

SA 3616. Mr. SALAZAR (for himself, Mr. KERRY, Ms. STABENOW, and Mr. SCHUMER) submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3617. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3618. Mr. BUNNING submitted an amendment intended to be proposed by him to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3619. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3620. Mr. LOTT submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3621. Mr. COLEMAN submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3622. Mr. SALAZAR (for himself and Mr. ALLARD) submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3623. Mrs. BOXER (for herself, Mr. SMITH, Mrs. FEINSTEIN, Mr. SESSIONS, Mr. NELSON of Florida, Mr. MARTINEZ, and Mr. WYDEN) submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3624. Mrs. BOXER (for herself and Mrs. FEINSTEIN) submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3625. Mr. PRYOR submitted an amendment intended to be proposed by him to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3626. Mrs. HUTCHISON submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3627. Mrs. HUTCHISON submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3628. Mrs. HUTCHISON submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3629. Mrs. DOLE submitted an amendment intended to be proposed by her to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3630. Mrs. DOLE submitted an amendment intended to be proposed by her to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3631. Mr. GRASSLEY (for himself and Mr. KOHL) submitted an amendment intended to be proposed to amendment SA 3500

proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3632. Mr. COBURN submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3633. Ms. MIKULSKI submitted an amendment intended to be proposed by her to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3634. Ms. CANTWELL (for herself, Mrs. MURRAY, Mr. WYDEN, Ms. STABENOW, Mr. CRAIG, and Mr. CASEY) submitted an amendment intended to be proposed by her to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3635. Ms. CANTWELL (for herself and Mrs. MURRAY) submitted an amendment intended to be proposed by her to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3636. Mrs. MURRAY (for herself, Ms. CANTWELL, Mr. SCHUMER, and Mr. WYDEN) submitted an amendment intended to be proposed by her to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3637. Mrs. MURRAY (for herself and Ms. CANTWELL) submitted an amendment intended to be proposed by her to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3638. Mrs. MURRAY (for herself and Ms. CANTWELL) submitted an amendment intended to be proposed by her to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3639. Mr. HARKIN (for himself and Ms. MURKOWSKI) submitted an amendment intended to be proposed by him to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3640. Mr. CRAIG (for himself, Mr. BROWNBACK, and Mr. ALLARD) submitted an amendment intended to be proposed by him to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3641. Mr. ALLARD (for himself and Mr. SALAZAR) submitted an amendment intended to be proposed by him to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3642. Mr. KYL submitted an amendment intended to be proposed by him to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3643. Mr. CORNYN (for himself and Mr. GREGG) submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3644. Mr. CORNYN submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3645. Mr. ENSIGN submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3646. Mr. INOUE (for himself, Mr. ROBERTS, Mr. LOTT, Mr. LAUTENBERG, Mr. SMITH, and Mr. VITTER) submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3647. Mr. FEINGOLD submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN

(for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3648. Mr. FEINGOLD (for himself and Mr. KOHL) submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3649. Mr. KERRY (for himself, Mr. KEN-NEDY, Ms. SNOWE, Mr. GREGG, Mr. SUNUNU, Mr. REED, and Ms. COLLINS) submitted an amendment intended to be proposed by him to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3650. Mrs. HUTCHISON submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3651. Mr. CORKER (for himself and Mr. ALEXANDER) submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3652. Mr. LAUTENBERG (for himself, Mrs. DOLE, and Mr. SMITH) submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, supra; which was ordered to lie on the table.

SA 3653. Mr. COBURN submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 3597. Mr. LOTT submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

At the end of chapter 4 of subtitle D of title II, add the following:

SEC. 2399A. MISSISSIPPI RIVER/GULF OF MEXICO NUTRIENT TASK FORCE ACTION PLAN FOR REDUCING, MITIGATING, AND CONTROLLING HYPOXIA IN THE NORTHERN GULF OF MEXICO WATERSHED.

Notwithstanding any other provision of this Act, the Secretary shall ensure that, for each of fiscal years 2008 through 2012, the amount spent for the fiscal year in accordance with this Act to implement the action plan of the Mississippi River/Gulf of Mexico Nutrient Task Force for reducing, mitigating, and controlling hypoxia in the Northern Gulf of Mexico watershed is an amount equal to 10 percent more than the amount spent to implement the action plan during the preceding fiscal year.

SA 3598. Mr. BAUCUS submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 245, between lines 22 and 23, insert the following:

(b) **ELIGIBILITY.**—Section 101 of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note; Public Law 108-465) is amended by striking subsection (e) and inserting the following:

“(e) **PLAN REQUIREMENTS.**—

“(1) **IN GENERAL.**—The State plan shall identify the lead agency charged with the responsibility for carrying out the plan and indicate how the grant funds will be used to enhance the competitiveness of specialty crops.

“(2) **REPRESENTATION OF CERTAIN INDIVIDUALS.**—To the maximum extent practicable and appropriate, the State plan shall be developed taking into consideration the opinions and expertise of beginning farmers or ranchers (as defined in section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)) and socially disadvantaged farmers or ranchers (as defined in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)))).”.

(c) **AUDIT AND PLAN REQUIREMENTS.**—Section 101 of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note; Public Law 108-465) is amended by striking subsection (h) and inserting the following:

“(h) **AUDIT AND PLAN REQUIREMENTS.**—

“(1) **IN GENERAL.**—For each year that a State receives a grant under this section, the State shall conduct an audit of the expenditures of grant funds by the State.

“(2) **SUBMISSION OF AUDIT AND DESCRIPTION.**—Not later than 30 days after the date of completion of an audit under paragraph (1), the State shall submit to the Secretary of Agriculture—

“(A) a copy of the audit;

“(B) a description of the ways in which the State is complying with the requirement under subsection (e); and

“(C) such additional information as the Secretary may request to ensure, to the maximum extent practicable, that the State is complying with that requirement.”.

On page 245, line 23, strike “(b)” and insert “(d)”.

On page 246, line 11, strike “(c)” and insert “(e)”.

On page 247, line 11, strike “(d)” and insert “(f)”.

On page 247, line 19, strike “(e)” and insert “(g)”.

SA 3599. Mr. FEINGOLD (for himself and Mr. SANDERS) submitted an amendment intended to be proposed by him to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place in title XI, insert the following:

SEC. 11. OFFICE OF SMALL FARMS AND BEGINNING FARMERS AND RANCHERS.

(a) **IN GENERAL.**—Subtitle B of title II of the Department of Agriculture Reorganization Act of 1994 (as amended by section 11059(a)) is amended by inserting after section 226B the following:

“SEC. 226C. OFFICE OF SMALL FARMS AND BEGINNING FARMERS AND RANCHERS.

“(a) **ESTABLISHMENT.**—Not less than 180 days after the date of enactment of this section, the Secretary shall establish and maintain within the executive operations of the Department an office, to be known as the ‘Office of Small Farms and Beginning Farmers and Ranchers’ (referred to in this section as the ‘Office’).

“(b) **PURPOSES.**—The purposes of the Office are—

“(1) to ensure coordination across all agencies of the Department—

“(A) to improve use of the programs and services of the Department; and

“(B) to enhance the viability of small, beginning, and socially disadvantaged farmers and ranchers and others, as the Secretary determines to be necessary;

“(2) to ensure small, beginning, and socially disadvantaged farmers and ranchers access to, and equitable participation in, commodity, credit, risk management and disaster protection, conservation, marketing, nutrition, value-added, rural development, and other programs and services of the Department;

“(3) to ensure that the number and economic contributions of small, limited-resource, beginning, and socially disadvantaged farmers and ranchers are accurately reflected in the Census of Agriculture and in other reports; and

“(4) to assess and enhance the effectiveness of outreach and programs of the Department—

“(A) to reduce barriers to program participation;

“(B) to improve service provided through programs of the Department to small, beginning, and socially disadvantaged farmers and ranchers; and

“(C) by suggesting to the Secretary new initiatives and programs to better serve the needs of small, socially disadvantaged, and beginning farmers and ranchers.

“(c) **DIRECTOR.**—

“(1) **IN GENERAL.**—The Office shall be headed by a Director.

“(2) **ASSUMPTION OF DUTIES.**—Effective on the date of establishment of the Office under subsection (a), the Director shall assume the duties and personnel of the Director of Small Farms Coordination, as in existence on the day before the date of enactment of this section.

“(d) **DUTIES.**—The Office shall—

“(1) in collaboration with such other agencies and offices of the Department as the Secretary determines to be necessary, develop and implement a plan to coordinate the activities established under Departmental Regulation 9700-1 (August 3, 2006), including activities of the Small and Beginning Farmers and Ranchers Council and services provided by the Department to small farms and beginning farmers and ranchers;

“(2) coordinate with the Office of Outreach to provide consultation, training, and liaison activities with eligible entities (as defined in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e));

“(3) cooperate with, and monitor, agencies and offices of the Department to ensure that the Department is meeting the needs of small farms and of beginning farmers and ranchers;

“(4) establish cross-cutting and strategic departmental goals and objectives for small farms and beginning farmers and ranchers and for each associated program;

“(5) provide input to agencies and offices of the Department on program and policy decisions to ensure that the interests of small farms and of beginning farmers and ranchers are represented;

“(6) measure outcomes of all small farm programs and beginning farmer and rancher programs and track progress made in achieving the goals of the programs;

“(7) supervise data collection by agencies and offices of the Department regarding characteristics of small farms and beginning farmers and ranchers to ensure that the goals and objectives, and measures carried out to achieve those goals and objectives, can be measured and evaluated; and

“(8) carry out any other related duties that the Secretary determines to be appropriate.

“(e) **OUTREACH.**—The Office shall establish and maintain an Internet website—

“(1) to share information with interested producers; and

“(2) to collect and respond to comments from small and beginning farmers and ranchers, including comments of the Small and Beginning Farmers and Ranchers Council.

“(f) **RESOURCES.**—Using funds made available to the Secretary in appropriations Acts, the Secretary shall provide to the Office such human and capital resources as are sufficient to allow the Office to carry out the duties of the Office under this section in a timely and efficient manner.

“(g) **ANNUAL REPORT.**—The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate annual reports that describe actions taken by the Office during the preceding calendar year to advance the interests of small farms and beginning farmers and ranchers.”.

(b) **CONFORMING AMENDMENT.**—Section 296(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7014(b)) is amended—

(1) in paragraph (6) (as added by section 7401(c)(1)), by striking “or” at the end;

(2) in paragraph (7) (as added by section 11059(b)), by striking the period at the end and inserting “; or”; and

(3) by adding at the end the following:

“(8) the authority of the Secretary to establish in the Department the Office of Small Farms and Beginning Farmers and Ranchers in accordance with section 226C.”.

SA 3600. Mr. ALLARD submitted an amendment intended to be proposed by him to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 1362, between lines 19 and 20, insert the following:

SEC. 110. USDA PROGRAM GOALS.

(a) **IN GENERAL.**—Not later than 120 days after the date of enactment of this Act, the Secretary shall submit to Congress a report that describes—

(1) each program of the Department of Agriculture that has received a Program Assessment Rating Tool (referred to in this section as “PART”) score of “results not demonstrated”; and

(2) for each such program, the steps being taken by the Secretary to develop acceptable and quantifiable performance goals to determine whether the program is performing as Congress intended.

(b) **ANNUAL BUDGET.**—

(1) **IN GENERAL.**—The Secretary shall include in the annual submission to Congress of the budget for the Department of Agriculture a report that identifies each program within the Department of Agriculture that has, as of the date of the report, a PART score of “results not demonstrated” or “ineffective”.

(2) **FUNDING.**—If a program of the Department of Agriculture receives a PART score described in paragraph (1) for 2 or more consecutive years, the amount made available to the Secretary to carry out the program for each subsequent fiscal year shall be not more than the amount made available to carry out the program for the preceding fiscal year until such time as the program receives a PART score of at least “adequate”.

(c) **REDUCTION OF DEBT.**—For each fiscal year for which a program of the Department

of Agriculture receives funding as described in subsection (b)(2), an amount equal to the amount of funding withheld from the Department of Agriculture for that program shall be deposited in the account established under section 3113(d) of title 31, United States Code, for use in reducing the Federal debt.

SA 3601. Ms. MURKOWSKI submitted an amendment intended to be proposed by her to the bill S. 901, to amend the Public Health Service Act to provide additional authorizations of appropriations for the health centers program under section 330 of such Act; which was referred to the Committee on Health, Education, Labor, and Pensions; as follows:

At the appropriate place in section 2, insert the following:

SEC. 1. GRANTS TO EXPAND MEDICAL RESIDENCY TRAINING PROGRAMS AND INCREASE PROVIDER RETENTION RATES IN RURAL AND UNDERSERVED AREAS.

Title III of the Public Health Service Act (42 U.S.C. 241 et seq.) is amended by inserting after section 340G the following:

“Subpart XI—Medical Residency Training Programs and Provider Retention

“SEC. 340H. GRANTS TO EXPAND MEDICAL RESIDENCY TRAINING PROGRAMS AND INCREASE PROVIDER RETENTION RATES IN RURAL AND UNDERSERVED AREAS.

“(a) PROGRAM AUTHORIZED.—The Secretary may make grants to community health centers—

“(1) to establish, at the centers, new or alternative-campus accredited medical residency training programs affiliated with a hospital or other health care facility; or

“(2) to fund new residency positions within existing accredited medical residency training programs at the centers and their affiliated partners.

“(b) USE OF FUNDS.—Amounts from a grant under this section shall be used to cover the costs of establishing or expanding a medical residency training program described in subsection (a), including costs associated with—

“(1) curriculum development;

“(2) equipment acquisition;

“(3) recruitment, training, and retention of residents and faculty; and

“(4) residency stipends.

“(c) APPLICATIONS.—A community health center seeking a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

“(d) PREFERENCE.—In selecting recipients for a grant under this section, the Secretary shall give preference to funding medical residency training programs focusing on primary health care.

“(e) DEFINITIONS.—In this section:

“(1) The term ‘accredited’, as applied to a new or alternative-campus medical residency training program, means a program that is accredited by a recognized body or bodies approved for such purpose by the Accreditation Council for Graduate Medical Education, except that a new medical residency training program that, by reason of an insufficient period of operation, is not eligible for accreditation on or before the date of submission of an application under subsection (c) shall be deemed accredited if the Accreditation Council for Graduate Medical Education finds, after consultation with the appropriate accreditation body or bodies, that there is substantial assurance that the program will meet the accreditation standards of such

body or bodies prior to the date of graduation of the first entering class in that program.

“(2) The term ‘community health center’ means a health center as defined in section 330.”

SA 3602. Mr. DORGAN (for himself, Mr. ENZI, Mr. CONRAD, Ms. CANTWELL, Mr. JOHNSON, Mr. TESTER, Mr. BARRASSO, and Mr. WYDEN) submitted an amendment intended to be proposed by him to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle D of title X, add the following:

SEC. 103. DISAPPROVAL OF RULE.

Congress disapproves the rule submitted by the Secretary relating to bovine spongiform encephalopathy, minimal-risk regions, and importation of live bovines and products derived from bovines (72 Fed. Reg. 53314 (2007)), and such rule shall have no force or effect.

SA 3603. Mrs. BOXER (for herself and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by her to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 392, strike line 25 and insert the following:

as determined by the Secretary.

“(i) AIR QUALITY IMPROVEMENT.—

“(1) IN GENERAL.—Under the environmental quality section of the program established under this chapter, the Secretary shall promote air quality by providing cost-share payments and incentive payments to individual producers for use in addressing air quality concerns associated with agriculture.

“(2) ELIGIBLE PRACTICES, COST-SHARE.—

“(A) REDUCTION OF EMISSIONS OF AIR POLLUTANTS AND PRECURSORS OF AIR POLLUTANTS.—In addition to practices eligible for cost-share payments under the environmental quality section of the program established under this chapter, the Secretary shall provide cost-share payments to producers under this section for mobile or stationary equipment (including engines) used in an agricultural operation that would reduce emissions and precursors of air pollutants.

“(B) CONSIDERATIONS.—In evaluating applications for cost-share assistance for equipment described in subparagraph (A), the Secretary shall prioritize assistance for equipment that—

“(i) is the most cost-effective in addressing air quality concerns; and

“(ii) would assist producers in meeting Federal, State, or local regulatory requirements relating to air quality.

“(3) LOCATIONS.—To receive a payment for a project under this subsection, a producer shall carry out the project in a county—

“(A) that is in nonattainment with respect to ambient air quality standards;

“(B) in which there is air quality degradation, recognized by a State or local agency, to which agricultural emissions significantly contribute; or

“(C) in which the Secretary determines that pesticide drift is a priority concern.

“(4) PRIORITY.—The Secretary shall give priority to projects that—

“(A) involve multiple producers implementing eligible conservation activities in a coordinated manner to promote air quality; or

“(B) are designed to encourage broad adoption of innovative approaches, including approaches involving the use of innovative technologies and integrated pest management, on the condition that the technologies do not have the unintended consequence of compromising other environmental goals.”

SA 3604. Mr. KERRY (for himself, Ms. SNOWE, Ms. LANDRIEU, and Mr. VITTER) submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 1362, between lines 19 and 20, insert the following:

Subtitle C—Disaster Loan Program

SEC. 11101. SHORT TITLE.

This subtitle may be cited as the “Small Business Disaster Response and Loan Improvements Act of 2007”.

SEC. 11102. DEFINITIONS.

In this subtitle—

(1) the terms “Administration” and “Administrator” mean the Small Business Administration and the Administrator thereof, respectively;

(2) the term “catastrophic national disaster” means a catastrophic national disaster declared under section 7(b)(11) of the Small Business Act (15 U.S.C. 636(b)), as added by this Act;

(3) the term “declared disaster” means a major disaster or a catastrophic national disaster;

(4) the term “disaster area” means an area affected by a natural or other disaster, as determined for purposes of paragraph (1) or (2) of section 7(b) of the Small Business Act (15 U.S.C. 636(b)), during the period of such declaration;

(5) the term “disaster loan program of the Administration” means assistance under section 7(b) of the Small Business Act (15 U.S.C. 636(b));

(6) the term “disaster update period” means the period beginning on the date on which the President declares a major disaster or a catastrophic national disaster and ending on the date on which such declaration terminates;

(7) the term “major disaster” has the meaning given that term in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122);

(8) the term “small business concern” has the same meaning as in section 3 of the Small Business Act (15 U.S.C. 632); and

(9) the term “State” means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, and any territory or possession of the United States.

PART I—DISASTER PLANNING AND RESPONSE

SEC. 11121. DISASTER LOANS TO NONPROFITS.

Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended by inserting immediately after paragraph (3) the following:

“(4) LOANS TO NONPROFITS.—In addition to any other loan authorized by this subsection, the Administrator may make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administrator determines appropriate to a nonprofit organization located or operating in an area affected by a natural or other disaster, as determined

under paragraph (1) or (2), or providing services to persons who have evacuated from any such area.”.

SEC. 11122. DISASTER LOAN AMOUNTS.

(a) INCREASED LOAN CAPS.—Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended by inserting immediately after paragraph (4), as added by this Act, the following:

“(5) INCREASED LOAN CAPS.—

“(A) AGGREGATE LOAN AMOUNTS.—Except as provided in subparagraph (B), and notwithstanding any other provision of law, the aggregate loan amount outstanding and committed to a borrower under this subsection may not exceed \$2,000,000.

“(B) WAIVER AUTHORITY.—The Administrator may, at the discretion of the Administrator, increase the aggregate loan amount under subparagraph (A) for loans relating to a disaster to a level established by the Administrator, based on appropriate economic indicators for the region in which that disaster occurred.”.

(b) DISASTER MITIGATION.—

(1) IN GENERAL.—Section 7(b)(1)(A) of the Small Business Act (15 U.S.C. 636(b)(1)(A)) is amended by inserting “of the aggregate costs of such damage or destruction (whether or not compensated for by insurance or otherwise)” after “20 per centum”.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply with respect to a loan or guarantee made after the date of enactment of this Act.

(c) TECHNICAL AMENDMENTS.—Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended—

(1) in the matter preceding paragraph (1), by striking “the, Administration” and inserting “the Administration”;

(2) in paragraph (2)(A), by striking “Disaster Relief and Emergency Assistance Act” and inserting “Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) (in this subsection referred to as a ‘major disaster’)”; and

(3) in the undesignated matter at the end—

(A) by striking “, (2), and (4)” and inserting “and (2)”; and

(B) by striking “, (2), or (4)” and inserting “(2)”.

SEC. 11123. SMALL BUSINESS DEVELOPMENT CENTER PORTABILITY GRANTS.

Section 21(a)(4)(C)(viii) of the Small Business Act (15 U.S.C. 648(a)(4)(C)(viii)) is amended—

(1) in the first sentence, by striking “as a result of a business or government facility down sizing or closing, which has resulted in the loss of jobs or small business instability” and inserting “due to events that have resulted or will result in, business or government facility downsizing or closing”; and

(2) by adding at the end “At the discretion of the Administrator, the Administrator may make an award greater than \$100,000 to a recipient to accommodate extraordinary occurrences having a catastrophic impact on the small business concerns in a community.”.

SEC. 11124. ASSISTANCE TO OUT-OF-STATE BUSINESSES.

Section 21(b)(3) of the Small Business Act (15 U.S.C. 648(b)(3)) is amended—

(1) by striking “At the discretion” and inserting the following: “SMALL BUSINESS DEVELOPMENT CENTERS.—

“(A) IN GENERAL.—At the discretion”; and

(2) by adding at the end the following:

“(B) DURING DISASTERS.—

“(i) IN GENERAL.—At the discretion of the Administrator, the Administrator may authorize a small business development center to provide such assistance to small business concerns located outside of the State, without regard to geographic proximity, if the

small business concerns are located in a disaster area declared under section 7(b)(2)(A).

“(ii) CONTINUITY OF SERVICES.—A small business development center that provides counselors to an area described in clause (i) shall, to the maximum extent practicable, ensure continuity of services in any State in which such small business development center otherwise provides services.

“(iii) ACCESS TO DISASTER RECOVERY FACILITIES.—For purposes of providing disaster recovery assistance under this subparagraph, the Administrator shall, to the maximum extent practicable, permit small business development center personnel to use any site or facility designated by the Administrator for use to provide disaster recovery assistance.”.

SEC. 11125. OUTREACH PROGRAMS.

(a) IN GENERAL.—Not later than 30 days after the date of the declaration of a disaster area, the Administrator may establish a contracting outreach and technical assistance program for small business concerns which have had a primary place of business in, or other significant presence in, such disaster area.

(b) ADMINISTRATOR ACTION.—The Administrator may carry out subsection (a) by acting through—

(1) the Administration;

(2) the Federal agency small business officials designated under section 15(k)(1) of the Small Business Act (15 U.S.C. 644(k)(1)); or

(3) any Federal, State, or local government entity, higher education institution, procurement technical assistance center, or private nonprofit organization that the Administrator may determine appropriate, upon conclusion of a memorandum of understanding or assistance agreement, as appropriate, with the Administrator.

SEC. 11126. SMALL BUSINESS BONDING THRESHOLD.

(a) IN GENERAL.—Except as provided in subsection (b), and notwithstanding any other provision of law, for any procurement related to a major disaster, the Administrator may, upon such terms and conditions as the Administrator may prescribe, guarantee and enter into commitments to guarantee any surety against loss resulting from a breach of the terms of a bid bond, payment bond, performance bond, or bonds ancillary thereto, by a principal on any total work order or contract amount at the time of bond execution that does not exceed \$5,000,000.

(b) INCREASE OF AMOUNT.—Upon request of the head of any Federal agency other than the Administration involved in reconstruction efforts in response to a major disaster, the Administrator may guarantee and enter into a commitment to guarantee any surety against loss under subsection (a) on any total work order or contract amount at the time of bond execution that does not exceed \$10,000,000.

SEC. 11127. TERMINATION OF PROGRAM.

Section 711(c) of the Small Business Competitive Demonstration Program Act of 1988 (15 U.S.C. 644 note) is amended by inserting after “January 1, 1989” the following: “, and shall terminate on the date of enactment of the Small Business Disaster Response and Loan Improvements Act of 2007”.

SEC. 11128. INCREASING COLLATERAL REQUIREMENTS.

Section 7(c)(6) of the Small Business Act (15 U.S.C. 636(c)(6)) is amended by striking “\$10,000 or less” and inserting “\$14,000 or less (or such higher amount as the Administrator determines appropriate in the event of a catastrophic national disaster declared under subsection (b)(11))”.

SEC. 11129. PUBLIC AWARENESS OF DISASTER DECLARATION AND APPLICATION PERIODS.

