law for decision in an action for property damage, personal injury, or death arising out of or resulting from an act of terrorism under this section shall be derived from the law, including applicable choice of law principles, of the State, or States determined to be required by the district court having jurisdiction over the action, unless such law is inconsistent with or otherwise preempted by Federal law.

(c) **CLAIMS AGAINST TERRORISTS.**—Nothing in this section shall in any way limit the ability of any plaintiff to seek any form of recovery from any person, government, or other entity that was a participant in, or aider and abettor of, any act of terrorism.

(d) **EFFECTIVE PERIOD.**—This section shall apply only to actions for property damage, personal injury, or death arising out of or resulting from acts of terrorism that occur during the period in which the Secretary is authorized to make loans and grants under this Act, including, if applicable, any extension of that period.

#### **SEC. 402. PUNITIVE DAMAGES AGAINST INSURERS.**

No punitive damages may be awarded in an action brought under section 401(a) against an insurer.

**SA 2688.** Mr. DODD (for himself, Mr. McCONNELL, Mr. SCHUMER, Mr. BOND, Mr. TORRICELLI, Mr. MCCAIN, and Mr. DURBIN) submitted an amendment intended to be proposed by him to the bill S. 565, to establish the Commission on Voting Rights and Procedures to study and make recommendations regarding election technology, voting, and election administration, to establish a grant program under which the Office of Justice Programs and the Civil Rights Division of the Department of Justice shall provide assistance to States and localities in improving election technology and the administration of Federal elections, to require States to meet uniform and nondiscriminatory election technology and administration requirements for the 2004 Federal elections, and for other purposes; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

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

(a) **SHORT TITLE.**—This Act may be cited as the “Equal Protection of Voting Rights Act of 2001”.

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

Sec. 1. Short title; table of contents.

#### **TITLE I—UNIFORM AND NONDISCRIMINATORY ELECTION TECHNOLOGY AND ADMINISTRATION REQUIREMENTS**

Sec. 101. Voting systems standards.

Sec. 102. Provisional voting and voting information requirements.

Sec. 103. Computerized statewide voter registration list requirements and requirements for voters who register by mail.

Sec. 104. Enforcement by the Civil Rights Division of the Department of Justice.

#### **TITLE II—GRANT PROGRAMS**

##### **Subtitle A—Uniform and Nondiscriminatory Election Technology and Administration Requirements Grant Program**

Sec. 201. Establishment of the Uniform and Nondiscriminatory Election Technology and Administration Requirements Grant Program.

Sec. 202. State plans.

Sec. 203. Application.

Sec. 204. Approval of applications.

Sec. 205. Authorized activities.

Sec. 206. Payments.

Sec. 207. Audits and examinations of States and localities.

Sec. 208. Reports to Congress and the Attorney General.

Sec. 209. Authorization of appropriations.

Sec. 210. Effective date.

##### **Subtitle B—Federal Election Reform Incentive Grant Program**

Sec. 211. Establishment of the Federal Election Reform Incentive Grant Program.

Sec. 212. Application.

Sec. 213. Approval of applications.

Sec. 214. Authorized activities.

Sec. 215. Payments; Federal share.

Sec. 216. Audits and examinations of States and localities.

Sec. 217. Reports to Congress and the Attorney General.

Sec. 218. Authorization of appropriations.

Sec. 219. Effective date.

##### **Subtitle C—Federal Election Accessibility Grant Program**

Sec. 221. Establishment of the Federal Election Accessibility Grant Program.

Sec. 222. Application.

Sec. 223. Approval of applications.

Sec. 224. Authorized activities.

Sec. 225. Payments; Federal share.

Sec. 226. Audits and examinations of States and localities.

Sec. 227. Reports to Congress and the Attorney General.

Sec. 228. Authorization of appropriations.

Sec. 229. Effective date.

#### **TITLE III—ADMINISTRATION**

##### **Subtitle A—Election Administration Commission**

Sec. 301. Establishment of the Election Administration Commission.

Sec. 302. Membership of the Commission.

Sec. 303. Duties of the Commission.

Sec. 304. Meetings of the Commission.

Sec. 305. Powers of the Commission.

Sec. 306. Commission personnel matters.

Sec. 307. Authorization of appropriations.

##### **Subtitle B—Transition Provisions**

Sec. 311. Equal Protection of Voting Rights Act of 2001.

Sec. 312. Federal Election Campaign Act of 1971.

Sec. 313. National Voter Registration Act of 1993.

Sec. 314. Transfer of property, records, and personnel.

Sec. 315. Coverage of Election Administration Commission under certain laws and programs.

Sec. 316. Effective date; transition.

#### **TITLE IV—MISCELLANEOUS**

Sec. 401. Criminal penalties.

Sec. 402. Relationship to other laws.

#### **TITLE I—UNIFORM AND NONDISCRIMINATORY ELECTION TECHNOLOGY AND ADMINISTRATION REQUIREMENTS**

##### **SEC. 101. VOTING SYSTEMS STANDARDS.**

(a) **REQUIREMENTS.**—Each voting system used in an election for Federal office shall meet the following requirements:

(1) **IN GENERAL.**—

(A) Except as provided in subparagraph (B), the voting system (including any lever voting system, optical scanning voting system, or direct recording electronic system) shall—

(i) permit the voter to verify the votes selected by the voter on the ballot before the ballot is cast and counted;

(ii) provide the voter with the opportunity to change the ballot or correct any error before the ballot is cast and counted (including the opportunity to correct the error through the issuance of a replacement ballot if the voter was otherwise unable to change the ballot or correct any error); and

(iii) if the voter selects votes for more than 1 candidate for a single office, the voting system shall—

(I) notify the voter that the voter has selected more than 1 candidate for a single office on the ballot;

(II) notify the voter before the ballot is cast and counted of the effect of casting multiple votes for the office; and

(III) provide the voter with the opportunity to correct the ballot before the ballot is cast and counted.

(B) A State or locality that uses a paper ballot voting system or a punchcard voting system may meet the requirement of subparagraph (A) by—

(i) establishing a voter education program specific to that voting system that notifies each voter of the effect of casting multiple votes for an office; and

(ii) providing the voter with the opportunity to correct the ballot before it is cast and counted.

(C) The voting system shall ensure that any notification required under this paragraph preserves the privacy of the voter and the confidentiality of the ballot.

(2) **AUDIT CAPACITY.**—The voting system shall produce a record with an audit capacity for such system.

(3) **ACCESSIBILITY FOR INDIVIDUALS WITH DISABILITIES.**—The voting system shall—

(A) be accessible for individuals with disabilities, including nonvisual accessibility for the blind and visually impaired, in a manner that provides the same opportunity for access and participation (including privacy and independence) as for other voters;

(B) satisfy the requirement of subparagraph (A) through the use of at least 1 direct recording electronic voting system or other voting system equipped for individuals with disabilities at each polling place; and

(C) meet the voting system standards for disability access if purchased with funds made available under title II on or after January 1, 2007.

(4) **MULTILINGUAL VOTING MATERIALS.**—

(A) **IN GENERAL.**—Except as provided in subparagraph (B), the voting system shall provide alternative language accessibility—

(i) with respect to a language other than English in a State or jurisdiction if, as determined by the Director of the Bureau of the Census—

(I)(aa) at least 5 percent of the total number of voting-age citizens who reside in such State or jurisdiction speak that language as their first language and who are limited-English proficient; or

(bb) there are at least 10,000 voting-age citizens who reside in that jurisdiction who speak that language as their first language and who are limited-English proficient; and

(II) the illiteracy rate of the group of citizens who speak that language is higher than the national illiteracy rate; or

(ii) with respect to a language other than English that is spoken by Native American or Alaskan native citizens in a jurisdiction that contains all or any part of an Indian reservation if, as determined by the Director of the Bureau of the Census—

(I) at least 5 percent of the total number of citizens on the reservation are voting-age Native American or Alaskan native citizens who speak that language as their first language and who are limited-English proficient; and

(II) the illiteracy rate of the group of citizens who speak that language is higher than the national illiteracy rate.

