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 2837. Mr. HARKIN (for Mr. GRASSLEY (for himself and Mr. HARKIN)) proposed an amendment to amendment SA 2835 submitted by Mr. CRAIG and intended to be proposed to the amendment SA 2471 proposed by Mr. DASCHLE to the bill (S. 1731) supra.

SA 2838. Mr. REID proposed an amendment to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra.

SA 2839. Mr. BAUCUS proposed an amendment to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra.

SA 2840. Mr. REID (for Mr. JEFFORDS) proposed an amendment to the bill S. 1206, to reauthorize the Appalachian Regional Development Act of 1965, and for other purposes.

SA 2841. Mr. KERRY (for himself and Mr. HOLLINGS) submitted an amendment intended to be proposed by him to the bill S. 1926, to improve passenger automobile fuel economy and safety, reduce greenhouse gas emissions, reduce dependence on foreign oil, and for other purposes; which was referred to the Committee on Commerce, Science, and Transportation.

SA 2842. Mr. REID proposed an amendment 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.

TEXT OF AMENDMENTS

SA 2836. Mr. CONRAD (for himself and Mr. CRAPO) 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:

Beginning on page 86, strike line 22 and all that follows through page 87, line 21, and insert the following:

(2) by striking subparagraph (B) and inserting the following:

''(B) BEET SUGAR.—

''(i) IN GENERAL.—Except as otherwise provided in this subparagraph and sections 359c(g), 359e(b), and 359f(b), the Secretary shall make allocations for beet sugar among beet sugar processors for each crop year that allotments are in effect on the basis of the adjusted weighted average quantity of beet sugar produced by the processors for each of the 1998 through 2000 crop years, as determined under this subparagraph.

''(ii) QUANTITY.—The quantity of an allocation made for a beet sugar processor for a crop year under clause (i) shall bear the same ratio to the quantity of allocations made for all beet sugar processors for the crop year as the adjusted weighted average quantity of beet sugar produced by the processor (as determined under clauses (iii) and (iv)) bears to the total of the adjusted weighted average quantities of beet sugar produced by all processors (as so determined).

''(iii) WEIGHTED AVERAGE QUANTITY.—Subject to clause (iv), the weighted quantity of beet sugar produced by a beet sugar processor during each of the 1998 through 2000 crop years shall be (as determined by the Secretary)—

''(I) in the case of the 1998 crop year, 25 percent of the quantity of beet sugar produced by the processor during the crop year;

''(II) in the case of the 1999 crop year, 35 percent of the quantity of beet sugar produced by the processor during the crop year; and

''(III) in the case of the 2000 crop year, 40 percent of the quantity of beet sugar produced by the processor (including any quantity of sugar received from the Commodity Credit Corporation) during the crop year.

''(iv) ADJUSTMENTS.—

''(I) IN GENERAL.—The Secretary shall adjust the weighted average quantity of beet sugar produced by a beet sugar processor during the 1998 through 2000 crop years under clause (iii) if the Secretary determines that, during any such crop year, the processor—

''(aa) opened or closed a sugar beet processing factory;

''(bb) constructed a molasses desugarization facility; or

''(cc) suffered substantial quality losses on sugar beets stored during any such crop year.

''(II) QUANTITY.—The quantity of beet sugar produced by a beet sugar processor under clause (iii) shall be—

''(aa) in the case of a processor that opened a sugar beet processing factory, increased by 1.25 percent of the total of the adjusted weighted average quantities of beet sugar produced by all processors during the 1998 through 2000 crop years (without consideration of any adjustment under this clause) for each sugar beet processing factory that is opened by the processor;

''(bb) in the case of a processor that closed a sugar beet processing factory, decreased by 1.25 percent of the total of the adjusted weighted average quantities of beet sugar produced by all processors during the 1998 through 2000 crop years (without consideration of any adjustment under this clause) for each sugar beet processing factory that is closed by the processor;

''(cc) in the case of a processor that constructed a molasses desugarization facility, increased by 0.25 percent of the total of the adjusted weighted average quantities of beet sugar produced by all processors during the 1998 through 2000 crop years (without consideration of any adjustment under this clause) for each molasses desugarization facility that is constructed by the processor; and

''(dd) in the case of a processor that suffered substantial quality losses on stored sugar beets, increased by 1.25 percent of the total of the adjusted weighted average quantities of beet sugar produced by all processors during the 1998 through 2000 crop years (without consideration of any adjustment under this clause).

''(v) PERMANENT TERMINATION OF OPERATIONS OF A PROCESSOR.—If a processor of beet sugar has been dissolved, liquidated in a bankruptcy proceeding, or otherwise has permanently terminated operations (other than in conjunction with a sale or other disposition of the processor or the assets of the processor), the Secretary shall—

''(I) eliminate the allocation of the processor provided under this section; and

''(II) distribute the allocation to other beet sugar processors on a pro rata basis.

''(vi) SALE OF ALL ASSETS OF A PROCESSOR TO ANOTHER PROCESSOR.—If a processor of beet sugar (or all of the assets of the processor) is sold to another processor of beet sugar, the Secretary shall transfer the allocation of the seller to the buyer unless the allocation has been distributed to other sugar beet processors under clause (v).

''(vii) SALE OF FACTORIES OF A PROCESSOR TO ANOTHER PROCESSOR.—

''(I) IN GENERAL.—Subject to clauses (v) and (vi), if 1 or more factories of a processor of beet sugar (but not all of the assets of the processor) are sold to another processor of beet sugar during a fiscal year, the Secretary shall assign a pro rata portion of the allocation of the seller to the allocation of the buyer to reflect the historical contribution of the production of the sold factory or factories to the total allocation of the seller.

''(II) APPLICATION OF ALLOCATION.—The assignment of the allocation under subclause (I) shall apply—

''(aa) during the remainder of the fiscal year during which the sale described in subclause (I) occurs (referred to in this clause as the 'initial fiscal year'); and

''(bb) each subsequent fiscal year (referred in this clause as a 'subsequent fiscal year'), subject to subclause (III).

''(III) SUBSEQUENT FISCAL YEARS.—

''(aa) IN GENERAL.—The assignment of the allocation under subclause (I) shall apply during each subsequent fiscal year unless the acquired factory or factories continue in operation for less than the initial fiscal year and the first subsequent fiscal year.

''(bb) REASSIGNMENT.—If the acquired factory or factories do not continue in operation for the complete initial fiscal year and the first subsequent fiscal year, the Secretary shall reassign the temporary allocation to other processors of beet sugar on a pro rata basis.

''(IV) USE OF OTHER FACTORIES TO FILL ALLOCATION.—If the transferred allocation to the buyer for the purchased factory or factories cannot be filled by the production by the purchased factory or factories for the initial fiscal year or a subsequent fiscal year, the remainder of the transferred allocation may be filled by beet sugar produced by the buyer from other factories of the buyer.

''(viii) NEW ENTRANTS STARTING PRODUCTION OR REOPENING FACTORIES.—If an individual or entity that does not have an allocation of beet sugar under this part (referred to in this subparagraph as a 'new entrant') starts processing sugar beets after the date of enactment of this clause, or acquires and reopens a factory that produced beet sugar during the period of the 1998 through 2000 crop years that (at the time of acquisition) has no allocation associated with the factory under this part, the Secretary shall—

''(I) assign an allocation for beet sugar to the new entrant that provides a fair and equitable distribution of the allocations for beet sugar; and

''(II) reduce the allocations for beet sugar of all other processors on a pro rata basis to reflect the new allocation.

''(ix) NEW ENTRANTS ACQUIRING ONGOING FACTORIES WITH PRODUCTION HISTORY.—If a new entrant acquires a factory that has production history during the period of the 1998 through 2000 crop years and that is producing beet sugar at the time the allocations are made from a processor that has an allocation of beet sugar, the Secretary shall transfer a portion of the allocation of the seller to the new entrant to reflect the historical contribution of the production of the sold factory to the total allocation of the seller.''.

SA 2837. Mr. HARKIN (for Mr. GRASSLEY (for himself and Mr. HARKIN) proposed an amendment to amendment SA 2835 submitted by Mr. CRAIG 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 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:

Strike all after ''**SEC.**'' and insert the following:

10___1. PROHIBITION ON PACKERS OWNING, FEEDING, OR CONTROLLING LIVESTOCK.

(a) IN GENERAL.—Section 202 of the Packers and Stockyards Act, 1921 (7 U.S.C. 192(f)) (as amended by section 1021(a)), is amended by striking subsection (f) and inserting the following:

''(f) Own or feed livestock directly, through a subsidiary, or through an arrangement that gives the packer operational, managerial, or supervisory control over the livestock, or over the farming operation that produces the livestock, to such an extent that the producer is no longer materially participating in the management of the operation with respect to the production of the livestock, except that this subsection shall not apply to—

''(1) an arrangement entered into within 14 days before slaughter of the livestock by a packer, a person acting through the packer, or a person that directly or indirectly controls, or is controlled by or under common control with, the packer;

''(2) a cooperative or entity owned by a cooperative, if a majority of the ownership interest in the cooperative is held by active cooperative members that—

''(A) own, feed, or control livestock; and

''(B) provide the livestock to the cooperative for slaughter; or

''(3) a packer that is owned or controlled by producers of a type of livestock, if during a calendar year the packer slaughters less than 2 percent of the head of that type of livestock slaughtered in the United States; or''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Subject to paragraph (2), the amendments made by subsection (a) take effect on the date of enactment of this Act.

(2) TRANSITION RULES.—In the case of a packer that on the date of enactment of this Act owns, feeds, or controls livestock intended for slaughter in violation of section 202(f) of the Packers and Stockyards Act, 1921 (as amended by subsection (a)), the amendments made by subsection (a) apply to the packer—

(A) in the case of a packer of swine, beginning on the date that is 18 months after the date of enactment of this Act; and

(B) in the case of a packer of any other type of livestock, beginning as soon as practicable, but not later than 180 days, after the date of enactment of this Act, as determined by the Secretary of Agriculture.

SA 2838. Mr. REID 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:

Beginning on page 205, strike line 11 and all that follows through page 258, line 19, and insert the following:

''40,000,000''.

(d) DURATION OF CONTRACTS; HARDWOOD TREES.—Section 1231(e)(2) of the Food Security Act of 1985 (16 U.S.C. 3831(e)(2)) is amended—

(1) by striking ''In the'' and inserting the following:

''(A) IN GENERAL.—In the'';

(2) by striking ''The Secretary'' and inserting the following:

''(B) EXISTING HARDWOOD TREE CONTRACTS.—The Secretary''; and

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

''(C) EXTENSION OF HARDWOOD TREE CONTRACTS.—

''(i) IN GENERAL.—In the case of land devoted to hardwood trees under a contract entered into under this subchapter before the date of enactment of this subparagraph, the Secretary may extend the contract for a term of not more than 15 years.

''(ii) RENTAL PAYMENTS.—The amount of a rental payment for a contract extended under clause (i)—

''(I) shall be determined by the Secretary; but

''(II) shall not exceed 50 percent of the rental payment that was applicable to the contract before the contract was extended.''.

(e) PILOT PROGRAM FOR ENROLLMENT OF WETLAND AND BUFFER ACREAGE IN CONSERVATION RESERVE.—Section 1231(h) of the Food Security Act of 1985 (16 U.S.C. 3831(h)) is amended—

(1) in the subsection heading, by striking ''PILOT'';

(2) in paragraph (1), by striking ''During the 2001 and 2002 calendar years, the Secretary shall carry out a pilot program'' and inserting ''During the 2002 through 2006 calendar years, the Secretary shall carry out a program'';

(3) in paragraph (2), by striking ''pilot''; and

(4) in paragraph (3)(D)(i), by striking ''5 contiguous acres.'' and inserting ''10 contiguous acres, of which—

''(I) not more than 5 acres shall be eligible for payment; and

''(II) all acres (including acres that are ineligible for payment) shall be covered by the conservation contract.''.

(f) IRRIGATED LAND.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended by adding at the end the following:

''(i) IRRIGATED LAND.—Irrigated land shall be enrolled in the programs described in subsection (b)(6) at irrigated land rates unless the Secretary determines that other compensation is appropriate.''.

(g) ADDITIONAL WATER CONSERVATION ACREAGE UNDER CONSERVATION RESERVE ENHANCEMENT PROGRAM.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) (as amended by subsection (f)) is amended by adding at the end the following:

''(j) ADDITIONAL WATER CONSERVATION ACREAGE UNDER CONSERVATION RESERVE ENHANCEMENT PROGRAM.—

''(1) DEFINITIONS.—In this subsection:

''(A) ELIGIBLE ENTITY.—The term 'eligible entity' means—

''(i) an owner or operator of agricultural land;

''(ii) a person or entity that holds water rights in accordance with State law; and

''(iii) any other landowner.