(a) IN GENERAL.—Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended by

inserting immediately after paragraph (5), as added by this Act, the following:

“(6) COORDINATION WITH FEMA.—

“(A) IN GENERAL.—Notwithstanding any other provision of law, for any disaster (including a catastrophic national disaster) declared under this subsection or major disaster, the Administrator, in consultation with the Administrator of the Federal Emergency Management Agency, shall ensure, to the maximum extent practicable, that all application periods for disaster relief under this Act correspond with application deadlines established under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), or as extended by the President.

“(B) DEADLINES.—Notwithstanding any other provision of law, not later than 10 days before the closing date of an application period for a major disaster (including a catastrophic national disaster), the Administrator, in consultation with the Administrator of the Federal Emergency Management Agency, shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report that includes—

“(i) the deadline for submitting applications for assistance under this Act relating to that major disaster;

“(ii) information regarding the number of loan applications and disbursements processed by the Administrator relating to that major disaster for each day during the period beginning on the date on which that major disaster was declared and ending on the date of that report; and

“(iii) an estimate of the number of potential applicants that have not submitted an application relating to that major disaster.

“(7) PUBLIC AWARENESS OF DISASTERS.—If a disaster (including a catastrophic national disaster) is declared under this subsection, the Administrator shall make every effort to communicate through radio, television, print, and web-based outlets, all relevant information needed by disaster loan applicants, including—

“(A) the date of such declaration;

“(B) cities and towns within the area of such declaration;

“(C) loan application deadlines related to such disaster;

“(D) all relevant contact information for victim services available through the Administration (including links to small business development center websites);

“(E) links to relevant Federal and State disaster assistance websites, including links to websites providing information regarding assistance available from the Federal Emergency Management Agency;

“(F) information on eligibility criteria for Administration loan programs, including where such applications can be found; and

“(G) application materials that clearly state the function of the Administration as the Federal source of disaster loans for homeowners and renters.”.

(b) MARKETING AND OUTREACH.—Not later than 90 days after the date of enactment of this Act, the Administrator shall create a marketing and outreach plan that—

(1) encourages a proactive approach to the disaster relief efforts of the Administration;

(2) makes clear the services provided by the Administration, including contact information, application information, and timelines for submitting applications, the review of applications, and the disbursement of funds;

(3) describes the different disaster loan programs of the Administration, including how they are made available and the eligibility requirements for each loan program;

(4) provides for regional marketing, focusing on disasters occurring in each region before the date of enactment of this Act, and likely scenarios for disasters in each such region; and

(5) ensures that the marketing plan is made available at small business development centers and on the website of the Administration.

SEC. 11130. CONSISTENCY BETWEEN ADMINISTRATION REGULATIONS AND STANDARD OPERATING PROCEDURES.

(a) IN GENERAL.—The Administrator shall, promptly following the date of enactment of this Act, conduct a study of whether the standard operating procedures of the Administration for loans offered under section 7(b) of the Small Business Act (15 U.S.C. 636(b)) are consistent with the regulations of the Administration for administering the disaster loan program.

(b) REPORT.—Not later than 180 days after the date of enactment of this Act, the Administration shall submit to Congress a report containing all findings and recommendations of the study conducted under subsection (a).

SEC. 11131. PROCESSING DISASTER LOANS.

(a) AUTHORITY FOR QUALIFIED PRIVATE CONTRACTORS TO PROCESS DISASTER LOANS.—Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended by inserting immediately after paragraph (7), as added by this Act, the following:

“(8) AUTHORITY FOR QUALIFIED PRIVATE CONTRACTORS.—

“(A) DISASTER LOAN PROCESSING.—The Administrator may enter into an agreement with a qualified private contractor, as determined by the Administrator, to process loans under this subsection in the event of a major disaster or a catastrophic national disaster declared under paragraph (11), under which the Administrator shall pay the contractor a fee for each loan processed.

“(B) LOAN LOSS VERIFICATION SERVICES.—The Administrator may enter into an agreement with a qualified lender or loss verification professional, as determined by the Administrator, to verify losses for loans under this subsection in the event of a major disaster or a catastrophic national disaster declared under paragraph (11), under which the Administrator shall pay the lender or verification professional a fee for each loan for which such lender or verification professional verifies losses.”.

(b) COORDINATION OF EFFORTS BETWEEN THE ADMINISTRATOR AND THE INTERNAL REVENUE SERVICE TO EXPEDITE LOAN PROCESSING.—The Administrator and the Commissioner of Internal Revenue shall, to the maximum extent practicable, ensure that all relevant and allowable tax records for loan approval are shared with loan processors in an expedited manner, upon request by the Administrator.

SEC. 11132. DEVELOPMENT AND IMPLEMENTATION OF MAJOR DISASTER RESPONSE PLAN.

(a) IN GENERAL.—Not later than 3 months after the date of enactment of this Act, the Administrator shall—

(1) by rule, amend the 2006 Atlantic hurricane season disaster response plan of the Administration (in this section referred to as the “disaster response plan”) to apply to major disasters; and

(2) submit a report to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives detailing the amendments to the disaster response plan.

(b) CONTENTS.—The report required under subsection (a)(2) shall include—

(1) any updates or modifications made to the disaster response plan since the report

regarding the disaster response plan submitted to Congress on July 14, 2006;

(2) a description of how the Administrator plans to utilize and integrate District Office personnel of the Administration in the response to a major disaster, including information on the utilization of personnel for loan processing and loan disbursement;

(3) a description of the disaster scalability model of the Administration and on what basis or function the plan is scaled;

(4) a description of how the agency-wide Disaster Oversight Council is structured, which offices comprise its membership, and whether the Associate Deputy Administrator for Entrepreneurial Development of the Administration is a member;

(5) a description of how the Administrator plans to coordinate the disaster efforts of the Administration with State and local government officials, including recommendations on how to better incorporate State initiatives or programs, such as State-administered bridge loan programs, into the disaster response of the Administration;

(6) recommendations, if any, on how the Administration can better coordinate its disaster response operations with the operations of other Federal, State, and local entities;

(7) any surge plan for the disaster loan program of the Administration in effect on or after August 29, 2005 (including surge plans for loss verification, loan processing, mailroom, customer service or call center operations, and a continuity of operations plan);

(8) the number of full-time equivalent employees and job descriptions for the planning and disaster response staff of the Administration;

(9) the in-service and pre-service training procedures for disaster response staff of the Administration;

(10) information on the logistical support plans of the Administration (including equipment and staffing needs, and detailed information on how such plans will be scalable depending on the size and scope of the major disaster);

(11) a description of the findings and recommendations of the Administrator, if any, based on a review of the response of the Administration to Hurricane Katrina of 2005, Hurricane Rita of 2005, and Hurricane Wilma of 2005; and

(12) a plan for how the Administrator, in consultation with the Administrator of the Federal Emergency Management Agency, will coordinate the provision of accommodations and necessary resources for disaster assistance personnel to effectively perform their responsibilities in the aftermath of a major disaster.

(c) EXERCISES.—Not later than 6 months after the date of the submission of the report under subsection (a)(2), the Administrator shall develop and execute simulation exercises to demonstrate the effectiveness of the amended disaster response plan required under this section.

SEC. 11133. DISASTER PLANNING RESPONSIBILITIES.

(a) ASSIGNMENT OF SMALL BUSINESS ADMINISTRATION DISASTER PLANNING RESPONSIBILITIES.—The Administrator shall specifically assign the disaster planning responsibilities described in subsection (b) to an employee of the Administration who—

(1) is not an employee of the Office of Disaster Assistance of the Administration;

(2) shall report directly to the Administrator; and

(3) has a background and expertise demonstrating significant experience in the area of disaster planning.

(b) RESPONSIBILITIES.—The responsibilities described in this subsection are—

(1) creating and maintaining the comprehensive disaster response plan of the Administration;

(2) ensuring in-service and pre-service training procedures for the disaster response staff of the Administration;

(3) coordinating and directing Administration training exercises, including mock disaster responses, with other Federal agencies; and

(4) other responsibilities, as determined by the Administrator.

(c) REPORT.—Not later than 30 days after the date of enactment of this Act, the Administrator shall submit to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives a report containing—

(1) a description of the actions of the Administrator to assign an employee under subsection (a);

(2) information detailing the background and expertise of the employee assigned under subsection (a); and

(3) information on the status of the implementation of the responsibilities described in subsection (b).

SEC. 11134. ADDITIONAL AUTHORITY FOR DISTRICT OFFICES OF THE ADMINISTRATION.

(a) IN GENERAL.—Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended by inserting immediately after paragraph (8), as added by this Act, the following:

“(9) USE OF DISTRICT OFFICES.—In the event of a major disaster, the Administrator may authorize a district office of the Administration to process loans under paragraph (1) or (2).”.

(b) DESIGNATION.—

(1) IN GENERAL.—The Administrator may designate an employee in each district office of the Administration to act as a disaster loan liaison between the disaster processing center and applicants under the disaster loan program of the Administration.

(2) RESPONSIBILITIES.—Each employee designated under paragraph (1) shall—

(A) be responsible for coordinating and facilitating communications between applicants under the disaster loan program of the Administration and disaster loan processing staff regarding documentation and information required for completion of an application; and

(B) provide information to applicants under the disaster loan program of the Administration regarding additional services and benefits that may be available to such applicants to assist with recovery.

(3) OUTREACH.—In providing outreach to disaster victims following a declared disaster, the Administrator shall make disaster victims aware of—

(A) any relevant employee designated under paragraph (1); and

(B) how to contact that employee.

SEC. 11135. ASSIGNMENT OF EMPLOYEES OF THE OFFICE OF DISASTER ASSISTANCE AND DISASTER CADRE.

(a) IN GENERAL.—Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended by inserting immediately after paragraph (9), as added by this Act, the following:

“(10) DISASTER ASSISTANCE EMPLOYEES.—

“(A) IN GENERAL.—In carrying out this section, the Administrator may, where practicable, ensure that the number of full-time equivalent employees—

(i) in the Office of the Disaster Assistance is not fewer than 800; and

(ii) in the Disaster Cadre of the Administration is not fewer than 750.

“(B) REPORT.—In carrying out this subsection, if the number of full-time employees for either the Office of Disaster Assistance or the Disaster Cadre of the Administration is

below the level described in subparagraph (A) for that office, not later than 21 days after the date on which that staffing level decreased below the level described in subparagraph (A), the Administrator shall submit to the Committee on Appropriations and the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Appropriations and Committee on Small Business of the House of Representatives, a report—

“(i) detailing staffing levels on that date;

“(ii) requesting, if practicable and determined appropriate by the Administrator, additional funds for additional employees; and

“(iii) containing such additional information, as determined appropriate by the Administrator.”

PART II—DISASTER LENDING

SEC. 11141. CATASTROPHIC NATIONAL DISASTER DECLARATION.

Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended by inserting immediately after paragraph (10), as added by this Act, the following:

“(11) CATASTROPHIC NATIONAL DISASTERS.—

“(A) IN GENERAL.—The President may make a catastrophic national disaster declaration in accordance with this paragraph.

“(B) PROMULGATION OF RULES.—

“(i) IN GENERAL.—Not later than 6 months after the date of enactment of this paragraph, the Administrator, with the concurrence of the Secretary of Homeland Security and the Administrator of the Federal Emergency Management Agency, shall promulgate regulations establishing a threshold for a catastrophic national disaster declaration.

“(ii) CONSIDERATIONS.—In promulgating the regulations required under clause (i), the Administrator shall establish a threshold that—

“(I) is similar in size and scope to the events relating to the terrorist attacks of September 11, 2001, and Hurricane Katrina of 2005;

“(II) requires that the President declares a major disaster before making a catastrophic national disaster declaration under this paragraph;

“(III) requires consideration of—

“(aa) the dollar amount per capita of damage to the State, its political subdivisions, or a region;

“(bb) the number of small business concerns damaged, physically or economically, as a direct result of the event;

“(cc) the number of individuals and households displaced from their predisaster residences by the event;

“(dd) the severity of the impact on employment rates in the State, its political subdivisions, or a region;

“(ee) the anticipated length and difficulty of the recovery process;

“(ff) whether the events leading to the relevant major disaster declaration are of an unusually large and calamitous nature that is orders of magnitude larger than for an average major disaster; and

“(gg) any other factor determined relevant by the Administrator.

“(C) AUTHORIZATION.—If the President makes a catastrophic national disaster declaration under this paragraph, the Administrator may make such loans under this paragraph (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administrator determines appropriate to small business concerns located anywhere in the United States that are economically adversely impacted as a result of that catastrophic national disaster.

“(D) LOAN TERMS.—A loan under this paragraph shall be made on the same terms as a loan under paragraph (2).”

SEC. 11142. PRIVATE DISASTER LOANS.

(a) IN GENERAL.—Section 7 of the Small Business Act (15 U.S.C. 636) is amended—

(1) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(2) by inserting after subsection (b) the following:

“(C) PRIVATE DISASTER LOANS.—

“(1) DEFINITIONS.—In this subsection—

“(A) the term ‘disaster area’ means any area for which the President declared a major disaster (as that term is defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)) that subsequently results in the President making a catastrophic national disaster declaration under subsection (b)(11);

“(B) the term ‘eligible small business concern’ means a business concern that is—

“(i) a small business concern, as defined in this Act; or

“(ii) a small business concern, as defined in section 103 of the Small Business Investment Act of 1958; and

“(C) the term ‘qualified private lender’ means any privately-owned bank or other lending institution that the Administrator determines meets the criteria established under paragraph (9).

“(2) AUTHORIZATION.—The Administrator may guarantee timely payment of principal and interest, as scheduled on any loan issued by a qualified private lender to an eligible small business concern located in a disaster area.

“(3) USE OF LOANS.—A loan guaranteed by the Administrator under this subsection may be used for any purpose authorized under subsection (b).

“(4) ONLINE APPLICATIONS.—

“(A) ESTABLISHMENT.—The Administrator may establish, directly or through an agreement with another entity, an online application process for loans guaranteed under this subsection.

“(B) OTHER FEDERAL ASSISTANCE.—The Administrator may coordinate with the head of any other appropriate Federal agency so that any application submitted through an online application process established under this paragraph may be considered for any other Federal assistance program for disaster relief.

“(C) CONSULTATION.—In establishing an online application process under this paragraph, the Administrator shall consult with appropriate persons from the public and private sectors, including private lenders.

“(5) MAXIMUM AMOUNTS.—

“(A) GUARANTEE PERCENTAGE.—The Administrator may guarantee not more than 85 percent of a loan under this subsection.

“(B) LOAN AMOUNTS.—The maximum amount of a loan guaranteed under this subsection shall be \$2,000,000.

“(6) LOAN TERM.—The longest term of a loan for a loan guaranteed under this subsection shall be—

“(A) 15 years for any loan that is issued without collateral; and

“(B) 25 years for any loan that is issued with collateral.

“(7) FEES.—

“(A) IN GENERAL.—The Administrator may not collect a guarantee fee under this subsection.

“(B) ORIGINATION FEE.—The Administrator may pay a qualified private lender an origination fee for a loan guaranteed under this subsection in an amount agreed upon in advance between the qualified private lender and the Administrator.

“(8) DOCUMENTATION.—A qualified private lender may use its own loan documentation for a loan guaranteed by the Administrator, to the extent authorized by the Administrator. The ability of a lender to use its own loan documentation for a loan guaranteed

under this subsection shall not be considered part of the criteria for becoming a qualified private lender under the regulations promulgated under paragraph (9).

“(9) IMPLEMENTATION REGULATIONS.—

“(A) IN GENERAL.—Not later than 1 year after the date of enactment of the Small Business Disaster Response and Loan Improvements Act of 2007, the Administrator shall issue final regulations establishing permanent criteria for qualified private lenders.

“(B) REPORT TO CONGRESS.—Not later than 6 months after the date of enactment of the Small Business Disaster Response and Loan Improvements Act of 2007, the Administrator shall submit a report on the progress of the regulations required by subparagraph (A) to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives.

“(10) AUTHORIZATION OF APPROPRIATIONS.—

“(A) IN GENERAL.—Amounts necessary to carry out this subsection shall be made available from amounts appropriated to the Administration to carry out subsection (b).

“(B) AUTHORITY TO REDUCE INTEREST RATES.—Funds appropriated to the Administration to carry out this subsection, may be used by the Administrator, to the extent available, to reduce the rate of interest for any loan guaranteed under this subsection by not more than 3 percentage points.

“(11) PURCHASE OF LOANS.—The Administrator may enter into an agreement with a qualified private lender to purchase any loan issued under this subsection.”

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to disasters declared under section 7(b)(2) of the Small Business Act (631 U.S.C. 636(b)(2)) before, on, or after the date of enactment of this Act.

SEC. 11143. TECHNICAL AND CONFORMING AMENDMENTS.

The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) in section 4(c)—

(A) in paragraph (1), by striking “7(c)(2)” and inserting “7(d)(2)”; and

(B) in paragraph (2)—

(i) by striking “7(c)(2)” and inserting “7(d)(2)”; and

(ii) by striking “7(e),”;

(2) in section 7(b), in the undesignated matter following paragraph (3)—

(A) by striking “That the provisions of paragraph (1) of subsection (c)” and inserting “That the provisions of paragraph (1) of subsection (d); and

(B) by striking “Notwithstanding the provisions of any other law the interest rate on the Administration’s share of any loan made under subsection (b) except as provided in subsection (c),” and inserting “Notwithstanding any other provision of law, and except as provided in subsection (d), the interest rate on the Administration’s share of any loan made under subsection (b).”

SEC. 11144. EXPEDITED DISASTER ASSISTANCE LOAN PROGRAM.

(a) DEFINITIONS.—In this section—

(1) the term “immediate disaster assistance” means assistance provided during the period beginning on the date on which the President makes a catastrophic disaster declaration under paragraph (1) of section 7(b) of the Small Business Act (15 U.S.C. 636(b)), as added by this Act, and ending on the date that an impacted small business concern is able to secure funding through insurance claims, Federal assistance programs, or other sources; and

(2) the term “program” means the expedited disaster assistance business loan program established under subsection (b).

(b) CREATION OF PROGRAM.—The Administrator shall take such administrative action

as is necessary to establish and implement an expedited disaster assistance business loan program to provide small business concerns with immediate disaster assistance under paragraph (11) of section 7(b) of the Small Business Act (15 U.S.C. 636(b)), as added by this Act.

(c) CONSULTATION REQUIRED.—In establishing the program, the Administrator shall consult with—

(1) appropriate personnel of the Administration (including District Office personnel of the Administration);

(2) appropriate technical assistance providers (including small business development centers);

(3) appropriate lenders and credit unions;

(4) the Committee on Small Business and Entrepreneurship of the Senate; and

(5) the Committee on Small Business of the House of Representatives.

(d) RULES.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Administrator shall issue rules in final form establishing and implementing the program in accordance with this section. Such rules shall apply as provided for in this section, beginning 90 days after their issuance in final form.

(2) CONTENTS.—The rules promulgated under paragraph (1) shall—

(A) identify whether appropriate uses of funds under the program may include—

(i) paying employees;

(ii) paying bills and other financial obligations;

(iii) making repairs;

(iv) purchasing inventory;

(v) restarting or operating a small business concern in the community in which it was conducting operations prior to the declared disaster, or to a neighboring area, county, or parish in the disaster area; or

(vi) covering additional costs until the small business concern is able to obtain funding through insurance claims, Federal assistance programs, or other sources; and

(B) set the terms and conditions of any loan made under the program, subject to paragraph (3).

(3) TERMS AND CONDITIONS.—A loan made by the Administration under this section—

(A) shall be for not more than \$150,000;

(B) shall be a short-term loan, not to exceed 180 days, except that the Administrator may extend such term as the Administrator determines necessary or appropriate on a case-by-case basis;

(C) shall have an interest rate not to exceed 1 percentage point above the prime rate of interest that a private lender may charge;

(D) shall have no prepayment penalty;

(E) may only be made to a borrower that meets the requirements for a loan under section 7(b) of the Small Business Act (15 U.S.C. 636(b)); or

(F) may be refinanced as part of any subsequent disaster assistance provided under section 7(b) of the Small Business Act;

(G) may receive expedited loss verification and loan processing, if the applicant is—

(i) a major source of employment in the disaster area (which shall be determined in the same manner as under section 7(b)(3)(B) of the Small Business Act (15 U.S.C. 636(b)(3)(B))); or

(ii) vital to recovery efforts in the region (including providing debris removal services, manufactured housing, or building materials); and

(H) shall be subject to such additional terms as the Administrator determines necessary or appropriate.

(e) REPORT TO CONGRESS.—Not later than 5 months after the date of enactment of this Act, the Administrator shall report to the Committee on Small Business and Entrepre-

neurship of the Senate and the Committee on Small Business of the House of Representatives on the progress of the Administrator in establishing the program.

(f) AUTHORIZATION.—There are authorized to be appropriated to the Administrator such sums as are necessary to carry out this section.

SEC. 11145. HUBZONES.

(a) IN GENERAL.—Section 3(p) of the Small Business Act (15 U.S.C. 632(p)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (D), by striking “or”;

(B) in subparagraph (E), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following:

“(F) areas in which the President has declared a major disaster (as that term is defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)) as a result of Hurricane Katrina of August 2005 or Hurricane Rita of September 2005, during the time period described in paragraph (8); or

“(G) catastrophic national disaster areas.”;

(2) in paragraph (4), by adding at the end the following:

“(E) CATASTROPHIC NATIONAL DISASTER AREA.—

(i) IN GENERAL.—The term ‘catastrophic national disaster area’ means an area—

“(I) affected by a catastrophic national disaster declared under section 7(b)(11), during the time period described in clause (ii); and

“(II) for which the Administrator determines that designation as a HUBZone would substantially contribute to the reconstruction and recovery effort in that area.

(ii) TIME PERIOD.—The time period for the purposes of clause (i)—

“(I) shall be the 2-year period beginning on the date that the applicable catastrophic national disaster was declared under section 7(b)(11); and

“(II) may, at the discretion of the Administrator, be extended to be the 3-year period beginning on the date described in subclause (I); and

(3) by adding at the end the following:

(8) TIME PERIOD.—The time period for the purposes of paragraph (1)(F)—

(A) shall be the 2-year period beginning on the later of the date of enactment of this paragraph and August 29, 2007; and

(B) may, at the discretion of the Administrator, be extended to be the 3-year period beginning on the later of the date of enactment of this paragraph and August 29, 2007.”.

(b) TOLLING OF GRADUATION.—Section 7(j)(10)(C) of the Small Business Act (15 U.S.C. 636(j)(10)(C)) is amended by adding at the end the following:

(iii) For purposes of this subparagraph, if the Administrator designates an area as a HUBZone under section 3(p)(4)(E)(i)(II), the Administrator shall not count the time period described in subclause (II) of this clause for any small business concern—

(aa) that is participating in any program, activity, or contract under section 8(a); and

(bb) the principal place of business of which is located in that area.

(II) The time period for purposes of subclause (I)—

(aa) shall be the 2-year period beginning on the date that the applicable catastrophic national disaster was declared under section 7(b)(11); and

(bb) may, at the discretion of the Administrator, be extended to be the 3-year period beginning on the date described in item (aa).“.

(c) STUDY OF HUBZONE DISASTER AREAS.—Not later than 1 year after the date of enact-

ment of this Act, the Comptroller General of the United States shall submit a report to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives evaluating the designation by the Administrator of catastrophic national disaster areas, as that term is defined in section 3(p)(4)(E) of the Small Business Act (as added by this Act), as HUBZones.

PART III—DISASTER ASSISTANCE OVERSIGHT

SEC. 11161. CONGRESSIONAL OVERSIGHT.

(a) MONTHLY ACCOUNTING REPORT TO CONGRESS.—

(1) REPORTING REQUIREMENTS.—Not later than the fifth business day of each month during the applicable period for a major disaster, the Administrator shall provide to the Committee on Small Business and Entrepreneurship and the Committee on Appropriations of the Senate and to the Committee on Small Business and the Committee on Appropriations of the House of Representatives a report on the operation of the disaster loan program authorized under section 7 of the Small Business Act (15 U.S.C. 636) for that major disaster during the preceding month.

(2) CONTENTS.—Each report under paragraph (1) shall include—

(A) the daily average lending volume, in number of loans and dollars, and the percent by which each category has increased or decreased since the previous report under paragraph (1);

(B) the weekly average lending volume, in number of loans and dollars, and the percent by which each category has increased or decreased since the previous report under paragraph (1);

(C) the amount of funding spent over the month for loans, both in appropriations and program level, and the percent by which each category has increased or decreased since the previous report under paragraph (1);

(D) the amount of funding available for loans, both in appropriations and program level, and the percent by which each category has increased or decreased since the previous report under paragraph (1), noting the source of any additional funding;

(E) an estimate of how long the available funding for such loans will last, based on the spending rate;

(F) the amount of funding spent over the month for staff, along with the number of staff, and the percent by which each category has increased or decreased since the previous report under paragraph (1);

(G) the amount of funding spent over the month for administrative costs, and the percent by which such spending has increased or decreased since the previous report under paragraph (1);

(H) the amount of funding available for salaries and expenses combined, and the percent by which such funding has increased or decreased since the previous report under paragraph (1), noting the source of any additional funding; and

(I) an estimate of how long the available funding for salaries and expenses will last, based on the spending rate.