(B) EXCEPTION.—If a State meets the criteria of item (aa) of subparagraph (A)(i)(I) with respect to a language, a jurisdiction of that State shall not be required to provide alternative language accessibility under this paragraph with respect to that language if—

(i) less than 5 percent of the total number of voting age citizens who reside in that jurisdiction speak that language as their first language and are limited-English proficient; and

(ii) the jurisdiction does not meet the criteria of item (bb) of such subparagraph with respect to that language.

(5) ERROR RATES.—The error rate of the voting system in counting ballots (determined by taking into account only those errors which are attributable to the voting system and not attributable to an act of the voter) shall not exceed the error rate standards established under the voting systems standards issued and maintained by the Director of the Office of Election Administration of the Federal Election Commission (as revised by the Director of such Office under subsection (c)).

(b) VOTING SYSTEM DEFINED.—In this section, the term “voting system” means—

(1) the total combination of mechanical, electromechanical, or electronic equipment (including the software, firmware, and documentation required to program, control, and support the equipment) that is used—

(A) to define ballots;

(B) to cast and count votes;

(C) to report or display election results; and

(D) to maintain and produce any audit trail information;

(2) the practices and associated documentation used—

(A) to identify system components and versions of such components;

(B) to test the system during its development and maintenance;

(C) to maintain records of system errors and defects;

(D) to determine specific system changes to be made to a system after the initial qualification of the system; and

(E) to make available any materials to the voter (such as notices, instructions, forms, or paper ballots).

(c) ADMINISTRATION BY THE OFFICE OF ELECTION ADMINISTRATION.—

(1) IN GENERAL.—Not later than January 1, 2004, the Director of the Office of Election Administration of the Federal Election Commission, in consultation with the Architectural and Transportation Barriers Compliance Board (as established under section 502 of the Rehabilitation Act of 1973 (29 U.S.C. 792)), shall promulgate standards revising the voting systems standards issued and maintained by the Director of such Office so that such standards meet the requirements established under subsection (a).

(2) QUADRENNIAL REVIEW.—The Director of the Office of Election Administration of the Federal Election Commission shall review the voting systems standards revised under paragraph (1) no less frequently than once every 4 years.

(d) CONSTRUCTION.—Nothing in this section shall require a jurisdiction to change the voting system or systems (including paper balloting systems, including in-person, absentee, and mail-in paper balloting systems, lever machine systems, punchcard systems,

optical scanning systems, and direct recording electronic systems) used in an election in order to be in compliance with this Act.

(e) EFFECTIVE DATE.—Each State and locality shall be required to comply with the requirements of this section on and after January 1, 2006.

#### SEC. 102. PROVISIONAL VOTING AND VOTING INFORMATION REQUIREMENTS.

(a) REQUIREMENTS.—If an individual declares that such individual is a registered voter in the jurisdiction in which the individual desires to vote and that the individual is eligible to vote in an election for Federal office, but the name of the individual does not appear on the official list of eligible voters for the polling place, or an election official asserts that the individual is not eligible to vote, such individual shall be permitted to cast a provisional ballot as follows:

(1) An election official at the polling place shall notify the individual that the individual may cast a provisional ballot in that election.

(2) The individual shall be permitted to cast a provisional ballot at that polling place upon the execution of a written affirmation by the individual before an election official at the polling place stating that the individual is—

(A) a registered voter in the jurisdiction in which the individual desires to vote; and

(B) eligible to vote in that election.

(3) An election official at the polling place shall transmit the ballot cast by the individual to an appropriate State or local election official for prompt verification of the written affirmation executed by the individual under paragraph (2).

(4) If the appropriate State or local election official to whom the ballot is transmitted under paragraph (3) determines that the individual is eligible under State law to vote in the jurisdiction, the individual's provisional ballot shall be counted as a vote in that election.

(5) At the time that an individual casts a provisional ballot, the appropriate State or local election official shall give the individual written information that states that—

(A) the individual will not receive any further notification if the individual's vote is counted;

(B) if the individual's vote is not counted, the individual will be notified not later than the date that is 30 days after the date of the election that the vote was not counted; and

(C) regardless of whether the individual's vote was counted, any individual casting a provisional ballot will be able to ascertain through a free access system (such as a toll-free telephone number or an Internet website) whether the vote was counted, and if the vote was not counted, the reason that the vote was not counted.

(6) The appropriate State or local election official shall—

(A) notify the individual who cast the ballot in writing not later than the date that is 30 days after the date of the election if a provisional ballot that is cast under this subsection is not counted; and

(B) establish a free access system (such as a toll-free telephone number or an Internet website) that any individual casting a provisional ballot may access to discover the reason that such vote was not counted.

(b) VOTING INFORMATION REQUIREMENTS.—

(1) PUBLIC POSTING ON ELECTION DAY.—The appropriate State or local election official shall cause voting information to be publicly posted at each polling place on the day of each election for Federal office.

(2) VOTING INFORMATION DEFINED.—In this section, the term “voting information” means—

(A) a sample version of the ballot that will be used for that election;

(B) information regarding the date of the election and the hours during which polling places will be open;

(C) instructions on how to vote, including how to cast a vote and how to cast a provisional ballot;

(D) instructions for mail-in registrants and first-time voters under section 103(b); and

(E) general information on voting rights under applicable Federal and State laws, including information on the right of an individual to cast a provisional ballot and instructions on how to contact the appropriate officials if these rights are alleged to have been violated.

(c) ADMINISTRATION BY THE CIVIL RIGHTS DIVISION.—Not later than January 1, 2003, the Assistant Attorney General in charge of the Civil Rights Division of the Department of Justice shall promulgate such guidelines as are necessary to implement the requirements of subsection (a).

(d) EFFECTIVE DATE.—

(1) PROVISIONAL VOTING.—Each State and locality shall be required to comply with the requirements of subsection (a) on and after January 1, 2004.

(2) VOTING INFORMATION.—Each State and locality shall be required to comply with the requirements of subsection (b) on and after the date of enactment of this Act.

#### SEC. 103. COMPUTERIZED STATEWIDE VOTER REGISTRATION LIST REQUIREMENTS AND REQUIREMENTS FOR VOTERS WHO REGISTER BY MAIL.

(a) COMPUTERIZED STATEWIDE VOTER REGISTRATION LIST REQUIREMENTS.—

(1) IMPLEMENTATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), each State, acting through the chief State election official, shall implement an interactive computerized statewide voter registration list that contains the name and registration information of every legally registered voter in the State and assigns a unique identifier to each legally registered voter in the State (in this subsection referred to as the “computerized list”).

(B) EXCEPTION.—The requirement under subparagraph (A) shall not apply to a State in which, under a State law in effect continuously on and after the date of enactment of this Act, there is no voter registration requirement for individuals in the State with respect to elections for Federal office.

(2) ACCESS.—The computerized list shall be accessible to each State and local election official in the State.

(3) COMPUTERIZED LIST MAINTENANCE.—

(A) IN GENERAL.—The appropriate State or local election official shall perform list maintenance with respect to the computerized list on a regular basis as follows:

(i) If an individual is to be removed from the computerized list, such individual shall be removed in accordance with the provisions of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg et seq.), including subsections (a)(4), (c)(2), (d), and (e) of section 8 of such Act (42 U.S.C. 1973gg-6).

(ii) For purposes of removing names of ineligible voters from the official list of eligible voters—

(I) under section 8(a)(3)(B) of such Act (42 U.S.C. 1973gg-6(a)(3)(B)), the State shall coordinate the computerized list with State agency records on felony status; and

(II) by reason of the death of the registrant under section 8(a)(4)(A) of such Act (42 U.S.C. 1973gg-6(a)(4)(A)), the State shall coordinate the computerized list with State agency records on death.

(B) CONDUCT.—The list maintenance performed under subparagraph (A) shall be conducted in a manner that ensures that—

(i) the name of each registered voter appears in the computerized list;

(ii) only voters who are not registered or who are not eligible to vote are removed from the computerized list; and

(iii) duplicate names are eliminated from the computerized list.