''(B) PROGRAM.—The term 'program' means the conservation reserve enhancement program announced on May 27, 1998 (63 Fed. Reg. 28965).

''(2) PROTECTION OF PRIVATE PROPERTY RIGHTS.—

''(A) WILLING SELLERS AND LESSORS.—An agreement may be executed under this subsection only if each eligible entity that is a party to the agreement is a willing seller or willing lessor.

''(B) PROPERTY RIGHTS.—Nothing in this subsection authorizes the Federal Government or any State government to condemn private property.

''(3) ENROLLMENT.—In addition to the acreage authorized to be enrolled under subsection (d), in carrying out the program, the Secretary shall enroll not more than 500,000 acres in eligible States to promote water conservation.

''(4) ELIGIBLE STATES.—To be eligible to participate in the program, a State—

''(A) shall submit to the Secretary, for review and approval, a proposal that meets the requirements of the program; and

''(B) shall—

''(i) have established a program to protect in-stream flows; and

''(ii) agree to hold water rights leased or purchased under a proposal submitted under subparagraph (A).

''(5) ELIGIBLE ACREAGE.—An eligible entity may enroll in the program land that is adjacent to a watercourse or lake, or land that would contribute to the restoration of a watercourse or lake (as determined by the Secretary), if—

''(A)(i) the land can be restored as a wetland, grassland, or other habitat, as determined by the Secretary; and

''(ii) the restoration would significantly improve riparian functions; or

''(B) water or water rights appurtenant to the land are leased or sold to an appropriate State agency or State-designated water trust, as determined by the Secretary.

''(6) RELATIONSHIP TO OTHER ENROLLED ACREAGE.—For any fiscal year, acreage enrolled under this subsection shall not affect the quantity of—

''(A) acreage enrolled to establish conservation buffers as part of the program announced on March 24, 1998 (63 Fed. Reg. 14109); or

''(B) acreage enrolled in the program before the date of enactment of this subsection.

''(7) DUTIES OF ELIGIBLE ENTITIES.—Under a contract entered into with respect to enrolled land under the program, during the term of the contract, an eligible entity shall agree—

''(A)(i) to restore the hydrology of the enrolled land to the maximum extent practicable, as determined by the Secretary; and

''(ii) to establish on the enrolled land wetland, grassland, vegetative cover, or other habitat, as determined by the Secretary; or

''(B) to transfer to the State, or a designee of the State, water rights appurtenant to the enrolled land.

''(8) RENTAL RATES.—

''(A) IRRIGATED LAND.—With respect to irrigated land enrolled in the program, the rental rate shall be established by the Secretary, acting through the Deputy Administrator for Farm Programs—

''(i) on a watershed basis;

''(ii) using data available as of the date on which the rental rate is established; and

''(iii) at a level sufficient to ensure, to the maximum extent practicable, that the eligible entity is fairly compensated for the irrigated land value of the enrolled land.

''(B) NONIRRIGATED LAND.—With respect to nonirrigated land enrolled in the program, the rental rate shall be calculated by the Secretary, in accordance with the conservation reserve program manual of the Department that is in effect as of the date on which the rental rate is calculated.

''(C) APPLICABILITY.—An eligible entity that enters into a contract to enroll land into the program shall receive, in exchange for the enrollment, payments that are based on—

''(i) the irrigated rental rate described in subparagraph (A), if the owner or operator agrees to enter into an agreement with the State and approved by the Secretary under which the State leases, for in-stream flow purposes, surface water appurtenant to the enrolled land; or

''(ii) the nonirrigated rental rate described in subparagraph (B), if an owner or operator does not enter into an agreement described in clause (i).

''(9) PRIORITY.—In carrying out this subsection, the Secretary shall give priority consideration to any State proposal that—

''(A) provides a State share of 20 percent or more of the cost of the proposal; and

''(B) significantly advances the goals of Federal, State, tribal, and local fish, wildlife, and plant conservation plans, including—

''(i) plans that address—

''(I) multiple endangered species or threatened species (as defined in section 3 of the Endangered Species Act of 1973 (16 U.S.C. 1532)); or

''(II) species that may become threatened or endangered if conservation measures are not carried out;

''(ii) agreements entered into, or conservation plans submitted, under section 6 or 10(a)(2)(A), respectively, of the Endangered Species Act of 1973 (16 U.S.C. 1535, 1539(a)(2)(A)); or

''(iii) plans that provide benefits to the fish, wildlife, or plants located in 1 or more—

''(I) refuges within the National Wildlife Refuge System; or

''(II) State wildlife management areas.

''(10) CONSULTATION.—In carrying out this subsection, the Secretary shall consult with—

''(A) the Secretary of the Interior; and

''(B) affected Indian tribes.

''(11) STATE WATER LAW.—Nothing in this subsection—

''(A) preempts any State water law;

''(B) affects any litigation concerning the entitlement to, or lack of entitlement to, water that is pending as of the date of enactment of this subsection;

''(C) expands, alters, or otherwise affects the existence or scope of any water right of any individual (except to the extent that the individual agrees otherwise under the program); or

''(D) authorizes or entitles the Federal Government to hold or purchase any water right.

''(12) CALIFORNIA WATER LAW.—

''(A) IN GENERAL.—Nothing in this subsection authorizes the Secretary to enter into an agreement, in accordance with this subchapter, with a landowner for water obtained from an irrigation district, water district, or other similar governmental entity in the State of California.

''(B) TREATMENT OF CALIFORNIA DISTRICTS.—An irrigation district, water district, or similar governmental entity in the State of California—

''(i) shall be considered an eligible entity for purposes of this subchapter; and

''(ii) may develop a program under this subchapter.

''(C) DISTRICT PROGRAMS.—All landowners participating in a program under this subchapter that is sponsored by a district or entity described in subparagraph (B) shall be willing participants in the program.

''(13) GROUNDWATER.—A right to groundwater shall not be subject to any provision of this subsection unless the right is granted—

''(A) under applicable State law; and

''(B) through a groundwater water rights process that is fully integrated with the surface water rights process of the applicable affected State.''.

(h) VEGETATIVE COVER; HAYING AND GRAZING; WIND TURBINES.—Section 1232(a) of the Food Security Act of 1985 (16 U.S.C. 3832(a)) is amended—

(1) in paragraph (4)—

(A) in subparagraph (A), by striking ''and'' at the end;

(B) in subparagraph (B), by inserting ''and'' after the semicolon at the end; and

(C) by adding at the end the following:

''(C) in the case of marginal pasture land, an owner or operator shall not be required to plant trees if the land is to be restored—

''(i) as wetland; or

''(ii) with appropriate native riparian vegetation;'';

(2) in paragraph (7)—

(A) by striking ''except that the Secretary—'' and inserting ''except that—'';

(B) in subparagraph (A)—

(i) by striking ''(A) may'' and inserting ''(A) the Secretary may''; and

(ii) by striking ''and'' at the end;

(C) in subparagraph (B)—

(i) by striking ''(B) shall'' and inserting ''(B) the Secretary shall''; and

(ii) by striking the period at the end and inserting a semicolon;

(D) in subparagraph (C), by striking the period at the end and inserting ''; and''; and

(E) by adding at the end the following:

''(D) for maintenance purposes, the Secretary may permit harvesting or grazing or other commercial uses of forage, in a manner that is consistent with the purposes of this subchapter and a conservation plan approved by the Secretary, on acres enrolled—

''(i) 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; and

''(ii) into the conservation reserve enhancement program described in a notice issued on May 27, 1998 (63 Fed. Reg. 28965) or a successor program.'';

(3) in paragraph (9), by striking ''and'' at the end;

(4) by redesignating paragraph (10) as paragraph (11); and

(5) by inserting after paragraph (9) the following:

''(10) with respect to any contract entered into after the date of enactment of the Agriculture, Conservation, and Rural Enhancement Act of 2001—

''(A) not to produce a crop for the duration of the contract on any other highly erodible land that the owner or operator owns unless the highly erodible land—

''(i) has a history of being used to produce a crop other than a forage crop, as determined by the Secretary; or

''(ii) is being used as a homestead or building site at the time of purchase; and

''(B) on a violation of a contract described in subparagraph (A), to be subject to the requirements of paragraph (5); and''.

(i) WIND TURBINES.—Section 1232 of the Food Security Act of 1985 (8906 U.S.C. 3832) is amended by adding at the end the following:

''(f) WIND TURBINES.—

''(1) IN GENERAL.—Subject to paragraph (2), the Secretary may permit an owner or operator of land that is enrolled in the conservation reserve program, but that is not enrolled under continuous signup (as described in section 1231(b)(6)), to install wind turbines on the land.

''(2) NUMBER; LOCATION.—The Secretary shall determine the number and location of wind turbines that may be installed on a tract of land under paragraph (1), taking into account—

''(A) the location, size, and other physical characteristics of the land;

''(B) the extent to which the land contains wildlife and wildlife habitat; and

''(C) the purposes of the conservation reserve program.

''(3) PAYMENT LIMITATION.—Notwithstanding the amount of a rental payment limited by section 1234(c)(2) and specified in a contract entered into under this chapter, the Secretary shall reduce the amount of the rental payment paid to an owner or operator of land on which 1 or more wind turbines are installed under this subsection by an amount determined by the Secretary to be commensurate with the value of the reduction of benefit gained by enrollment of the land in the conservation reserve program.''.

(j) ADDITIONAL ELIGIBLE PRACTICES.—Section 1234 of the Food Security Act of 1985 (16 U.S.C. 3834) is amended by adding at the end the following:

''(i) PAYMENTS.—

''(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall provide signing and practice incentive payments under the conservation reserve program to owners and operators that implement a practice under—

''(A) the program to establish conservation buffers described in a notice issued on March 24, 1998 (63 Fed. Reg. 14109) or a successor program; or

''(B) the conservation reserve enhancement program described in a notice issued on May 27, 1998 (63 Fed. Reg. 28965) or a successor program.

''(2) OTHER PRACTICES.—The Secretary shall administer paragraph (1) in a manner that does not reduce the amount of payments made by the Secretary for other practices under the conservation reserve program.''.

(k) PAYMENTS.—Section 1239C(f) of the Food Security Act of 1985 (16 U.S.C. 3839c(f)) is amended by adding at the end the following:

''(5) EXCEPTION.—Paragraph (1) shall not apply to any land enrolled in—

''(A) the program to establish conservation buffers described in a notice issued on March 24, 1998 (63 Fed. Reg. 14109) or a successor program; or

''(B) the conservation reserve enhancement program described in a notice issued on May 27, 1998 (63 Fed. Reg. 28965) or a successor program.''.

(l) COUNTY PARTICIPATION.—Section 1243(b)(1) of the Food Security Act of 1985 (16 U.S.C. 3843(b)(1)) is amended by striking ''The Secretary'' and inserting ''Except for land enrolled under continuous signup (as described in section 1231(b)(6)), the Secretary''.

(m) STUDY ON ECONOMIC EFFECTS.—Not later than 270 days after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the economic effects on rural communities resulting from 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.).

SEC. 213. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

(a) IN GENERAL.—Chapter 4 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839aa et seq.) is amended to read as follows:

''SEC. 1240. PURPOSES.

''The purposes of the environmental quality incentives program established by this chapter are to promote agricultural production and environmental quality as compatible national goals, and to maximize environmental benefits per dollar expended, by—

''(1) assisting producers in complying with—

''(A) this title;

''(B) the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.);

''(C) the Safe Drinking Water Act (42 U.S.C. 300f et seq.);

''(D) the Clean Air Act (42 U.S.C. 7401 et seq.); and

''(E) other Federal, State, and local environmental laws (including regulations);

''(2) avoiding, to the maximum extent practicable, the need for resource and regulatory programs by assisting producers in protecting soil, water, air, and related natural resources and meeting environmental quality criteria established by Federal, State, and local agencies;

''(3) providing flexible technical and financial assistance to producers to install and maintain conservation systems that enhance soil, water, related natural resources (including grazing land and wetland), and wildlife while sustaining production of food and fiber;

''(4) assisting producers to make beneficial, cost effective changes to cropping systems, grazing management, nutrient management associated with livestock, pest or irrigation management, or other practices on agricultural land;

''(5) facilitating partnerships and joint efforts among producers and governmental and nongovernmental organizations; and

''(6) consolidating and streamlining conservation planning and regulatory compliance processes to reduce administrative burdens on producers and the cost of achieving environmental goals.

''SEC. 1240A. DEFINITIONS.

''In this chapter:

''(1) BEGINNING FARMER OR RANCHER.—The term 'beginning farmer or rancher' has the meaning provided under section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999(a)).

''(2) COMPREHENSIVE NUTRIENT MANAGEMENT.—

''(A) IN GENERAL.—The term 'comprehensive nutrient management' means any combination of structural practices, land management practices, and management activities associated with crop or livestock production described in subparagraph (B) that collectively ensure that the purposes of crop or livestock production and preservation of natural resources (especially the preservation and enhancement of water quality) are compatible.