(b) DAILY DISASTER UPDATES TO CONGRESS FOR PRESIDENTIALLY DECLARED DISASTERS.—

(1) IN GENERAL.—Each day during a disaster update period, excluding Federal holidays and weekends, the Administration shall provide to the Committee on Small Business and Entrepreneurship of the Senate and to the Committee on Small Business of the House of Representatives a report on the operation of the disaster loan program of the Administration for the area in which the President declared a major disaster.

(2) CONTENTS.—Each report under paragraph (1) shall include—

(A) the number of Administration staff performing loan processing, field inspection, and other duties for the declared disaster, and the allocations of such staff in the disaster field offices, disaster recovery centers, workshops, and other Administration offices nationwide;

(B) the daily number of applications received from applicants in the relevant area, as well as a breakdown of such figures by State;

(C) the daily number of applications pending application entry from applicants in the relevant area, as well as a breakdown of such figures by State;

(D) the daily number of applications withdrawn by applicants in the relevant area, as well as a breakdown of such figures by State;

(E) the daily number of applications summarily declined by the Administration from applicants in the relevant area, as well as a breakdown of such figures by State;

(F) the daily number of applications declined by the Administration from applicants in the relevant area, as well as a breakdown of such figures by State;

(G) the daily number of applications in process from applicants in the relevant area, as well as a breakdown of such figures by State;

(H) the daily number of applications approved by the Administration from applicants in the relevant area, as well as a breakdown of such figures by State;

(I) the daily dollar amount of applications approved by the Administration from applicants in the relevant area, as well as a breakdown of such figures by State;

(J) the daily amount of loans dispersed, both partially and fully, by the Administration to applicants in the relevant area, as well as a breakdown of such figures by State;

(K) the daily dollar amount of loans disbursed, both partially and fully, from the relevant area, as well as a breakdown of such figures by State;

(L) the number of applications approved, including dollar amount approved, as well as applications partially and fully disbursed, including dollar amounts, since the last report under paragraph (I); and

(M) the declaration date, physical damage closing date, economic injury closing date, and number of counties included in the declaration of a major disaster.

(c) NOTICE OF THE NEED FOR SUPPLEMENTAL FUNDS.—On the same date that the Administrator notifies any committee of the Senate or the House of Representatives that supplemental funding is necessary for the disaster loan program of the Administration in any fiscal year, the Administrator shall notify in writing the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives regarding the need for supplemental funds for that loan program.

(d) REPORT ON CONTRACTING.—
(1) IN GENERAL.—Not later than 6 months after the date on which the President declares a major disaster, and every 6 months thereafter until the date that is 18 months after the date on which the major disaster was declared, the Administrator shall submit a report to the Committee on Small Business and Entrepreneurship of the Senate and to the Committee on Small Business of the House of Representatives regarding Federal contracts awarded as a result of that major disaster.

(2) CONTENTS.—Each report submitted under paragraph (1) shall include—

(A) the total number of contracts awarded as a result of that major disaster;

(B) the total number of contracts awarded to small business concerns as a result of that major disaster;

(C) the total number of contracts awarded to women and minority-owned businesses as a result of that major disaster; and

(D) the total number of contracts awarded to local businesses as a result of that major disaster.

(e) REPORT ON LOAN APPROVAL RATE.—

(1) IN GENERAL.—Not later than 6 months after the date of enactment of this Act, the Administrator shall submit a report to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives detailing how the Administration can improve the processing of applications under the disaster loan program of the Administration.

(2) CONTENTS.—The report submitted under paragraph (1) shall include—

(A) recommendations, if any, regarding—

(i) staffing levels during a major disaster;

(ii) how to improve the process for processing, approving, and disbursing loans under the disaster loan program of the Administration, to ensure that the maximum assistance is provided to victims in a timely manner;

(iii) the viability of using alternative methods for assessing the ability of an applicant to repay a loan, including the credit score of the applicant on the day before the date on which the disaster for which the applicant is seeking assistance was declared;

(iv) methods, if any, for the Administration to expedite loss verification and loan processing of disaster loans during a major disaster for businesses affected by, and located in the area for which the President declared, the major disaster that are a major source of employment in the area or are vital to recovery efforts in the region (including providing debris removal services, manufactured housing, or building materials);

(v) legislative changes, if any, needed to implement findings from the Accelerated Disaster Response Initiative of the Administration; and

(vi) a description of how the Administration plans to integrate and coordinate the response to a major disaster with the technical assistance programs of the Administration; and

(B) the plans of the Administrator for implementing any recommendation made under subparagraph (A).

SA 3605. Mr. SMITH (for himself and Mr. ROCKEFELLER) submitted an amendment intended to be proposed by him to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. 12. CLASSIFICATION OF AUTOMATIC FIRE SPRINKLER SYSTEMS.

(a) FINDINGS.—The Congress finds that—

(1) the publication of the original study and comprehensive list of recommendations in America Burning, written in 1974, requesting advances in fire prevention through the installation of automatic sprinkler systems in existing buildings have yet to be fully implemented;

(2) fire departments responded to approximately 1,600,000 fires in 2005;

(3) there were 3,675 non-terrorist related deaths in the United States and almost 17,925 civilian injuries resulting from fire in 2005;

(4) 87 firefighters were killed in 2005;

(5) fire caused \$10,672,000,000 in direct property damage in 2005, and sprinklers are responsible for a 70 percent reduction in property damage from fires in public assembly,

educational, residential, commercial, industrial and manufacturing buildings;

(6) fire departments respond to a fire every 20 seconds, a fire breaks out in a structure every 61 seconds and in a residential structure every 79 seconds in the United States;

(7) the Station Nightclub in West Warwick, Rhode Island, did not contain an automated sprinkler system and burned down, killing 99 people on February 20, 2003;

(8) due to an automated sprinkler system, not a single person was injured from a fire beginning in the Fine Line Music Café in Minneapolis after the use of pyrotechnics on February 17, 2003;

(9) the National Fire Protection Association has no record of a fire killing more than 2 people in a completely sprinklered public assembly, educational, institutional or residential building where the system was properly installed and fully operational;

(10) sprinkler systems dramatically improve the chances of survival of those who cannot save themselves, specifically older adults, young children and people with disabilities;

(11) the financial cost of upgrading fire counter measures in buildings built prior to fire safety codes is prohibitive for most property owners;

(12) many State and local governments lack any requirements for older structures to contain automatic sprinkler systems;

(13) under the present straight-line method of depreciation, there is a disincentive for building safety improvements due to an extremely low rate of return on investment; and

(14) the Nation is in need of incentives for the voluntary installation and retrofitting of buildings with automated sprinkler systems to save the lives of countless individuals and responding firefighters as well as drastically reduce the costs from property damage.

(b) IN GENERAL.—Subparagraph (B) of section 168(e)(3) (relating to 5-year property), as amended by this Act, is amended by striking “and” at the end of clause (vi), by striking the period at the end of clause (vii) and inserting “, and”, and by inserting after clause (vii) the following:

“(viii) any automatic fire sprinkler system placed in service after the date of the enactment of this clause in a building structure which was placed in service before such date of enactment.”

(c) ALTERNATIVE SYSTEM.—The table contained in section 168(g)(3)(B) (relating to special rule for certain property assigned to classes), as amended by this Act, is amended by inserting after the item relating to subparagraph (B)(vii) the following:

“(B)(vii)

(d) DEFINITION OF AUTOMATIC FIRE SPRINKLER SYSTEM.—Subsection (i) of section 168 is amended by adding at the end the following:

“(18) AUTOMATED FIRE SPRINKLER SYSTEM.—The term ‘automated fire sprinkler system’ means those sprinkler systems classified under one or more of the following publications of the National Fire Protection Association—

“(A) NFPA 13, Installation of Sprinkler Systems,

“(B) NFPA 13 D, Installation of Sprinkler Systems in One and Two Family Dwellings and Manufactured Homes, and

“(C) NFPA 13 R, Installation of Sprinkler Systems in Residential Occupancies up to and Including Four Stories in Height.”

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

SA 3606. Mr. COBURN submitted an amendment intended to be proposed to

amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 994, strike lines 7 through 17 and insert the following:

SEC. 7312. NATIONAL ARBORETUM.

The Act of March 4, 1927 (20 U.S.C. 191 et seq.) is amended by adding at the end the following:

“SEC. 7. CONSTRUCTION OF A CHINESE GARDEN AT NATIONAL ARBORETUM.

“(a) IN GENERAL.—A Chinese Garden may be constructed at the National Arboretum established under this Act with—

- “(1) funds accepted under section 5; and
- “(2) authorities provided to the Secretary of Agriculture under section 6.

“(b) REPORT.—Each year the Secretary of Agriculture shall submit to Congress, and post on the public website of the National Arboretum, an itemized budget that shall describe, for the preceding year—

“(1) the total costs of the National Arboretum;

- “(2) the costs of—

“(A) operation and maintenance;

“(B) horticulture and grounds;

“(C) visitor services; and

“(D) supplies and materials;

“(3) indirect costs of the Agricultural Research Service relating to the National Arboretum; and

“(4) the total number of visitors to the National Arboretum.

“(c) LIMITATION.—No Federal funds shall be used for the construction of the Chinese Garden authorized under subsection (a).”.

SA 3607. Mr. MENENDEZ submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 1362, between lines 19 and 20, insert the following:

SEC. 110. STUDY OF IMPACTS OF LOCAL FOOD SYSTEMS AND COMMERCE.

(a) STUDY.—The Secretary shall conduct a study on the impacts of local food systems and commerce that shall, at a minimum—

(1) develop a working definition of local food systems and commerce; and

(2) identify indicators, and include an assessment of—

(A) the market share of local food systems and commerce throughout the United States and by region;

(B) the potential community, economic, health and nutrition, environmental, food safety, and food security impacts of advancing local food systems and commerce;

(C) the potential energy, transportation, water resource, and climate change impacts of local food systems and commerce;

(D) the structure of agricultural considerations and impacts throughout the United States and by region;

(E) the interest of agricultural producers in diversifying to access local markets and the barriers and opportunities confronted by agricultural producers in the process of diversification;

(F) the current availability and present and future need of independent processing plants that cater to local food commerce, in-

cluding difficulty in meeting regulatory requirements;

(G) the key gaps in food processing, distribution, marketing, and economic development, including regional differences in infrastructure gaps and other barriers;

(H) the role of public and private institutions and institutional and governmental buying systems and procurement policies in purchasing products through local food systems;

(I) the benefits and challenges for children and families in the most vulnerable rural and urban sectors of the United States; and

(J) the challenges that prevent local foods from comprising a larger share of the per capita food consumption in the United States, and existing and potential strategies, policies, and programs to address those challenges.

(b) COLLABORATION.—

(1) IN GENERAL.—The Secretary shall appoint a collaborative study team to oversee and conduct the research necessary to conduct the study described in subsection (a) and the case studies described in subsection (c).

(2) MEMBERSHIP.—The study team shall include representatives of—

(A) the Economic Research Service, Agricultural Marketing Service, and other appropriate agencies of the Department of Agriculture or other Federal agencies;

(B) the Environmental Protection Agency;

(C) institutions of higher education, including at least 1 institution of higher education representative from each of the regions studied;

(D) small farmers;

(E) nongovernmental organizations with appropriate expertise; and

(F) State and local governments.

(c) CASE STUDIES.—

(1) IN GENERAL.—The study team appointed by the Secretary under subsection (b) shall carry out case studies in representative production and marketing regions in the United States to address the issues being studied under subsection (a).

(2) REQUIREMENTS.—In carrying out case studies, the study team shall—

(A) identify opportunities for primary research; and

(B) to the maximum extent practicable, use existing surveys, data, and research.

(3) COMPONENTS.—Each case study shall—

(A) identify and, to the maximum extent practicable, evaluate the success of relevant Federal, State, and local policies that are intended to induce local food purchasing and commerce;

(B) examine the agricultural structure in each region to account for the impact of farm size and type of production on local economies and barriers to accessing local markets;

(C) determine regional market trends and the share of the market supplied by current agricultural producers in the region; and

(D) assess the potential for local food system value chains and supply networks and map the supply chain factors in each region involved in agricultural production, processing, and distribution of locally grown produce, meat, dairy, and other products.

(d) REPORTS.—Not later than 2 years after the date of enactment of this Act, and thereafter as the Secretary considers appropriate, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that—

(1) describes the results of the study conducted under subsection (a) and the case studies under subsection (c); and

(2) includes such recommendations for legislative action as the Secretary considers appropriate.

SA 3608. Mr. MENENDEZ (for himself, Mr. REED, Mr. CARDIN, Mr. KENNEDY, Mr. KERRY, Mr. DODD, Mr. LIEBERMAN, Mr. WHITEHOUSE, Mr. LAUTENBERG, and Mr. SCHUMER) submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 774, strike line 10 and all that follows through page 776, line 19, and insert the following:

(a) RURAL AREA.—

(1) DEFINITION.—Section 343(a)(13) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(13)) is amended by striking subparagraph (A) and inserting the following:

“(A) IN GENERAL.—The terms ‘rural’ and ‘rural area’ mean—

“(i) any area other than a city or town that has a population of greater than 50,000 inhabitants, except that, for all activities under programs in the rural development mission area within the areas of the County of Honolulu, Hawaii, and the Commonwealth of Puerto Rico, the Secretary may designate any portion of the areas as a rural area or eligible rural community that the Secretary determines is not urban in character, other than any area included in the Honolulu Census Designated Place or the San Juan Census Designated Place; and

“(ii) any urbanized area contiguous and adjacent to such a city or town.”.

(2) REPORT.—Not later than 60 days after the date of enactment of this Act, the Secretary shall prepare and 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—

(A) assesses the various definitions of the term “rural” that are used with respect to programs administered by the Secretary;

(B) describes the effects that the variations in those definitions have on those programs; and

(C) makes recommendations for ways to better target funds provided through rural development programs.

SA 3609. Mr. CASEY (for himself and Mr. CARDIN) submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 272, between lines 2 and 3, insert the following:

SEC. 19. ENTERPRISE AND WHOLE FARM UNITS.

Section 508(e) of Federal Crop Insurance Act (7 U.S.C. 1508(e)) is amended by adding at the end the following:

“(6) ENTERPRISE AND WHOLE FARM UNITS.—

“(A) IN GENERAL.—The Corporation may carry out a pilot program under which the Corporation pays a portion of the premiums for plans or policies of insurance for which the insurable unit is defined on a whole farm

or enterprise unit basis that is higher than would otherwise be paid in accordance with paragraph (2) for policyholders that convert from a plan or policy of insurance for which the insurable unit is defined on optional or basic unit basis.

“(B) ELIGIBILITY.—To be eligible to participate in a pilot program established under this paragraph, a policyholder shall—

“(i) have purchased additional coverage for the 2005 crop on an optional or basic unit basis for at least 90 percent of the acreage to be covered by enterprise or whole farm unit policy for the current crop; and

“(ii) purchase the enterprise or whole farm unit policy at not less than the highest coverage level that was purchased for the acreage for the 2005 crop.

“(C) AMOUNT.—

“(i) IN GENERAL.—The amount of the premium per acre paid by the Corporation to a policyholder for a policy with an enterprise and whole farm unit under this paragraph shall be, the maximum extent practicable, equal to the average dollar amount of subsidy per acre paid by the Corporation under paragraph (2) for a basic or optional unit.

“(ii) LIMITATION.—The amount of the premium paid by the Corporation under this paragraph may not exceed the total premium for the enterprise or whole farm unit policy.

“(D) CONVERSION OF PILOT TO A PERMANENT PROGRAM.—Not earlier than 180 days after the date of enactment of this paragraph, the Corporation may convert the pilot program described in this paragraph to a permanent program if the Corporation has—

“(i) carried out the pilot program;

“(ii) analyzed the results of the pilot program; and

“(iii) submitted to Congress a report describing the results of the analysis.”.

SA 3610. Mr. CASEY submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

Strike section 2371 and insert the following:

SEC. 2371. FARM AND RANCHLAND PROTECTION PROGRAM.

Subchapter B of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838h et seq.) is amended to read as follows:

Subchapter B—Farm and Ranchland Protection Program

SEC. 1238H. DEFINITIONS.

“In this subchapter:

“(1) ELIGIBLE ENTITY.—The term ‘eligible entity’ means any of the following:

“(A) An agency of a State or local government or an Indian tribe (including a farmland protection board or land resource council established under State law).

“(B) An organization that is organized for, and at all times since the formation of the organization has been operated principally for, 1 or more of the conservation purposes specified in clause (i), (ii), (iii), or (iv) of section 170(h)(4)(A) of the Internal Revenue Code of 1986.

“(C) An organization described in section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from taxation under section 501(a) of that Code.

“(D) An organization described in section 509(a)(2) of the Internal Revenue Code of 1986.

“(E) An organization described in section 509(a)(3) of the Internal Revenue Code of 1986

that is controlled by an organization described in section 509(a)(2), of that Code.

“(2) ELIGIBLE LAND.—The term ‘eligible land’ means land on a farm or ranch that—

“(A) is cropland;

“(B) is rangeland;

“(C) is grassland;

“(D) is pasture land;

“(E) is forest land that is an incidental part of an agricultural operation, as determined by the Secretary; or

“(F) contains historical or archaeological resources.

“(3) INDIAN TRIBE.—The term ‘Indian tribe’ has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

“(4) PROGRAM.—The term ‘program’ means the farm and ranchland protection program established under section 1238I(a).

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

SEC. 1238I. FARM AND RANCHLAND PROTECTION PROGRAM.

“(a) ESTABLISHMENT.—

“(1) ESTABLISHMENT AND PURPOSE.—The Secretary shall establish and carry out a farm and ranchland protection program under which the Secretary shall facilitate and provide funding for the purchase of conservation easements or other interests in eligible land that is subject to a pending offer from a certified State or eligible entity for the purpose of protecting the agricultural use and related conservation values of the land by limiting incompatible non-agricultural uses of the land.

“(2) PRIORITY.—In carrying out the program, the Secretary shall give the highest priority—

“(A) to protecting farm and ranchland with prime, unique or other productive soils that are at risk of non-agricultural development; or

“(B) to projects that further a State or local policy consistent with the purposes of the program.

“(b) GRANTS TO CERTIFIED STATES.—The Secretary shall make grants to States certified by the Secretary under subsection (c). Such grants shall be made based on demonstrated need for farm and ranch land protection. Grants may be made for multiple transactions so long as all funds provided under the program are used to purchase conservation easements or other interests in land in a timely and effective manner. A State receiving a grant under this subsection may use up to 10 percent of the grant funds for reasonable costs of purchasing and enforcing conservation easements.

“(c) CERTIFICATION OF STATES FOR GRANTS.—

“(1) CERTIFICATION PROCESS.—The Secretary shall implement a process, to be published in the Federal Register, for certifying States as eligible to participate in the program. The Secretary may provide a reasonable transitional period, not to extend past September 30, 2008, in order to allow continued operation of the program for such time as needed for the Secretary to implement the certification process.

“(2) CERTIFICATION REQUIREMENTS.—To be certified under the process implemented under paragraph (1), a State shall demonstrate, at a minimum, the following:

“(A) A legislative or organizational purpose consistent with the purposes of the program.

“(B) The necessary authority and the resources and technical ability to monitor and enforce the terms of conservation easements or other interests in land or to require the holder of such easements or other interests in land acquired with the use of funding under the program to monitor and enforce

the terms of such easements or other interests in land.

“(C) The capacity to provide the necessary matching funds from non-Federal sources for projects undertaken under the program and to use program funds in a timely and effective manner.

“(D) Policies and procedures to ensure that, on average, the purchase price of conservation easements or other interests in land purchased with program funds do not exceed the fair market value of the easements or other interests in land.

“(E) Policies and procedures that ensure that conservation easements or other interests in land purchased with program funds will continue to protect the agricultural use and related conservation values of the land.

“(F) Provision for continued stewardship of the conservation easements or other interest in land purchased with program funds in the event the State loses its certification under the program.

“(G) A determination of its own criteria and priorities for purchasing conservation easements and other interests in land under the program.

“(d) AGREEMENTS WITH ELIGIBLE ENTITIES.—

“(1) AGREEMENTS AUTHORIZED.—The Secretary may enter into an agreement with an eligible entity, under which the entity may purchase conservation easements using a combination of its own funds and funds distributed by the Secretary under the program.

“(2) TERMS AND CONDITIONS.—An agreement under this subsection shall stipulate the terms and conditions under which the eligible entity shall use funds provided by the Secretary under the program. The eligible entity shall be authorized to use its own terms and conditions for conservation easements and other purchases of interests in land, so long as—

“(A) such terms and conditions are consistent with the purposes of the program and permit effective enforcement of the conservation purposes of such easements or other interests;

“(B) the eligible entity has in place a requirement consistent with agricultural activities regarding the impervious surfaces to be allowed for any conservation easement or other interest in land purchased using grant funds provided under the program; and

“(C) the eligible entity requires use of a conservation plan for any highly erodible cropland for which a conservation easement or other interest in land has been purchased using grant funds provided under the program.

“(e) FEDERAL CONTINGENT RIGHT OF ENFORCEMENT.—The Secretary may require the inclusion of a Federal contingent right of enforcement or executory limitation in a conservation easement or other interest in land for conservation purposes purchased with Federal funds provided under the program, in order to preserve the easement as a party of last resort. The inclusion of such a right or interest shall not be considered to be the Federal acquisition of real property and the Federal standards and procedures for land acquisition shall not apply to the inclusion of the right or interest

“(f) REVIEW; REVOCATION.—

“(1) REVIEW.—Every 3 years, the Secretary shall review the certification of States under subsection (c) and the performance of eligible entities in meeting the terms and conditions of an agreement under subsection (d).

“(2) REVOCATION.—If, in the determination of the Secretary, a State no longer meets the qualifications described in subsection (c)(2) or an eligible entity is not meeting the terms and conditions of an agreement under subsection (d), the Secretary may—

“(A) revoke the certification of the State or terminate the agreement with the eligible entity; or

“(B) allow the State or eligible entity a specified period of time in which to take such actions as may be necessary to retain its certification or to meet the terms and conditions of the agreement, as the case may be.

“(g) CONSERVATION PLAN.—Any highly erodible cropland for which a conservation easement or other interest is purchased under this subchapter shall be subject to the requirements of a conservation plan. In the case of an easement or other interest in land that is perpetual in duration, the Secretary may not require the conversion of the cropland to less intensive uses if, under such plan, soil erosion can be reduced to ‘T’ or below.

“(h) COST SHARING.—The share of the cost provided under this section for purchasing a conservation easement or other interest in land shall not exceed 50 percent of the appraised fair market value of the conservation easement or other interest in eligible land. Fair market value shall be determined on the basis of an appraisal of the conservation easement or other interest in eligible land using an industry-approved methodology determined by the entity.”.

SA 3611. Mr. FEINGOLD submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 182, between lines 16 and 17, insert the following:

SEC. 1610. ADDITIONAL MANDATORY DAIRY REPORTING.

Subsection (b) of section 273 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1637b) (as redesignated by section 1609(2)) is amended—

(1) in paragraph (3)—

(A) by striking “shall take such actions” and inserting “shall—

“(A) take such actions”;

(B) in subparagraph (A) (as designated by subparagraph (A)), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:

“(B) include regular audits and comparisons with other related dairy market statistics collected by other Federal agencies or private entities on at least a monthly basis.”; and

(2) in paragraph (4)(A)—

(A) by striking “subtitle to willfully fail” and inserting “subtitle—

“(i) to willfully fail”;

(B) in clause (i) (as designated by subparagraph (A)), by striking the period at the end and inserting “, including provision or reporting of erroneous prices (including prices for sales covered by fixed price contracts with terms of more than 30 days); and”; and

(C) by adding at the end the following:

“(ii) to manipulate spot market prices or other markets to provide a false price signal to the market and influence prices reported under this subtitle.”.

On page 1243, between lines 13 and 14, insert the following:

SEC. 10309. COORDINATION OF DAIRY OVERSIGHT.

(a) IN GENERAL.—The Secretary shall select an official within the Department of Agriculture to coordinate the sharing of information on oversight of the dairy industry to ensure fair competition.