(b) REQUIREMENTS FOR VOTERS WHO REGISTER BY MAIL.—

(1) IN GENERAL.—Notwithstanding section 6(c) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg-4(c)) and subject to paragraph (3), a State shall require an individual to meet the requirements of paragraph (2) if—

(A) the individual registered to vote in a jurisdiction by mail; and

(B) the individual has not previously voted in an election for Federal office in that jurisdiction.

(2) REQUIREMENTS.—

(A) IN GENERAL.—An individual meets the requirements of this paragraph if the individual—

(i) in the case of an individual who votes in person—

(I) presents to the appropriate State or local election official a current and valid photo identification; or

(II) presents to the appropriate State or local election official a copy of a current utility bill, bank statement, Government check, paycheck, or other Government document that shows the name and address of the voter; or

(ii) in the case of an individual who votes by mail, submits with the ballot—

(I) a copy of a current and valid photo identification; or

(II) a copy of a current utility bill, bank statement, Government check, paycheck, or other Government document that shows the name and address of the voter.

(B) PROVISIONAL VOTING.—An individual who desires to vote in person, but who does not meet the requirements of subparagraph (A)(i), may cast a provisional ballot under section 102(a).

(3) INAPPLICABILITY.—Paragraph (1) shall not apply in the case of a person—

(A) who registers to vote by mail under section 6 of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg-4) and submits as part of such registration either—

(i) a copy of a current valid photo identification; or

(ii) a copy of a current utility bill, bank statement, Government check, paycheck, or other Government document that shows the name and address of the voter; or

(B) who is described in a subparagraph of section 6(c)(2) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg-4(c)(2)).

(4) CONTENTS OF MAIL-IN REGISTRATION FORM.—The mail voter registration form developed under section 6 of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg-4) shall include:

(A) The question “Are you a citizen of the United States of America?” and boxes for the applicant to check to indicate whether the applicant is or is not a citizen of the United States.

(B) The question “Will you be 18 years of age on or before election day?” and boxes for the applicant to check to indicate whether or not the applicant will be 18 or older on election day.

(C) The statement “If you checked ‘no’ in response to either of these questions, do not complete this form”.

(c) ADMINISTRATION BY THE CIVIL RIGHTS DIVISION.—Not later than October 1, 2003, the Assistant Attorney General in charge of the Civil Rights Division of the Department of Justice shall promulgate such guidelines as are necessary to implement the requirements of subsection (a).

(d) EFFECTIVE DATE.—

(1) COMPUTERIZED STATEWIDE VOTER REGISTRATION LIST REQUIREMENTS.—Each State and locality shall be required to comply with the requirements of subsection (a) on and after January 1, 2004.

(2) REQUIREMENTS FOR VOTERS WHO REGISTER BY MAIL.—Each State and locality shall be required to comply with the requirements of subsection (b) on and after the date of enactment of this Act.

#### SEC. 104. ENFORCEMENT BY THE CIVIL RIGHTS DIVISION OF THE DEPARTMENT OF JUSTICE.

(a) IN GENERAL.—Subject to subsection (b), the Attorney General, acting through the Assistant Attorney General in charge of the Civil Rights Division of the Department of Justice, may bring a civil action in an appropriate district court for such declaratory or injunctive relief as may be necessary to carry out this title.

(b) SAFE HARBOR.—

(1) IN GENERAL.—Except as provided in paragraph (2), if a State or locality receives funds under a grant program under subtitle A or B of title II for the purpose of meeting a requirement under section 101, 102, or 103, such State or locality shall be deemed to be in compliance with such requirement until January 1, 2010, and no action may be brought against such State or locality on the basis that the State or locality is not in compliance with such requirement before such date.

(2) EXCEPTION.—The safe harbor provision under paragraph (1) shall not apply with respect to the requirement described in section 101(a)(3).

(c) RELATION TO OTHER LAWS.—The remedies established by this section are in addition to all other rights and remedies provided by law.

### TITLE II—GRANT PROGRAMS

#### Subtitle A—Uniform and Nondiscriminatory Election Technology and Administration Requirements Grant Program

##### SEC. 201. ESTABLISHMENT OF THE UNIFORM AND NONDISCRIMINATORY ELECTION TECHNOLOGY AND ADMINISTRATION REQUIREMENTS GRANT PROGRAM.

(a) IN GENERAL.—There is established a Uniform and Nondiscriminatory Election Technology and Administration Requirements Grant Program under which the Attorney General, subject to the general policies and criteria for the approval of applications established under section 204 and in consultation with the Federal Election Commission and the Architectural and Transportation Barriers Compliance Board (as established under section 502 of the Rehabilitation Act of 1973 (29 U.S.C. 792)), is authorized to make grants to States and localities to pay the costs of the activities described in section 205.

(b) ACTION THROUGH OFFICE OF JUSTICE PROGRAMS AND CIVIL RIGHTS DIVISION.—In carrying out this subtitle, the Attorney General shall act through the Assistant Attorney General in charge of the Office of Justice Programs of the Department of Justice and the Assistant Attorney General in charge of the Civil Rights Division of that Department.

##### SEC. 202. STATE PLANS.

(a) IN GENERAL.—Each State that desires to receive a grant under this subtitle shall develop a State plan, in consultation with State and local election officials of that State, that provides for each of the following:

(1) UNIFORM AND NONDISCRIMINATORY ELECTION TECHNOLOGY AND ADMINISTRATION REQUIREMENTS.—A description of how the State will use the funds made available under this

subtitle to meet each of the following requirements:

(A) The voting system standards under section 101.

(B) The provisional voting requirements under section 102.

(C) The computerized statewide voter registration list requirements under section 103(a), including a description of—

(i) how State and local election officials will ensure the accuracy of the list of eligible voters in the State to ensure that only registered voters appear in such list; and

(ii) the precautions that the State will take to prevent the removal of eligible voters from the list.

(D) The requirements for voters who register by mail under section 103(b), including the steps that the State will take to ensure—

(i) the accuracy of mail-in and absentee ballots; and

(ii) that the use of mail-in and absentee ballots does not result in duplicate votes.

(2) IDENTIFICATION, DETERRENCE, AND INVESTIGATION OF VOTING FRAUD.—An assessment of the susceptibility of elections for Federal office in the State to voting fraud and a description of how the State intends to identify, deter, and investigate such fraud.

(3) COMPLIANCE WITH EXISTING FEDERAL LAW.—Assurances that the State will comply with existing Federal laws, including the following:

(A) The Voting Rights Act of 1965 (42 U.S.C. 1973 et seq.), including sections 4(f)(4) and 203 of such Act (42 U.S.C. 1973b(f)(4) and 1973aa-1a).

(B) The Voting Accessibility for the Elderly and Handicapped Act (42 U.S.C. 1973ee et seq.).

(C) The Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff et seq.).

(D) The National Voter Registration Act of 1993 (42 U.S.C. 1973gg et seq.).

(E) The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.).

(4) TIMETABLE.—A timetable for meeting the elements of the State plan.

(b) AVAILABILITY OF STATE PLANS FOR REVIEW AND COMMENT.—A State shall make the State plan developed under subsection (a) available for public review and comment before the submission of an application under section 203(a).

##### SEC. 203. APPLICATION.

(a) IN GENERAL.—Each State or locality that desires to receive a grant under this subtitle shall submit an application to the Attorney General at such time and in such manner as the Attorney General may require, and containing the information required under subsection (b) and such other information as the Attorney General may require.

(b) CONTENTS.—

(1) STATES.—Each application submitted by a State shall contain the State plan developed under section 202 and a description of how the State proposes to use funds made available under this subtitle to implement such State plan.

(2) LOCALITIES.—Each application submitted by a locality shall contain a description of how the locality proposes to use the funds made available under this subtitle in a manner that is consistent with the State plan developed under section 202.

(c) SAFE HARBOR.—No action may be brought against a State or locality on the basis of any information contained in the application submitted under subsection (a), including any information contained in the State plan developed under section 202.

##### SEC. 204. APPROVAL OF APPLICATIONS.

The Attorney General shall establish general policies and criteria with respect to the approval of applications submitted by States

and localities under section 203(a) (including a review of State plans developed under section 202), the awarding of grants under this subtitle, and the use of assistance made available under this subtitle.