''(B) ELEMENTS.—For the purpose of subparagraph (A), structural practices, land management practices, and management activities associated with livestock production are—

''(i) manure and wastewater handling and storage;

''(ii) manure processing, composting, or digestion for purposes of capturing emissions, concentrating nutrients for transport, destroying pathogens or otherwise improving the environmental safety and beneficial uses of manure;

''(iii) land treatment practices;

''(iv) nutrient management;

''(v) recordkeeping;

''(vi) feed management; and

''(vii) other waste utilization options.

''(C) PRACTICE.—

''(i) PLANNING.—The development of a comprehensive nutrient management plan shall be a practice that is eligible for incentive payments and technical assistance under this chapter.

''(ii) IMPLEMENTATION.—The implementation of a comprehensive nutrient plan shall be accomplished through structural and land management practices identified in the plan.

''(3) ELIGIBLE LAND.—The term 'eligible land' means agricultural land (including cropland, grassland, rangeland, pasture, private nonindustrial forest land, and other land on which crops or livestock are produced), including agricultural land that the Secretary determines poses a serious threat to soil, water, or related resources by reason of the soil types, terrain, climatic, soil, topographic, flood, or saline characteristics, or other factors or natural hazards.

''(4) INNOVATIVE TECHNOLOGY.—The term 'innovative technology' means a new conservation technology that, as determined by the Secretary—

''(A) maximizes environmental benefits;

''(B) complements agricultural production; and

''(C) may be adopted in a practical manner.

''(5) LAND MANAGEMENT PRACTICE.—The term 'land management practice' means a site-specific nutrient or manure management, integrated pest management, irrigation management, tillage or residue management, grazing management, air quality management, or other land management practice carried out on eligible land that the Secretary determines is needed to protect from degradation, in the most cost-effective manner, water, soil, or related resources.

''(6) LIVESTOCK.—The term 'livestock' means dairy cattle, beef cattle, laying hens, broilers, turkeys, swine, sheep, and such other animals as are determined by the Secretary.

''(7) MANAGED GRAZING.—The term 'managed grazing' means the application of 1 or more practices that involve the frequent rotation of animals on grazing land to—

''(A) enhance plant health;

''(B) limit soil erosion;

''(C) protect ground and surface water quality; or

''(D) benefit wildlife.

''(8) MAXIMIZE ENVIRONMENTAL BENEFITS PER DOLLAR EXPENDED.—

''(A) IN GENERAL.—The term 'maximize environmental benefits per dollar expended' means to maximize environmental benefits to the extent the Secretary determines is practicable and appropriate, taking into account the amount of funding made available to carry out this chapter.

''(B) LIMITATION.—The term 'maximize environmental benefits per dollar expended' does not require the Secretary—

''(i) to require the adoption of the least cost practice or technical assistance; or

''(ii) to require the development of a plan under section 1240E as part of an application for payments or technical assistance.

''(9) PRACTICE.—The term 'practice' means 1 or more structural practices, land management practices, and comprehensive nutrient management planning practices.

''(10) PRODUCER.—

''(A) IN GENERAL.—The term 'producer' means an owner, operator, landlord, tenant, or sharecropper that—

''(i) shares in the risk of producing any crop or livestock; and

''(ii) is entitled to share in the crop or livestock available for marketing from a farm (or would have shared had the crop or livestock been produced).

''(B) HYBRID SEED GROWERS.—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.

''(11) PROGRAM.—The term 'program' means the environmental quality incentives program comprised of sections 1240 through 1240J.

''(12) STRUCTURAL PRACTICE.—The term 'structural practice' means—

''(A) the establishment on eligible land of a site-specific animal waste management facility, terrace, grassed waterway, contour grass strip, filterstrip, tailwater pit, permanent wildlife habitat, constructed wetland, or other structural practice that the Secretary determines is needed to protect, in the most cost-effective manner, water, soil, or related resources from degradation; and

''(B) the capping of abandoned wells on eligible land.

''SEC. 1240B. ESTABLISHMENT AND ADMINISTRATION OF ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—During each of the 2002 through 2006 fiscal years, the Secretary shall provide technical assistance, cost-share payments, and incentive payments to producers that enter into contracts with the Secretary under the program.

''(2) ELIGIBLE PRACTICES.—

''(A) STRUCTURAL PRACTICES.—A producer that implements a structural practice shall be eligible for any combination of technical assistance, cost-share payments, and education.

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

''(C) COMPREHENSIVE NUTRIENT MANAGEMENT PLANNING.—A producer that develops a comprehensive nutrient management plan shall be eligible for any combination of technical assistance, incentive payments, and education.

''(3) EDUCATION.—The Secretary may provide conservation education at national, State, and local levels consistent with the purposes of the program to—

''(A) any producer that is eligible for assistance under the program; or

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

''(b) APPLICATION AND TERM.—With respect to practices implemented under the program—

''(1) a contract between a producer and the Secretary may—

''(A) apply to 1 or more structural practices, land management practices, and comprehensive nutrient management planning practices; and

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

''(2) a producer may not enter into more than 1 contract for structural practices involving livestock nutrient management during the period of fiscal years 2002 through 2006.

''(c) APPLICATION AND EVALUATION.—

''(1) IN GENERAL.—The Secretary shall establish an application and evaluation process for awarding technical assistance, cost-share payments, and incentive payments to a producer in exchange for the performance of 1 or more practices that maximize environmental benefits per dollar expended.

''(2) COMPARABLE ENVIRONMENTAL VALUE.—

''(A) IN GENERAL.—The Secretary shall establish a process for selecting applications for technical assistance, cost-share payments, and incentive payments in any case in which there are numerous applications for assistance for practices that would provide substantially the same level of environmental benefits.

''(B) CRITERIA.—The process under subparagraph (A) shall be based on—

''(i) a reasonable estimate of the projected cost of the proposals described in the applications; and

''(ii) the priorities established under the program, and other factors, that maximize environmental benefits per dollar expended.

''(3) CONSENT OF OWNER.—If the producer making an offer to implement a structural practice is a tenant of the land involved in agricultural production, for the offer to be acceptable, the producer shall obtain the consent of the owner of the land with respect to the offer.

''(4) BIDDING DOWN.—If the Secretary determines that the environmental values of 2 or

more applications for technical assistance, cost-share payments, or incentive payments are comparable, the Secretary shall not assign a higher priority to the application only because it would present the least cost to the program established under the program.

''(d) COST-SHARE PAYMENTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the cost-share payments provided to a producer proposing to implement 1 or more practices under the program shall be not more than 75 percent of the cost of the practice, as determined by the Secretary.

''(2) EXCEPTIONS.—

''(A) LIMITED RESOURCE AND BEGINNING FARMERS.—The Secretary may increase the amount provided to a producer under paragraph (1) to not more than 90 percent if the producer is a limited resource or beginning farmer or rancher, as determined by the Secretary.

''(B) COST-SHARE ASSISTANCE FROM OTHER SOURCES.—Except as provided in paragraph (3), any cost-share payments received by a producer from a State or private organization or person for the implementation of 1 or more practices on eligible land of the producer shall be in addition to the payments provided to the producer under paragraph (1).

''(3) OTHER PAYMENTS.—A producer shall not be eligible for cost-share payments for practices on eligible land under the program if the producer receives cost-share payments or other benefits for the same practice on the same land under chapter 1 and the program.

''(e) INCENTIVE PAYMENTS.—The Secretary shall make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage a producer to perform 1 or more practices.

''(f) TECHNICAL ASSISTANCE.—

''(1) IN GENERAL.—The Secretary shall allocate funding under the program for the provision of technical assistance according to the purpose and projected cost for which the technical assistance is provided for a fiscal year.

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

''(A) the type of expertise required;

''(B) the quantity of time involved; and

''(C) other factors as determined appropriate by the Secretary.

''(3) LIMITATION.—Funding for technical assistance under the program shall not exceed the projected cost to the Secretary of the technical assistance provided for a fiscal year.

''(4) OTHER AUTHORITIES.—The receipt of technical assistance under the program shall not affect the eligibility of the producer to receive technical assistance under other authorities of law available to the Secretary.

''(5) INCENTIVE PAYMENTS FOR TECHNICAL ASSISTANCE.—

''(A) IN GENERAL.—A producer that is eligible to receive technical assistance for a practice involving the development of a comprehensive nutrient management plan may obtain an incentive payment that can be used to obtain technical assistance associated with the development of any component of the comprehensive nutrient management plan.

''(B) PURPOSE.—The purpose of the payment shall be to provide a producer the option of obtaining technical assistance for developing any component of a comprehensive nutrient management plan from a certified provider.

''(C) PAYMENT.—The incentive payment shall be—

''(i) in addition to cost-share or incentive payments that a producer would otherwise receive for structural practices and land management practices;

''(ii) used only to procure technical assistance from a certified provider that is necessary to develop any component of a comprehensive nutrient management plan; and

''(iii) in an amount determined appropriate by the Secretary, taking into account—

''(I) the extent and complexity of the technical assistance provided;

''(II) the costs that the Secretary would have incurred in providing the technical assistance; and

''(III) the costs incurred by the private provider in providing the technical assistance.

''(D) ELIGIBLE PRACTICES.—The Secretary may determine, on a case by case basis, whether the development of a comprehensive nutrient management plan is eligible for an incentive payment under this paragraph.

''(E) CERTIFICATION BY SECRETARY.—

''(i) IN GENERAL.—Only persons that have been certified by the Secretary under section 1244(f)(3) shall be eligible to provide technical assistance under this subsection.

''(ii) QUALITY ASSURANCE.—The Secretary shall ensure that certified providers are capable of providing technical assistance regarding comprehensive nutrient management in a manner that meets the specifications and guidelines of the Secretary and that meets the needs of producers under the program.

''(F) ADVANCE PAYMENT.—On the determination of the Secretary that the proposed comprehensive nutrient management of a producer is eligible for an incentive payment, the producer may receive a partial advance of the incentive payment in order to procure the services of a certified provider.

''(G) FINAL PAYMENT.—The final installment of the incentive payment shall be payable to a producer on presentation to the Secretary of documentation that is satisfactory to the Secretary and that demonstrates—

''(i) completion of the technical assistance; and

''(ii) the actual cost of the technical assistance.

''(g) MODIFICATION OR TERMINATION OF CONTRACTS.—

''(1) VOLUNTARY MODIFICATION OR TERMINATION.—The Secretary may modify or terminate a contract entered into with a producer under this chapter if—

''(A) the producer agrees to the modification or termination; and

''(B) the Secretary determines that the modification or termination is in the public interest.

''(2) INVOLUNTARY TERMINATION.—The Secretary may terminate a contract under this chapter if the Secretary determines that the producer violated the contract.

''SEC. 1240C. EVALUATION OF OFFERS AND PAYMENTS.

''(a) IN GENERAL.—In evaluating applications for technical assistance, cost-share payments, and incentive payments, the Secretary shall accord a higher priority to assistance and payments that—

''(1) maximize environmental benefits per dollar expended; and

''(2)(A) address national conservation priorities, including—

''(i) meeting Federal, State, and local environmental purposes focused on protecting air and water quality;

''(ii) comprehensive nutrient management;

''(iii) water quality, particularly in impaired watersheds;

''(iv) soil erosion;

''(v) air quality; or

''(vi) pesticide and herbicide management or reduction;

''(B) are provided in conservation priority areas established under section 1230(c);

''(C) are provided in special projects under section 1243(f)(4) with respect to which State or local governments have provided, or will provide, financial or technical assistance to producers for the same conservation or environmental purposes; or

''(D) an innovative technology in connection with a structural practice or land management practice.

''SEC. 1240D. DUTIES OF PRODUCERS.

''To receive technical assistance, cost-share payments, or incentive payments under the program, a producer shall agree—

''(1) to implement an environmental quality incentives program plan that describes conservation and environmental purposes to be achieved through 1 or more practices that are approved by the Secretary;

''(2) not to conduct any practices on the farm or ranch that would tend to defeat the purposes of the program;

''(3) on the violation of a term or condition of the contract at any time the producer has control of the land—

''(A) if the Secretary determines that the violation warrants termination of the contract—

''(i) to forfeit all rights to receive payments under the contract; and

''(ii) to refund to the Secretary all or a portion of the payments received by the owner or operator under the contract, including any interest on the payments, as determined by the Secretary; or

''(B) if the Secretary determines that the violation does not warrant termination of the contract, to refund to the Secretary, or accept adjustments to, the payments provided to the owner or operator, as the Secretary determines to be appropriate;

''(4) on the transfer of the right and interest of the producer in land subject to the contract, unless the transferee of the right and interest agrees with the Secretary to assume all obligations of the contract, to refund all cost-share payments and incentive payments received under the program, as determined by the Secretary;

''(5) to supply information as required by the Secretary to determine compliance with the program plan and requirements of the program; and

''(6) to comply with such additional provisions as the Secretary determines are necessary to carry out the program plan.