(b) DUTIES.—The official selected under subsection (a) shall—

(1) serve as a liaison among the Agricultural Marketing Service, Farm Service Agency, and National Agricultural Statistics Service;

(2) coordinate with the Commodity Futures Trading Commission, the Department of Justice, and the Federal Trade Commission, as appropriate;

(3) maintain informal communication among the Federal agencies specified in paragraphs (1) and (2) and other Federal agencies, as necessary;

(4) hold at least 1 formal annual meeting during each calendar year; and

(5) submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, and make available to the public, an annual report that describes issues of concern in the dairy industry, including—

(A) concentration among cooperatives or processors;

(B) the farm-retail price spread (including flat pricing);

(C) an examination of the competition implications of cooperative and processor joint ventures; and

(D) statistics on volumes of dairy products traded on dairy markets and reported through mandatory price reporting relative to the overall market.

SA 3612. Mr. BOND submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 973, strike lines 21 through 24 and insert the following:

(a) FUNDING.—

(1) MANDATORY FUNDING.—

(A) IN GENERAL.—Section 401(b) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(b)) is amended by striking paragraph (1) and inserting the following:

“(1) IN GENERAL.—Not later than 30 days after the date of enactment of the Food and Energy Security Act of 2007, on October 1, 2008, and each October 1 thereafter through October 1, 2011, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Account the amount that the Secretary estimates will be made available for the applicable fiscal year as a result of the enactment of section 7201(a)(1)(B) of that Act.”.

(B) OFFSET.—Notwithstanding title I or any amendment made by title I, a person or legal entity shall not be eligible for, and the Secretary shall not make to any person or legal entity, any individual payment under subtitles A through E of title I or an amendment made by those titles in an amount that is less than \$25.

(2) DISCRETIONARY FUNDING.—Section 401(b) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(b)) is amended by striking paragraph (3) and inserting the following:

SA 3613. Mr. STEVENS submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs

through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 883, line 2, strike the closing quotation marks and the semicolon.

On page 883, between lines 2 and 3, insert the following:

“(6) ONLINE SAFETY REQUIREMENT FOR SCHOOLS.—An elementary or secondary school may not receive assistance under paragraph (1)(E) for computers with Internet access unless the school, school board, local educational agency, or other authority with responsibility for administration of the school certifies to the Administrator that the school has an Internet safety policy that includes educating minors about age-appropriate online behavior, including interaction with other individuals on social net-working websites and in chat rooms, and cyber-bullying awareness and response.”.

At the appropriate place, insert the following:

TITLE —PROTECTING CHILDREN IN THE 21ST CENTURY

SEC. —001. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the “Protecting Children in the 21st Century Act”.

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

Sec. —001. Short title; table of contents.

TITLE I—PROMOTING A SAFE INTERNET FOR CHILDREN

Sec. —101. Internet safety.

Sec. —102. Public awareness campaign.

Sec. —103. Annual reports.

Sec. —104. Authorization of appropriations.

Sec. —105. Online safety and technology working group.

Sec. —106. Promoting online safety in schools.

Sec. —107. Definitions.

TITLE II—ENHANCING CHILD PORNOGRAPHY ENFORCEMENT

Sec. —201. Child pornography prevention; forfeitures related to child pornography violations.

Sec. —202. Additional child pornography amendments.

TITLE I—PROMOTING A SAFE INTERNET FOR CHILDREN

SEC. 101. INTERNET SAFETY.

For the purposes of this subtitle, the issue of Internet safety includes issues regarding the use of the Internet in a manner that promotes safe online activity for children, protects children from cybercrimes, including crimes by online predators, and helps parents shield their children from material that is inappropriate for minors.

SEC. 102. PUBLIC AWARENESS CAMPAIGN.

The Federal Trade Commission shall carry out a nationwide program to increase public awareness and provide education regarding strategies to promote the safe use of the Internet by children. The program shall utilize existing resources and efforts of the Federal Government, State and local governments, nonprofit organizations, private technology and financial companies, Internet service providers, World Wide Web-based resources, and other appropriate entities, that includes—

(1) identifying, promoting, and encouraging best practices for Internet safety;

(2) establishing and carrying out a national outreach and education campaign regarding Internet safety utilizing various media and Internet-based resources;

(3) facilitating access to, and the exchange of, information regarding Internet safety to promote up-to-date knowledge regarding current issues; and

(4) facilitating access to Internet safety education and public awareness efforts the Commission considers appropriate by States, units of local government, schools, police departments, nonprofit organizations, and other appropriate entities.

SEC. 103. ANNUAL REPORTS.

The Commission shall submit a report to the Senate Committee on Commerce, Science, and Transportation not later than March 31 of each year that describes the activities carried out under section —102 by the Commission during the preceding calendar year.

SEC. 104. AUTHORIZATION OF APPROPRIATIONS.

For carrying out the public awareness campaign under section —102, there are authorized to be appropriated to the Commission \$5,000,000 for each of fiscal years 2008 and 2009.

SEC. 105. ONLINE SAFETY AND TECHNOLOGY WORKING GROUP.

(a) ESTABLISHMENT.—Within 90 days after the date of enactment of this Act, the Assistant Secretary of Commerce for Communications and Information shall establish an Online Safety and Technology working group comprised of representatives of relevant sectors of the business community, public interest groups, and other appropriate groups and Federal agencies to review and evaluate—

(1) the status of industry efforts to promote online safety through educational efforts, parental control technology, blocking and filtering software, age-appropriate labels for content or other technologies or initiatives designed to promote a safe online environment for children;

(2) the status of industry efforts to promote online safety among providers of electronic communications services and remote computing services by reporting apparent child pornography under section 227 of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13032), including amendments made by this subtitle with respect to the content of such reports and any obstacles to such reporting;

(3) the practices of electronic communications service providers and remote computing service providers related to record retention in connection with crimes against children; and

(4) the development of technologies to help parents shield their children from inappropriate material on the Internet.

(b) REPORT.—Within 1 year after the working group is first convened, it shall submit a report to the Assistant Secretary and the Senate Committee on Commerce, Science, and Transportation that—

(1) describes in detail its findings, including any information related to the effectiveness of such strategies and technologies and any information about the prevalence within industry of educational campaigns, parental control technologies, blocking and filtering software, labeling, or other technologies to assist parents; and

(2) includes recommendations as to what types of incentives could be used or developed to increase the effectiveness and implementation of such strategies and technologies.

(c) FACA NOT TO APPLY TO WORKING GROUP.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the working group.

SEC. 106. PROMOTING ONLINE SAFETY IN SCHOOLS.

Section 254(h)(5)(B) of the Communications Act of 1934 (47 U.S.C. 254(h)(5)(B)) is amended—

(1) by striking “and” after the semicolon in clause (i);

(2) by striking “minors.” in clause (ii) and inserting “minors; and”; and

(3) by adding at the end the following:

“(iii) as part of its Internet safety policy is educating minors about appropriate online behavior, including interacting with other individuals on social networking websites and in chat rooms and cyberbullying awareness and response.”.

SEC. 107. DEFINITIONS.

In this subtitle:

(1) COMMISSION.—The term “Commission” means the Federal Trade Commission.

(2) INTERNET.—The term “Internet” means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor successor protocols to such protocol, to communicate information of all kinds by wire or radio.

TITLE II—ENHANCING CHILD PORNOGRAPHY ENFORCEMENT

SEC. 201. CHILD PORNOGRAPHY PREVENTION; FORFEITURES RELATED TO CHILD PORNOGRAPHY VIOLATIONS.

(a) IN GENERAL.—Section 503(b)(1) of the Communications Act of 1934 (47 U.S.C. 503(b)(1)) is amended—

(1) by striking “or” after the semicolon in subparagraph (C);

(2) by striking “or 1464” in subparagraph (D) and inserting “1464, or 2252”;

(3) by inserting “or” after the semicolon in subparagraph (D); and

(4) by inserting after subparagraph (D) the following:

“(E) violated any provision of section 227 of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13032);”.

SEC. 202. ADDITIONAL CHILD PORNOGRAPHY AMENDMENTS.

(a) INCREASE IN FINE FOR FAILURE TO REPORT.—Section 227(b)(4) of the Crime Control Act of 1990 (42 U.S.C. 13032(b)(4)) is amended—

(1) by striking “\$50,000;” in subparagraph (A) and inserting “\$150,000;”; and

(2) by striking “\$100,000.” in subparagraph (B) and inserting “\$300,000.”.

(b) INTERNATIONAL INFORMATION SHARING.—Section 227 of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13032) is amended—

(1) by striking “a law enforcement agency or” in subsection (b)(1) and inserting “appropriate Federal, State, or foreign law enforcement agencies”;

(2) by inserting “Federal, State, or foreign” after “designate the” in subsection (b)(2);

(3) by striking “law.” in subsection (b)(3) and inserting “law, or appropriate officials of foreign law enforcement agencies designated by the Attorney General for the purpose of enforcing State or Federal laws of the United States.”;

(4) by redesignating paragraphs (3) and (4) of subsection (b) as paragraphs (4) and (5), respectively, and inserting after paragraph (2) the following:

“(3) CONTENTS OF REPORT.—To the extent this information is reasonably available to an electronic communication service provider or a remote computing service provider, each report under paragraph (1) shall include—

“(A) information relating to the Internet identity of any individual who appears to have violated any section of title 18, United States Code, referenced in paragraph (1), including any relevant user ID or other online identifier, electronic mail addresses, website address, uniform resource locator, or other identifying information;

“(B) information relating to when any apparent child pornography was uploaded, transmitted, reported to, or discovered by the electronic communication service pro-

vider or a remote computing service provider, as the case may be, including a date and time stamp and time zone.

“(C) information relating to geographic location of the involved individual or reported content, including the hosting website, uniform resource locator, street address, zip code, area code, telephone number, or Internet Protocol address;

“(D) any image of any apparent child pornography relating to the incident, and any images commingled with images of apparent child pornography, such report is regarding; and

“(E) accurate contact information for the electronic communication service provider or remote computing service provider making the report, including the address, telephone number, facsimile number, electronic mail address of, and individual point of contact for such electronic communication service provider or remote computing service provider.”;

(5) by inserting “section 404 of the Missing Children’s Assistance Act (42 U.S.C. 5773),” after “section,” in subsection (g)(1); and

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

“(h) USE OF INFORMATION TO COMBAT CHILD PORNOGRAPHY.—The National Center for Missing and Exploited Children is authorized to provide elements relating to any image or other relevant information reported to its Cyber Tip Line to an electronic communication service provider or a remote computing service provider for the sole and exclusive purpose of permitting that electronic communication service provider or remote computing service provider to stop the further transmission of images and develop anti-child pornography technologies and related industry best practices. Any electronic communication service provider or remote computing service provider that receives information from the National Center for Missing and Exploited Children under this subsection may use such information only for the purposes described in this subsection.”.

SA 3614. Mr. DOMENICI (for himself and Mr. THUNE) submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title IX, add the following:

Subtitle B—Biofuels for Energy Security and Transportation

SEC. 9101. SHORT TITLE.

This subtitle may be cited as the “Biofuels for Energy Security and Transportation Act of 2007”.

SEC. 9102. DEFINITIONS.

In this subtitle:

(1) ADVANCED BIOFUEL.—

(A) IN GENERAL.—The term “advanced biofuel” means fuel derived from renewable biomass other than corn starch.

(B) INCLUSIONS.—The term “advanced biofuel” includes—

(i) ethanol derived from cellulose, hemicellulose, or lignin;

(ii) ethanol derived from sugar or starch, other than ethanol derived from corn starch;

(iii) ethanol derived from waste material, including crop residue, other vegetative waste material, animal waste, and food waste and yard waste;

(iv) diesel-equivalent fuel derived from renewable biomass, including vegetable oil and animal fat;

(v) biogas (including landfill gas and sewage waste treatment gas) produced through the conversion of organic matter from renewable biomass;

(vi) butanol or other alcohols produced through the conversion of organic matter from renewable biomass; and

(vii) other fuel derived from cellulosic biomass.

(2) CELLULOSIC BIOMASS ETHANOL.—The term “cellulosic biomass ethanol” means ethanol derived from any cellulose, hemicellulose, or lignin that is derived from renewable biomass.

(3) CONVENTIONAL BIOFUEL.—The term “conventional biofuel” means ethanol derived from corn starch.

(4) RENEWABLE BIOMASS.—The term “renewable biomass” means—

(A) nonmerchantable materials or precommercial thinnings that—

(i) are byproducts of preventive treatments, such as trees, wood, brush, thinnings, chips, and slash, that are removed—

(I) to reduce hazardous fuels;

(II) to reduce or contain disease or insect infestation; or

(III) to restore forest health;

(ii) would not otherwise be used for higher-value products; and

(iii) are harvested from National Forest System land or public land (as defined in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702))—

(I) where permitted by law; and

(II) in accordance with—

(aa) applicable land management plans; and

(bb) the requirements for old-growth maintenance, restoration, and management direction of paragraphs (2), (3), and (4) of subsection (e) and the requirements for large-tree retention of subsection (f) of section 102 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6512); or

(B) any organic matter that is available on a renewable or recurring basis from non-Federal land or from land belonging to an Indian tribe, or an Indian individual, that is held in trust by the United States or subject to a restriction against alienation imposed by the United States, including—

(i) renewable plant material, including—

(I) feed grains;

(II) other agricultural commodities;

(III) other plants and trees; and

(IV) algae; and

(ii) waste material, including—

(I) crop residue;

(II) other vegetative waste material (including wood waste and wood residues);

(III) animal waste and byproducts (including fats, oils, greases, and manure); and

(IV) food waste and yard waste.

(5) RENEWABLE FUEL.—

(A) IN GENERAL.—The term “renewable fuel” means motor vehicle fuel or home heating fuel that is—

(i) produced from renewable biomass; and

(ii) used to replace or reduce the quantity of fossil fuel present in a fuel or fuel mixture used to operate a motor vehicle or furnace.

(B) INCLUSION.—The term “renewable fuel” includes—

(i) conventional biofuel; and

(ii) advanced biofuel.

(6) SECRETARY.—The term “Secretary” means the Secretary of Energy.

(7) SMALL REFINERY.—The term “small refinery” means a refinery for which the average aggregate daily crude oil throughput for a calendar year (as determined by dividing the aggregate throughput for the calendar year by the number of days in the calendar year) does not exceed 75,000 barrels.

PART I—RENEWABLE FUEL STANDARD

SEC. 9111. RENEWABLE FUEL STANDARD.

(a) RENEWABLE FUEL PROGRAM.—

(1) REGULATIONS.—

(A) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the President shall promulgate regulations to ensure that motor vehicle fuel and home heating oil sold or introduced into commerce in the United States (except in noncontiguous States or territories), on an annual average basis, contains the applicable volume of renewable fuel determined in accordance with paragraph (2).

(B) PROVISIONS OF REGULATIONS.—Regardless of the date of promulgation, the regulations promulgated under subparagraph (A)—

(i) shall contain compliance provisions applicable to refineries, blenders, distributors, and importers, as appropriate, to ensure that—

(I) the requirements of this subsection are met; and

(II) renewable fuels produced from facilities that commence operations after the date of enactment of this Act achieve at least a 20 percent reduction in life cycle greenhouse gas emissions compared to gasoline; but

(ii) shall not—

(I) restrict geographic areas in the contiguous United States in which renewable fuel may be used; or

(II) impose any per-gallon obligation for the use of renewable fuel.

(C) RELATIONSHIP TO OTHER REGULATIONS.—

Regulations promulgated under this paragraph shall, to the maximum extent practicable, incorporate the program structure, compliance, and reporting requirements established under the final regulations promulgated to implement the renewable fuel program established by the amendment made by section 1501(a)(2) of the Energy Policy Act of 2005 (Public Law 109-58; 119 Stat. 1067).

(2) APPLICABLE VOLUME.—

(A) CALENDAR YEARS 2008 THROUGH 2022.—

(i) RENEWABLE FUEL.—For the purpose of paragraph (1), subject to clause (ii), the applicable volume for any of calendar years 2008 through 2022 shall be determined in accordance with the following table:

Calendar year:	Applicable volume of renewable fuel (in billions of gallons):
2008	8.5
2009	10.5
2010	12.0
2011	12.6
2012	13.2
2013	13.8
2014	14.4
2015	15.0
2016	18.0
2017	21.0
2018	24.0
2019	27.0
2020	30.0
2021	33.0
2022	36.0

(ii) ADVANCED BIOFUELS.—For the purpose of paragraph (1), of the volume of renewable fuel required under clause (i), the applicable volume for any of calendar years 2016 through 2022 for advanced biofuels shall be determined in accordance with the following table:

Calendar year:	Applicable volume of advanced biofuels (in billions of gallons):
2016	3.0
2017	6.0
2018	9.0
2019	12.0
2020	15.0
2021	18.0
2022	21.0

(B) CALENDAR YEAR 2023 AND THEREAFTER.—Subject to subparagraph (C), for the purposes of paragraph (1), the applicable volume for calendar year 2023 and each calendar year thereafter shall be determined by the President, in coordination with the Secretary of Energy, the Secretary of Agriculture, and the Administrator of the Environmental Protection Agency, based on a review of the implementation of the program during calendar years 2007 through 2022, including a review of—

(i) the impact of renewable fuels on the energy security of the United States;

(ii) the expected annual rate of future production of renewable fuels, including advanced biofuels;

(iii) the impact of renewable fuels on the infrastructure of the United States, including deliverability of materials, goods, and products other than renewable fuel, and the sufficiency of infrastructure to deliver renewable fuel; and

(iv) the impact of the use of renewable fuels on other factors, including job creation, the price and supply of agricultural commodities, rural economic development, and the environment.

(C) MINIMUM APPLICABLE VOLUME.—Subject to subparagraph (D), for the purpose of paragraph (1), the applicable volume for calendar year 2023 and each calendar year thereafter shall be equal to the product obtained by multiplying—

(i) the number of gallons of gasoline that the President estimates will be sold or introduced into commerce in the calendar year; and

(ii) the ratio that—

(I) 36,000,000,000 gallons of renewable fuel; bears to

(II) the number of gallons of gasoline sold or introduced into commerce in calendar year 2022.

(D) MINIMUM PERCENTAGE OF ADVANCED BIOFUEL.—For the purpose of paragraph (1) and subparagraph (C), at least 60 percent of the minimum applicable volume for calendar year 2023 and each calendar year thereafter shall be advanced biofuel.

(b) APPLICABLE PERCENTAGES.—

(1) PROVISION OF ESTIMATE OF VOLUMES OF GASOLINE SALES.—Not later than October 31 of each of calendar years 2008 through 2021, the Administrator of the Energy Information Administration shall provide to the President an estimate, with respect to the following calendar year, of the volumes of gasoline projected to be sold or introduced into commerce in the United States.

(2) DETERMINATION OF APPLICABLE PERCENTAGES.—

(A) IN GENERAL.—Not later than November 30 of each of calendar years 2008 through 2022, based on the estimate provided under paragraph (1), the President shall determine and publish in the Federal Register, with respect to the following calendar year, the renewable fuel obligation that ensures that the requirements of subsection (a) are met.

(B) REQUIRED ELEMENTS.—The renewable fuel obligation determined for a calendar year under subparagraph (A) shall—

(i) be applicable to refineries, blenders, and importers, as appropriate;

(ii) be expressed in terms of a volume percentage of gasoline sold or introduced into commerce in the United States; and

(iii) subject to paragraph (3)(A), consist of a single applicable percentage that applies to all categories of persons specified in clause (i).

(3) ADJUSTMENTS.—In determining the applicable percentage for a calendar year, the President shall make adjustments—

(A) to prevent the imposition of redundant obligations on any person specified in paragraph (2)(B)(i); and

(B) to account for the use of renewable fuel during the previous calendar year by small refineries that are exempt under subsection (g).

(c) VOLUME CONVERSION FACTORS FOR RENEWABLE FUELS BASED ON ENERGY CONTENT OR REQUIREMENTS.—

(1) IN GENERAL.—For the purpose of subsection (a), the President shall assign values to specific types of advanced biofuels for the purpose of satisfying the fuel volume requirements of subsection (a)(2) in accordance with this subsection.

(2) ENERGY CONTENT RELATIVE TO ETHANOL.—For advanced biofuel, 1 gallon of the advanced biofuel shall be considered to be the equivalent of 1 gallon of renewable fuel multiplied by the ratio that—

(A) the number of British thermal units of energy produced by the combustion of 1 gallon of the advanced biofuel (as measured under conditions determined by the Secretary); bears to

(B) the number of British thermal units of energy produced by the combustion of 1 gallon of pure ethanol (as measured under conditions determined by the Secretary to be comparable to conditions described in subparagraph (A)).

(3) TRANSITIONAL ENERGY-RELATED CONVERSION FACTORS FOR CELLULOUSIC BIOMASS ETHANOL.—For any of calendar years 2008 through 2015, 1 gallon of cellulosic biomass ethanol shall be considered to be the equivalent of 2.5 gallons of renewable fuel.

(d) CREDIT PROGRAM.—

(1) IN GENERAL.—The President, in consultation with the Secretary and the Administrator of the Environmental Protection Agency, shall implement a credit program to manage the renewable fuel requirement of this section in a manner consistent with the credit program established by the amendment made by section 1501(a)(2) of the Energy Policy Act of 2005 (Public Law 109-58; 119 Stat. 1067).

(2) MARKET TRANSPARENCY.—In carrying out the credit program under this subsection, the President shall facilitate price transparency in markets for the sale and trade of credits, with due regard for the public interest, the integrity of those markets, fair competition, and the protection of consumers and agricultural producers.

(e) SEASONAL VARIATIONS IN RENEWABLE FUEL USE.—

(1) STUDY.—For each of calendar years 2008 through 2022, the Administrator of the Energy Information Administration shall conduct a study of renewable fuel blending to determine whether there are excessive seasonal variations in the use of renewable fuel.

(2) REGULATION OF EXCESSIVE SEASONAL VARIATIONS.—If, for any calendar year, the Administrator of the Energy Information Administration, based on the study under paragraph (1), makes the determinations specified in paragraph (3), the President shall promulgate regulations to ensure that 25 percent or more of the quantity of renewable fuel necessary to meet the requirements of subsection (a) is used during each of the 2 periods specified in paragraph (4) of each subsequent calendar year.

(3) DETERMINATIONS.—The determinations referred to in paragraph (2) are that—

(A) less than 25 percent of the quantity of renewable fuel necessary to meet the requirements of subsection (a) has been used during 1 of the 2 periods specified in paragraph (4) of the calendar year;

(B) a pattern of excessive seasonal variation described in subparagraph (A) will continue in subsequent calendar years; and

(C) promulgating regulations or other requirements to impose a 25 percent or more seasonal use of renewable fuels will not significantly—

(i) increase the price of motor fuels to the consumer; or

(ii) prevent or interfere with the attainment of national ambient air quality standards.

(4) PERIODS.—The 2 periods referred to in this subsection are—

(A) April through September; and

(B) January through March and October through December.

(f) WAIVERS.—

(1) IN GENERAL.—The President, in consultation with the Secretary of Energy, the Secretary of Agriculture, and the Administrator of the Environmental Protection Agency, may waive the requirements of subsection (a) in whole or in part on petition by one or more States by reducing the national quantity of renewable fuel required under subsection (a), based on a determination by the President (after public notice and opportunity for comment), that—

(A) implementation of the requirement would severely harm the economy or environment of a State, a region, or the United States; or

(B) extreme and unusual circumstances exist that prevent distribution of an adequate supply of domestically-produced renewable fuel to consumers in the United States.

(2) PETITIONS FOR WAIVERS.—The President, in consultation with the Secretary of Energy, the Secretary of Agriculture, and the Administrator of the Environmental Protection Agency, shall approve or disapprove a State petition for a waiver of the requirements of subsection (a) within 30 days after the date on which the petition is received by the President.

(3) TERMINATION OF WAIVERS.—A waiver granted under paragraph (1) shall terminate after 1 year, but may be renewed by the President after consultation with the Secretary of Energy, the Secretary of Agriculture, and the Administrator of the Environmental Protection Agency.

(g) SMALL REFINERIES.—

(1) TEMPORARY EXEMPTION.—

(A) IN GENERAL.—The requirements of subsection (a) shall not apply to—

(i) small refineries (other than a small refinery described in clause (ii)) until calendar year 2013; and

(ii) small refineries owned by a small business refiner (as defined in section 45H(c) of the Internal Revenue Code of 1986) until calendar year 2015.

(B) EXTENSION OF EXEMPTION.—

(i) STUDY BY SECRETARY.—Not later than December 31, 2008, the Secretary shall submit to the President and Congress a report describing the results of a study to determine whether compliance with the requirements of subsection (a) would impose a disproportionate economic hardship on small refineries.