#### SEC. 205. AUTHORIZED ACTIVITIES.

A State or locality may use grant payments received under this subtitle for any of the following purposes:

(1) To implement voting system standards that meet the requirements of section 101.

(2) To provide for provisional voting that meets the requirements of section 102(a) and to meet the voting information requirements under section 102(b).

(3) To establish a computerized statewide voter registration list that meets the requirements of section 103(a) and to meet the requirements for voters who register by mail under section 103(b).

#### SEC. 206. PAYMENTS.

(a) IN GENERAL.—The Attorney General shall pay to each State or locality having an application approved under section 203 the cost of the activities described in that application.

(b) RETROACTIVE PAYMENTS.—The Attorney General may make retroactive payments to States and localities having an application approved under section 203 for any costs for election technology or administration that meets a requirement of section 101, 102, or 103 that were incurred during the period beginning on January 1, 2001, and ending on the date on which such application was approved under such section.

#### SEC. 207. AUDITS AND EXAMINATIONS OF STATES AND LOCALITIES.

(a) RECORDKEEPING REQUIREMENT.—Each recipient of a grant under this subtitle shall keep such records as the Attorney General, in consultation with the Federal Election Commission, shall prescribe.

(b) AUDITS AND EXAMINATIONS.—The Attorney General and the Comptroller General, or any authorized representative of the Attorney General or the Comptroller General, may audit or examine any recipient of a grant under this subtitle and shall, for the purpose of conducting an audit or examination, have access to any record of a recipient of a grant under this subtitle that the Attorney General or the Comptroller General determines may be related to the grant.

#### SEC. 208. REPORTS TO CONGRESS AND THE ATTORNEY GENERAL.

(a) REPORTS TO CONGRESS.—

(1) IN GENERAL.—Not later than January 31, 2003, and each year thereafter, the Attorney General shall submit to the President and Congress a report on the grant program established under this subtitle for the preceding year.

(2) CONTENTS.—Each report submitted under paragraph (1) shall contain the following:

(A) A description and analysis of any activities funded by a grant awarded under this subtitle.

(B) Any recommendation for legislative or administrative action that the Attorney General considers appropriate.

(b) REPORTS TO THE ATTORNEY GENERAL.—The Attorney General shall require each recipient of a grant under this subtitle to submit reports to the Attorney General at such time, in such manner, and containing such information as the Attorney General considers appropriate.

#### SEC. 209. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out the provisions of this subtitle the following amounts:

- (1) For fiscal year 2003, \$1,000,000,000.
- (2) For fiscal year 2004, \$1,300,000,000.
- (3) For fiscal year 2005, \$500,000,000.
- (4) For fiscal year 2006, \$200,000,000.

(5) For each subsequent fiscal year, such sums as may be necessary.

(b) AVAILABILITY.—Any amounts appropriated pursuant to the authority of subsection (a) shall remain available until expended.

#### SEC. 210. EFFECTIVE DATE.

The Attorney General shall establish the general policies and criteria for the approval of applications under section 204 in a manner that ensures that the Attorney General is able to approve applications not later than October 1, 2002.

#### Subtitle B—Federal Election Reform Incentive Grant Program

#### SEC. 211. ESTABLISHMENT OF THE FEDERAL ELECTION REFORM INCENTIVE GRANT PROGRAM.

(a) IN GENERAL.—There is established a Federal Election Reform Incentive Grant Program under which the Attorney General, subject to the general policies and criteria for the approval of applications established under section 213(a) and in consultation with the Federal Election Commission and the Architectural and Transportation Barriers Compliance Board (as established under section 502 of the Rehabilitation Act of 1973 (29 U.S.C. 792)), is authorized to make grants to States and localities to pay the costs of the activities described in section 214.

(b) ACTION THROUGH OFFICE OF JUSTICE PROGRAMS AND CIVIL RIGHTS DIVISION.—In carrying out this subtitle, the Attorney General shall act through—

(1) the Assistant Attorney General in charge of the Office of Justice Programs of the Department of Justice; and

(2) the Assistant Attorney General in charge of the Civil Rights Division of the Department of Justice (in this subtitle referred to as the “Assistant Attorney General for Civil Rights”).

#### SEC. 212. APPLICATION.

(a) IN GENERAL.—Each State or locality that desires to receive a grant under this subtitle shall submit an application to the Attorney General at such time, in such manner, and containing such information as the Attorney General shall require, consistent with the provisions of this section.

(b) CONTENTS.—Each application submitted under subsection (a) shall—

(1) describe the activities for which assistance under this section is sought;

(2) contain a request for certification by the Assistant Attorney General for Civil Rights described in subsection (c);

(3) provide assurances that the State or locality will pay the non-Federal share of the cost of the activities for which assistance is sought from non-Federal sources; and

(4) provide such additional assurances as the Attorney General determines to be essential to ensure compliance with the requirements of this subtitle.

(c) REQUEST FOR CERTIFICATION BY THE CIVIL RIGHTS DIVISION.—

(1) COMPLIANCE WITH CURRENT FEDERAL ELECTION LAW.—

(A) IN GENERAL.—Except as provided in subparagraph (B), each request for certification described in subsection (b)(2) shall contain a specific and detailed demonstration that the State or locality is in compliance with each of the following laws:

(i) The Voting Rights Act of 1965 (42 U.S.C. 1973 et seq.), including sections 4(f)(4) and 203 of such Act (42 U.S.C. 1973b(f)(4) and 1973aa-1a).

(ii) The Voting Accessibility for the Elderly and Handicapped Act (42 U.S.C. 1973ee et seq.).

(iii) The Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff et seq.).

(iv) The National Voter Registration Act of 1993 (42 U.S.C. 1973gg et seq.).

(v) The Americans with Disabilities Act of 1990 (42 U.S.C. 1994 et seq.).

(vi) The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.).

(B) APPLICANTS UNABLE TO MEET REQUIREMENTS.—Each State or locality that, at the time it applies for a grant under this subtitle, does not demonstrate that it meets each requirement described in subparagraph (A), shall submit to the Attorney General a detailed and specific demonstration of how the State or locality intends to use grant funds to meet each such requirement.

(2) UNIFORM AND NONDISCRIMINATORY REQUIREMENTS FOR ELECTION TECHNOLOGY AND ADMINISTRATION.—In addition to the demonstration required under paragraph (1), each request for certification described in subsection (b)(2) shall contain a specific and detailed demonstration that the proposed use of grant funds by the State or locality is not inconsistent with the requirements under section 101, 102, or 103.

(d) SAFE HARBOR.—No action may be brought against a State or locality on the basis of any information contained in the application submitted under subsection (a), including any information contained in the request for certification described in subsection (c).

#### SEC. 213. APPROVAL OF APPLICATIONS.

(a) IN GENERAL.—Subject to subsection (b), the Attorney General shall establish general policies and criteria for the approval of applications submitted under section 212(a).

(b) CERTIFICATION PROCEDURE.—

(1) IN GENERAL.—The Attorney General may not approve an application of a State or locality submitted under section 212(a) unless the Attorney General has received a certification from the Assistant Attorney General for Civil Rights under paragraph (4) with respect to such State or locality.

(2) TRANSMITTAL OF REQUEST.—Upon receipt of the request for certification submitted under section 212(b)(2), the Attorney General shall transmit such request to the Assistant Attorney General for Civil Rights.

(3) CERTIFICATION; NONCERTIFICATION.—

(A) CERTIFICATION.—If the Assistant Attorney General for Civil Rights finds that the request for certification demonstrates that—

(i) a State or locality meets the requirements of subparagraph (A) of section 212(c)(1), or that a State or locality has provided a detailed and specific demonstration of how it will use funds received under this section to meet such requirements under subparagraph (B) of such section; and

(ii) the proposed use of grant funds by the State or locality meets the requirements of section 212(c)(2), the Assistant Attorney General for Civil Rights shall certify that the State or locality is eligible to receive a grant under this subtitle.