''SEC. 1240E. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

''(a) IN GENERAL.—To be eligible to receive technical assistance, cost-share payments, or incentive payments under the program, a producer of a livestock or agricultural operation shall submit to the Secretary for approval a plan of operations that specifies practices covered under the program, and is based on such terms and conditions, as the Secretary considers necessary to carry out the program, including a description of the practices to be implemented and the purposes to be met by the implementation of the plan.

''(b) AVOIDANCE OF DUPLICATION.—The Secretary shall, to the maximum extent practicable, eliminate duplication of planning activities under the program and comparable conservation programs.

''SEC. 1240F. DUTIES OF THE SECRETARY.

''To the extent appropriate, the Secretary shall assist a producer in achieving the conservation and environmental goals of a program plan by—

''(1) providing technical assistance in developing and implementing the plan;

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

''(3) providing the producer with information, education, and training to aid in implementation of the plan; and

''(4) encouraging the producer to obtain technical assistance, cost-share payments, or grants from other Federal, State, local, or private sources.

''SEC. 1240G. LIMITATION ON PAYMENTS.

''(a) IN GENERAL.—An individual or entity may not receive, directly or indirectly, payments under the program that exceed—

''(1) $50,000 for any fiscal year; or

''(2) $150,000 for any multiyear contract.

''(b) VERIFICATION.—The Secretary shall identify individuals and entities that are eligible for a payment under the program using social security numbers and taxpayer identification numbers, respectively.

''SEC. 1240H. CONSERVATION INNOVATION GRANTS.

''(a) IN GENERAL.—From funds made available to carry out the program, for each of the 2003 through 2006 fiscal years, the Secretary shall use not more than $100,000,000 for each fiscal year to pay the cost of competitive grants that are intended to stimulate innovative approaches to leveraging Federal investment in environmental enhancement and protection, in conjunction with agricultural production, through the program.

''(b) USE.—The Secretary may award grants under this section to governmental and nongovernmental organizations and persons, on a competitive basis, to carry out projects that—

''(1) involve producers that are eligible for payments or technical assistance under the program;

''(2) implement innovative projects, such as—

''(A) market systems for pollution reduction;

''(B) promoting agricultural best management practices, including the storing of carbon in the soil;

''(C) protection of source water for human consumption; and

''(D) reducing nutrient loss through the reduction of nutrient inputs by an amount that is at least 15 percent less than the established agronomic application rate, as determined by the Secretary; and

''(3) leverage funds made available to carry out the program with matching funds provided by State and local governments and private organizations to promote environmental enhancement and protection in conjunction with agricultural production.

''(c) COST SHARE.—The amount of a grant made under this section to carry out a project shall not exceed 50 percent of the cost of the project.

''(d) UNUSED FUNDING.—Any funds made available for a fiscal year under this section that are not obligated by April 1 of the fiscal year may be used to carry out other activities under this chapter during the fiscal year in which the funding becomes available.

''SEC. 1240I. SOUTHERN HIGH PLAINS AQUIFER GROUNDWATER CONSERVATION.

''(a) DEFINITIONS.—In this section:

''(1) ELIGIBLE ACTIVITY.—

''(A) IN GENERAL.—The term 'eligible activity' means an activity carried out to conserve groundwater.

''(B) INCLUSIONS.—The term 'eligible activity' includes an activity to—

''(i) improve an irrigation system;

''(ii) reduce the use of water for irrigation (including changing from high-water intensity crops to low-water intensity crops); or

''(iii) convert from farming that uses irrigation to dryland farming.

''(2) SOUTHERN HIGH PLAINS AQUIFER.—The term 'Southern High Plains Aquifer' means the portion of the groundwater reserve under Kansas, New Mexico, Oklahoma, and Texas depicted as Figure 1 in the United States Geological Survey Professional Paper 1400–B, entitled 'Geohydrology of the High Plains Aquifer in Parts of Colorado, Kansas, Nebraska, New Mexico, Oklahoma, South Dakota, Texas, and Wyoming'.

''(b) CONSERVATION MEASURES.—

''(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall provide cost-share payments, incentive payments, and groundwater education assistance to producers that draw water from the Southern High Plains Aquifer to carry out eligible activities.

''(2) LIMITATIONS.—The Secretary shall provide a payment to a producer under this section only if the Secretary determines that the payment will result in a net savings in groundwater resources on the land of the producer.

''(3) COOPERATION.—In accordance with this subtitle, in providing groundwater education under this subsection, the Secretary shall cooperate with—

''(A) States;

''(B) land-grant colleges and universities;

''(C) educational institutions; and

''(D) private organizations.

''(c) FUNDING.—

''(1) IN GENERAL.—Of the funds made available under section 1241(b)(1) to carry out the program, the Secretary shall use to carry out this section—

''(A) $15,000,000 for fiscal year 2003;

''(B) $25,000,000 for each of fiscal years 2004 and 2005;

''(C) $35,000,000 for fiscal year 2006; and

''(D) $0 for fiscal year 2007.

''(2) OTHER FUNDS.—Subject to paragraph (3), the funds made available under this subsection shall be in addition to any other funds provided under the program.

''(3) UNUSED FUNDING.—Any funds made available for a fiscal year under paragraph (1) that are not obligated by April 1 of the fiscal year shall be used to carry out other activities in other States under the program.

''SEC. 1240J. PILOT PROGRAMS.

''(a) DRINKING WATER SUPPLIERS PILOT PROGRAM.—

''(1) IN GENERAL.—For each fiscal year, the Secretary may carry out, in watersheds selected by the Secretary, in cooperation with local water utilities, a pilot program to improve water quality.

''(2) IMPLEMENTATION.—The Secretary may select the watersheds referred to in paragraph (1), and make available funds (including funds for the provision of incentive payments) to be allocated to producers in partnership with drinking water utilities in the watersheds, if the drinking water utilities agree to measure water quality at such intervals and in such a manner as may be determined by the Secretary.

''(b) NUTRIENT REDUCTION PILOT PROGRAM.—

''(1) IN GENERAL.—For each of fiscal years 2003 through 2006, the Secretary shall use funds made available to carry out the program, in the amounts specified in paragraph (3), in the Chesapeake Bay watershed to provide incentives for agricultural producers in each State to reduce negative effects on watersheds, including through the significant reduction in nutrient applications, as determined by the Secretary.

''(2) PAYMENTS.—Incentive payments made to a producer under paragraph (1) shall reflect the extent to which the producer reduces nutrient applications.

''(3) FUNDING.—

''(A) IN GENERAL.—Of the amounts made available under section 1241(b) to carry out the program, the Secretary shall use to carry out this subsection—

''(i) $10,000,000 for fiscal year 2003;

''(ii) $15,000,000 for fiscal year 2004;

''(iii) $20,000,000 for fiscal year 2005;

''(iv) $25,000,000 for fiscal year 2006; and

''(v) $0 for fiscal year 2007.

''(B) UNEXPENDED FUNDS.—Any funds made available for a fiscal year under subparagraph (A) that are not obligated by April 1 of the fiscal year shall be used to carry out other activities outside the Chesapeake Bay watershed under this chapter.

''(c) CONSISTENCY WITH WATERSHED PLAN.—In allocating funds for the pilot programs under subsections (a) and (b) and any other pilot programs carried out under the program, the Secretary shall take into consideration the extent to which an application for the funds is consistent with—

''(1) any applicable locally developed watershed plan; and

''(2) the factors established by section 1240C.

''(d) CONTRACTS.—

''(1) IN GENERAL.—In carrying out this section, in addition to other requirements under the program, the Secretary shall enter into contracts in accordance with this section with producers the activities of which affect water quality (including the quality of public drinking water supplies) to implement and maintain—

''(A) nutrient management;

''(B) pest management;

''(C) soil erosion practices; and

''(D) other conservation activities that protect water quality and human health.

''(2) REQUIREMENTS.—A contract described in paragraph (1) shall—

''(A) describe the specific nutrient management, pest management, soil erosion, or other practices to be implemented, maintained, or improved;

''(B) contain a schedule of implementation for those practices;

''(C) to the maximum extent practicable, address water quality priorities of the watershed in which the operation is located; and

''(D) contain such other terms as the Secretary determines to be appropriate.''.

(b) FUNDING.—Section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) is amended by striking subsection (b) and inserting the following:

''(b) ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.—Subject to section 241 of the Agriculture, Conservation, and Rural Enhancement Act of 2001, of the funds of the Commodity Credit Corporation, the Secretary shall make available to provide technical assistance, cost-share payments, incentive payments, bonus payments, grants, and education under the environmental quality incentives program under chapter 4 of subtitle D, to remain available until expended—

''(1) $500,000,000 for fiscal year 2002;

''(2) $1,300,000,000 for fiscal year 2003;

''(3) $1,450,000,000 for each of fiscal years 2004 and 2005;

''(4) $1,500,000,000 for fiscal year 2006; and

''(5) $850,000,000 for fiscal year 2007.''.

(c) REIMBURSEMENTS.—Section 11 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714i) is amended in the last sentence by inserting ''but excluding transfers and allotments for conservation technical assistance'' after ''activities''.

SEC. 214. WETLANDS RESERVE PROGRAM.

(a) TECHNICAL ASSISTANCE.—Section 1237(a) of the Food Security Act of 1985 (16 U.S.C. 3837(a)) is amended by inserting ''(including the provision of technical assistance)'' before the period at the end.

(b) MAXIMUM ENROLLMENT.—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) MAXIMUM ENROLLMENT.—

''(A) IN GENERAL.—The total number of acres enrolled in the wetlands reserve program shall not exceed 2,225,000 acres, of which, to the maximum extent practicable

subject to subparagraph (B), the Secretary shall enroll 250,000 acres in each calendar year.

''(B) WETLANDS RESERVE ENHANCEMENT ACREAGE.—Of the acreage enrolled under subparagraph (A) for a calendar year, not more than 25,000 acres may be enrolled in the wetlands reserve enhancement program described in subsection (h).''.

(c) REAUTHORIZATION.—Section 1237(c) of the Food Security Act of 1985 (16 U.S.C. 3837(c)) is amended by striking ''2002'' and inserting ''2006''.

(d) WETLANDS RESERVE ENHANCEMENT PROGRAM.—Section 1237 of the Food Security Act of 1985 (16 U.S.C. 3837) is amended by adding at the end the following:

''(h) WETLANDS RESERVE ENHANCEMENT PROGRAM.—

''(1) IN GENERAL.—Notwithstanding the Federal Grant and Cooperative Agreement Act of 1977 (41 U.S.C. 501 et seq.), the Secretary may enter into cooperative agreements with State or local governments, and with private organizations, to develop, on land that is enrolled, or is eligible to be enrolled, in the wetland reserve established under this subchapter, wetland restoration activities in watershed areas.

''(2) PURPOSE.—The purpose of the agreements shall be to address critical environmental issues.

''(3) RELATIONSHIP TO OTHER AUTHORITIES.—Nothing in this subsection limits the authority of the Secretary to enter into a cooperative agreement with a party under which agreement the Secretary and the party—

''(A) share a mutual interest in the program under this subchapter; and

''(B) contribute resources to accomplish the purposes of that program.''.

(e) MONITORING AND MAINTENANCE.—Section 1237C(a)(2) of the Food Security Act of 1985 (16 U.S.C. 3837c(a)(2)) is amended by striking ''assistance'' and inserting ''assistance (including monitoring and maintenance)''.

SEC. 2 ___. WATER BENEFITS PROGRAM.

Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) is amended by adding at the end the following:

''CHAPTER 6—WATER CONSERVATION

''SEC. 1240R. WATER BENEFITS PROGRAM.

''(a) DEFINITIONS.—In this section:

''(1) ELIGIBLE ENTITY.—The term 'eligible entity' means—

''(A) an owner or operator of agricultural land;

''(B) a person or entity that holds water rights in accordance with State law; and

''(C) any other landowner.

''(2) PROGRAM.—The term 'program' means the water benefits program established under subsection (b).

''(b) ESTABLISHMENT.—The Secretary shall establish a program to promote water conservation, to be known as the 'water benefits program', under which the Secretary shall make payments to eligible States to pay the Federal share of the cost of—

''(1) in accordance with subsection (f), irrigation efficiency infrastructure or measures that provide in-stream flows for fish and wildlife and other environmental purposes (including wetland restoration);

''(2) converting from production of a water-intensive crop to a crop that requires less water; or

''(3) the lease, purchase, dry-year optioning, or dedication of water or water rights to provide, directly or indirectly, in-stream flows for fish and wildlife and other environmental purposes (including wetland restoration).

''(c) PROTECTION OF PRIVATE PROPERTY RIGHTS.—

''(1) WILLING SELLERS AND LESSORS.—An agreement may be executed under this subsection only if each eligible entity that is a party to the agreement is a willing seller or willing lessor.