(ii) EXTENSION OF EXEMPTION.—In the case of a small refinery that the Secretary determines under clause (i) would be subject to a disproportionate economic hardship if required to comply with subsection (a), the President shall extend the exemption under subparagraph (A) for the small refinery for a period of not less than 2 additional years.

(2) PETITIONS BASED ON DISPROPORTIONATE ECONOMIC HARSHSHIP.—

(A) EXTENSION OF EXEMPTION.—A small refinery may at any time petition the President for an extension of the exemption under paragraph (1) for the reason of disproportionate economic hardship.

(B) EVALUATION OF PETITIONS.—In evaluating a petition under subparagraph (A), the President, in consultation with the Secretary, shall consider the findings of the study under paragraph (1)(B) and other economic factors.

(C) DEADLINE FOR ACTION ON PETITIONS.—The President shall act on any petition submitted by a small refinery for a hardship exemption not later than 90 days after the date of receipt of the petition.

(3) OPT-IN FOR SMALL REFINERIES.—A small refinery shall be subject to the requirements of subsection (a) if the small refinery notifies the President that the small refinery waives the exemption under paragraph (1).

(h) PENALTIES AND ENFORCEMENT.—

(1) CIVIL PENALTIES.—

(A) IN GENERAL.—Any person that violates a regulation promulgated under subsection (a), or that fails to furnish any information required under such a regulation, shall be liable to the United States for a civil penalty of not more than the total of—

(i) \$25,000 for each day of the violation; and

(ii) the amount of economic benefit or savings received by the person resulting from the violation, as determined by the President.

(B) COLLECTION.—Civil penalties under subparagraph (A) shall be assessed by, and collected in a civil action brought by, the Secretary or such other officer of the United States as is designated by the President.

(2) INJUNCTIVE AUTHORITY.—

(A) IN GENERAL.—The district courts of the United States shall have jurisdiction to—

(i) restrain a violation of a regulation promulgated under subsection (a);

(ii) award other appropriate relief; and

(iii) compel the furnishing of information required under the regulation.

(B) ACTIONS.—An action to restrain such violations and compel such actions shall be brought by and in the name of the United States.

(C) SUBPOENAS.—In the action, a subpoena for a witness who is required to attend a district court in any district may apply in any other district.

(d) VOLUNTARY LABELING PROGRAM.—

(1) IN GENERAL.—The President shall establish criteria for a system of voluntary labeling of renewable fuels based on life cycle greenhouse gas emissions.

(2) CONSUMER EDUCATION.—The President shall ensure that the labeling system under this subsection provides useful information to consumers making fuel purchases.

(3) FLEXIBILITY.—In carrying out this subsection, the President may establish more than 1 label, as appropriate.

(j) STUDY OF IMPACT OF RENEWABLE FUEL STANDARD.—

(1) IN GENERAL.—The Secretary shall enter into an arrangement with the National Academy of Sciences under which the Academy shall conduct a study to assess the impact of the requirements described in subsection (a)(2) on each industry relating to the production of feed grains, livestock, food, and energy.

(2) PARTICIPATION.—In conducting the study under paragraph (1), the National Academy of Sciences shall seek the participation, and consider the input, of—

(A) producers of feed grains;

(B) producers of livestock, poultry, and pork products;

(C) producers of food and food products;

(D) producers of energy;

(E) individuals and entities interested in issues relating to conservation, the environment, and nutrition; and

(F) users of renewable fuels.

(3) CONSIDERATIONS.—In conducting the study, the National Academy of Sciences shall consider—

(A) the likely impact on domestic animal agriculture feedstocks that, in any crop year, are significantly below current projections; and

(B) policy options to alleviate the impact on domestic animal agriculture feedstocks

that are significantly below current projections.

(4) COMPONENTS.—The study shall include—
(A) a description of the conditions under which the requirements described in subsection (a)(2) should be suspended or reduced to prevent adverse impacts to domestic animal agriculture feedstocks described in paragraph (3)(B); and

(B) recommendations for the means by which the Federal Government could prevent or minimize adverse economic hardships and impacts.

(5) DEADLINE FOR COMPLETION OF STUDY.—Not later than 270 days after the date of enactment of this Act, the Secretary shall submit to Congress a report that describes the results of the study.

(6) PERIODIC REVIEWS.—

(A) IN GENERAL.—To allow for the appropriate adjustment of the requirements described in subsection (a)(2), the Secretary shall conduct periodic reviews of—

(i) existing technologies;

(ii) the feasibility of achieving compliance with the requirements; and

(iii) the impacts of the requirements described in subsection (a)(2) on each individual and entity described in paragraph (2).

(k) EFFECTIVE DATE.—Except as otherwise specifically provided in this section, this section takes effect on the date on which the National Academies of Science completes the study under subsection (j).

SEC. 9112. PRODUCTION OF RENEWABLE FUEL USING RENEWABLE ENERGY.

(a) DEFINITIONS.—In this section:

(1) FACILITY.—The term “facility” means a facility used for the production of renewable fuel.

(2) RENEWABLE ENERGY.—

(A) IN GENERAL.—The term “renewable energy” has the meaning given the term in section 203(b) of the Energy Policy Act of 2005 (42 U.S.C. 15852(b)).

(B) INCLUSION.—The term “renewable energy” includes biogas produced through the conversion of organic matter from renewable biomass.

(b) ADDITIONAL CREDIT.—

(1) IN GENERAL.—The President shall provide a credit under the program established under section 9111(d) to the owner of a facility that uses renewable energy to displace more than 90 percent of the fossil fuel normally used in the production of renewable fuel.

(2) CREDIT AMOUNT.—The President may provide the credit in a quantity that is not more than the equivalent of 1.5 gallons of renewable fuel for each gallon of renewable fuel produced in a facility described in paragraph (1).

SEC. 9113. SENSE OF CONGRESS RELATING TO THE USE OF RENEWABLE RESOURCES TO GENERATE ENERGY.

(a) FINDINGS.—Congress finds that—

(1) the United States has a quantity of renewable energy resources that is sufficient to supply a significant portion of the energy needs of the United States;

(2) the agricultural, forestry, and working land of the United States can help ensure a sustainable domestic energy system;

(3) accelerated development and use of renewable energy technologies provide numerous benefits to the United States, including improved national security, improved balance of payments, healthier rural economies, improved environmental quality, and abundant, reliable, and affordable energy for all citizens of the United States;

(4) the production of transportation fuels from renewable energy would help the United States meet rapidly growing domestic and global energy demands, reduce the dependence of the United States on energy imported from volatile regions of the world

that are politically unstable, stabilize the cost and availability of energy, and safeguard the economy and security of the United States;

(5) increased energy production from domestic renewable resources would attract substantial new investments in energy infrastructure, create economic growth, develop new jobs for the citizens of the United States, and increase the income for farm, ranch, and forestry jobs in the rural regions of the United States;

(6) increased use of renewable energy is practical and can be cost effective with the implementation of supportive policies and proper incentives to stimulate markets and infrastructure; and

(7) public policies aimed at enhancing renewable energy production and accelerating technological improvements will further reduce energy costs over time and increase market demand.

(b) SENSE OF CONGRESS.—It is the sense of Congress that it is the goal of the United States that, not later than January 1, 2025, the agricultural, forestry, and working land of the United States should—

(1) provide from renewable resources not less than 25 percent of the total energy consumed in the United States; and

(2) continue to produce safe, abundant, and affordable food, feed, and fiber.

PART II—RENEWABLE FUELS INFRASTRUCTURE

SEC. 9121. INFRASTRUCTURE PILOT PROGRAM FOR RENEWABLE FUELS.

(a) IN GENERAL.—The Secretary, in consultation with the Secretary of Transportation and the Administrator of the Environmental Protection Agency, shall establish a competitive grant pilot program (referred to in this section as the “pilot program”), to be administered through the Vehicle Technology Deployment Program of the Department of Energy, to provide not more than 10 geographically-dispersed project grants to State governments, Indian tribal governments, local governments, metropolitan transportation authorities, or partnerships of those entities to carry out 1 or more projects for the purposes described in subsection (b).

(b) GRANT PURPOSES.—A grant under this section shall be used for the establishment of refueling infrastructure corridors, as designated by the Secretary, for gasoline blends that contain not less than 11 percent, and not more than 85 percent, renewable fuel or diesel fuel that contains at least 10 percent renewable fuel, including—

(1) installation of infrastructure and equipment necessary to ensure adequate distribution of renewable fuels within the corridor;

(2) installation of infrastructure and equipment necessary to directly support vehicles powered by renewable fuels; and

(3) operation and maintenance of infrastructure and equipment installed as part of a project funded by the grant.

(c) APPLICATIONS.—

(1) REQUIREMENTS.—

(A) IN GENERAL.—Subject to subparagraph (B), not later than 90 days after the date of enactment of this Act, the Secretary shall issue requirements for use in applying for grants under the pilot program.

(B) MINIMUM REQUIREMENTS.—At a minimum, the Secretary shall require that an application for a grant under this section—

(i) be submitted by—

(I) the head of a State, tribal, or local government or a metropolitan transportation authority, or any combination of those entities; and

(II) a registered participant in the Vehicle Technology Deployment Program of the Department of Energy; and

(ii) include—

(I) a description of the project proposed in the application, including the ways in which the project meets the requirements of this section;

(II) an estimate of the degree of use of the project, including the estimated size of fleet of vehicles operated with renewable fuel available within the geographic region of the corridor, measured as a total quantity and a percentage;

(III) an estimate of the potential petroleum displaced as a result of the project (measured as a total quantity and a percentage), and a plan to collect and disseminate petroleum displacement and other relevant data relating to the project to be funded under the grant, over the expected life of the project;

(IV) a description of the means by which the project will be sustainable without Federal assistance after the completion of the term of the grant;

(V) a complete description of the costs of the project, including acquisition, construction, operation, and maintenance costs over the expected life of the project; and

(VI) a description of which costs of the project will be supported by Federal assistance under this subsection.

(2) PARTNERS.—An applicant under paragraph (1) may carry out a project under the pilot program in partnership with public and private entities.

(d) SELECTION CRITERIA.—In evaluating applications under the pilot program, the Secretary shall—

(1) consider the experience of each applicant with previous, similar projects; and

(2) give priority consideration to applications that—

(A) are most likely to maximize displacement of petroleum consumption, measured as a total quantity and a percentage;

(B) are best able to incorporate existing infrastructure while maximizing, to the extent practicable, the use of advanced biofuels;

(C) demonstrate the greatest commitment on the part of the applicant to ensure funding for the proposed project and the greatest likelihood that the project will be maintained or expanded after Federal assistance under this subsection is completed;

(D) represent a partnership of public and private entities; and

(E) exceed the minimum requirements of subsection (c)(1)(B).

(e) PILOT PROJECT REQUIREMENTS.—

(1) MAXIMUM AMOUNT.—The Secretary shall provide not more than \$20,000,000 in Federal assistance under the pilot program to any applicant.

(2) COST SHARING.—The non-Federal share of the cost of any activity relating to renewable fuel infrastructure development carried out using funds from a grant under this section shall be not less than 20 percent.

(3) MAXIMUM PERIOD OF GRANTS.—The Secretary shall not provide funds to any applicant under the pilot program for more than 2 years.

(4) DEPLOYMENT AND DISTRIBUTION.—The Secretary shall seek, to the maximum extent practicable, to ensure a broad geographic distribution of project sites funded by grants under this section.

(5) TRANSFER OF INFORMATION AND KNOWLEDGE.—The Secretary shall establish mechanisms to ensure that the information and knowledge gained by participants in the pilot program are transferred among the pilot program participants and to other interested parties, including other applicants that submitted applications.

(f) SCHEDULE.—

(1) INITIAL GRANTS.—

(A) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the

Secretary shall publish in the Federal Register, Commerce Business Daily, and such other publications as the Secretary considers to be appropriate, a notice and request for applications to carry out projects under the pilot program.

(B) DEADLINE.—An application described in subparagraph (A) shall be submitted to the Secretary by not later than 180 days after the date of publication of the notice under that subparagraph.

(C) INITIAL SELECTION.—Not later than 90 days after the date by which applications for grants are due under subparagraph (B), the Secretary shall select by competitive, peer-reviewed proposal up to 5 applications for projects to be awarded a grant under the pilot program.

(2) ADDITIONAL GRANTS.—

(A) IN GENERAL.—Not later than 2 years after the date of enactment of this Act, the Secretary shall publish in the Federal Register, Commerce Business Daily, and such other publications as the Secretary considers to be appropriate, a notice and request for additional applications to carry out projects under the pilot program that incorporate the information and knowledge obtained through the implementation of the first round of projects authorized under the pilot program.

(B) DEADLINE.—An application described in subparagraph (A) shall be submitted to the Secretary by not later than 180 days after the date of publication of the notice under that subparagraph.

(C) INITIAL SELECTION.—Not later than 90 days after the date by which applications for grants are due under subparagraph (B), the Secretary shall select by competitive, peer-reviewed proposal such additional applications for projects to be awarded a grant under the pilot program as the Secretary determines to be appropriate.

(g) REPORTS TO CONGRESS.—

(1) INITIAL REPORT.—Not later than 60 days after the date on which grants are awarded under this section, the Secretary shall submit to Congress a report containing—

(A) an identification of the grant recipients and a description of the projects to be funded under the pilot program;

(B) an identification of other applicants that submitted applications for the pilot program but to which funding was not provided; and

(C) a description of the mechanisms used by the Secretary to ensure that the information and knowledge gained by participants in the pilot program are transferred among the pilot program participants and to other interested parties, including other applicants that submitted applications.

(2) EVALUATION.—Not later than 2 years after the date of enactment of this Act, and annually thereafter until the termination of the pilot program, the Secretary shall submit to Congress a report containing an evaluation of the effectiveness of the pilot program, including an assessment of the petroleum displacement and benefits to the environment derived from the projects included in the pilot program.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section \$200,000,000, to remain available until expended.

SEC. 9122. BIOENERGY RESEARCH AND DEVELOPMENT.

Section 931(c) of the Energy Policy Act of 2005 (42 U.S.C. 16231(c)) is amended—

(1) in paragraph (2), by striking “\$251,000,000” and inserting “\$377,000,000”; and

(2) in paragraph (3), by striking “\$274,000,000” and inserting “\$398,000,000”.

SEC. 9123. BIORESEARCH CENTERS FOR SYSTEMS BIOLOGY PROGRAM.

Section 977(a)(1) of the Energy Policy Act of 2005 (42 U.S.C. 16317(a)(1)) is amended by inserting before the period at the end the following: “, including the establishment of at least 11 bioresearch centers of varying sizes, as appropriate, that focus on biofuels, of which at least 2 centers shall be located in each of the 4 Petroleum Administration for Defense Districts with no subdistricts and 1 center shall be located in each of the subdistricts of the Petroleum Administration for Defense District with subdistricts”.

SEC. 9124. GRANTS FOR RENEWABLE FUEL PRODUCTION RESEARCH AND DEVELOPMENT IN CERTAIN STATES.

(a) IN GENERAL.—The Secretary shall provide grants to eligible entities to conduct research into, and develop and implement, renewable fuel production technologies in States with low rates of ethanol production, including low rates of production of cellulosic biomass ethanol, as determined by the Secretary.

(b) ELIGIBILITY.—To be eligible to receive a grant under the section, an entity shall—

(1)(A) be an institution of higher education (as defined in section 2 of the Energy Policy Act of 2005 (42 U.S.C. 15801)) located in a State described in subsection (a);

(B) be an institution—

(i) referred to in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (Public Law 103-382; 7 U.S.C. 301 note);

(ii) that is eligible for a grant under the Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1801 et seq.), including Diné College; or

(iii) that is eligible for a grant under the Navajo Community College Act (25 U.S.C. 640a et seq.); or

(C) be a consortium of such institutions of higher education, industry, State agencies, Indian tribal agencies, or local government agencies located in the State; and

(2) have proven experience and capabilities with relevant technologies.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$25,000,000 for each of fiscal years 2008 through 2010.

SEC. 9125. GRANTS FOR INFRASTRUCTURE FOR TRANSPORTATION OF BIOMASS TO LOCAL BIOREFINERIES.

(a) IN GENERAL.—The Secretary shall conduct a program under which the Secretary shall provide grants to Indian tribal and local governments and other eligible entities (as determined by the Secretary) (referred to in this section as “eligible entities”) to promote the development of infrastructure to support the separation, production, processing, and transportation of biomass to local biorefineries, including by portable processing equipment.

(b) PHASES.—The Secretary shall conduct the program in the following phases:

(1) DEVELOPMENT.—In the first phase of the program, the Secretary shall make grants to eligible entities to assist the eligible entities in the development of local projects to promote the development of infrastructure to support the separation, production, processing, and transportation of biomass to local biorefineries, including by portable processing equipment.

(2) IMPLEMENTATION.—In the second phase of the program, the Secretary shall make competitive grants to eligible entities to implement projects developed under paragraph (1).

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

SEC. 9126. BIOREFINERY INFORMATION CENTER.

(a) IN GENERAL.—The Secretary, in cooperation with the Secretary of Agriculture,

shall establish a biorefinery information center to make available to interested parties information on—

(1) renewable fuel resources, including information on programs and incentives for renewable fuels;

(2) renewable fuel producers;

(3) renewable fuel users; and

(4) potential renewable fuel users.

(b) ADMINISTRATION.—In administering the biorefinery information center, the Secretary shall—

(1) continually update information provided by the center;

(2) make information available to interested parties on the process for establishing a biorefinery; and

(3) make information and assistance provided by the center available through a toll-free telephone number and website.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

SEC. 9127. ALTERNATIVE FUEL DATABASE AND MATERIALS.

The Secretary and the Director of the National Institute of Standards and Technology shall jointly establish and make available to the public—

(1) a database that describes the physical properties of different types of alternative fuel; and

(2) standard reference materials for different types of alternative fuel.

SEC. 9128. FUEL TANK CAP LABELING REQUIREMENT.

Section 406(a) of the Energy Policy Act of 1992 (42 U.S.C. 13232(a)) is amended—

(1) by striking “The Federal Trade Commission” and inserting the following:

“(1) IN GENERAL.—The Federal Trade Commission”; and

(2) by adding at the end the following:

“(2) FUEL TANK CAP LABELING REQUIREMENT.—Beginning with model year 2010, the fuel tank cap of each alternative fueled vehicle manufactured for sale in the United States shall be clearly labeled to inform consumers that such vehicle can operate on alternative fuel.”

SEC. 9129. BIODIESEL.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary shall submit to Congress a report on any research and development challenges inherent in increasing to 5 percent the proportion of diesel fuel sold in the United States that is biodiesel (as defined in section 757 of the Energy Policy Act of 2005 (42 U.S.C. 16105)).

(b) REGULATIONS.—The President shall promulgate regulations providing for the uniform labeling of biodiesel blends that are certified to meet applicable standards published by the American Society for Testing and Materials.

(c) NATIONAL BIODIESEL FUEL QUALITY STANDARD.—

(1) QUALITY REGULATIONS.—Not later than 180 days after the date of enactment of this Act, the President shall promulgate regulations to ensure that each diesel-equivalent fuel derived from renewable biomass and introduced into interstate commerce is tested and certified to comply with applicable standards of the American Society for Testing and Materials.

(2) ENFORCEMENT.—The President shall ensure that all biodiesel entering interstate commerce meets the requirements of paragraph (1).

(3) FUNDING.—There are authorized to be appropriated to the President to carry out this section:

(A) \$3,000,000 for fiscal year 2008.

(B) \$3,000,000 for fiscal year 2009.

(C) \$3,000,000 for fiscal year 2010.

SEC. 9130. TRANSITIONAL ASSISTANCE FOR FARMERS WHO PLANT DEDICATED ENERGY CROPS FOR A LOCAL CELLULOSIC REFINERY.

(a) DEFINITIONS.—In this section:

(1) CELLULOSIC CROP.—The term “cellulosic crop” means a tree or grass that is grown specifically—

(A) to provide raw materials (including feedstocks) for conversion to liquid transportation fuels or chemicals through biochemical or thermochemical processes; or

(B) for energy generation through combustion, pyrolysis, or cofiring.

(2) CELLULOSIC REFINER.—The term “cellulosic refiner” means the owner or operator of a cellulosic refinery.

(3) CELLULOSIC REFINERY.—The term “cellulosic refinery” means a refinery that processes a cellulosic crop.

(4) QUALIFIED CELLULOSIC CROP.—The term “qualified cellulosic crop” means, with respect to an agricultural producer, a cellulosic crop that is—

(A) the subject of a contract or memorandum of understanding between the producer and a cellulosic refiner, under which the producer is obligated to sell the crop to the cellulosic refiner by a certain date; and

(B) produced not more than 70 miles from a cellulosic refinery owned or operated by the cellulosic refiner.

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

(b) TRANSITIONAL ASSISTANCE PAYMENTS.—The Secretary shall make transitional assistance payments to an agricultural producer during the first year in which the producer devotes land to the production of a qualified cellulosic crop.

(c) AMOUNT OF PAYMENT.—

(1) DETERMINED BY FORMULA.—Subject to paragraph (2), the Secretary shall devise a formula to be used to calculate the amount of a payment to be made to an agricultural producer under this section, based on the opportunity cost (as determined in accordance with such standard as the Secretary may establish, taking into consideration land rental rates and other applicable costs) incurred by the producer during the first year in which the producer devotes land to the production of the qualified cellulosic crop.

(2) LIMITATION.—The total of the amount paid to a producer under this section shall not exceed an amount equal to 25 percent of the amounts made available under subsection (e) for the applicable fiscal year.

(d) REGULATIONS.—The Secretary shall promulgate such regulations as the Secretary determines to be necessary to carry out this section.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$4,088,000 for each of fiscal years 2008 through 2012, to remain available until expended.

SEC. 9131. RESEARCH AND DEVELOPMENT IN SUPPORT OF LOW-CARBON FUELS.

(a) DECLARATION OF POLICY.—Congress declares that, in order to achieve maximum reductions in greenhouse gas emissions, enhance national security, and ensure the protection of wildlife habitat, biodiversity, water quality, air quality, and rural and regional economies throughout the lifecycle of each low-carbon fuel, it is necessary and desirable to undertake a combination of basic and applied research, as well as technology development and demonstration, involving the colleges and universities of the United States, in partnership with the Federal Government, State governments, and the private sector.

(b) PURPOSE.—The purpose of this section is to provide for research support to facilitate the development of sustainable markets

and technologies to produce and use woody biomass and other low-carbon fuels for the production of thermal and electric energy, biofuels, and bioproducts.

(c) DEFINITION OF FUEL EMISSION BASELINE.—In this section, the term “fuel emission baseline” means the average lifecycle greenhouse gas emissions per unit of energy of the fossil fuel component of conventional transportation fuels in commerce in the United States in calendar year 2008, as determined by the President.

(d) GRANT PROGRAM.—The President shall establish a program to provide to eligible entities (as identified by the President) grants for use in—

(1) providing financial support for not more than 4 nor less than 6 demonstration facilities that—

(A) use woody biomass to deploy advanced technologies for production of thermal and electric energy, biofuels, and bioproducts; and

(B) are targeted at regional feedstocks and markets;

(2) conducting targeted research for the development of cellulosic ethanol and other liquid fuels from woody or other biomass that may be used in transportation or stationary applications, such as industrial processes or industrial, commercial, and residential heating;

(3) conducting research into the best scientifically-based and periodically-updated methods of assessing and certifying the impacts of each low-carbon fuel with respect to—

(A) the reduction in lifecycle greenhouse gas emissions of each fuel as compared to—

(i) the fuel emission baseline; and

(ii) the greenhouse gas emissions of other sectors, such as the agricultural, industrial, and manufacturing sectors;

(B) the contribution of the fuel toward enhancing the energy security of the United States by displacing imported petroleum and petroleum products;

(C) any impacts of the fuel on wildlife habitat, biodiversity, water quality, and air quality; and

(D) any effect of the fuel with respect to rural and regional economies;

(4) conducting research to determine to what extent the use of low-carbon fuels in the transportation sector would impact greenhouse gas emissions in other sectors, such as the agricultural, industrial, and manufacturing sectors;

(5) conducting research for the development of the supply infrastructure that may provide renewable biomass feedstocks in a consistent, predictable, and environmentally-sustainable manner;

(6) conducting research for the development of supply infrastructure that may provide renewable low-carbon fuels in a consistent, predictable, and environmentally-sustainable manner; and

(7) conducting policy research on the global movement of low-carbon fuels in a consistent, predictable, and environmentally-sustainable manner.

(e) AUTHORIZATION OF APPROPRIATIONS.—Of the funding authorized under section 9122, there are authorized to be appropriated to carry out this section—

- (1) \$45,000,000 for fiscal year 2009;
- (2) \$50,000,000 for fiscal year 2010;
- (3) \$55,000,000 for fiscal year 2011;
- (4) \$60,000,000 for fiscal year 2012; and
- (5) \$65,000,000 for fiscal year 2013.