(B) NONCERTIFICATION.—If the Assistant Attorney General for Civil Rights finds that the request for certification does not demonstrate that a State or locality meets the requirements described in subparagraph (A), the Assistant Attorney General for Civil Rights shall not certify that the State or locality is eligible to receive a grant under this subtitle.

(4) TRANSMITTAL OF CERTIFICATION.—The Assistant Attorney General for Civil Rights shall transmit to the Attorney General either—

(A) a certification under subparagraph (A) of paragraph (3); or

(B) a notice of noncertification under subparagraph (B) of such paragraph, together with a report identifying the relevant deficiencies in the State's or locality's system for voting or administering elections for Federal office or in the request for certification submitted by the State or locality.

**SEC. 214. AUTHORIZED ACTIVITIES.**

A State or locality may use grant payments received under this subtitle—

(1) to improve, acquire, lease, modify, or replace voting systems and technology and to improve the accessibility of polling places, including providing physical access for individuals with disabilities, providing nonvisual access for individuals with visual impairments, and providing assistance to individuals with limited proficiency in the English language;

(2) to implement new election administration procedures to increase voter participation and to reduce disenfranchisement, such as “same-day” voter registration procedures;

(3) to educate voters concerning voting procedures, voting rights or voting technology, and to train election officials, poll workers, and election volunteers;

(4) to implement new election administration procedures such as requiring individuals to present identification at the polls and programs to identify, to deter, and to investigate voting fraud and to refer allegations of voting fraud to the appropriate authority;

(5) to meet the requirements of current Federal election law in accordance with the demonstration submitted under section 212(c)(1)(B) of such section; or

(6) to meet the requirements under section 101, 102, or 103.

**SEC. 215. PAYMENTS; FEDERAL SHARE.**

(a) **PAYMENTS.**—

(1) **IN GENERAL.**—The Attorney General shall pay to each State or locality having an application approved under section 213 the Federal share of the costs of the activities described in that application.

(2) **RETROACTIVE PAYMENTS.**—The Attorney General may make retroactive payments to States and localities having an application approved under section 213 for the Federal share of any costs for election technology or administration that meets the requirements of sections 101, 102, and 103 that were incurred during the period beginning on January 1, 2001, and ending on the date on which such application was approved under such section.

(b) **FEDERAL SHARE.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), the Federal share of the costs shall be a percentage determined by the Attorney General that does not exceed 80 percent.

(2) **EXCEPTION.**—The Attorney General may provide for a Federal share of greater than 80 percent of the costs for a State or locality if the Attorney General determines that such greater percentage is necessary due to the lack of resources of the State or locality.

**SEC. 216. AUDITS AND EXAMINATIONS OF STATES AND LOCALITIES.**

(a) **RECORDKEEPING REQUIREMENT.**—Each recipient of a grant under this subtitle shall keep such records as the Attorney General, in consultation with the Federal Election Commission, shall prescribe.

(b) **AUDITS AND EXAMINATIONS.**—The Attorney General and the Comptroller General, or any authorized representative of the Attorney General or the Comptroller General, may audit or examine any recipient of a grant under this subtitle and shall, for the purpose of conducting an audit or examination, have access to any record of a recipient of a grant under this subtitle that the Attorney General or the Comptroller General determines may be related to the grant.

(c) **OTHER AUDITS.**—If the Assistant Attorney General for Civil Rights has certified a State or locality as eligible to receive a grant under this subtitle in order to meet a certification requirement described in section 212(c)(1)(A) (as permitted under section 214(5)) and such State or locality is a recipi-

ent of such a grant, such Assistant Attorney General, in consultation with the Federal Election Commission shall—

(1) audit such recipient to ensure that the recipient has achieved, or is achieving, compliance with the certification requirements described in section 212(c)(1)(A); and

(2) have access to any record of the recipient that the Attorney General determines may be related to such a grant for the purpose of conducting such an audit.

**SEC. 217. REPORTS TO CONGRESS AND THE ATTORNEY GENERAL.**

(a) **REPORTS TO CONGRESS.**—

(1) **IN GENERAL.**—Not later than January 31, 2003, and each year thereafter, the Attorney General shall submit to the President and Congress a report on the grant program established under this subtitle for the preceding year.

(2) **CONTENTS.**—Each report submitted under paragraph (1) shall contain the following:

(A) A description and analysis of any activities funded by a grant awarded under this subtitle.

(B) Any recommendation for legislative or administrative action that the Attorney General considers appropriate.

(b) **REPORTS TO THE ATTORNEY GENERAL.**—The Attorney General shall require each recipient of a grant under this subtitle to submit reports to the Attorney General at such time, in such manner, and containing such information as the Attorney General considers appropriate.

**SEC. 218. AUTHORIZATION OF APPROPRIATIONS.**

(a) **IN GENERAL.**—There are authorized to be appropriated \$400,000,000 for fiscal year 2002 to carry out the provisions of this subtitle.

(b) **AVAILABILITY.**—Any amounts appropriated pursuant to the authority of subsection (a) shall remain available without fiscal year limitation until expended.

**SEC. 219. EFFECTIVE DATE.**

The Attorney General shall establish the general policies and criteria for the approval of applications under section 213(a) in a manner that ensures that the Attorney General is able to approve applications not later than October 1, 2002.

**Subtitle C—Federal Election Accessibility Grant Program****SEC. 221. ESTABLISHMENT OF THE FEDERAL ELECTION ACCESSIBILITY GRANT PROGRAM.**

(a) **IN GENERAL.**—There is established a Federal Election Accessibility Grant Program under which the Attorney General, subject to the general policies and criteria for the approval of applications established under section 223 by the Architectural and Transportation Barriers Compliance Board (as established under section 502 of the Rehabilitation Act of 1973 (29 U.S.C. 792)) (in this subtitle referred to as the “Access Board”), is authorized to make grants to States and localities to pay the costs of the activities described in section 224.

(b) **ACTION THROUGH OFFICE OF JUSTICE PROGRAMS AND CIVIL RIGHTS DIVISION.**—In carrying out this subtitle, the Attorney General shall act through—

(1) the Assistant Attorney General in charge of the Office of Justice Programs of the Department of Justice; and

(2) the Assistant Attorney General in charge of the Civil Rights Division of that Department.

**SEC. 222. APPLICATION.**

(a) **IN GENERAL.**—Each State or locality that desires to receive a grant under this subtitle shall submit an application to the Attorney General at such time, in such manner, and containing such information as the

Attorney General shall require, consistent with the provisions of this section.

(b) **CONTENTS.**—Each application submitted under subsection (a) shall—

(1) describe the activities for which assistance under this section is sought;

(2) provide assurances that the State or locality will pay the non-Federal share of the cost of the activities for which assistance is sought from non-Federal sources; and

(3) provide such additional assurances as the Attorney General determines to be essential to ensure compliance with the requirements of this subtitle.

(c) **RELATION TO FEDERAL ELECTION REFORM INCENTIVE GRANT PROGRAM.**—A State or locality that desires to do so may submit an application under this section as part of any application submitted under section 212(a).

(d) **SAFE HARBOR.**—No action may be brought against a State or locality on the basis of any information contained in the application submitted under subsection (a).

**SEC. 223. APPROVAL OF APPLICATIONS.**

The Access Board shall establish general policies and criteria for the approval of applications submitted under section 222(a).

**SEC. 224. AUTHORIZED ACTIVITIES.**

A State or locality may use grant payments received under this subtitle—

(1) to make polling places, including the path of travel, entrances, exits, and voting areas of each polling facility, accessible to individuals with disabilities, including the blind and visually impaired, in a manner that provides the same opportunity for access and participation (including privacy and independence) as for other voters; and

(2) to provide individuals with disabilities and the other individuals described in paragraph (1) with information about the accessibility of polling places, including outreach programs to inform the individuals about the availability of accessible polling places and to train election officials, poll workers, and election volunteers on how best to promote the access and participation of the individuals in elections for Federal office.

**SEC. 225. PAYMENTS; FEDERAL SHARE.**

(a) **PAYMENTS.**—The Attorney General shall pay to each State or locality having an application approved under section 223 the Federal share of the costs of the activities described in that application.