''(2) PROPERTY RIGHTS.—Nothing in this section authorizes the Federal Government or any State government to condemn private property.

''(d) ELIGIBLE STATES.—To be eligible to receive a payment under the program, a State shall—

''(1) establish a State program under which the State holds and enforces water rights leased, purchased, dry-year optioned, or dedicated to provide in-stream flows for fish and wildlife;

''(2) designate a State agency to administer the State program;

''(3)(A) submit to the Secretary a State plan to protect in-stream flows; and

''(B) obtain approval of the State program and plan by the Secretary;

''(4) subject each lease, purchase, dry-year optioning, and dedication of water and water rights to any review and approval required under State law, such as review and approval by a water board, water court, or water engineer of the State; and

''(5) ensure that each lease, purchase, dry-year optioning, and dedication of water and water rights is consistent with State water law.

''(e) ROLE OF SECRETARY.—In carrying out this section, the Secretary shall—

''(1) certify State programs established under subsection (d)(1) for an initial term, and any subsequent renewal of terms, of not more than 3 years, subject to renewal;

''(2) establish guidelines for participating States to pay the Federal share of assisting the conversion from production of water-intensive crops to crops that require less water;

''(3) establish guidelines for participating States to pay the non-Federal share of the cost of on-farm and off-farm irrigation efficiency infrastructure and measures described in subsection (f)(2);

''(4) establish guidelines for participating States for the lease, purchase, dry-year optioning, and dedication of water and water rights under State programs;

''(5) establish a program within the Agricultural Research Service, in collaboration with the United States Geological Survey, to monitor State efforts under the program, including the construction and maintenance of stream gauging stations;

''(6) revoke certification of a State program under paragraph (1) if State administration of the State program does not meet the terms of the certification; and

''(7) consult with the Secretary of the Interior and affected Indian tribes, particularly with respect to the establishment and implementation of the program.

''(f) IRRIGATION EFFICIENCY INFRASTRUCTURE AND MEASURES.—

''(1) IN GENERAL.—The Secretary may pay—

''(A) the Federal share of the cost of converting from production of a water-intensive crop to a crop that requires less water, as described in subsection (e)(2); and

''(B) the Federal share determined under subsection (g) of the cost of on-farm and off-farm irrigation efficiency infrastructure and measures described in paragraph (2) if not less than 75 percent of the water conserved as a result of the infrastructure and measures is permanently allocated, directly or indirectly, to in-stream flows.

''(2) ELIGIBLE IRRIGATION EFFICIENCY INFRASTRUCTURE AND MEASURES.—Eligible irrigation efficiency infrastructure and measures referred to in paragraph (1) are—

''(A) lining of ditches, insulation of piping, and installation of ditch portals or gates;

''(B) tail water return systems;

''(C) low-energy precision applications;

''(D) low-flow irrigation systems, including drip and trickle systems and micro-sprinkler systems;

''(E) spray jets or nozzles that improve water distribution efficiency;

''(F) surge valves;

''(G) conversion from gravity or flood irrigation to low-flow sprinkler or drip irrigation systems;

''(H) intake screens, fish passages, and conversion of diversions to pumps;

''(I) alternate furrow wetting, irrigation scheduling, and similar measures; and

''(J) such other irrigation efficiency infrastructure and measures as the Secretary determines to be appropriate to carry out the program.

''(g) COST SHARING.—

''(1) NON-FEDERAL SHARE.—The non-Federal share of the cost of converting from production of a water-intensive crop to a crop that requires less water, or of an irrigation efficiency infrastructure or measure assisted under subsection (f)—

''(A) shall be not less than 25 percent; and

''(B) shall be paid by—

''(i) a State;

''(ii) an owner or operator of a farm or ranch (including an Indian tribe); or

''(iii) a nonprofit organization.

''(2) INCREASED NON-FEDERAL SHARE.—If an owner or operator of a farm or ranch pays 50 percent or more of the cost of converting from production of a water-intensive crop to a crop that requires less water, or of an irrigation efficiency infrastructure or measure, the owner or operator shall retain the right to use 50 percent of the water conserved by the conversion, infrastructure, or measure.

''(3) LEASING OF CONSERVED WATER.—A State shall—

''(A) give an eligible entity with respect to land enrolled in the program the option of leasing, or providing a dry-year option on, conserved water for 30 years; and

''(B) increase the non-Federal share under paragraph (1) accordingly, as determined by the Secretary.

''(4) WATER LEASE AND PURCHASE.—The cost of water or water rights that are directly leased, purchased, subject to a dry-year option, or dedicated under this section shall not be subject to the cost-sharing requirement of this subsection.

''(h) STATE ALLOCATIONS.—In making allocations to States, the Secretary shall consider the extent to which the State plan required by subsection (d)(3)(A) significantly advances the goals of Federal, State, tribal, and local fish, wildlife, and plant conservation plans, including—

''(1) plans that address—

''(A) multiple endangered species or threatened species (as defined in section 3 of the Endangered Species Act of 1973 (16 U.S.C. 1532)); or

''(B) species that may become threatened or endangered if conservation measures are not carried out;

''(2) agreements entered into, or conservation plans submitted, under section 6 or 10(a)(2)(A), respectively, of the Endangered Species Act of 1973 (16 U.S.C. 1535, 1539(a)(2)(A)); and

''(3) plans that provide benefits to the fish, wildlife, or plants located in 1 or more—

''(A) refuges within the National Wildlife Refuge System; or

''(B) State wildlife management areas.

''(i) STATE WATER LAW.—Nothing in this section—

''(1) preempts any State water law;

''(2) affects any litigation concerning the entitlement to, or lack of entitlement to, water that is pending as of the date of enactment of this section;

''(3) expands, alters, or otherwise affects the existence or scope of any water right of

any individual (except to the extent that the individual agrees otherwise under the program); or

''(4) authorizes or entitles the Federal Government to hold or purchase any water right.

''(j) CALIFORNIA WATER LAW.—

''(1) IN GENERAL.—Nothing in this section authorizes the Secretary to enter into an agreement, in accordance with this subchapter, with a landowner for water obtained from an irrigation district, water district, or other similar governmental entity in the State of California.

''(2) TREATMENT OF CALIFORNIA DISTRICTS.—An irrigation district, water district, or similar governmental entity in the State of California—

''(A) shall be considered an eligible entity for purposes of this subsection; and

''(B) may develop a program under this subsection.

''(3) DISTRICT PROGRAMS.—All landowners participating in a program under this subchapter that is sponsored by a district or entity described in paragraph (2) shall be willing participants in the program.

''(k) GROUNDWATER.—A right to groundwater shall not be subject to any provision of this section unless the right is granted—

''(1) under applicable State law; and

''(2) through a groundwater water rights process that is fully integrated with the surface water rights process of the applicable affected State.

''(l) FUNDING.—

''(1) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section—

''(A) $25,000,000 for fiscal year 2002;

''(B) $52,000,000 for fiscal year 2003; and

''(C) $100,000,000 for each of fiscal years 2004 through 2006.

''(2) LIMITATION ON EXPENDITURES.—For any fiscal year, a State that participates in the program shall expend not more than 75 percent of the funds made available to the State under the program to pay—

''(A) the cost of converting from production of a water-intensive crop to a crop that requires less water; or

''(B) the cost of irrigation efficiency infrastructure and measures under subsection (f)(1).

''(3) MONITORING PROGRAM.—For each fiscal year, of the funds made available under paragraph (1), the Secretary shall use not more than $5,000,000 to carry out the monitoring program under subsection (e)(5).

''(4) ADMINISTRATION.—

''(A) FEDERAL.—For each fiscal year, of the funds made available under paragraph (1), the Secretary shall use not more than $500,000 for administration of the program.

''(B) STATE.—For each fiscal year, of the funds made available under paragraph (1), not more than 3 percent shall be made available to States for administration of the program.''.

SA 2839. Mr. BAUCUS 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:

On page 128, line 8, strike the final period and insert a period and the following:

Subtitle ____—Emergency Agriculture Assistance

SEC. ___01. INCOME LOSS ASSISTANCE.

(a) IN GENERAL.—The Secretary of Agriculture (referred to in this subtitle as the ''Secretary'') shall use $1,800,000,000 of funds of the Commodity Credit Corporation to make emergency financial assistance available to producers on a farm that have incurred qualifying income losses in calendar year 2001, including losses due to army worms.

(b) ADMINISTRATION.—The Secretary shall make assistance available under this section in the same manner as provided under section 815 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 106–387; 114 Stat. 1549A–55), including using the same loss thresholds for the quantity and economic losses as were used in administering that section.

(c) USE OF FUNDS FOR CASH PAYMENTS.—The Secretary may use funds made available under this section to make, in a manner consistent with this section, cash payments not for crop disasters, but for income loss to carry out the purposes of this section.

SEC. ___02. LIVESTOCK ASSISTANCE PROGRAM.

(a) IN GENERAL.—The Secretary shall use $500,000,000 of the funds of the Commodity Credit Corporation to make and administer payments for livestock losses to producers for 2001 losses in a county that has received an emergency designation by the President or the Secretary after January 1, 2001, of which $12,000,000 shall be made available for the American Indian livestock program under section 806 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 106–387; 114 Stat. 1549A–51).

(b) ADMINISTRATION.—The Secretary shall make assistance available under this section in the same manner as provided under section 806 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 105–277; 114 Stat. 1549A–51).

SEC. ___03. MARKET LOSS ASSISTANCE FOR APPLE PRODUCERS.

(a) IN GENERAL.—The Secretary of Agriculture shall use $100,000,000 of funds of the Commodity Credit Corporation for fiscal year 2002 to make payments to apple producers, as soon as practicable after the date of enactment of this Act, for the loss of markets during the 2000 crop year.

(b) PAYMENT QUANTITY.—A payment to the producers on a farm for the 2000 crop year under this section shall be made on the lesser of—

(1) the quantity of apples produced by the producers on the farm during the 2000 crop year; or

(2) 5,000,000 pounds of apples.

(c) LIMITATIONS.—The Secretary shall not establish a payment limitation, or income eligibility limitation, with respect to payments made under this section.

SEC. ___04. COMMODITY CREDIT CORPORATION.

The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this subtitle.

SEC. ___05. ADMINISTRATIVE EXPENSES.

(a) IN GENERAL.—In addition to funds otherwise available, not later than 30 days after the date of enactment of this Act, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to pay the salaries and expenses of the Department of Agriculture in carrying out this subtitle $50,000,000, to remain available until expended.

(b) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under subsection (a), without further appropriation.

SEC. ___06. REGULATIONS.

(a) IN GENERAL.—The Secretary may promulgate such regulations as are necessary to implement this subtitle.

(b) PROCEDURE.—The promulgation of the regulations and administration of this subtitle 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'').

(c) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out this section, the Secretary shall use the authority provided under section 808 of title 5, United States Code.

SEC. ___07. EMERGENCY REQUIREMENT.

The entire amount necessary to carry out this subtitle is designated by Congress as an emergency requirement pursuant to section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(e)).

SA 2840. Mr. REID (for Mr. JEFFORDS) proposed an amendment to the bill S. 1206, to reauthorize the Appalachian Regional Development Act of 1965, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Appalachian Regional Development Act Amendments of 2002''.

SEC. 2. PURPOSES.

(a) THIS ACT.—The purposes of this Act are—

(1) to reauthorize the Appalachian Regional Development Act of 1965 (40 U.S.C. App.); and

(2) to ensure that the people and businesses of the Appalachian region have the knowledge, skills, and access to telecommunication and technology services necessary to compete in the knowledge-based economy of the United States.

(b) APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965.—Section 2 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in subsection (b), by inserting after the third sentence the following: ''Consistent with the goal described in the preceding sentence, the Appalachian region should be able to take advantage of eco-industrial development, which promotes both employment and economic growth and the preservation of natural resources.''; and

(2) in subsection (c)(2)(B)(ii), by inserting '', including eco-industrial development technologies'' before the semicolon.

SEC. 3. FUNCTIONS OF THE COMMISSION.

Section 102(a) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in paragraph (5), by inserting '', and support,'' after ''formation of'';

(2) in paragraph (7), by striking ''and'' at the end;

(3) in paragraph (8), by striking the period at the end and inserting a semicolon; and

(4) by adding at the end the following:

''(9) encourage the use of eco-industrial development technologies and approaches; and

''(10) seek to coordinate the economic development activities of, and the use of economic development resources by, Federal agencies in the region.''.

SEC. 4. INTERAGENCY COORDINATING COUNCIL ON APPALACHIA.

Section 104 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) by striking ''The President'' and inserting ''(a) IN GENERAL.—The President''; and

(2) by adding at the end the following:

''(b) INTERAGENCY COORDINATING COUNCIL ON APPALACHIA.—

''(1) ESTABLISHMENT.—In carrying out subsection (a), the President shall establish an interagency council to be known as the 'Interagency Coordinating Council on Appalachia'.