PART III—STUDIES

SEC. 9141. STUDY OF ADVANCED BIOFUELS TECHNOLOGIES.

(a) IN GENERAL.—Not later than October 1, 2012, the Secretary shall offer to enter into a contract with the National Academy of

Sciences under which the Academy shall conduct a study of technologies relating to the production, transportation, and distribution of advanced biofuels.

(b) SCOPE.—In conducting the study, the Academy shall—

(1) include an assessment of the maturity of advanced biofuels technologies;

(2) consider whether the rate of development of those technologies will be sufficient to meet the advanced biofuel standards required under section 9111;

(3) consider the effectiveness of the research and development programs and activities of the Department of Energy relating to advanced biofuel technologies; and

(4) make policy recommendations to accelerate the development of those technologies to commercial viability, as appropriate.

(c) REPORT.—Not later than November 30, 2014, the Secretary shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives a report describing the results of the study conducted under this section.

SEC. 9142. STUDY OF INCREASED CONSUMPTION OF ETHANOL-BLENDED GASOLINE WITH HIGHER LEVELS OF ETHANOL.

(a) IN GENERAL.—The Secretary, in cooperation with the Secretary of Agriculture, the Administrator of the Environmental Protection Agency, and the Secretary of Transportation, and after providing notice and an opportunity for public comment, shall conduct a study of the feasibility of increasing consumption in the United States of ethanol-blended gasoline with levels of ethanol that are not less than 10 percent and not more than 40 percent.

(b) STUDY.—The study under subsection (a) shall include—

(1) a review of production and infrastructure constraints on increasing consumption of ethanol;

(2) an evaluation of the economic, market, and energy-related impacts of State and regional differences in ethanol blends;

(3) an evaluation of the economic, market, and energy-related impacts on gasoline retailers and consumers of separate and distinctly labeled fuel storage facilities and dispensers;

(4) an evaluation of the environmental impacts of mid-level ethanol blends on evaporative and exhaust emissions from on-road, off-road, and marine engines, recreational boats, vehicles, and equipment;

(5) an evaluation of the impacts of mid-level ethanol blends on the operation, durability, and performance of on-road, off-road, and marine engines, recreational boats, vehicles, and equipment; and

(6) an evaluation of the safety impacts of mid-level ethanol blends on consumers that own and operate off-road and marine engines, recreational boats, vehicles, or equipment.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to Congress a report describing the results of the study conducted under this section.

SEC. 9143. PIPELINE FEASIBILITY STUDY.

(a) IN GENERAL.—The Secretary, in coordination with the Secretary of Agriculture and the Secretary of Transportation, shall conduct a study of the feasibility of the construction of dedicated ethanol pipelines.

(b) FACTORS.—In conducting the study, the Secretary shall consider—

(1) the quantity of ethanol production that would make dedicated pipelines economically viable;

(2) existing or potential barriers to dedicated ethanol pipelines, including technical, siting, financing, and regulatory barriers;

(3) market risk (including throughput risk) and means of mitigating the risk;

(4) regulatory, financing, and siting options that would mitigate risk in those areas and help ensure the construction of 1 or more dedicated ethanol pipelines;

(5) financial incentives that may be necessary for the construction of dedicated ethanol pipelines, including the return on equity that sponsors of the initial dedicated ethanol pipelines will require to invest in the pipelines;

(6) technical factors that may compromise the safe transportation of ethanol in pipelines, identifying remedial and preventative measures to ensure pipeline integrity; and

(7) such other factors as the Secretary considers appropriate.

(c) REPORT.—Not later than 15 months after the date of enactment of this Act, the Secretary shall submit to Congress a report describing the results of the study conducted under this section.

SEC. 9144. STUDY OF OPTIMIZATION OF FLEXIBLE FUELED VEHICLES TO USE E-85 FUEL.

(a) IN GENERAL.—The Secretary shall conduct a study of methods of increasing the fuel efficiency of flexible fueled vehicles by optimizing flexible fueled vehicles to operate using E-85 fuel.

(b) REPORT.—Not later than 180 days after the date of enactment of this Act, the Secretary shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Natural Resources of the House of Representatives a report that describes the results of the study, including any recommendations of the Secretary.

SEC. 9145. STUDY OF CREDITS FOR USE OF RENEWABLE ELECTRICITY IN ELECTRIC VEHICLES.

(a) DEFINITION OF ELECTRIC VEHICLE.—In this section, the term “electric vehicle” means an electric motor vehicle (as defined in section 601 of the Energy Policy Act of 1992 (42 U.S.C. 13271)) for which the rechargeable storage battery—

(1) receives a charge directly from a source of electric current that is external to the vehicle; and

(2) provides a minimum of 80 percent of the motive power of the vehicle.

(b) STUDY.—The Secretary shall conduct a study on the feasibility of issuing credits under the program established under section 9111(d) to electric vehicles powered by electricity produced from renewable energy sources.

(c) REPORT.—Not later than 18 months after the date of enactment of this Act, the Secretary shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives a report that describes the results of the study, including a description of—

(1) existing programs and studies on the use of renewable electricity as a means of powering electric vehicles; and

(2) alternatives for—

(A) designing a pilot program to determine the feasibility of using renewable electricity to power electric vehicles as an adjunct to a renewable fuels mandate;

(B) allowing the use, under the pilot program designed under subparagraph (A), of electricity generated from nuclear energy as an additional source of supply;

(C) identifying the source of electricity used to power electric vehicles; and

(D) equating specific quantities of electricity to quantities of renewable fuel under section 9111(d).

SEC. 9146. STUDY OF ENGINE DURABILITY ASSOCIATED WITH THE USE OF BIO-DIESEL.

(a) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, the

Secretary shall initiate a study on the effects of the use of biodiesel on engine durability.

(b) COMPONENTS.—The study under this section shall include—

(1) an assessment of whether the use of biodiesel in conventional diesel engines lessens engine durability; and

(2) an assessment of the effects referred to in subsection (a) with respect to biodiesel blends at varying concentrations, including—

- (A) B5;
- (B) B10;
- (C) B20; and
- (D) B30.

SEC. 9147. STUDY OF INCENTIVES FOR RENEWABLE FUELS.

(a) STUDY.—The President shall conduct a study of the renewable fuels industry and markets in the United States, including—

(1) the costs to produce conventional and advanced biofuels;

(2) the factors affecting the future market prices for those biofuels, including world oil prices; and

(3) the financial incentives necessary to enhance, to the maximum extent practicable, the biofuels industry of the United States to reduce the dependence of the United States on foreign oil during calendar years 2011 through 2030.

(b) GOALS.—The study shall include an analysis of the options for financial incentives and the advantage and disadvantages of each option.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the President shall submit to Congress a report that describes the results of the study.

SEC. 9148. STUDY OF STREAMLINED LIFECYCLE ANALYSIS TOOLS FOR THE EVALUATION OF RENEWABLE CARBON CONTENT OF BIOFUELS.

(a) IN GENERAL.—The Secretary, in consultation with the Secretary of Agriculture and the Administrator of the Environmental Protection Agency, shall conduct a study of—

(1) published methods for evaluating the lifecycle fossil and renewable carbon content of fuels, including conventional and advanced biofuels; and

(2) methods for performing simplified, streamlined lifecycle analyses of the fossil and renewable carbon content of biofuels.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives a report that describes the results of the study under subsection (a), including recommendations for a method for performing a simplified, streamlined lifecycle analysis of the fossil and renewable carbon content of biofuels that includes—

(1) carbon inputs to feedstock production; and

(2) carbon inputs to the biofuel production process, including the carbon associated with electrical and thermal energy inputs.

SEC. 9149. STUDY OF EFFECTS OF ETHANOL-BLENDED GASOLINE ON OFF-ROAD VEHICLES.

(a) STUDY.—

(1) IN GENERAL.—The Secretary, in consultation with the Secretary of Transportation and the Administrator of the Environmental Protection Agency, shall conduct a study to determine the effects of ethanol-blended gasoline on off-road vehicles and recreational boats.

(2) EVALUATION.—The study shall include an evaluation of the operational, safety, durability, and environmental impacts of ethanol-blended gasoline on off-road and marine

engines, recreational boats, and related equipment.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to Congress a report describing the results of the study.

SEC. 9150. STUDY OF OFFSHORE WIND RESOURCES.

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE INSTITUTION.—The term “eligible institution” means a college or university that—

(A) as of the date of enactment of this Act, has an offshore wind power research program; and

(B) is located in a region of the United States that is in reasonable proximity to the eastern outer Continental Shelf, as determined by the Secretary.

(2) SECRETARY.—The term “Secretary” means the Secretary of the Interior, acting through the Director of the Minerals Management Service.

(b) STUDY.—The Secretary, in cooperation with an eligible institution, as selected by the Secretary, shall conduct a study to assess each offshore wind resource located in the region of the eastern outer Continental Shelf.

(c) REPORT.—Upon completion of the study under subsection (b), the Secretary shall submit to Congress a report that includes—

(1) a description of—

(A) the locations and total power generation resources of the best offshore wind resources located in the region of the eastern outer Continental Shelf, as determined by the Secretary;

(B) based on conflicting zones relating to any infrastructure that, as of the date of enactment of this Act, is located in close proximity to any offshore wind resource, the likely exclusion zones of each offshore wind resource described in subparagraph (A);

(C) the relationship of the temporal variation of each offshore wind resource described in subparagraph (A) with—

(i) any other offshore wind resource; and

(ii) with loads and corresponding system operator markets;

(D) the geological compatibility of each offshore wind resource described in subparagraph (A) with any potential technology relating to sea floor towers; and

(E) with respect to each area in which an offshore wind resource described in subparagraph (A) is located, the relationship of the authority under any coastal management plan of the State in which the area is located with the Federal Government; and

(2) recommendations on the manner by which to handle offshore wind intermittence.

(d) INCORPORATION OF STUDY.—Effective beginning on the date on which the Secretary completes the study under subsection (b), the Secretary shall incorporate the findings included in the report under subsection (c) into the planning process documents for any wind energy lease sale—

(1) relating to any offshore wind resource located in any appropriate area of the outer Continental Shelf, as determined by the Secretary; and

(2) that is completed on or after the date of enactment of this Act.

(e) EFFECT.—Nothing in this section—

(1) delays any final regulation to be promulgated by the Secretary of the Interior to carry out section 8(p) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(p)); or

(2) limits the authority of the Secretary to lease any offshore wind resource located in any appropriate area of the outer Continental Shelf, as determined by the Secretary.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$5,000,000, to remain available until expended.

PART IV—ENVIRONMENTAL SAFEGUARDS**SEC. 9161. GRANTS FOR PRODUCTION OF ADVANCED BIOFUELS.**

(a) IN GENERAL.—The Secretary shall establish a grant program to encourage the production of advanced biofuels.

(b) REQUIREMENTS AND PRIORITY.—In making grants under this section, the Secretary—

(1) shall make awards to the proposals for advanced biofuels with the greatest reduction in lifecycle greenhouse gas emissions compared to the comparable motor vehicle fuel lifecycle emissions during calendar year 2007; and

(2) shall not make an award to a project that does not achieve at least a 50-percent reduction in such lifecycle greenhouse gas emissions.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$500,000,000 for the period of fiscal years 2008 through 2015.

SEC. 9162. STUDIES OF EFFECTS OF RENEWABLE FUEL USE.

Section 211 of the Clean Air Act (42 U.S.C. 7545) is amended by adding at the end the following:

“(t) STUDIES OF EFFECTS OF RENEWABLE FUEL USE.—

“(1) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, the Administrator shall offer to enter into appropriate arrangements with the National Academy of Sciences and any other independent research institute determined to be appropriate by the Administrator, in consultation with appropriate Federal agencies, to conduct 2 studies on the effects of increased domestic use of renewable fuels under the Renewable Fuels, Consumer Protection, and Energy Efficiency Act of 2007.

“(2) MATTERS TO BE STUDIED.—

“(A) IN GENERAL.—The studies under this subsection shall assess, quantify, and recommend analytical methodologies in relation to environmental changes associated with the increased domestic use of renewable fuels under the Renewable Fuels, Consumer Protection, and Energy Efficiency Act of 2007, including production, handling, transportation, and use of the fuels.

“(B) SPECIFIC MATTERS.—The studies shall include an assessment and quantification, to the maximum extent practicable, of significant changes—

“(i) in air and water quality and the quality of other natural resources;

“(ii) in land use patterns;

“(iii) in the rate of deforestation in the United States and globally;

“(iv) to greenhouse gas emissions;

“(v) to significant geographic areas and habitats with high biodiversity values (including species richness, the presence of species that are exclusively native to a place, or the presence of endangered species); or

“(vi) in the long-term capacity of the United States to produce biomass feedstocks.

“(C) BASELINE COMPARISON.—In making an assessment or quantifying effects of increased use of renewable fuels, the studies shall use an appropriate baseline involving increased use of the conventional transportation fuels, if displacement by use of renewable fuels had not occurred.

“(3) REPORTS TO CONGRESS.—The Administrator shall submit to Congress a report summarizing the assessments and findings of—

“(A) the first study, along with any recommendations by the Administrator to mitigate adverse effects identified by the study, not later than 3 years after the date of enactment of this subsection; and

“(B) the second study, along with any recommendations by the Administrator to miti-

gate adverse effects identified by the study, not later December 31, 2015.”.

SEC. 9163. INTEGRATED CONSIDERATION OF WATER QUALITY IN DETERMINATIONS ON FUELS AND FUEL ADDITIVES.

Section 211(c)(1) of the Clean Air Act (42 U.S.C. 7545(c)(1)) is amended—

(1) by striking ‘‘nonroad vehicle (A) if in the judgment of the Administrator’’ and inserting ‘‘nonroad vehicle—

“(A) if, in the judgment of the Administrator, any fuel or fuel additive or’’;

(2) in subparagraph (A), by striking ‘‘air pollution which’’ and inserting ‘‘air pollution or water pollution (including any degradation in the quality of groundwater) that’’; and

(3) by striking ‘‘, or (B) if’’ and inserting the following: ‘‘; or

‘‘(B) if’’.

SEC. 9164. ANTI-BACKSLIDING.

Section 211 of the Clean Air Act (42 U.S.C. 7545) (as amended by section 9162) is amended by adding at the end the following:

“(u) PREVENTION OF AIR QUALITY DETERIORATION.—**“(1) STUDY.—**

“(A) IN GENERAL.—Not later than 18 months after the date of enactment of the Renewable Fuels, Consumer Protection, and Energy Efficiency Act of 2007, the Administrator shall complete a study to determine whether the renewable fuel volumes required by that Act will adversely impact air quality as a result of changes in vehicle and engine emissions of air pollutants regulated under this Act.

“(B) CONSIDERATIONS.—The study shall include consideration of—

“(i) different blend levels, types of renewable fuels, and available vehicle technologies; and

“(ii) appropriate national, regional, and local air quality control measures.

“(2) REGULATIONS.—Not later than 3 years after the date of enactment of the Renewable Fuels, Consumer Protection, and Energy Efficiency Act of 2007, the Administrator shall—

“(A) promulgate regulations to implement appropriate measures to mitigate, to the greatest extent achievable, considering the results of the study under paragraph (1), any adverse impacts on air quality, as the result of the renewable volumes required by that Act; or

“(B) make a determination that no such measures are necessary.

“(3) OTHER REQUIREMENTS.—Nothing in the Renewable Fuels, Consumer Protection, and Energy Efficiency Act of 2007 supercedes or otherwise affects any Federal or State requirement under any other provision of law that is more stringent than any requirement of this title.”.

SA 3615. Mr. GREGG (for himself and Mr. KENNEDY) submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place in title XI, insert the following:

Subtitle —Public Safety Officers**SEC. 1. SHORT TITLE.**

This subtitle may be cited as the ‘‘Public Safety Employer-Employee Cooperation Act of 2007’’.

SEC. 2. DECLARATION OF PURPOSE AND POLICY.

The Congress declares that the following is the policy of the United States:

(1) Labor-management relationships and partnerships are based on trust, mutual respect, open communication, bilateral consensual problem solving, and shared accountability. Labor-management cooperation fully utilizes the strengths of both parties to best serve the interests of the public, operating as a team, to carry out the public safety mission in a quality work environment. In many public safety agencies it is the union that provides the institutional stability as elected leaders and appointees come and go.

(2) State and local public safety officers play an essential role in the efforts of the United States to detect, prevent, and respond to terrorist attacks, and to respond to natural disasters, hazardous materials, and other mass casualty incidents. State and local public safety officers, as first responders, are a component of our Nation’s National Incident Management System, developed by the Department of Homeland Security to coordinate response to and recovery from terrorism, major natural disasters, and other major emergencies. Public safety employer-employee cooperation is essential in meeting these needs and is, therefore, in the National interest.

(3) The Federal Government needs to encourage conciliation, mediation, and voluntary arbitration to aid and encourage employers and the representatives of their employees to reach and maintain agreements concerning rates of pay, hours, and working conditions, and to make all reasonable efforts through negotiations to settle their differences by mutual agreement reached through collective bargaining or by such methods as may be provided for in any applicable agreement for the settlement of disputes.

(4) The absence of adequate cooperation between public safety employers and employees has implications for the security of employees and can affect interstate and intra-state commerce. The lack of such labor-management cooperation can detrimentally impact the upgrading of police and fire services of local communities, the health and well-being of public safety officers, and the morale of the fire and police departments. Additionally, these factors could have significant commercial repercussions. Moreover, providing minimal standards for collective bargaining negotiations in the public safety sector can prevent industrial strife between labor and management that interferes with the normal flow of commerce.

SEC. 3. DEFINITIONS.

In this subtitle:

(1) AUTHORITY.—The term ‘‘Authority’’ means the Federal Labor Relations Authority.

(2) EMERGENCY MEDICAL SERVICES PERSONNEL.—The term ‘‘emergency medical services personnel’’ means an individual who provides out-of-hospital emergency medical care, including an emergency medical technician, paramedic, or first responder.

(3) EMPLOYER; PUBLIC SAFETY AGENCY.—The terms ‘‘employer’’ and ‘‘public safety agency’’ mean any State, or political subdivision of a State, that employs public safety officers.

(4) FIREFIGHTER.—The term ‘‘firefighter’’ has the meaning given the term ‘‘employee engaged in fire protection activities’’ in section 3(y) of the Fair Labor Standards Act (29 U.S.C. 203(y)).

(5) LABOR ORGANIZATION.—The term ‘‘labor organization’’ means an organization composed in whole or in part of employees, in which employees participate, and which represents such employees before public safety

agencies concerning grievances, conditions of employment, and related matters.

(6) LAW ENFORCEMENT OFFICER.—The term “law enforcement officer” has the meaning given such term in section 1204 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796b).

(7) MANAGEMENT EMPLOYEE.—The term “management employee” has the meaning given such term under applicable State law in effect on the date of enactment of this subtitle. If no such State law is in effect, the term means an individual employed by a public safety employer in a position that requires or authorizes the individual to formulate, determine, or influence the policies of the employer.

(8) PERSON.—The term “person” means an individual or a labor organization.

(9) PUBLIC SAFETY OFFICER.—The term “public safety officer”

(A) means an employee of a public safety agency who is a law enforcement officer, a firefighter, or an emergency medical services personnel;

(B) includes an individual who is temporarily transferred to a supervisory or management position; and

(C) does not include a permanent supervisory or management employee.

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

(11) SUBSTANTIALLY PROVIDES.—The term “substantially provides” means compliance with the essential requirements of this subtitle, specifically, the right to form and join a labor organization, the right to bargain over wages, hours, and conditions of employment, the right to sign an enforceable contract, and availability of some form of mechanism to break an impasse, such as arbitration, mediation, or fact-finding.

(12) SUPERVISORY EMPLOYEE.—The term “supervisory employee” has the meaning given such term under applicable State law in effect on the date of enactment of this subtitle. If no such State law is in effect, the term means an individual, employed by a public safety employer, who—

(A) has the authority in the interest of the employer to hire, direct, assign, promote, reward, transfer, furlough, lay off, recall, suspend, discipline, or remove public safety officers, to adjust their grievances, or to effectively recommend such action, if the exercise of the authority is not merely routine or clerical in nature but requires the consistent exercise of independent judgment; and

(B) devotes a majority of time at work exercising such authority.

SEC. 4. DETERMINATION OF RIGHTS AND RESPONSIBILITIES.

(a) DETERMINATION.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this subtitle, the Authority shall make a determination as to whether a State substantially provides for the rights and responsibilities described in subsection (b). In making such determinations, the Authority shall consider and give weight, to the maximum extent practicable, to the opinion of affected parties.

(2) SUBSEQUENT DETERMINATIONS.—

(A) IN GENERAL.—A determination made pursuant to paragraph (1) shall remain in effect unless and until the Authority issues a subsequent determination, in accordance with the procedures set forth in subparagraph (B).

(B) PROCEDURES FOR SUBSEQUENT DETERMINATIONS.—Upon establishing that a material change in State law or its interpretation has occurred, an employer or a labor organization may submit a written request for a subsequent determination. If satisfied that a material change in State law or its interpre-

tation has occurred, the Authority shall issue a subsequent determination not later than 30 days after receipt of such request.

(3) JUDICIAL REVIEW.—Any person or employer aggrieved by a determination of the Authority under this section may, during the 60-day period beginning on the date on which the determination was made, petition any United States Court of Appeals in the circuit in which the person or employer resides or transacts business or in the District of Columbia circuit, for judicial review. In any judicial review of a determination by the Authority, the procedures contained in subsections (c) and (d) of section 7123 of title 5, United States Code, shall be followed.

(b) RIGHTS AND RESPONSIBILITIES.—In making a determination described in subsection (a), the Authority shall consider whether State law provides rights and responsibilities comparable to or greater than the following:

(1) Granting public safety officers the right to form and join a labor organization, which may exclude management employees and supervisory employees, that is, or seeks to be, recognized as the exclusive bargaining representative of such employees.

(2) Requiring public safety employers to recognize the employees’ labor organization (freely chosen by a majority of the employees), to agree to bargain with the labor organization, and to commit any agreements to writing in a contract or memorandum of understanding.

(3) Permitting bargaining over hours, wages, and terms and conditions of employment.

(4) Making available an interest impasse resolution mechanism, such as fact-finding, mediation, arbitration, or comparable procedures.

(5) Requiring enforcement through State courts of—

(A) all rights, responsibilities, and protections provided by State law and enumerated in this section; and

(B) any written contract or memorandum of understanding.

(c) FAILURE TO MEET REQUIREMENTS.—

(1) IN GENERAL.—If the Authority determines, acting pursuant to its authority under subsection (a), that a State does not substantially provide for the rights and responsibilities described in subsection (b), such State shall be subject to the regulations and procedures described in section 5.

(2) EFFECTIVE DATE.—Paragraph (1) shall take effect on the date that is 2 years after the date of enactment of this subtitle.

SEC. 5. ROLE OF FEDERAL LABOR RELATIONS AUTHORITY.

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this subtitle, the Authority shall issue regulations in accordance with the rights and responsibilities described in section 4(b) establishing collective bargaining procedures for employers and public safety officers in States which the Authority has determined, acting pursuant to section 4(a), do not substantially provide for such rights and responsibilities.

(b) ROLE OF THE FEDERAL LABOR RELATIONS AUTHORITY.—The Authority, to the extent provided in this subtitle and in accordance with regulations prescribed by the Authority, shall—

(1) determine the appropriateness of units for labor organization representation;

(2) supervise or conduct elections to determine whether a labor organization has been selected as an exclusive representative by a voting majority of the employees in an appropriate unit;

(3) resolve issues relating to the duty to bargain in good faith;

(4) conduct hearings and resolve complaints of unfair labor practices;

(5) resolve exceptions to the awards of arbitrators;

(6) protect the right of each employee to form, join, or assist any labor organization, or to refrain from any such activity, freely and without fear of penalty or reprisal, and protect each employee in the exercise of such right; and

(7) take such other actions as are necessary and appropriate to effectively administer this subtitle, including issuing subpoenas requiring the attendance and testimony of witnesses and the production of documentary or other evidence from any place in the United States, and administering oaths, taking or ordering the taking of depositions, ordering responses to written interrogatories, and receiving and examining witnesses.

(c) ENFORCEMENT.—

(1) AUTHORITY TO PETITION COURT.—The Authority may petition any United States Court of Appeals with jurisdiction over the parties, or the United States Court of Appeals for the District of Columbia Circuit, to enforce any final orders under this section, and for appropriate temporary relief or a restraining order. Any petition under this section shall be conducted in accordance with subsections (c) and (d) of section 7123 of title 5, United States Code.