(b) **FEDERAL SHARE.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), the Federal share of the costs shall be a percentage determined by the Attorney General that does not exceed 80 percent.

(2) **EXCEPTION.**—The Attorney General may provide for a Federal share of greater than 80 percent of the costs for a State or locality if the Attorney General determines that such greater percentage is necessary due to the lack of resources of the State or locality.

**SEC. 226. AUDITS AND EXAMINATIONS OF STATES AND LOCALITIES.**

(a) **RECORDKEEPING REQUIREMENT.**—Each recipient of a grant under this subtitle shall keep such records as the Attorney General, in consultation with the Access Board, shall prescribe.

(b) **AUDITS AND EXAMINATIONS.**—The Attorney General and the Comptroller General, or any authorized representative of the Attorney General or the Comptroller General, may audit or examine any recipient of a grant under this subtitle and shall, for the purpose of conducting an audit or examination, have access to any record of a recipient of a grant under this subtitle that the Attorney General or the Comptroller General determines may be related to the grant.

**SEC. 227. REPORTS TO CONGRESS AND THE ATTORNEY GENERAL.**

(a) **REPORTS TO CONGRESS.**—



(1) IN GENERAL.—Not later than January 31, 2003, and each year thereafter, the Attorney General shall submit to the President and Congress a report on the grant program established under this subtitle for the preceding year.

(2) CONTENTS.—Each report submitted under paragraph (1) shall contain the following:

(A) A description and analysis of any activities funded by a grant awarded under this subtitle.

(B) Any recommendation for legislative or administrative action that the Attorney General considers appropriate.

(b) REPORTS TO THE ATTORNEY GENERAL.—The Attorney General shall require each recipient of a grant under this subtitle to submit reports to the Attorney General at such time, in such manner, and containing such information as the Attorney General considers appropriate.

#### SEC. 228. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated \$100,000,000 for fiscal year 2002 to carry out the provisions of this subtitle.

(b) AVAILABILITY.—Any amounts appropriated pursuant to the authority of subsection (a) shall remain available without fiscal year limitation until expended.

#### SEC. 229. EFFECTIVE DATE.

The Access Board shall establish the general policies and criteria for the approval of applications under section 223 in a manner that ensures that the Attorney General is able to approve applications not later than October 1, 2002.

### TITLE III—ADMINISTRATION

#### Subtitle A—Election Administration Commission

#### SEC. 301. ESTABLISHMENT OF THE ELECTION ADMINISTRATION COMMISSION.

There is established the Election Administration Commission (in this subtitle referred to as the "Commission") as an independent establishment (as defined in section 104 of title 5, United States Code).

#### SEC. 302. MEMBERSHIP OF THE COMMISSION.

(a) NUMBER AND APPOINTMENT.—

(1) COMPOSITION.—The Commission shall be composed of 4 members appointed by the President, by and with the advice and consent of the Senate.

(2) RECOMMENDATIONS.—Before the initial appointment of the members of the Commission and before the appointment of any individual to fill a vacancy on the Commission, the Majority Leader of the Senate, the Speaker of the House of Representatives, the Minority Leader of the Senate, and the Minority Leader of the House of Representatives shall each submit to the President a candidate recommendation with respect to each vacancy on the Commission affiliated with the political party of the officer involved.

(b) QUALIFICATIONS.—

(1) IN GENERAL.—Each member appointed under subsection (a) shall be appointed on the basis of—

- (A) knowledge of—
  - (i) and experience with, election law;
  - (ii) and experience with, election technology;
  - (iii) and experience with, Federal, State, or local election administration;
  - (iv) the Constitution; or
  - (v) the history of the United States; and
- (B) integrity, impartiality, and good judgment.

(2) PARTY AFFILIATION.—Not more than 2 of the 4 members appointed under subsection (a) may be affiliated with the same political party.

(3) FEDERAL OFFICERS AND EMPLOYEES.—Members appointed under subsection (a)

shall be individuals who, at the time appointed to the Commission, are not elected or appointed officers or employees of the Federal Government.

(4) OTHER ACTIVITIES.—No member appointed to the Commission under subsection (a) may engage in any other business, vocation, or employment while serving as a member of the Commission and shall terminate or liquidate such business, vocation, or employment not later than the date on which the Commission first meets.

(c) DATE OF APPOINTMENT.—The appointments of the members of the Commission shall be made not later than the date that is 90 days after the date of enactment of this Act.

(d) PERIOD OF APPOINTMENT; VACANCIES.—

(1) PERIOD OF APPOINTMENT.—Members shall be appointed for a term of 6 years, except that, of the members first appointed, 2 of the members who are not affiliated with the same political party shall be appointed for a term of 4 years. Except as provided in paragraph (2), a member may only serve 1 term.

(2) VACANCIES.—

(A) IN GENERAL.—A vacancy on the Commission shall not affect its powers, but shall be filled in the manner in which the original appointment was made. The appointment made to fill the vacancy shall be subject to any conditions which applied with respect to the original appointment.

(B) EXPIRED TERMS.—A member of the Commission may serve on the Commission after the expiration of the member's term until the successor of such member has taken office as a member of the Commission.

(C) UNEXPIRED TERMS.—An individual appointed to fill a vacancy on the Commission occurring before the expiration of the term for which the individual's predecessor was appointed shall be appointed for the unexpired term of the member replaced. Such individual may be appointed to a full term in addition to the unexpired term for which that individual is appointed.

(e) CHAIRPERSON; VICE CHAIRPERSON.—

(1) IN GENERAL.—The Commission shall elect a chairperson and vice chairperson from among its members for a term of 1 year.

(2) NUMBER OF TERMS.—A member of the Commission may serve as the chairperson only twice during the term of office to which such member is appointed.

(3) POLITICAL AFFILIATION.—The chairperson and vice chairperson may not be affiliated with the same political party.

#### SEC. 303. DUTIES OF THE COMMISSION.

(a) IN GENERAL.—The Commission—

(1) shall serve as a clearinghouse, gather information, conduct studies, and issue reports concerning issues relating to elections for Federal office;

(2) shall carry out the provisions of section 9 of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg-7);

(3) shall make available information regarding the Federal election system to the public and media;

(4) shall compile and make available to the public the official certified results of elections for Federal office and statistics regarding national voter registration and turnout;

(5) shall establish an Internet website to facilitate public access, public comment, and public participation in the activities of the Commission, and shall make all information on such website available in print;

(6) shall conduct the study on election technology and administration under subsection (b)(1) and submit the report under subsection (b)(2); and

(7) beginning on the transition date (as defined in section 316(a)(2)), shall administer—

(A) the voting systems standards under section 101;

(B) the provisional voting requirements under section 102;

(C) the computerized statewide voter registration list requirements and requirements for voters who register by mail under section 103;

(D) the Uniform and Nondiscriminatory Election Technology and Administration Requirements Grant Program under subtitle A of title II;

(E) the Federal Election Reform Incentive Grant Program under subtitle C of title II; and

(F) the Federal Election Accessibility Grant Program under subtitle B of title II.

(b) STUDIES AND REPORTS ON ELECTION TECHNOLOGY AND ADMINISTRATION.—

(1) STUDIES.—The Commission shall conduct periodic studies of—

(A) methods of election technology and voting systems in elections for Federal office, including the over-vote and under-vote notification capabilities of such technology and systems;

(B) ballot designs for elections for Federal office;

(C) methods of ensuring the accessibility of voting, registration, polling places, and voting equipment to all voters, including blind and disabled voters, and voters with limited proficiency in the English language;

(D) nationwide statistics and methods of identifying, deterring, and investigating voting fraud in elections for Federal office;

(E) methods of voter intimidation;

(F) the recruitment and training of poll workers;

(G) the feasibility and advisability of conducting elections for Federal office on different days, at different places, and during different hours, including the advisability of establishing a uniform poll closing time and establishing election day as a Federal holiday;

(H) ways that the Federal Government can best assist State and local authorities to improve the administration of elections for Federal office and what levels of funding would be necessary to provide such assistance; and

(I) such other matters as the Commission determines are appropriate.