''(2) MEMBERSHIP.—The Council shall be composed of—

''(A) the Federal Cochairman, who shall serve as Chairperson of the Council; and

''(B) representatives of Federal agencies that carry out economic development programs in the region.''.

SEC. 5. TELECOMMUNICATIONS AND TECHNOLOGY INITIATIVE.

Title II of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by inserting after section 202 the following:

''SEC. 203. TELECOMMUNICATIONS AND TECHNOLOGY INITIATIVE.

''(a) IN GENERAL.—The Commission may provide technical assistance, make grants, enter into contracts, or otherwise provide funds to persons or entities in the region for projects—

''(1) to increase affordable access to advanced telecommunications, entrepreneurship, and management technologies or applications in the region;

''(2) to provide education and training in the use of telecommunications and technology;

''(3) to develop programs to increase the readiness of industry groups and businesses in the region to engage in electronic commerce; or

''(4) to support entrepreneurial opportunities for businesses in the information technology sector.

''(b) SOURCE OF FUNDING.—

''(1) IN GENERAL.—Assistance under this section may be provided—

''(A) exclusively from amounts made available to carry out this section; or

''(B) from amounts made available to carry out this section in combination with amounts made available under any other Federal program or from any other source.

''(2) FEDERAL SHARE REQUIREMENTS SPECIFIED IN OTHER LAWS.—Notwithstanding any provision of law limiting the Federal share under any other Federal program, amounts made available to carry out this section may be used to increase that Federal share, as the Commission determines to be appropriate.

''(c) COST SHARING FOR GRANTS.—Not more than 50 percent (or 80 percent in the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226) of the costs of any activity eligible for a grant under this section may be provided from funds appropriated to carry out this section.''.

SEC. 6. ENTREPRENEURSHIP INITIATIVE.

Title II of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by inserting after section 203 (as added by section 5) the following:

''SEC. 204. ENTREPRENEURSHIP INITIATIVE.

''(a) DEFINITION OF BUSINESS INCUBATOR SERVICE.—In this section, the term 'business incubator service' means a professional or technical service necessary for the initiation and initial sustainment of the operations of a newly established business, including a service such as—

''(1) a legal service, including aid in preparing a corporate charter, partnership agreement, or basic contract;

''(2) a service in support of the protection of intellectual property through a patent, a trademark, or any other means;

''(3) a service in support of the acquisition and use of advanced technology, including the use of Internet services and Web-based services; and

''(4) consultation on strategic planning, marketing, or advertising.

''(b) PROJECTS TO BE ASSISTED.—The Commission may provide technical assistance, make grants, enter into contracts, or otherwise provide funds to persons or entities in the region for projects—

''(1) to support the advancement of, and provide, entrepreneurial training and education for youths, students, and businesspersons;

''(2) to improve access to debt and equity capital by such means as facilitating the establishment of development venture capital funds;

''(3) to aid communities in identifying, developing, and implementing development strategies for various sectors of the economy; and

''(4)(A) to develop a working network of business incubators; and

''(B) to support entities that provide business incubator services.

''(c) SOURCE OF FUNDING.—

''(1) IN GENERAL.—Assistance under this section may be provided—

''(A) exclusively from amounts made available to carry out this section; or

''(B) from amounts made available to carry out this section in combination with amounts made available under any other Federal program or from any other source.

''(2) FEDERAL SHARE REQUIREMENTS SPECIFIED IN OTHER LAWS.—Notwithstanding any provision of law limiting the Federal share under any other Federal program, amounts made available to carry out this section may be used to increase that Federal share, as the Commission determines to be appropriate.

''(d) COST SHARING FOR GRANTS.—Not more than 50 percent (or 80 percent in the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226) of the costs of any activity eligible for a grant under this section may be provided from funds appropriated to carry out this section.''.

SEC. 7. REGIONAL SKILLS PARTNERSHIPS.

Title II of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by inserting after section 204 (as added by section 6) the following:

''SEC. 205. REGIONAL SKILLS PARTNERSHIPS.

''(a) DEFINITION OF ELIGIBLE ENTITY.—In this section, the term 'eligible entity' means a consortium that—

''(1) is established to serve 1 or more industries in a specified geographic area; and

''(2) consists of representatives of—

''(A) businesses (or a nonprofit organization that represents businesses);

''(B) labor organizations;

''(C) State and local governments; or

''(D) educational institutions.

''(b) PROJECTS TO BE ASSISTED.—The Commission may provide technical assistance, make grants, enter into contracts, or otherwise provide funds to eligible entities in the region for projects to improve the job skills of workers for a specified industry, including projects for—

''(1) the assessment of training and job skill needs for the industry;

''(2) the development of curricula and training methods, including, in appropriate cases, electronic learning or technology-based training;

''(3)(A) the identification of training providers; and

''(B) the development of partnerships between the industry and educational institutions, including community colleges;

''(4) the development of apprenticeship programs;

''(5) the development of training programs for workers, including dislocated workers; and

''(6) the development of training plans for businesses.

''(c) ADMINISTRATIVE COSTS.—An eligible entity may use not more than 10 percent of the funds made available to the eligible entity under subsection (b) to pay administrative costs associated with the projects described in subsection (b).

''(d) SOURCE OF FUNDING.—

''(1) IN GENERAL.—Assistance under this section may be provided—

''(A) exclusively from amounts made available to carry out this section; or

''(B) from amounts made available to carry out this section in combination with amounts made available under any other Federal program or from any other source.

''(2) FEDERAL SHARE REQUIREMENTS SPECIFIED IN OTHER LAWS.—Notwithstanding any provision of law limiting the Federal share under any other Federal program, amounts made available to carry out this section may be used to increase that Federal share, as the Commission determines to be appropriate.

''(e) COST SHARING FOR GRANTS.—Not more than 50 percent (or 80 percent in the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226) of the costs of any activity eligible for a grant under this section may be provided from funds appropriated to carry out this section.''.

SEC. 8. PROGRAM DEVELOPMENT CRITERIA.

(a) ELIMINATION OF GROWTH CENTER CRITERIA.—Section 224(a)(1) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking ''in an area determined by the State have a significant potential for growth or''.

(b) ASSISTANCE TO DISTRESSED COUNTIES AND AREAS.—Section 224 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by adding at the end the following:

''(d) ASSISTANCE TO DISTRESSED COUNTIES AND AREAS.—For fiscal year 2003 and each fiscal year thereafter, not less than 50 percent of the amount of grant expenditures approved by the Commission shall support activities or projects that benefit severely and persistently distressed counties and areas.''.

SEC. 9. GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DEVELOPMENT DISTRICTS.

Section 302(a)(1)(A)(i) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by inserting ''(or, at the discretion of the Commission, 75 percent of such expenses in the case of a local development district that has a charter or authority that includes the economic development of a county or part of a county for which a distressed county designation is in effect under section 226)'' after ''such expenses''.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

Section 401 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended to read as follows:

''SEC. 401. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—In addition to amounts authorized by section 201 and other amounts made available for the Appalachian development highway system program, there are authorized to be appropriated to the Commission to carry out this Act—

''(1) $88,000,000 for each of fiscal years 2002 through 2004;

''(2) $90,000,000 for fiscal year 2005; and

''(3) $92,000,000 for fiscal year 2006.

''(b) TELECOMMUNICATIONS AND TECHNOLOGY INITIATIVE.—Of the amounts made available under subsection (a), the following amounts may be made available to carry out section 203:

''(1) $10,000,000 for fiscal year 2002.

''(2) $8,000,000 for fiscal year 2003.

''(3) $5,000,000 for each of fiscal years 2004 through 2006.

''(c) AVAILABILITY.—Sums made available under subsection (a) shall remain available until expended.''.

SEC. 11. ADDITION OF COUNTIES TO APPALACHIAN REGION.

Section 403 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in the third undesignated paragraph (relating to Kentucky)—

(A) by inserting ''Edmonson,'' after ''Cumberland,'';

(B) by inserting ''Hart,'' after ''Harlan,''; and

(C) by striking ''Montogomery,'' and inserting ''Montgomery,''; and

(2) in the fifth undesignated paragraph (relating to Mississippi)—

(A) by inserting ''Montgomery,'' after ''Monroe,''; and

(B) by inserting ''Panola,'' after ''Oktibbeha,''.

SEC. 12. TERMINATION.

Section 405 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking ''2001'' and inserting ''2006''.

SEC. 13. TECHNICAL AND CONFORMING AMENDMENTS.

(a) Section 101(b) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended in the third sentence by striking ''implementing investment program'' and inserting ''strategy statement''.

(b) Section 106(7) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking ''expiring no later than September 30, 2001''.

(c) Sections 202, 214, and 302(a)(1)(C) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) are amended by striking ''grant-in-aid programs'' each place it appears and inserting ''grant programs''.

(d) Section 202(a) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended in the second sentence by striking ''title VI of the Public Health Service Act (42 U.S.C. 291–291o), the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282),'' and inserting ''title VI of the Public Health Service Act (42 U.S.C. 291 et seq.), the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15001 et seq.),''.

(e) Section 207(a) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking ''section 221 of the National Housing Act, section 8 of the United States Housing Act of 1937, section 515 of the Housing Act of 1949,'' and inserting ''section 221 of the National Housing Act (12 U.S.C. 1715*l*), section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), section 515 of the Housing Act of 1949 (42 U.S.C. 1485),''.

(f) Section 214 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in the section heading, by striking ''GRANT-IN-AID'' and inserting ''GRANT'';

(2) in subsection (a)—

(A) by striking ''grant-in-aid Act'' each place it appears and inserting ''Act'';

(B) in the first sentence, by striking ''grant-in-aid Acts'' and inserting ''Acts'';

(C) by striking ''grant-in-aid program'' each place it appears and inserting ''grant program''; and

(D) by striking the third sentence;

(3) by striking subsection (c) and inserting the following:

''(c) DEFINITION OF FEDERAL GRANT PROGRAM.—

''(1) IN GENERAL.—In this section, the term 'Federal grant program' means any Federal grant program authorized by this Act or any other Act that provides assistance for—

''(A) the acquisition or development of land;

''(B) the construction or equipment of facilities; or

''(C) any other community or economic development or economic adjustment activity.

''(2) INCLUSIONS.—In this section, the term 'Federal grant program' includes a Federal grant program such as a Federal grant program authorized by—

''(A) the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.);

''(B) the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–4 et seq.);

''(C) the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001 et seq.);

''(D) the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2301 et seq.);

''(E) the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.);

''(F) title VI of the Public Health Service Act (42 U.S.C. 291 et seq.);

''(G) sections 201 and 209 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3141, 3149);

''(H) title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.); or

''(I) part IV of title III of the Communications Act of 1934 (47 U.S.C. 390 et seq.).

''(3) EXCLUSIONS.—In this section, the term 'Federal grant program' does not include—

''(A) the program for construction of the Appalachian development highway system authorized by section 201;

''(B) any program relating to highway or road construction authorized by title 23, United States Code; or

''(C) any other program under this Act or any other Act to the extent that a form of financial assistance other than a grant is authorized.''; and

(4) by striking subsection (d).

(g) Section 224(a)(2) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking ''relative per capita income'' and inserting ''per capita market income''.

(h) Section 225 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.)—

(1) in subsection (a)(3), by striking ''development program'' and inserting ''development strategies''; and

(2) in subsection (c)(2), by striking ''development programs'' and inserting ''development strategies''.

(i) Section 303 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in the section heading, by striking ''INVESTMENT PROGRAMS'' and inserting ''STRATEGY STATEMENTS'';

(2) in the first sentence, by striking ''implementing investments programs'' and inserting ''strategy statements''; and

(3) by striking ''implementing investment program'' each place it appears and inserting ''strategy statement''.

(j) Section 403 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended in the next-to-last undesignated paragraph by striking ''Committee on Public Works and Transportation'' and inserting ''Committee on Transportation and Infrastructure''.

SA 2841. Mr. KERRY (for himself and Mr. HOLLINGS) submitted an amendment intended to be proposed by him to the bill S. 1926, to improve passenger automobile fuel economy and safety, reduce greenhouse gas emissions, reduce dependence on foreign oil, and for other purposes; which was referred to the Committee on Commerce, Science, and Transportation; as follows:

At the end of the bill add the following:

SEC. 13. TAX CREDIT FOR DOMESTICALLY PRODUCED HYPEREFFICIENT VEHICLES.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 (relating to foreign tax credit, etc.) is amended by adding at the end the following:

SEC. 30B. MANUFACTURER'S CREDIT FOR DOMESTICALLY-PRODUCED FUEL EFFICIENT VEHICLES.

''(a) ALLOWANCE OF CREDIT.—In the case of a eligible manufacturer, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to $5,000 multiplied by the number of domestically produced fuel-efficient passenger automobiles manufactured and sold for use in the United States by the taxpayer during the taxable year.