(2) PRIVATE RIGHT OF ACTION.—Unless the Authority has filed a petition for enforcement as provided in paragraph (1), any party has the right to file suit in a State court of competent jurisdiction to enforce compliance with the regulations issued by the Authority pursuant to subsection (b), and to enforce compliance with any order issued by the Authority pursuant to this section. The right provided by this subsection to bring a suit to enforce compliance with any order issued by the Authority pursuant to this section shall terminate upon the filing of a petition seeking the same relief by the Authority.

SEC. 6. STRIKES AND LOCKOUTS PROHIBITED.

(a) PROHIBITION.—An employer, public safety officer, or labor organization may not engage in a lockout, sickout, work slowdown, strike, or any other action that will measurably disrupt the delivery of emergency services and is designed to compel an employer, public safety officer, or labor organization to agree to the terms of a proposed contract.

(b) MANDATORY TERMS AND CONDITIONS.—It shall not be a violation of subsection (a) for a public safety officer or labor organization to refuse to carry out services that are not required under the mandatory terms and conditions of employment applicable to the public safety officer or labor organization.

SEC. 7. EXISTING COLLECTIVE BARGAINING UNITS AND AGREEMENTS.

A certification, recognition, election-held, collective bargaining agreement or memorandum of understanding which has been issued, approved, or ratified by any public employee relations board or commission or by any State or political subdivision or its agents (management officials) and is in effect on the day before the date of enactment of this subtitle shall not be invalidated by the enactment of this subtitle.

SEC. 8. CONSTRUCTION AND COMPLIANCE.

(a) CONSTRUCTION.—Nothing in this subtitle shall be construed—

(1) to preempt or limit the remedies, rights, and procedures of any law of any State or political subdivision of any State or jurisdiction that provides greater or comparable rights and responsibilities than the rights and responsibilities described in section 4(b);

(2) to prevent a State from enforcing a right-to-work law that prohibits employers

and labor organizations from negotiating provisions in a labor agreement that require union membership or payment of union fees as a condition of employment;

(3) to preempt or limit any State law in effect on the date of enactment of this subtitle that provides for the rights and responsibilities described in section _____ 4(b) solely because such State law permits an employee to appear on the employee's own behalf with respect to the employee's employment relations with the public safety agency involved;

(4) to preempt or limit any State law in effect on the date of enactment of this subtitle that provides for the rights and responsibilities described in section _____ 4(b) solely because such State law excludes from its coverage employees of a State militia or national guard;

(5) to permit parties in States subject to the regulations and procedures described in section _____ 5 to negotiate provisions that would prohibit an employee from engaging in part-time employment or volunteer activities during off-duty hours;

(6) to prohibit a State from exempting from coverage under this subtitle a political subdivision of the State that has a population of less than 5,000 or that employs less than 25 full-time employees; or

(7) to preempt or limit the laws or ordinances of any State or political subdivision of a State that provide for the rights and responsibilities described in section _____ 4(b) solely because such law does not require bargaining with respect to pension, retirement, or health benefits.

For purposes of paragraph (6), the term "employee" includes each and every individual employed by the political subdivision except any individual elected by popular vote or appointed to serve on a board or commission.

(b) COMPLIANCE.—

(1) ACTIONS OF STATES.—Nothing in this subtitle or the regulations promulgated under this subtitle shall be construed to require a State to rescind or preempt the laws or ordinances of any of its political subdivisions if such laws provide rights and responsibilities for public safety officers that are comparable to or greater than the rights and responsibilities described in section _____ 4(b).

(2) ACTIONS OF THE AUTHORITY.—Nothing in this subtitle or the regulations promulgated under this subtitle shall be construed to preempt—

(A) the laws or ordinances of any State or political subdivision of a State, if such laws provide collective bargaining rights for public safety officers that are comparable to or greater than the rights enumerated in section _____ 4(b);

(B) the laws or ordinance of any State or political subdivision of a State that provide for the rights and responsibilities described in section _____ 4(b) with respect to certain categories of public safety officers covered by this subtitle solely because such rights and responsibilities have not been extended to other categories of public safety officers covered by this subtitle; or

(C) the laws or ordinances of any State or political subdivision of a State that provides for the rights and responsibilities described in section _____ 4(b), solely because such laws or ordinances provide that a contract or memorandum of understanding between a public safety employer and a labor organization must be presented to a legislative body as part of the process for approving such contract or memorandum of understanding.

(3) LIMITED ENFORCEMENT POWER.—In the case of a law described in paragraph (2)(B), the Authority shall only exercise the powers provided in section _____ 5 with respect to those categories of public safety officers who

have not been afforded the rights and responsibilities described in section _____ 4(b).

(4) EXCLUSIVE ENFORCEMENT PROVISION.—Notwithstanding any other provision of this subtitle, and in the absence of a waiver of a State's sovereign immunity, the Authority shall have the exclusive power to enforce the provisions of this subtitle with respect to employees of a State or political subdivision of a State.

SEC. _____ 9. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subtitle.

SA 3616. Mr. SALAZAR (for himself, Mr. KERRY, Ms. STABENOW, and Mr. SCHUMER) submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 1472, line 1, strike all through page 1480, line 3, and insert the following:

PART II—ALCOHOL AND OTHER FUELS

SEC. 1231. EXPANSION OF SPECIAL ALLOWANCE TO CELLULOSIC BIOFUEL PLANT PROPERTY.

(a) IN GENERAL.—Paragraph (3) of section 168(1) (relating to special allowance for cellulosic biomass ethanol plant property) is amended to read as follows:

“(3) CELLULOSIC BIOFUEL.—For purposes of this subsection, the term 'cellulosic biofuel' means any alcohol, ether, ester, or hydrocarbon produced from any lignocellulosic or hemicellulosic matter that is available on a renewable or recurring basis.”.

(b) CONFORMING AMENDMENTS.—

(1) Subsection (1) of section 168 is amended by striking “cellulosic biomass ethanol” each place it appears and inserting “cellulosic biofuel”.

(2) The heading of section 168(1) is amended by striking “CELLULOSIC BIOMASS ETHANOL” and inserting “CELLULOSIC BIOFUEL”.

(3) The heading of paragraph (2) of section 168(1) is amended by striking “CELLULOSIC BIOMASS ETHANOL” and inserting “CELLULOSIC BIOFUEL”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 1232. CREDIT FOR PRODUCTION OF CELLULOSIC BIOFUEL.

(a) IN GENERAL.—Subsection (a) of section 40 (relating to alcohol used as fuel) is amended by striking “plus” at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting “, plus”, and by adding at the end the following new paragraph:

“(4) the small cellulosic biofuel producer credit.”.

(b) SMALL CELLULOSIC BIOFUEL PRODUCER CREDIT.—

(1) IN GENERAL.—Subsection (b) of section 40 is amended by adding at the end the following new paragraph:

“(6) SMALL CELLULOSIC BIOFUEL PRODUCER CREDIT.—

“(A) IN GENERAL.—In addition to any other credit allowed under this section, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the applicable amount for each gallon of not more than 60,000,000 gallons of qualified cellulosic biofuel production.

“(B) APPLICABLE AMOUNT.—For purposes of subparagraph (A), the applicable amount means the excess of—

“(i) \$1.28, over

“(ii) the sum of—

“(I) the amount of the credit in effect for alcohol which is ethanol under subsection (b)(1) (without regard to subsection (b)(3)) at the time of the qualified cellulosic biofuel production, plus

“(II) the amount of the credit in effect under subsection (b)(4) at the time of such production.

“(C) QUALIFIED CELLULOSIC BIOFUEL PRODUCTION.—For purposes of this section, the term 'qualified cellulosic biofuel production' means any cellulosic biofuel which is produced by an eligible small cellulosic biofuel producer and which during the taxable year—

“(i) is sold by the taxpayer to another person—

“(I) for use by such other person in the production of a qualified cellulosic biofuel mixture in such other person's trade or business (other than casual off-farm production),

“(II) for use by such other person as a fuel in a trade or business, or

“(III) who sells such cellulosic biofuel at retail to another person and places such cellulosic biofuel in the fuel tank of such other person, or

“(ii) is used or sold by the taxpayer for any purpose described in clause (i).

“(D) QUALIFIED CELLULOSIC BIOFUEL MIXTURE.—For purposes of this paragraph, the term 'qualified cellulosic biofuel mixture' means a mixture of cellulosic biofuel and any petroleum fuel product which—

“(i) is sold by the person producing such mixture to any person for use as a fuel, or

“(ii) is used as a fuel by the person producing such mixture.

“(E) ADDITIONAL DISTILLATION EXCLUDED.—The qualified cellulosic biofuel production of any taxpayer for any taxable year shall not include any alcohol which is purchased by the taxpayer and with respect to which such producer increases the proof of the alcohol by additional distillation.

“(F) APPLICATION OF PARAGRAPH.—This paragraph shall apply with respect to qualified cellulosic biofuel production after December 31, 2007, and before April 1, 2015.”.

(2) TERMINATION DATE NOT TO APPLY.—Subsection (e) of section 40 (relating to termination) is amended—

(A) by inserting “or subsection (b)(6)(E)” after “by reason of paragraph (1)” in paragraph (2), and

(B) by adding at the end the following new paragraph:

“(3) EXCEPTION FOR SMALL CELLULOSIC BIOFUEL PRODUCER CREDIT.—Paragraph (1) shall not apply to the portion of the credit allowed under this section by reason of subsection (a)(4).”.

(c) ELIGIBLE SMALL CELLULOSIC BIOFUEL PRODUCER.—Section 40 is amended by adding at the end the following new subsection:

“(1) DEFINITIONS AND SPECIAL RULES FOR SMALL CELLULOSIC BIOFUEL PRODUCER.—For purposes of this section—

“(1) IN GENERAL.—The term 'eligible small cellulosic biofuel producer' means a person, who at all times during the taxable year, has a productive capacity for cellulosic biofuel not in excess of 60,000,000 gallons.

“(2) CELLULOSIC BIOFUEL.—

“(A) IN GENERAL.—The term 'cellulosic biofuel' has the meaning given such term under section 168(1)(3), but does not include any alcohol with a proof of less than 150.

“(B) DETERMINATION OF PROOF.—The determination of the proof of any alcohol shall be made without regard to any added denaturants.

“(3) AGGREGATION RULE.—For purposes of the 60,000,000 gallon limitation under paragraph (1) and subsection (b)(6)(A), all members of the same controlled group of corporations (within the meaning of section 267(f)) and all persons under common control (within the meaning of section 52(b) but determined by treating an interest of more than 50 percent as a controlling interest) shall be treated as 1 person.

“(4) PARTNERSHIP, S CORPORATIONS, AND OTHER PASS-THRU ENTITIES.—In the case of a partnership, trust, S corporation, or other pass-thru entity, the limitation contained in paragraph (1) shall be applied at the entity level and at the partner or similar level.

“(5) ALLOCATION.—For purposes of this subsection, in the case of a facility in which more than 1 person has an interest, productive capacity shall be allocated among such persons in such manner as the Secretary may prescribe.

“(6) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary to prevent the credit provided for in subsection (a)(4) from directly or indirectly benefitting any person with a direct or indirect productive capacity of more than 60,000,000 gallons of cellulosic biofuel during the taxable year.

“(7) ALLOCATION OF SMALL CELLULOSIC PRODUCER CREDIT TO PATRONS OF COOPERATIVE.—Rules similar to the rules under subsection (g)(6) shall apply for purposes of this subsection.”

(d) CELLULOSIC BIOFUEL NOT USED AS A FUEL, ETC.—

(1) IN GENERAL.—Paragraph (3) of section 40(d) is amended by redesignating subparagraph (D) as subparagraph (E) and by inserting after subparagraph (C) the following new subparagraph:

(D) SMALL CELLULOSIC BIOFUEL PRODUCER CREDIT.—If—

“(i) any credit is allowed under subsection (a)(4), and

“(ii) any person does not use such fuel for a purpose described in subsection (b)(6)(C), then there is hereby imposed on such person a tax equal to the applicable amount for each gallon of such cellulosic biofuel.”.

(2) CONFORMING AMENDMENTS.—

(A) Subparagraph (C) of section 40(d)(3) is amended by striking “PRODUCER” in the heading and inserting “SMALL ETHANOL PRODUCER”.

(B) Subparagraph (E) of section 40(d)(3), as redesignated by paragraph (1), is amended by striking “or (C)” and inserting “(C), or (D)”.

(e) BIOFUEL PRODUCED IN THE UNITED STATES.—Section 40(d), as amended by this section, is amended by adding at the end the following new paragraph:

(f) SPECIAL RULE FOR SMALL CELLULOSIC BIOFUEL PRODUCERS.—No small cellulosic biofuel producer credit shall be determined under subsection (a) with respect to any biofuel unless such biofuel is produced in the United States.”.

(f) WAIVER OF CREDIT LIMIT FOR CELLULOSIC BIOFUEL PRODUCTION BY SMALL ETHANOL PRODUCERS.—Section 40(b)(4)(C) is amended by inserting “(determined without regard to any qualified cellulosic biofuel production) after “15,000,000 gallons”.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to fuel produced after December 31, 2007.

SA 3617. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 750, line 21, insert before the period at the end the following: “, of which not less than \$25,000,000 shall be for use at hospitals in rural areas with not more than 50 acute beds”.

SA 3618. Mr. BUNNING submitted an amendment intended to be proposed by him to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 1363, strike line 7 and all that follows through page 1395, line 19.

Beginning on page 1564, strike line 16 and all that follows through page 1565, line 6.

SA 3619. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle C of title III, add the following:

SEC. 32. IMPORTATION OF LIVE DOGS.

(a) IN GENERAL.—The Animal Welfare Act is amended by adding after section 17 (7 U.S.C. 2147) the following:

SEC. 18. IMPORTATION OF LIVE DOGS.

“(a) DEFINITIONS.—In this section:

“(1) IMPORTER.—The term ‘importer’ means any person who, for purposes of resale, transports into the United States puppies from a foreign country.

“(2) RESALE.—The term ‘resale’ includes any transfer of ownership or control of an imported dog of less than 6 months of age to another person, for more than de minimis consideration.

“(b) REQUIREMENTS.—

“(1) IN GENERAL.—Except as provided in paragraph (2), no person shall import a dog into the United States for purposes of resale unless, as determined by the Secretary, the dog—

“(A) is in good health;

“(B) has received all necessary vaccinations; and

“(C) is at least 6 months of age, if imported for resale.

“(2) EXCEPTION.—The Secretary, by regulation, shall provide an exception to any requirement under paragraph (1) in any case in which a dog is imported for—

“(A) research purposes; or

“(B) veterinary treatment.

“(c) IMPLEMENTATION AND REGULATIONS.—

The Secretary, the Secretary of Health and Human Services, the Secretary of Commerce, and the Secretary of Homeland Security shall promulgate such regulations as the Secretaries determine to be necessary to implement and enforce this section.

“(d) ENFORCEMENT.—An importer that fails to comply with this section shall—

“(1) be subject to penalties under section 19; and

“(2) provide for the care (including appropriate veterinary care), forfeiture, and adoption of each applicable dog, at the expense of the importer.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) takes effect on the date of enactment of this Act.

SA 3620. Mr. LOTT submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the con-

tinuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 1587, after line 18, add the following:

Subtitle G—Repeal of Individual AMT

SEC. 12701. REPEAL OF INDIVIDUAL ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Section 55(a) (relating to alternative minimum tax imposed) is amended by adding at the end the following new flush sentence:

“For purposes of this title, the tentative minimum tax on any taxpayer other than a corporation for any taxable year beginning after December 31, 2006, shall be zero.”.

(b) MODIFICATION OF LIMITATION ON USE OF CREDIT FOR PRIOR YEAR MINIMUM TAX LIABILITY.—Subsection (c) of section 53 (relating to credit for prior year minimum tax liability) is amended to read as follows:

“(c) LIMITATION.—

“(1) IN GENERAL.—Except as provided in paragraph (2), the credit allowable under subsection (a) for any taxable year shall not exceed the excess (if any) of—

“(A) the regular tax liability of the taxpayer for such taxable year reduced by the sum of the credits allowable under subparts A, B, D, E, and F of this part, over

“(B) the tentative minimum tax for the taxable year.

“(2) TAXABLE YEARS BEGINNING AFTER 2006.—In the case of any taxable year beginning after 2006, the credit allowable under subsection (a) to a taxpayer other than a corporation for any taxable year shall not exceed 90 percent of the regular tax liability of the taxpayer for such taxable year reduced by the sum of the credits allowable under subparts A, B, D, E, and F of this part.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

Subtitle H—One-Year Extenders

SEC. 12801. RESEARCH CREDIT.

(a) IN GENERAL.—Subparagraph (B) of section 41(h)(1) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) CONFORMING AMENDMENT.—Subparagraph (D) of section 45C(b)(1) (relating to qualified clinical testing expenses) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 2007.

SEC. 12802. INDIAN EMPLOYMENT CREDIT.

(a) IN GENERAL.—Subsection (f) of section 45A (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 12803. NEW MARKETS TAX CREDIT.

Subparagraph (D) of section 45D(f)(1) (relating to national limitation on amount of investments designated) is amended by striking “and 2008” and inserting “2008, and 2009”.

SEC. 12804. RAILROAD TRACK MAINTENANCE.

(a) IN GENERAL.—Subsection (f) of section 45G (relating to application of section) is amended by striking “January 1, 2008” and inserting “January 1, 2009”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to expenditures paid or incurred during taxable years beginning after December 31, 2007.

SEC. 12805. MORTGAGE INSURANCE PREMIUMS TREATED AS INTEREST.

(a) IN GENERAL.—Subclause (I) of section 163(h)(3)(E)(iv) (relating to termination) is

amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid or accrued after December 31, 2007.

SEC. 12806. DEDUCTION FOR STATE AND LOCAL SALES TAXES.

(a) IN GENERAL.—Subparagraph (I) of section 164(b)(5) is amended by striking “January 1, 2008” and inserting “January 1, 2009”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 12807. FIFTEEN-YEAR STRAIGHT-LINE COST RECOVERY FOR QUALIFIED LEASE HOLD IMPROVEMENTS AND QUALIFIED RESTAURANT PROPERTY.

(a) IN GENERAL.—Clauses (iv) and (v) of section 168(e)(3)(E) (relating to 15-year property) are each amended by striking “January 1, 2008” and inserting “January 1, 2009”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2007.

SEC. 12808. SEVEN-YEAR COST RECOVERY PERIOD FOR MOTORSPORTS RACING TRACK FACILITY.

(a) IN GENERAL.—Subparagraph (D) of section 168(i)(15) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2007.

SEC. 12809. ACCELERATED DEPRECIATION FOR BUSINESS PROPERTY ON INDIAN RESERVATION.

(a) IN GENERAL.—Paragraph (8) of section 168(j) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2007.

SEC. 12810. EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS.

(a) IN GENERAL.—Subsection (h) of section 198 (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to expenditures paid or incurred after December 31, 2007.

SEC. 12811. DEDUCTION ALLOWABLE WITH RESPECT TO INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION ACTIVITIES IN PUERTO RICO.

(a) IN GENERAL.—Subparagraph (C) of section 199(d)(8) (relating to termination) is amended—

(1) by striking “first 2 taxable years” and inserting “first 3 taxable years”, and

(2) by striking “January 1, 2008” and inserting “January 1, 2009”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 12812. DEDUCTION OF QUALIFIED TUITION AND RELATED EXPENSES.

(a) IN GENERAL.—Subsection (e) of section 222 (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 12813. MODIFICATION OF TAX TREATMENT OF CERTAIN PAYMENTS TO CONTROLLING EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—Clause (iv) of section 512(b)(13)(E) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments received or accrued after December 31, 2007.

SEC. 12814. TREATMENT OF CERTAIN DIVIDENDS OF REGULATED INVESTMENT COMPANIES.

(a) INTEREST-RELATED DIVIDENDS.—Subparagraph (C) of section 871(k)(1) (defining interest-related dividend) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) SHORT-TERM CAPITAL GAIN DIVIDENDS.—Subparagraph (C) of section 871(k)(2) (defining short-term capital gain dividend) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to dividends with respect to taxable years of regulated investment companies beginning after December 31, 2007.

SEC. 12815. EXTENSION AND MODIFICATION OF CREDIT TO HOLDERS OF QUALIFIED ZONE ACADEMY BONDS.

(a) IN GENERAL.—Subsection (e) of section 1397E (relating to limitation on amount of bonds designated) is amended by striking “1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, and 2007” and inserting “each of calendar years 1998 through 2008”.

(b) MODIFICATION OF ARBITRAGE RULES.—

(1) IN GENERAL.—Subsection (g) of section 1397E (relating to special rules relating to arbitrage) is amended to read as follows:

“(g) SPECIAL RULES RELATING TO ARBITRAGE.—

“(1) IN GENERAL.—An issue shall be treated as meeting the requirements of this subsection if the issuer satisfies the requirements of section 148 with respect to the proceeds of the issue.

“(2) SPECIAL RULE FOR INVESTMENTS DURING EXPENDITURE PERIOD.—An issue shall not be treated as failing to meet the requirements of paragraph (1) by reason of any investment of available project proceeds during the 5-year period described in subsection (f)(1)(A) (including any extension of such period under subsection (f)(2)).

“(3) SPECIAL RULE FOR RESERVE FUNDS.—An issue shall not be treated as failing to meet the requirements of paragraph (1) by reason of any fund which is expected to be used to repay such issue if—

“(A) such fund is funded at a rate not more rapid than equal annual installments,

“(B) such fund is funded in a manner that such fund will not exceed the amount necessary to repay the issue if invested at the maximum rate permitted under subparagraph (C), and

“(C) the yield on such fund is not greater than the discount rate determined under subsection (d)(3) with respect to the issue.”.

(2) APPLICATION OF AVAILABLE PROJECT PROCEEDS TO OTHER REQUIREMENTS.—Subsections (d)(1)(A), (d)(2)(A), (f)(1)(A), (f)(1)(B), (f)(1)(C), and (f)(3) of section 1397E are each amended by striking “proceeds” and inserting “available project proceeds”

(3) AVAILABLE PROJECT PROCEEDS DEFINED.—Subsection (i) of section 1397E (relating to definitions) is amended by adding at the end the following new paragraph:

“(4) AVAILABLE PROJECT PROCEEDS.—The term ‘available project proceeds’ means—

“(A) the excess of—

“(i) the proceeds from the sale of an issue, over

“(ii) the issuance costs financed by the issue (to the extent that such costs do not exceed 2 percent of such proceeds), and

“(B) the proceeds from any investment of the excess described in subparagraph (A).”.

(c) EFFECTIVE DATE.—

(1) EXTENSION.—The amendment made by subsection (a) shall apply to obligations issued after December 31, 2007.

(2) MODIFICATION OF ARBITRAGE RULES.—The amendments made by subsection (b) shall apply to obligations issued after the date of the enactment of this Act.

SEC. 12816. TAX INCENTIVES FOR INVESTMENT IN THE DISTRICT OF COLUMBIA.

(a) DESIGNATION OF ZONE.—

(1) IN GENERAL.—Subsection (f) of section 1400 is amended by striking “2007” both places it appears and inserting “2008”.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to periods beginning after December 31, 2007.

(b) TAX-EXEMPT ECONOMIC DEVELOPMENT BONDS.—

(1) IN GENERAL.—Subsection (b) of section 1400A is amended by striking “2007” and inserting “2008”.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to bonds issued after December 31, 2007.

(c) ZERO PERCENT CAPITAL GAINS RATE.—

(1) IN GENERAL.—Subsection (b) of section 1400B is amended by striking “2008” each place it appears and inserting “2009”.

(2) CONFORMING AMENDMENTS.—

(A) Section 1400B(e)(2) is amended—

(i) by striking “2012” and inserting “2013”, and

(ii) by striking “2012” in the heading thereof and inserting “2013”.

(B) Section 1400B(g)(2) is amended by striking “2012” and inserting “2013”.

(C) Section 1400F(d) is amended by striking “2012” and inserting “2013”.

(3) EFFECTIVE DATES.—

(A) EXTENSION.—The amendments made by paragraph (1) shall apply to acquisitions after December 31, 2007.

(B) CONFORMING AMENDMENTS.—The amendments made by paragraph (2) shall take effect on the date of the enactment of this Act.

(d) FIRST-TIME HOMEBUYER CREDIT.—

(1) IN GENERAL.—Subsection (i) of section 1400C is amended by striking “2008” and inserting “2009”.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to property purchased after December 31, 2007.

SEC. 12817. DISCLOSURE FOR COMBINED EMPLOYMENT TAX REPORTING.

(a) IN GENERAL.—Subparagraph (B) of section 6103(d)(5) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to disclosures after December 31, 2007.