(2) REPORTS.—The Commission shall submit to the President and Congress a report on each study conducted under paragraph (1) together with such recommendations for administrative and legislative action as the Commission determines is appropriate.

#### SEC. 304. MEETINGS OF THE COMMISSION.

The Commission shall meet at the call of any member of the Commission, but may not meet less often than monthly.

#### SEC. 305. POWERS OF THE COMMISSION.

(a) HEARINGS.—The Commission or, at its direction, any subcommittee or member of the Commission, may, for the purpose of carrying out this subtitle hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, administer such oaths as the Commission or such subcommittee or member considers advisable.

(b) VOTING.—

(1) IN GENERAL.—Each action of the Commission shall be approved by a majority vote of the members of the Commission and each member of the Commission shall have 1 vote.

(2) SPECIAL RULES.—

(A) UNIFORM AND NONDISCRIMINATORY ELECTION TECHNOLOGY AND ADMINISTRATION REQUIREMENTS.—

(i) ADOPTION OR REVISION OF STANDARDS AND GUIDELINES.—If standards or guidelines have been promulgated under section 101, 102, or 103 as of the transition date (as defined in section 316(a)(2)), not later than 30

days after the transition date, the Commission shall—

(I) adopt such standards or guidelines by a majority vote of the members of the Commission; or

(II) promulgate revisions to such standards or guidelines and such revisions shall take effect only upon the approval of a majority of the members of the Commission.

(ii) ESTABLISHMENT OF STANDARDS AND GUIDELINES.—

(I) If standards or guidelines have not been promulgated under section 101, 102, or 103 as of the transition date (as defined in section 316(a)(2)), the Commission shall promulgate such standards or guidelines not later than the date described in subclause (II) and such standards or guidelines shall take effect only upon the approval of a majority of the members of the Commission.

(II) The date described this subclause is the later of—

(aa) the date described in section 101(c)(1), 102(c), or 103(c) (as applicable); or

(bb) the date that is 30 days after the transition date (as defined in section 316(a)(2)).

(B) GRANT PROGRAMS.—

(i) APPROVAL OR DENIAL.—The grants shall be approved or denied under sections 204, 213, and 223 by a majority vote of the members of the Commission not later than the date that is 30 days after the date on which the application is submitted to the Commission under section 203, 212, or 222.

(ii) ADOPTION OR REVISION OF GENERAL POLICIES AND CRITERIA.—If general policies and criteria for the approval of applications have been established under section 204, 213, or 223 as of the transition date (as defined in section 316(a)(2)), not later than 30 days after the transition date, the Commission shall—

(I) adopt such general policies and criteria by a majority vote of the members of the Commission; or

(II) promulgate revisions to such general policies and criteria and such revisions shall take effect only upon the approval of a majority of the members of the Commission.

(iii) ESTABLISHMENT OF GENERAL POLICIES AND CRITERIA.—

(I) If general policies and criteria for the approval of applications have been established under section 204, 213, or 223 as of the transition date (as defined in section 316(a)(2)), the Commission shall promulgate such general policies and criteria not later than the date described in subclause (II) and such general policies and criteria shall take effect only upon the approval of a majority of the members of the Commission.

(II) The date described this subclause is the later of—

(aa) the date described in section 101(c)(1), 102(c), or 103(c) (as applicable); or

(bb) the date that is 30 days after the transition date (as defined in section 316(a)(2)).

(c) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out this subtitle. Upon request of the Commission, the head of such department or agency shall furnish such information to the Commission.

(d) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

#### SEC. 306. COMMISSION PERSONNEL MATTERS.

(a) COMPENSATION OF MEMBERS.—Each member of the Commission shall be compensated at the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(b) STAFF.—

(1) APPOINTMENT AND TERMINATION.—Subject to paragraph (2), the Commission may, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, appoint and terminate an Executive Director, a General Counsel, and such other personnel as may be necessary to enable the Commission to perform its duties.

(2) EXECUTIVE DIRECTOR; GENERAL COUNSEL.—

(A) APPOINTMENT AND TERMINATION.—The appointment and termination of the Executive Director and General Counsel under paragraph (1) shall be approved by a majority of the members of the Commission.

(B) INITIAL APPOINTMENT.—Beginning on the transition date (as defined in section 316(a)(2)), the Director of the Office of Election Administration of the Federal Election Commission shall serve as the Executive Director of the Commission until such date as a successor is appointed under paragraph (1).

(C) TERM.—The term of the Executive Director and the General Counsel shall be for a period of 6 years. An individual may not serve for more than 2 terms as the Executive Director or the General Counsel. The appointment of an individual with respect to each term shall be approved by a majority of the members of the Commission.

(D) CONTINUANCE IN OFFICE.—Notwithstanding subparagraph (C), the Executive Director and General Counsel shall continue in office until a successor is appointed under paragraph (1).

(3) COMPENSATION.—The Commission may fix the compensation of the Executive Director, General Counsel, and other personnel without regard to chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the Executive Director, General Counsel, and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(c) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(d) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

#### SEC. 307. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Commission such sums as may be necessary to carry out this subtitle.

#### Subtitle B—Transition Provisions

#### SEC. 311. EQUAL PROTECTION OF VOTING RIGHTS ACT OF 2001.

(a) TRANSFER OF CERTAIN FUNCTIONS OF FEDERAL ELECTION COMMISSION.—There are transferred to the Election Administration Commission established under section 301 all functions of the Federal Election Commission under section 101 and under subtitles A and B of title II before the transition date (as defined in section 316(a)(2)).

(b) TRANSFER OF CERTAIN FUNCTIONS OF THE ATTORNEY GENERAL.—

(1) TITLE I FUNCTIONS.—There are transferred to the Election Administration Commission established under section 301 all functions of the Assistant Attorney General in charge of the Civil Rights Division of the Department of Justice under sections 102 and 103 before the transition date (as defined in section 316(a)(2)).

(2) GRANTMAKING FUNCTIONS.—

(A) IN GENERAL.—Except as provided in paragraph (2), there are transferred to the Election Administration Commission established under section 301 all functions of the Attorney General, the Assistant Attorney General in charge of the Office of Justice Programs of the Department of Justice, and the Assistant Attorney General in charge of the Civil Rights Division of the Department of Justice under subtitles A, B, and C of title II before the transition date (as defined in section 316(a)(2)).

(B) EXCEPTION.—The functions of the Attorney General relating to the review of State plans under section 204 and the certification requirements under section 213 shall not be transferred under paragraph (1).

(3) ENFORCEMENT.—The Attorney General shall remain responsible for any enforcement action required under this Act, including the enforcement of the voting systems standards through the Assistant Attorney General in charge of the Civil Rights Division of the Department of Justice under section 104 and the criminal penalties under section 401.

(c) TRANSFER OF CERTAIN FUNCTIONS OF THE ACCESS BOARD.—There are transferred to the Election Administration Commission established under section 301 all functions of the Architectural and Transportation Barriers Compliance Board (as established under section 502 of the Rehabilitation Act of 1973 (29 U.S.C. 792)) under section 101 and under subtitles A, B, and C of title II before the transition date (as defined in section 316(a)(2)).

#### SEC. 312. FEDERAL ELECTION CAMPAIGN ACT OF 1971.

(a) TRANSFER OF FUNCTIONS OF OFFICE OF ELECTION ADMINISTRATION.—There are transferred to the Election Administration Commission established under section 301 all functions of the Director of the Office of the Election Administration of the Federal Election Commission before the transition date (as defined in section 316(a)(2)).

(b) CONFORMING AMENDMENT.—Section 311(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(a)) is amended—

(1) in paragraph (8), by inserting “and” at the end;

(2) in paragraph (9), by striking “; and” and inserting a period; and

(3) by striking paragraph (10) and the second and third sentences.

#### SEC. 313. NATIONAL VOTER REGISTRATION ACT OF 1993.

(a) TRANSFER OF FUNCTIONS.—There are transferred to the Election Administration Commission established under section 301 all functions of the Federal Election Commission under the National Voter Registration Act of 1993 before the transition date (as defined in section 316(a)(2)).