''(b) APPLICATION WITH OTHER CREDITS.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess (if any) of—

''(1) the regular tax for the taxable year reduced by the sum of the credits allowable under subpart A and sections 27, 29, and 30, over

''(2) the tentative minimum tax for the taxable year.

''(c) SPECIAL RULES.—

''(1) REDUCTION IN BASIS.—For purposes of this subtitle, the basis of any property for which a credit is allowable under subsection (a) shall be reduced by the amount of such credit so allowed.

''(2) NO DOUBLE BENEFIT.—The amount of any deduction or credit allowable under this chapter shall be reduced by the amount of credit allowed under subsection (a) for such vehicle for the taxable year.

''(3) PROPERTY USED OUTSIDE UNITED STATES, ETC., NOT QUALIFIED.—No credit shall be allowed under subsection (a) with respect to any property referred to in section 50(b) or with respect to the portion of the cost of any property taken into account under section 179.

''(4) ELECTION TO NOT TAKE CREDIT.—No credit shall be allowed under subsection (a) for any vehicle if the taxpayer elects to not have this section apply to such vehicle.

''(5) CARRYFORWARD ALLOWED.—

''(A) IN GENERAL.—If the credit amount allowable under subsection (a) for a taxable year exceeds the amount of the liability for tax under this chapter for such taxable year (referred to as the 'unused credit year' in this paragraph), such excess shall be allowed as a credit carryforward for each of the 20 taxable years following the unused credit year.

''(B) RULES.—Rules similar to the rules of section 39 shall apply with respect to the credit carryforward under subparagraph (A).

''(6) INTERACTION WITH AIR QUALITY AND MOTOR VEHICLE SAFETY STANDARDS.—Unless otherwise provided in this section, a passenger automobile shall not be considered eligible for a credit under this section unless such automobile is in compliance with—

''(A) the applicable provisions of the Clean Air Act for the applicable make and model year of the vehicle (or applicable air quality provisions of State law in the case of a State which has adopted such provision under a waiver under section 209(b) of the Clean Air Act); and

''(B) the motor vehicle safety provisions of sections 30101 through 30169 of title 49, United States Code.

''(d) DEFINITIONS.—In this section:

''(1) ELIGIBLE MANUFACTURER.—The term 'eligible manufacturer' means a manufacturer of passenger automobiles for which the average fuel economy standard (as determined under section 32902 of title 49, United States Code) for any model year that ends with or within the taxable year equals or exceeds 37 miles per gallon.

''(2) FUEL-EFFICIENT PASSENGER AUTOMOBILE.—The term 'fuel-efficient passenger automobile' means a passenger automobile (as defined in section 32901(a)(16) of title 49, United States Code) that obtains an average fuel economy of more than 50 miles per gallon in normal operation (as determined by the Secretary of Transportation after consultation with the Administrator of the Environmental Protection Agency).

''(3) DOMESTICALLY PRODUCED.—The term 'domestically produced' means a vehicle at least 75 percent of the costs to the manufacturer of producing the vehicle is attributable to value added in the United States, as determined by the Administrator of the Environmental Protection Agency on the basis of information submitted by the manufacturer.

''(e) REGULATIONS.—

''(1) IN GENERAL.—The Secretary shall promulgate such regulations as necessary to carry out the provisions of this section.

''(2) ADMINISTRATOR OF ENVIRONMENTAL PROTECTION AGENCY.—The Administrator of the Environmental Protection Agency, in coordination with the Secretary of Transportation and the Secretary of the Treasury, shall prescribe such regulations as necessary to determine whether a motor vehicle meets the requirements to be eligible for a credit under this section.

''(f) TERMINATION.—This section shall not apply to any property placed in service after December 31, 2020.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 1016(a) is amended by striking ''and'' at the end of paragraph (26), by striking the period at the end of paragraph (27) and inserting '', and'', and by adding at the end the following:

''(28) to the extent provided in section 30B(c)(1).''.

(2) Section 53(d)(1)(B)(iii) is amended by inserting '', or not allowed under section 30B solely by reason of the application of section 30B(b)(2)'' before the period.

(3) Section 53(c)(2) is amended by inserting ''30B(b),'' after ''30(b)(3)''.

(4) Section 6501(m) is amended by inserting ''30B(c)(3),'' after ''30(d)(4),''.

(5) The table of sections for subpart B of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 30A the following:

''Sec. 30B. Manufacturer's credit for domestically-produced fuel efficient vehicles.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2002, in taxable years ending after such date.

SA 2842. Mr. REID proposed an amendment 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:

Beginning on page 246, strike line 4 and all that follows through page 258, line 19, and insert the following:

SEC. 215. WATER CONSERVATION.

(a) IN GENERAL.—Section 1231(d) of the Food Security Act of 1985 (16 U.S.C. 3831(d)) (as amended by section 212(c)) is amended by striking ''41,100,000'' and inserting ''40,000,000''.

(b) ADDITIONAL WATER CONSERVATION ACREAGE UNDER CONSERVATION RESERVE ENHANCEMENT PROGRAM.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) (as amended by section 212(f)) is amended by adding at the end the following:

''(j) ADDITIONAL WATER CONSERVATION ACREAGE UNDER CONSERVATION RESERVE ENHANCEMENT PROGRAM.—

''(1) DEFINITIONS.—In this subsection:

''(A) ELIGIBLE ENTITY.—The term 'eligible entity' means—

''(i) an owner or operator of agricultural land;

''(ii) a person or entity that holds water rights in accordance with State law; and

''(iii) any other landowner.

''(B) PROGRAM.—The term 'program' means the conservation reserve enhancement program announced on May 27, 1998 (63 Fed. Reg. 28965).

''(2) PROTECTION OF PRIVATE PROPERTY RIGHTS.—

''(A) WILLING SELLERS AND LESSORS.—An agreement may be executed under this subsection only if each eligible entity that is a party to the agreement is a willing seller or willing lessor.

''(B) PROPERTY RIGHTS.—Nothing in this subsection authorizes the Federal Government or any State government to condemn private property.

''(3) ENROLLMENT.—In addition to the acreage authorized to be enrolled under subsection (d), in carrying out the program, the Secretary shall enroll not more than 500,000 acres in eligible States to promote water conservation.

''(4) ELIGIBLE STATES.—To be eligible to participate in the program, a State—

''(A) shall submit to the Secretary, for review and approval, a proposal that meets the requirements of the program; and

''(B) shall—

''(i) have established a program to protect in-stream flows; and

''(ii) agree to hold water rights leased or purchased under a proposal submitted under subparagraph (A).

''(5) ELIGIBLE ACREAGE.—An eligible entity may enroll in the program land that is adjacent to a watercourse or lake, or land that would contribute to the restoration of a watercourse or lake (as determined by the Secretary), if—

''(A)(i) the land can be restored as a wetland, grassland, or other habitat, as determined by the Secretary; and

''(ii) the restoration would significantly improve riparian functions; or

''(B) water or water rights appurtenant to the land are leased or sold to an appropriate State agency or State-designated water trust, as determined by the Secretary.

''(6) RELATIONSHIP TO OTHER ENROLLED ACREAGE.—For any fiscal year, acreage enrolled under this subsection shall not affect the quantity of—

''(A) acreage enrolled to establish conservation buffers as part of the program announced on March 24, 1998 (63 Fed. Reg. 14109); or

''(B) acreage enrolled in the program before the date of enactment of this subsection.

''(7) DUTIES OF ELIGIBLE ENTITIES.—Under a contract entered into with respect to enrolled land under the program, during the term of the contract, an eligible entity shall agree—

''(A)(i) to restore the hydrology of the enrolled land to the maximum extent practicable, as determined by the Secretary; and

''(ii) to establish on the enrolled land wetland, grassland, vegetative cover, or other habitat, as determined by the Secretary; or

''(B) to transfer to the State, or a designee of the State, water rights appurtenant to the enrolled land.

''(8) RENTAL RATES.—

''(A) IRRIGATED LAND.—With respect to irrigated land enrolled in the program, the rental rate shall be established by the Secretary, acting through the Deputy Administrator for Farm Programs—

''(i) on a watershed basis;

''(ii) using data available as of the date on which the rental rate is established; and

''(iii) at a level sufficient to ensure, to the maximum extent practicable, that the eligible entity is fairly compensated for the irrigated land value of the enrolled land.

''(B) NONIRRIGATED LAND.—With respect to nonirrigated land enrolled in the program, the rental rate shall be calculated by the Secretary, in accordance with the conservation reserve program manual of the Department that is in effect as of the date on which the rental rate is calculated.

''(C) APPLICABILITY.—An eligible entity that enters into a contract to enroll land into the program shall receive, in exchange for the enrollment, payments that are based on—

''(i) the irrigated rental rate described in subparagraph (A), if the owner or operator agrees to enter into an agreement with the State and approved by the Secretary under which the State leases, for in-stream flow purposes, surface water appurtenant to the enrolled land; or

''(ii) the nonirrigated rental rate described in subparagraph (B), if an owner or operator does not enter into an agreement described in clause (i).

''(9) PRIORITY.—In carrying out this subsection, the Secretary shall give priority consideration to any State proposal that—

''(A) provides a State share of 20 percent or more of the cost of the proposal; and

''(B) significantly advances the goals of Federal, State, tribal, and local fish, wildlife, and plant conservation plans, including—

''(i) plans that address—

''(I) multiple endangered species or threatened species (as defined in section 3 of the Endangered Species Act of 1973 (16 U.S.C. 1532)); or

''(II) species that may become threatened or endangered if conservation measures are not carried out;

''(ii) agreements entered into, or conservation plans submitted, under section 6 or 10(a)(2)(A), respectively, of the Endangered Species Act of 1973 (16 U.S.C. 1535, 1539(a)(2)(A)); or

''(iii) plans that provide benefits to the fish, wildlife, or plants located in 1 or more—

''(I) refuges within the National Wildlife Refuge System; or

''(II) State wildlife management areas.

''(10) CONSULTATION.—In carrying out this subsection, the Secretary shall consult with—

''(A) the Secretary of the Interior; and

''(B) affected Indian tribes.

''(11) STATE WATER LAW.—Nothing in this subsection—

''(A) preempts any State water law;

''(B) affects any litigation concerning the entitlement to, or lack of entitlement to, water that is pending as of the date of enactment of this subsection;

''(C) expands, alters, or otherwise affects the existence or scope of any water right of any individual (except to the extent that the individual agrees otherwise under the program); or

''(D) authorizes or entitles the Federal Government to hold or purchase any water right.

''(12) CALIFORNIA WATER LAW.—

''(A) IN GENERAL.—Nothing in this subsection authorizes the Secretary to enter into an agreement, in accordance with this subchapter, with a landowner for water obtained from an irrigation district, water district, or other similar governmental entity in the State of California.

''(B) TREATMENT OF CALIFORNIA DISTRICTS.—An irrigation district, water district, or similar governmental entity in the State of California—

''(i) shall be considered an eligible entity for purposes of this subchapter; and

''(ii) may develop a program under this subchapter.

''(C) DISTRICT PROGRAMS.—All landowners participating in a program under this subchapter that is sponsored by a district or entity described in subparagraph (B) shall be willing participants in the program.

''(13) GROUNDWATER.—A right to groundwater shall not be subject to any provision of this subsection unless the right is granted—

''(A) under applicable State law; and

''(B) through a groundwater water rights process that is fully integrated with the surface water rights process of the applicable affected State.''.

(c) WATER BENEFITS PROGRAM.—Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) is amended by adding at the end the following:

''CHAPTER 6—WATER CONSERVATION

''SEC. 1240R. WATER BENEFITS PROGRAM.

''(a) DEFINITIONS.—In this section:

''(1) ELIGIBLE ENTITY.—The term 'eligible entity' means—

''(A) an owner or operator of agricultural land;

''(B) a person or entity that holds water rights in accordance with State law; and

''(C) any other landowner.

''(2) PROGRAM.—The term 'program' means the water benefits program established under subsection (b).

''(b) ESTABLISHMENT.—The Secretary shall establish a program to promote water conservation, to be known as the 'water benefits program', under which the Secretary shall make payments to eligible States to pay the Federal share of the cost of—

''(1) in accordance with subsection (f), irrigation efficiency infrastructure or measures that provide in-stream flows for fish and wildlife and other environmental purposes (including wetland restoration);

''(2) converting from production of a water-intensive crop to a crop that requires less water; or

''(3) the lease, purchase, dry-year optioning, or dedication of water or water rights to provide, directly or indirectly, in-stream flows for fish and wildlife and other environmental purposes (including wetland restoration).

''(c) PROTECTION OF PRIVATE PROPERTY RIGHTS.—

''(1) WILLING SELLERS AND LESSORS.—An agreement may be executed under this subsection only if each eligible entity that is a party to the agreement is a willing seller or willing lessor.

''(2) PROPERTY RIGHTS.—Nothing in this section authorizes the Federal Government or any State government to condemn private property.

''(d) ELIGIBLE STATES.—To be eligible to receive a payment under the program, a State shall—

''(1) establish a State program under which the State holds and enforces water rights leased, purchased, dry-year optioned, or dedicated to provide in-stream flows for fish and wildlife;

''(2) designate a State agency to administer the State program;

''(3)(A) submit to the Secretary a State plan to protect in-stream flows; and

''(B) obtain approval of the State program and plan by the Secretary;

''(4) subject each lease, purchase, dry-year optioning, and dedication of water and water rights to any review and approval required under State law, such as review and approval by a water board, water court, or water engineer of the State; and

''(5) ensure that each lease, purchase, dry-year optioning, and dedication of water and water rights is consistent with State water law.

''(e) ROLE OF SECRETARY.—In carrying out this section, the Secretary shall—

''(1) certify State programs established under subsection (d)(1) for an initial term, and any subsequent renewal of terms, of not more than 3 years, subject to renewal;

''(2) establish guidelines for participating States to pay the Federal share of assisting the conversion from production of water-intensive crops to crops that require less water;

''(3) establish guidelines for participating States to pay the non-Federal share of the cost of on-farm and off-farm irrigation efficiency infrastructure and measures described in subsection (f)(2);

''(4) establish guidelines for participating States for the lease, purchase, dry-year optioning, and dedication of water and water rights under State programs;

''(5) establish a program within the Agricultural Research Service, in collaboration with the United States Geological Survey, to monitor State efforts under the program, including the construction and maintenance of stream gauging stations;

''(6) revoke certification of a State program under paragraph (1) if State administration of the State program does not meet the terms of the certification; and

''(7) consult with the Secretary of the Interior and affected Indian tribes, particularly with respect to the establishment and implementation of the program.

''(f) IRRIGATION EFFICIENCY INFRASTRUCTURE AND MEASURES.—

''(1) IN GENERAL.—The Secretary may pay—

''(A) the Federal share of the cost of converting from production of a water-intensive crop to a crop that requires less water, as described in subsection (e)(2); and

''(B) the Federal share determined under subsection (g) of the cost of on-farm and off-farm irrigation efficiency infrastructure and measures described in paragraph (2) if not less than 75 percent of the water conserved as a result of the infrastructure and measures is permanently allocated, directly or indirectly, to in-stream flows.

''(2) ELIGIBLE IRRIGATION EFFICIENCY INFRASTRUCTURE AND MEASURES.—Eligible irrigation efficiency infrastructure and measures referred to in paragraph (1) are—

''(A) lining of ditches, insulation of piping, and installation of ditch portals or gates;

''(B) tail water return systems;

''(C) low-energy precision applications;

''(D) low-flow irrigation systems, including drip and trickle systems and micro-sprinkler systems;

''(E) spray jets or nozzles that improve water distribution efficiency;

''(F) surge valves;

''(G) conversion from gravity or flood irrigation to low-flow sprinkler or drip irrigation systems;

''(H) intake screens, fish passages, and conversion of diversions to pumps;

''(I) alternate furrow wetting, irrigation scheduling, and similar measures; and

''(J) such other irrigation efficiency infrastructure and measures as the Secretary determines to be appropriate to carry out the program.

''(g) COST SHARING.—

''(1) NON-FEDERAL SHARE.—The non-Federal share of the cost of converting from production of a water-intensive crop to a crop that requires less water, or of an irrigation efficiency infrastructure or measure assisted under subsection (f)—

''(A) shall be not less than 25 percent; and

''(B) shall be paid by—

''(i) a State;

''(ii) an owner or operator of a farm or ranch (including an Indian tribe); or

''(iii) a nonprofit organization.

''(2) INCREASED NON-FEDERAL SHARE.—If an owner or operator of a farm or ranch pays 50 percent or more of the cost of converting from production of a water-intensive crop to a crop that requires less water, or of an irrigation efficiency infrastructure or measure, the owner or operator shall retain the right to use 50 percent of the water conserved by the conversion, infrastructure, or measure.

''(3) LEASING OF CONSERVED WATER.—A State shall—

''(A) give an eligible entity with respect to land enrolled in the program the option of leasing, or providing a dry-year option on, conserved water for 30 years; and

''(B) increase the non-Federal share under paragraph (1) accordingly, as determined by the Secretary.

''(4) WATER LEASE AND PURCHASE.—The cost of water or water rights that are directly leased, purchased, subject to a dry-year option, or dedicated under this section shall not be subject to the cost-sharing requirement of this subsection.

''(h) STATE ALLOCATIONS.—In making allocations to States, the Secretary shall consider the extent to which the State plan required by subsection (d)(3)(A) significantly advances the goals of Federal, State, tribal, and local fish, wildlife, and plant conservation plans, including—

''(1) plans that address—

''(A) multiple endangered species or threatened species (as defined in section 3 of the Endangered Species Act of 1973 (16 U.S.C. 1532)); or

''(B) species that may become threatened or endangered if conservation measures are not carried out;

''(2) agreements entered into, or conservation plans submitted, under section 6 or 10(a)(2)(A), respectively, of the Endangered Species Act of 1973 (16 U.S.C. 1535, 1539(a)(2)(A)); and

''(3) plans that provide benefits to the fish, wildlife, or plants located in 1 or more—

''(A) refuges within the National Wildlife Refuge System; or

''(B) State wildlife management areas.

''(i) STATE WATER LAW.—Nothing in this section—

''(1) preempts any State water law;

''(2) affects any litigation concerning the entitlement to, or lack of entitlement to, water that is pending as of the date of enactment of this section;

''(3) expands, alters, or otherwise affects the existence or scope of any water right of any individual (except to the extent that the individual agrees otherwise under the program); or

''(4) authorizes or entitles the Federal Government to hold or purchase any water right.

''(j) CALIFORNIA WATER LAW.—

''(1) IN GENERAL.—Nothing in this section authorizes the Secretary to enter into an agreement, in accordance with this subchapter, with a landowner for water obtained from an irrigation district, water district, or other similar governmental entity in the State of California.

''(2) TREATMENT OF CALIFORNIA DISTRICTS.—An irrigation district, water district, or

similar governmental entity in the State of California—

''(A) shall be considered an eligible entity for purposes of this subsection; and

''(B) may develop a program under this subsection.

''(3) DISTRICT PROGRAMS.—All landowners participating in a program under this subchapter that is sponsored by a district or entity described in paragraph (2) shall be willing participants in the program.

''(k) GROUNDWATER.—A right to groundwater shall not be subject to any provision of this section unless the right is granted—

''(1) under applicable State law; and

''(2) through a groundwater water rights process that is fully integrated with the surface water rights process of the applicable affected State.

''(l) FUNDING.—

''(1) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section—

''(A) $25,000,000 for fiscal year 2002;

''(B) $52,000,000 for fiscal year 2003; and

''(C) $100,000,000 for each of fiscal years 2004 through 2006.

''(2) LIMITATION ON EXPENDITURES.—For any fiscal year, a State that participates in the program shall expend not more than 75 percent of the funds made available to the State under the program to pay—

''(A) the cost of converting from production of a water-intensive crop to a crop that requires less water; or

''(B) the cost of irrigation efficiency infrastructure and measures under subsection (f)(1).

''(3) MONITORING PROGRAM.—For each fiscal year, of the funds made available under paragraph (1), the Secretary shall use not more than $5,000,000 to carry out the monitoring program under subsection (e)(5).

''(4) ADMINISTRATION.—

''(A) FEDERAL.—For each fiscal year, of the funds made available under paragraph (1), the Secretary shall use not more than $500,000 for administration of the program.

''(B) STATE.—For each fiscal year, of the funds made available under paragraph (1), not more than 3 percent shall be made available to States for administration of the program.''.

NOTICES OF HEARINGS/MEETINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BINGAMAN. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Subcommittee on National Parks of the Committee on Energy and Natural Resources.

The hearing will take place on Thursday, March 7, 2002, at 2:30 p.m., in room 366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on the following bills:

S. 213 and H.R. 37, to amend the National Trails System Act to update the feasibility and suitability studies of four national historic trails and provide for possible additions to such trails;

S. 1069 and H.R. 834, to amend the National Trails System Act to clarify Federal authority relating to land acquisition from willing sellers for the majority of the trails in the System, and for other purposes; and

H.R. 1384, to amend the National Trails System Act to designate the route in Arizona and New Mexico which the Navajo and Mescalero Apache Indian Tribes were forced to walk in 1863 and 1864, for study for potential addition to the National Trails System.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Committee on Energy and Natural Resources, U.S. Senate, 312 Dirksen Senate Office Building, Washington, DC 20510.

For further information, please contact David Brooks of the committee staff at (202–224–9863).

PRIVILEGE OF THE FLOOR

Mr. WELLSTONE. Madam President, I ask unanimous consent that Cheryl Wasserman, who is a fellow in my office, be granted the privilege of the floor during the Senate's consideration of the farm bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 2002

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 303, S. 1206.

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

The assistant legislative clerk read as follows:

A bill (S. 1206) to reauthorize the Appalachian Regional Development Act of 1965, and for other purposes.

There being no objection, the Senate proceeded to consider the bill to reauthorize the Appalachian Regional Development Act of 1965, and for other purposes, which had been reported from the Committee on Environment and Public Works, with an amendment to strike all after the enacting clause and insert the part printed in italic.

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Appalachian Regional Development Act Amendments of 2001''.

SEC. 2. PURPOSES.

(a) THIS ACT.—The purposes of this Act are—

(1) to reauthorize the Appalachian Regional Development Act of 1965 (40 U.S.C. App.); and

(2) to ensure that the people and businesses of the Appalachian region have the knowledge, skills, and access to telecommunication and technology services necessary to compete in the knowledge-based economy of the United States.

(b) APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965.—Section 2 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in subsection (b), by inserting after the third sentence the following: ''Consistent with the goal described in the preceding sentence, the Appalachian region should be able to take advantage of eco-industrial development, which promotes both employment and economic growth and the preservation of natural resources.''; and

(2) in subsection (c)(2)(B)(ii), by inserting '', including eco-industrial development technologies'' before the semicolon.

SEC. 3. FUNCTIONS OF THE COMMISSION.

Section 102(a) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in paragraph (5), by inserting '', and support,'' after ''formation of'';

(2) in paragraph (7), by striking ''and'' at the end;

(3) in paragraph (8), by striking the period at the end and inserting a semicolon; and

(4) by adding at the end the following:

''(9) encourage the use of eco-industrial development technologies and approaches; and

''(10) seek to coordinate the economic development activities of, and the use of economic development resources by, Federal agencies in the region.''.

SEC. 4. INTERAGENCY COORDINATING COUNCIL ON APPALACHIA.

Section 104 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) by striking ''The President'' and inserting ''(a) IN GENERAL.—The President''; and

(2) by adding at the end the following:

''(b) INTERAGENCY COORDINATING COUNCIL ON APPALACHIA.—

''(1) ESTABLISHMENT.—In carrying out subsection (a), the President shall establish an interagency council to be known as the 'Interagency Coordinating Council on Appalachia'.

''(2) MEMBERSHIP.—The Council shall be composed of—

''(A) the Federal Cochairman, who shall serve as Chairperson of the Council; and

''(B) representatives of Federal agencies that carry out economic development programs in the region.''.

SEC. 5. TELECOMMUNICATIONS AND TECHNOLOGY INITIATIVE.

Title II of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by inserting after section 202 the following:

''SEC. 203. TELECOMMUNICATIONS AND TECHNOLOGY INITIATIVE.

''(a) IN GENERAL.—The Commission may provide technical assistance, make grants, enter into contracts, or otherwise provide funds to persons or entities in the region for projects—

''(1) to increase affordable access to advanced telecommunications, entrepreneurship, and management technologies or applications in the region;

''(2) to provide education and training in the use of telecommunications and technology;

''(3) to develop programs to increase the readiness of industry groups and businesses in the region to engage in electronic commerce; or

''(4) to support entrepreneurial opportunities for businesses in the information technology sector.

''(b) SOURCE OF FUNDING.—

''(1) IN GENERAL.—Assistance under this section may be provided—

''(A) exclusively from amounts made available to carry out this section; or

''(B) from amounts made available to carry out this section in combination with amounts made available under any other Federal program or from any other source.

''(2) FEDERAL SHARE REQUIREMENTS SPECIFIED IN OTHER LAWS.—Notwithstanding any provision of law limiting the Federal share under any other Federal program, amounts made available to carry out this section may be used to increase that Federal share, as the Commission determines to be appropriate.

''(c) COST SHARING FOR GRANTS.—Not more than 50 percent (or 80 percent in the case of a project to be carried out in a county for which a distressed county designation is in effect