(b) CONFORMING AMENDMENT.—For purposes of section 9(a) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg-7(a)), the reference to the Federal Election Commission shall be deemed to be a reference to the Election Administration Commission.

#### SEC. 314. TRANSFER OF PROPERTY, RECORDS, AND PERSONNEL.

(a) PROPERTY AND RECORDS.—The contracts, liabilities, records, property, and other assets and interests of, or made available in connection with, the offices and functions of the Federal Election Commission which are transferred by this subtitle are transferred to the Election Administration Commission for appropriate allocation.

(b) PERSONNEL.—The personnel employed in connection with the offices and functions of the Federal Election Commission which are transferred by this subtitle are transferred to the Election Administration Commission.

# SEC. 315. COVERAGE OF ELECTION ADMINISTRATION COMMISSION UNDER CERTAIN LAWS AND PROGRAMS.

(a) TREATMENT OF COMMISSION PERSONNEL UNDER CERTAIN CIVIL SERVICE LAWS.—

(1) COVERAGE UNDER HATCH ACT.—Section 7323(b)(2)(B)(i)(I) of title 5, United States Code, is amended by inserting “or the Election Administration Commission” after “Commission”.

(2) EXCLUSION FROM SENIOR EXECUTIVE SERVICE.—Section 3132(a)(1)(C) of title 5, United States Code, is amended by inserting “or the Election Administration Commission” after “Commission”.

(b) COVERAGE UNDER INSPECTOR GENERAL ACT OF 1978.—Section 8G(a)(2) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended by inserting “, the Election Administration Commission,” after “Federal Election Commission.”.

## SEC. 316. EFFECTIVE DATE; TRANSITION.

(a) EFFECTIVE DATE.—

(1) IN GENERAL.—This subtitle and the amendments made by this subtitle shall take effect on the transition date (as defined in paragraph (2)).

(2) TRANSITION DATE DEFINED.—In this section, the term “transition date” means the earlier of—

(A) the date that is 1 year after the date of enactment of this Act; or

(B) the date that is 60 days after the first date on which all of the members of the Election Administration Commission have been appointed under section 302.

(b) TRANSITION.—With the consent of the entity involved, the Election Administration Commission is authorized to utilize the services of such officers, employees, and other personnel of the entities from which functions have been transferred to the Commission under this title or the amendments made by this title for such period of time as may reasonably be needed to facilitate the orderly transfer of such functions.

## TITLE IV—MISCELLANEOUS

### SEC. 401. CRIMINAL PENALTIES.

(a) CONSPIRACY TO DEPRIVE VOTERS OF A FAIR ELECTION.—Any individual who gives false information in registering or voting in violation of section 11(c) of the National Voting Rights Act of 1965 (42 U.S.C. 1973i(c)), or conspires with another to violate such section, shall be fined or imprisoned, or both, in accordance with such section.

(b) FALSE INFORMATION IN REGISTERING AND VOTING.—Any individual who commits fraud or makes a false statement with respect to the naturalization, citizenry, or alien registry of such individual in violation of section 1015 of title 18, United States Code, shall be fined or imprisoned, or both, in accordance with such section.

### SEC. 402. RELATIONSHIP TO OTHER LAWS.

(a) IN GENERAL.—Except as otherwise provided in this Act, nothing in this Act may be construed to authorize or require conduct prohibited under the following laws, or supersede, restrict, or limit such laws:

(1) The Voting Rights Act of 1965 (42 U.S.C. 1973 et seq.).

(2) The Voting Accessibility for the Elderly and Handicapped Act (42 U.S.C. 1973ee et seq.).

(3) The Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff et seq.).

(4) The National Voter Registration Act of 1993 (42 U.S.C. 1973gg et seq.).

(5) The Americans with Disabilities Act of 1990 (42 U.S.C. 1994 et seq.).

(6) The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.).

(b) NO EFFECT ON PRECLEARANCE OR OTHER REQUIREMENTS UNDER VOTING RIGHTS ACT.—The approval by the Attorney General of a State's application for a grant under title II,

or any other action taken by the Attorney General or a State under such title, shall not be considered to have any effect on requirements for preclearance under section 5 of the Voting Rights Act of 1965 (42 U.S.C. 1973c) or any other requirements of such Act.

## AUTHORITY FOR COMMITTEES TO MEET

### COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, December 19, 2001, immediately following the 1:15 p.m. cloture vote, to conduct a markup on the nominations of Ms. Vickers B. Meadows, of Virginia, to be an Assistant Secretary of Housing and Urban Development; and Ms. Diane L. Tomb, of Virginia, to be an Assistant Secretary of Housing and Urban Development.

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

### COMMITTEE ON FINANCE

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on Wednesday, December 19, 2001, at 10 a.m. to consider the nomination of Edward Kingman, Jr. to be Assistant Secretary for Management Budget and Chief Financial Officer, U.S. Department of Treasury.

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

## PRIVILEGE OF THE FLOOR

Mr. DURBIN. Mr. President, I ask unanimous consent that privilege of the floor be granted to Christopher Rhee, a detailee on the Judiciary Committee staff, during the remainder of the first session of the Congress.

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

## EXECUTIVE SESSION

### TREATY WITH RUSSIA ON MUTUAL LEGAL ASSISTANCE IN CRIMINAL MATTERS

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider Executive Calendar No. 4, Treaty with Russia on Mutual Legal Assistance in Criminal Matters; that the treaty be considered as having advanced through its parliamentary stages up to and including the presentation of the resolution of ratification, and that the conditions be agreed to.

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

Mr. REID. Mr. President, I ask for a division vote.

The PRESIDING OFFICER. A division has been requested.

Senators in favor of the ratification of this treaty, please rise. (After a

pause.) Those opposed will rise and stand until counted.

On a division vote with two-thirds of the Senators present having voted in the affirmative, the resolution of ratification is agreed to.

The resolution of ratification, with its conditions, reads as follows:

*Resolved (two thirds of the Senators present concurring therein),*

### SECTION 1. ADVICE AND CONSENT TO RATIFICATION OF THE TREATY WITH THE RUSSIAN FEDERATION ON MUTUAL LEGAL ASSISTANCE IN CRIMINAL MATTERS, SUBJECT TO CONDITIONS.

The Senate advises and consents to the ratification of the Treaty Between the United States of America and the Russian Federation on Mutual Legal Assistance in Criminal Matters, signed at Washington on June 17, 1999 (Treaty Doc. 106-22; in this resolution referred to as the “Treaty”), subject to the conditions in section 2.

### SEC. 2. CONDITIONS.

The advice and consent of the Senate under section 1 is subject to the following conditions:

(1) TREATY INTERPRETATION.—The Senate reaffirms condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe (CFE) of November 19, 1990 (adopted at Vienna on May 31 1996), approved by the Senate on May 14, 1997 (relating to condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988).

(2) LIMITATION ON ASSISTANCE.—Pursuant to the right of the United States under the Treaty to deny legal assistance under the Treaty that would prejudice the essential public policy or interests of the United States, the United States shall deny any request for such assistance if the Central Authority of the United States (as designated in Article 3(2) of the Treaty), after consultation with all appropriate intelligence, anti-narcotic, and foreign policy agencies, has specific information that a senior Government official of the requesting party who will have access to information to be provided as part of such assistance is engaged in a felony, including the facilitation of the production or distribution of illegal drugs.

(3) SUPREMACY OF THE CONSTITUTION.—Nothing in the Treaty requires or authorizes the enactment of legislation or the taking of any other action by the United States that is prohibited by the Constitution of the United States as interpreted by the United States.

Mr. REID. Mr. President, I ask unanimous consent that the motion to reconsider be laid upon the table, that any statements thereon be printed in the RECORD, and that the President be immediately notified of the Senate's action.

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

## EXECUTIVE CALENDAR

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to consider the following nominations: Calendar Nos. 583, 662, and the Air Force and Army promotions on the Secretary's desk; that the nominations be confirmed, the motions to reconsider be laid upon the table, any statements thereon be printed in the RECORD, the President be immediately notified of the Senate's action, and the Senate return to legislative session.