SEC. 12818. DISCLOSURE OF RETURN INFORMATION TO APPRISE APPROPRIATE OFFICIALS OF TERRORIST ACTIVITIES.

(a) IN GENERAL.—Clause (iv) of section 6103(i)(3)(C) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to disclosures after December 31, 2007.

SEC. 12819. DISCLOSURE UPON REQUEST OF INFORMATION RELATING TO TERRORIST ACTIVITIES.

(a) IN GENERAL.—Subparagraph (E) of section 6103(i)(7) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to disclosures after December 31, 2007.

SEC. 12820. DISCLOSURE OF RETURN INFORMATION TO CARRY OUT INCOME CONTINGENT REPAYMENT OF STUDENT LOANS.

(a) IN GENERAL.—Subparagraph (D) of section 6103(i)(13) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to requests made after December 31, 2007.

SEC. 12821. AUTHORITY FOR UNDERCOVER OPERATIONS.

(a) IN GENERAL.—Paragraph (6) of section 7608(c) (relating to application of section) is

amended by striking “January 1, 2008” each place it appears and inserting “January 1, 2009”.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on January 1, 2008.

SEC. 12822. INCREASE IN LIMIT ON COVER OVER OF RUM EXCISE TAX TO PUERTO RICO AND THE VIRGIN ISLANDS.

(a) IN GENERAL.—Paragraph (1) of section 7652(f) is amended by striking “January 1, 2008” and inserting “January 1, 2009”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distilled spirits brought into the United States after December 31, 2007.

SEC. 12823. PARITY IN THE APPLICATION OF CERTAIN LIMITS TO MENTAL HEALTH BENEFITS.

(a) IN GENERAL.—Paragraph (3) of section 9812(f) (relating to application of section) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to benefits for services furnished after December 31, 2007.

SEC. 12824. EXTENSION OF ECONOMIC DEVELOPMENT CREDIT FOR AMERICAN SAMOA.

(a) IN GENERAL.—Subsection (d) of section 119 of division A of the Tax Relief and Health Care Act of 2006 is amended—

(1) by striking “first two taxable years” and inserting “first 3 taxable years”, and

(2) by striking “January 1, 2008” and inserting “January 1, 2009”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 12825. QUALIFIED CONSERVATION CONTRIBUTIONS.

(a) IN GENERAL.—Clause (vi) of section 170(b)(1)(E) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made in taxable years beginning after December 31, 2007.

SEC. 12826. ENHANCED CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORY.

(a) IN GENERAL.—Clause (iv) of section 170(e)(3)(C) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made after December 31, 2007.

SEC. 12827. ENHANCED CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF BOOK INVENTORY TO PUBLIC SCHOOLS.

(a) IN GENERAL.—Clause (iv) of section 170(e)(3)(D) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made after December 31, 2007.

SEC. 12828. ENHANCED DEDUCTION FOR QUALIFIED COMPUTER CONTRIBUTIONS.

(a) IN GENERAL.—Subparagraph (G) of section 170(e)(6) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made during taxable years beginning after December 31, 2007.

SEC. 12829. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT PLANS FOR CHARITABLE PURPOSES.

(a) IN GENERAL.—Subparagraph (F) of section 408(d)(8) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions made in taxable years beginning after December 31, 2007.

SEC. 12830. BASIS ADJUSTMENT TO STOCK OF S CORPORATIONS MAKING CHARITABLE CONTRIBUTIONS OF PROPERTY.

(a) IN GENERAL.—The last sentence of section 1367(a)(2) (relating to decreases in basis) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) TECHNICAL AMENDMENT RELATED TO SECTION 1203 OF THE PENSION PROTECTION ACT OF 2006.—Subsection (d) of section 1366 is amended by adding at the end the following new paragraph:

“(4) APPLICATION OF LIMITATION ON CHARITABLE CONTRIBUTIONS.—In the case of any charitable contribution of property to which the second sentence of section 1367(a)(2) applies, paragraph (1) shall not apply to the extent of the excess (if any) of—

“(A) the shareholder’s pro rata share of such contribution, over

“(B) the shareholder’s pro rata share of the adjusted basis of such property.”.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to contributions made in taxable years beginning after December 31, 2007.

(2) TECHNICAL AMENDMENT.—The amendment made by subsection (b) shall take effect as if included in the provision of the Pension Protection Act of 2006 to which it relates.

SEC. 12831. DEDUCTION FOR CERTAIN EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.

(a) IN GENERAL.—Subparagraph (D) of section 62(a)(2) (relating to certain expenses of elementary and secondary school teachers) is amended by striking “or 2007” and inserting “2007, or 2008”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2007.

SEC. 12832. ELECTION TO INCLUDE COMBAT PAY AS EARNED INCOME FOR PURPOSES OF EARNED INCOME TAX CREDIT.

(a) IN GENERAL.—Subclause (II) of section 32(c)(2)(B)(vi) (defining “earned income”) is amended by striking “January 1, 2008” and inserting “January 1, 2009”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending after December 31, 2007.

SEC. 12833. MODIFICATION OF MORTGAGE REVENUE BONDS FOR VETERANS.

(a) QUALIFIED MORTGAGE BONDS USED TO FINANCE RESIDENCES FOR VETERANS WITHOUT REGARD TO FIRST-TIME HOMEBUYER REQUIREMENT.—Subparagraph (D) of section 143(d)(2) (relating to exceptions) is amended by striking “January 1, 2008” and inserting “January 1, 2009”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to bonds issued after December 31, 2007.

SEC. 12834. DISTRIBUTIONS FROM RETIREMENT PLANS TO INDIVIDUALS CALLED TO ACTIVE DUTY.

(a) IN GENERAL.—Clause (iv) of section 72(t)(2)(G) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to individuals ordered or called to active duty on or after December 31, 2007.

SEC. 12835. STOCK IN RIC FOR PURPOSES OF DETERMINING ESTATES OF NON-RESIDENTS NOT CITIZENS.

(a) IN GENERAL.—Paragraph (3) of section 2105(d) (relating to stock in a RIC) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to decedents dying after December 31, 2007.

SEC. 12836. QUALIFIED INVESTMENT ENTITIES.

(a) IN GENERAL.—Clause (ii) of section 897(h)(4)(A) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 2008.

SEC. 12837. DISCLOSURE OF RETURN INFORMATION FOR CERTAIN VETERANS PROGRAMS.

(a) IN GENERAL.—The last sentence of paragraph (7) of section 6103(l) is amended by striking “September 30, 2008” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to requests made after September 30, 2008.

SA 3621. Mr. COLEMAN submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 210, line 25, strike “crop year” and insert “crop or fiscal year, as appropriate.”.

On page 211, line 12, strike “crop years” and insert “crop or fiscal years, as appropriate.”.

On page 211, line 23, strike “crop year” and insert “fiscal year”.

On page 212, between lines 19 and 20, insert the following:

“(iv) A payment under the environmental quality incentives program established under chapter 4 of subtitle D of title XII.

On page 212, line 23, insert “(other than the environmental quality incentives program)” before the semicolon at the end.

SA 3622. Mr. SALAZAR (for himself and Mr. ALLARD) submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle C of title VIII, add the following:

SEC. 8203. DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, 2001.

Section 331 of the Department of the Interior and Related Agencies Appropriations Act, 2001 (114 Stat. 996; 118 Stat. 3102), is amended by striking subsection (e).

SA 3623. Mrs. BOXER (for herself, Mr. SMITH, Mrs. FEINSTEIN, Mr. SESSIONS, Mr. NELSON of Florida, Mr. MARTINEZ, and Mr. WYDEN) submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 471, strike line 22 and insert the following:

“(iv) IDENTIFICATION OF WATER QUALITY AND WATER QUANTITY PRIORITY AREAS.—

“(I) IN GENERAL.—Subject to subclause (II), the Secretary shall identify areas in which protecting or improving water quality or water quantity is a priority.

“(II) MANDATORY INCLUSIONS.—The Secretary shall include in any identification of areas under subclause (I)—

“(aa) the Chesapeake Bay;

“(bb) the Upper Mississippi River basin;

“(cc) the greater Everglades ecosystem;

“(dd) the Klamath River basin;

“(ee) the Sacramento/San Joaquin River watershed; and

“(ff) the Mobile River Basin.

“(III) FUNDING.—The Secretary shall reserve for use in areas identified under this clause not more than 50 percent of amounts made available for regional water enhancement activities under this paragraph.

“(v) DURATION.—

SA 3624. Mrs. BOXER (for herself and Mrs. FEINSTEIN) submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 408, strike line 17 and insert the following: through 2012.

“SEC. 1240L. AIR QUALITY IMPROVEMENT.

“(a) IN GENERAL.—Under the environmental quality incentives program established under this chapter, the Secretary shall promote air quality by providing cost-share payments and incentive payments to individual producers for use in addressing air quality concerns associated with agriculture.

“(b) ELIGIBLE PRACTICES, COST-SHARE.—

“(1) REDUCTION OF EMISSIONS OF AIR POLLUTANTS AND PRECURSORS OF AIR POLLUTANTS.—In addition to practices eligible for cost-share payments under the environmental quality incentives program established under this chapter, the Secretary shall provide cost-share payments to producers under this section for mobile or stationary equipment (including engines) used in an agricultural operation that would reduce emissions and precursors of air pollutants.

“(2) CONSIDERATIONS.—In evaluating applications for cost-share assistance for equipment described in paragraph (1), the Secretary shall prioritize assistance for equipment that—

“(A) is the most cost-effective in addressing air quality concerns; and

“(B) would assist producers in meeting Federal, State, or local regulatory requirements relating to air quality.

“(c) LOCATIONS.—To receive a payment for a project under this section, a producer shall carry out the project in a county—

“(1) that is in nonattainment with respect to ambient air quality standards; or

“(2) in which there is air quality degradation, recognized by a State or local agency, to which agricultural emissions significantly contribute.

“(d) PRIORITY.—The Secretary shall give priority to projects that—

“(1) involve multiple producers implementing eligible conservation activities in a coordinated manner to promote air quality; or

“(2) are designed to encourage broad adoption of innovative approaches, including approaches involving the use of innovative technologies and integrated pest management, on the condition that the technologies do not have the unintended consequence of compromising other environmental goals.”.

SA 3625. Mr. PRYOR submitted an amendment intended to be proposed by him to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. —. BROADBAND PILOT PROGRAM FOR RURAL, LOW-INCOME HOUSEHOLDS.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a pilot program, to be known as the “Improving Broadband in Rural America for the Nation’s Children” or the “iBRANCH program”, that will provide grants on a competitive basis to eligible entities for the purpose of assisting low-income student households in eligible rural communities overcome barriers related to the use of broadband services in the home, including barriers related to—

- (1) computer and broadband literacy;
- (2) computer and software ownership; and
- (3) access to affordable broadband service.

(b) GRANT REQUIREMENTS.—To be eligible for a grant under this program, an eligible entity shall demonstrate to the satisfaction of the Secretary that it—

(1) has the managerial and technical skills to carry out the project successfully;

(2) will provide support to low income student households on a portable and competitively neutral basis;

(3) will utilize an acceptable approach to preparing low-income students and households to improve the student educational experience with broadband and to providing Internet safety awareness; and

(4) meets any other necessary or appropriate conditions, standards, or requirements imposed by the Secretary.

(c) MAXIMUM AMOUNT.—The Secretary may not provide more than \$1,000,000 in Federal assistance under the pilot program to any applicant per fiscal year.

(d) COST SHARING.—The Secretary may not provide more than 50 percent of the cost, incurred during the period of the grant, of any project funded under the pilot program.

(e) DISTRIBUTION OF GRANTS.—The Secretary shall seek to ensure a broad geographic distribution of project sites to the maximum extent practicable.

(f) ADMINISTRATIVE COSTS.—The recipient of a grant awarded under this section may not use more than 5 percent of the grant amount to pay administrative costs associated with activities funded by the grant. The Secretary shall use no more than 5 percent of the amount available for grants under this Act in any fiscal year for administrative costs of the program.

(g) FCC ASSISTANCE.—The Federal Communications Commission may provide such assistance in carrying out the provisions of this section as may be requested by the Secretary. The Secretary shall provide for close coordination with the Commission in the administration of the Secretary’s functions under this section which are of interest to or affect the functions of the Commission.

(h) ADMINISTRATIVE PROVISIONS.—

(1) ANNUAL SUMMARY AND EVALUATION REQUIRED.—The Secretary shall require that the recipient of a grant under this section submit a summary and evaluation of the results of the project funded by such a grant at least annually for each year in which funds are received under this section.

(2) BOOKS AND RECORDS.—Each recipient of assistance under this section shall keep such records as may be reasonably necessary to enable the Secretary to carry out the Secretary’s functions under this section, including records which fully disclose the amount

and the disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(3) AUDIT AND EXAMINATION.—The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purposes of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under this section.

(i) REGULATIONS.—The Secretary may make such rules and regulations as may be necessary to carry out this section, including regulations relating to the order of priority in approving applications for projects under this section or to determining the amounts of grants for such projects.

(j) DEFINITIONS.—In this section:

(1) ELIGIBLE ENTITY.—The term ‘eligible entity’ means a nonprofit organization that is designated by a State to work in partnership with State agencies, representatives of the eligible rural community, and other interested parties in administering grant funds.

(2) ELIGIBLE RURAL COMMUNITY.—The term ‘eligible rural community’ means any county (or other appropriate political subdivision where no counties exist) with a population of 20,000 or less.

(3) LOW-INCOME STUDENT HOUSEHOLD.—The term ‘low-income student household’ means any residential household—

(A) with a student enrolled in grades 6 through 10 during the first school year following the date of the grant award; and

(B) that is eligible for the Federal free lunch program.

(4) NONPROFIT ORGANIZATION.—The term ‘nonprofit organization’ means an organization—

(A) described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code;

(B) no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual;

(C) that has an established competency and proven record of working with public and private sectors; and

(D) that has a board of directors a majority of whom are not employed by a broadband service provider or any company in which a broadband service provider owns a controlling or attributable interest.

(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary \$10,000,000 for each of the fiscal years 2008 through 2012 to carry out this section.

SA 3626. Mrs. HUTCHISON submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes, which was ordered to lie on the table; as follows:

On page 1362, between lines 19 and 20, insert the following:

SEC. 11072. SOUTHWEST REGIONAL DAIRY, ENVIRONMENT, AND PRIVATE LAND PROGRAM.

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE INSTITUTION OF HIGHER EDUCATION.—The term “eligible institution of higher education” means an institution of higher education that—

(A) is located in—
 (i) the State of Arizona;
 (ii) the State of Colorado;
 (iii) the State of New Mexico;
 (iv) the State of Oklahoma; and
 (v) the State of Texas;

(B) has facilities that are necessary for the facilitation of research on issues relating to the dairy industry in a practical setting;

(C) has a dairy research program and an institution for applied environmental research;

(D) has a university laboratory that is—

(i) located on the campus of the institution of higher education; and

(ii) accredited by the National Environmental Laboratory Accreditation Council to ensure the quality of any proposed research activities;

(E) has the capability to enter into a partnership with representatives of the dairy industry and other public and private entities and institutions of higher education;

(F) has experience in conducting watershed modeling (including the conduct of cost-benefit analyses, policy applications, and long-term watershed monitoring); and

(G) works with—

(i) producer-run advocacy groups (including Industry-Led Solutions); and

(ii) private land coalitions.

(2) PROGRAM.—The term “program” means the Southwest regional dairy, environment, and private land program established under subsection (b).

(b) ESTABLISHMENT.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary shall establish a Southwest regional dairy, environment, and private land program.

(2) REQUIRED ACTIVITIES.—In carrying out the program, the Secretary shall—

(A) identify challenges and develop solutions to enhance the economic and environmental sustainability, growth, and expansion of the dairy industry in the Southwest region of the United States;

(B) research, develop, and implement programs—

(i) to recover energy and other useful products from dairy waste;

(ii) to identify best management practices; and

(iii) to assist the dairy industry in ensuring that animal waste emissions and discharges of the dairy industry are maintained at levels below applicable regulatory standards;

(C) offer technical assistance (including research activities conducted by a university laboratory that is accredited by the National Environmental Laboratory Accreditation Council), training, applied research, and watershed water quality programs monitoring to applicable entities;

(D) develop—

(i) watershed modeling through the development of innovative modeling tools and data mining to develop cost-efficient and environmentally effective programs in the dairy industry; and

(ii) an international modeling application clearinghouse to coordinate watershed modeling tools in the United States and in other countries, to be carried out by the Secretary; and

(E) collaborate with a private land coalition to use input gathered from landowners in the United States through a program of industry led solutions to work with the Federal Government (including Federal agencies) in the development of conservation, environmental credit trading, and watershed programs to help private landowners and agricultural producers meet applicable water quality standards.

(c) CONTRACTS.—

(1) IN GENERAL.—In carrying out the program, the Secretary shall offer to enter into contracts with eligible institutions of higher education.

(2) APPLICATION.—

(A) SUBMISSION OF APPLICATION.—To enter into a contract with the Secretary under paragraph (1), an eligible institution of higher education shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

(B) GUIDELINES.—As soon as practicable after the date of enactment of this Act, the Secretary shall promulgate guidelines describing each requirement of the Secretary with respect to the application requirements described in subparagraph (A).

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2008 through 2012, to remain available until expended.

SA 3627. Mrs. HUTCHINSON submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 920, between lines 5 and 6, insert the following:

SEC. 70. INDIRECT COST RECOVERY.

Section 1473A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319a) is amended in the second sentence by striking “not exceeding 10 percent of the direct cost” and inserting “not exceeding the amount permitted under the Negotiated Indirect Cost Recovery Agreement established by the Office of Management and Budget Circular A-21”.

SA 3628. Mrs. HUTCHISON submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 408, between lines 17 and 18, insert the following:

SEC. 2362. RIO GRANDE BASIN MANAGEMENT PROJECT.

The Food Security Act of 1985 is amended by inserting after section 1240K (as added by section 2361) the following:

“SEC. 1240L. RIO GRANDE BASIN MANAGEMENT PROJECT.

“(a) DEFINITION OF RIO GRANDE BASIN.—In this section, the term ‘Rio Grande Basin’ includes all tributaries, backwaters, and side channels (including watersheds) of the United States that drain into the Rio Grande River.

“(b) ESTABLISHMENT.—The Secretary, in conjunction with partnerships of institutions of higher education working with farmers, ranchers, and other rural landowners, shall establish a program under which the Secretary shall provide grants to the partnerships to benefit the Rio Grande Basin by—

“(1) restoring water flow and the riparian habitat;

“(2) improving usage;

“(3) addressing demand for drinking water;

“(4) providing technical assistance to agricultural and municipal water systems; and

“(5) reducing biological and chemical hazards through alternative treatment of water and wastewater.

“(c) USE OF FUNDS.—

“(1) IN GENERAL.—A grant provided under this section may be used by a partnership for the costs of carrying out an activity described in subsection (b), including the costs of—

“(A) direct labor;

“(B) appropriate travel;

“(C) equipment;

“(D) instrumentation;

“(E) analytical laboratory work;

“(F) subcontracting;

“(G) cooperative research agreements; and

“(H) similar related expenses and costs.

“(2) LIMITATION.—A grant provided under this section shall not be used to purchase or construct any building.

“(d) REPORTS.—A partnership that receives a grant under this subsection shall submit to the Secretary annual reports describing—

“(1) the expenses of the partnership during the preceding calendar year; and

“(2) such other financial information as the Secretary may require.

“(e) FUNDING.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2008 through 2012, to remain available until expended.”

SA 3629. Mrs. DOLE submitted an amendment intended to be proposed by her to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. CREDIT FOR TRANSPORTATION OF FOOD FOR CHARITABLE PURPOSES.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1, as amended by this Act, is amended by adding at the end the following new section:

“SEC. 30G. CREDIT FOR TRANSPORTATION OF FOOD FOR CHARITABLE PURPOSES.

“(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 25 cents for each mile for which the taxpayer uses a qualified truck for a qualified charitable purpose during the taxable year.

“(b) QUALIFIED CHARITABLE PURPOSE.—For purposes of this section, the term ‘qualified charitable purpose’ means the transportation of food in connection with the hunger relief efforts of an organization which is described in section 501(c)(3) and is exempt from taxation under section 501(a) (other than a private foundation, as defined in section 509(a), which is not an operating foundation, as defined in section 4942(j)(3)).

“(c) QUALIFIED TRUCK.—For purposes of this section, the term ‘qualified truck’ means a truck which—

“(1) has a capacity of not less than 1,760 cubic square feet,

“(2) is owned, leased, or operated by the taxpayer, and

“(3) is ordinarily used for hauling property in the course of a business.

“(d) OTHER RULES.—

“(1) DENIAL OF DOUBLE BENEFIT.—No credit shall be allowed under this section with respect to any amount for which a deduction is allowed under any other provision of this chapter.

“(2) NO CREDIT WHERE TAXPAYER IS COMPENSATED.—No credit shall be allowed under this section if the taxpayer receives compensation in connection with the use of the

qualified truck for the qualified charitable purpose.

“(3) CAPACITY REQUIREMENT.—No credit shall be allowed under this section unless at least 50 percent of the hauling capacity of the qualified truck (measured in cubic square feet) is used for the qualified charitable purpose.”.

(b) CONFORMING AMENDMENT.—The table of sections for subpart B of part IV of subchapter A of chapter 1, as amended by this Act, is amended by adding at the end the following new item:

“Sec. 30G. Credit for transportation of food for charitable purposes.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after December 31, 2007.

(d) OFFSET.—

(1) IN GENERAL.—Except as provided in paragraph (2) and notwithstanding any other provision of this Act or an amendment made by this Act, for the period beginning on October 1, 2007, and ending on September 30, 2011—

(A) each amount provided to carry out a program under subtitle D of title I or an amendment made by that subtitle is reduced by an amount necessary to achieve a total reduction of \$25,000,000; and

(B) the Secretary shall adjust the amount of each payment, loan, gain, or other assistance provided under each program described in subparagraph (A) by such amount as is necessary to achieve the reduction required under that subparagraph, as determined by the Secretary.

(2) APPLICATION.—This section does not apply to a payment, loan, gain, or other assistance provided under a contract entered into by the Secretary before the date of enactment of this Act.

SA 3630. Mrs. DOLE submitted an amendment intended to be proposed by her to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. CREDIT FOR TRANSPORTATION OF FOOD FOR CHARITABLE PURPOSES.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1, as amended by this Act, is amended by adding at the end the following new section:

“SEC. 30G. CREDIT FOR TRANSPORTATION OF FOOD FOR CHARITABLE PURPOSES.

“(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 25 cents for each mile for which the taxpayer uses a qualified truck for a qualified charitable purpose during the taxable year.

“(b) QUALIFIED CHARITABLE PURPOSE.—For purposes of this section, the term ‘qualified charitable purpose’ means the transportation of food in connection with the hunger relief efforts of an organization which is described in section 501(c)(3) and is exempt from taxation under section 501(a) (other than a private foundation, as defined in section 509(a), which is not an operating foundation, as defined in section 4942(j)(3)).

“(c) QUALIFIED TRUCK.—For purposes of this section, the term ‘qualified truck’ means a truck which—

“(1) has a capacity of not less than 1,760 cubic square feet,

“(2) is owned, leased, or operated by the taxpayer, and

“(3) is ordinarily used for hauling property in the course of a business.

“(d) OTHER RULES.—

“(1) DENIAL OF DOUBLE BENEFIT.—No credit shall be allowed under this section with respect to any amount for which a deduction is allowed under any other provision of this chapter.

“(2) NO CREDIT WHERE TAXPAYER IS COMPENSATED.—No credit shall be allowed under this section if the taxpayer receives compensation in connection with the use of the qualified truck for the qualified charitable purpose.

“(3) CAPACITY REQUIREMENT.—No credit shall be allowed under this section unless at least 50 percent of the hauling capacity of the qualified truck (measured in cubic square feet) is used for the qualified charitable purpose.”.

(b) CONFORMING AMENDMENT.—The table of sections for subpart B of part IV of subchapter A of chapter 1, as amended by this Act, is amended by adding at the end the following new item:

“Sec. 30G. Credit for transportation of food for charitable purposes.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after December 31, 2007.

SA 3631. Mr. GRASSLEY (for himself and Mr. KOHL) submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes, which was ordered to lie on the table; as follows:

Strike section 10201 and insert the following:

SEC. 10201. SPECIAL COUNSEL FOR AGRICULTURAL COMPETITION.

(a) DEFINITIONS.—In this section:

(1) AGRICULTURAL COMMODITY.—The term “agricultural commodity”—

(A) has the meaning given that term in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602); and

(B) does not include biofuels.

(2) AGRICULTURAL COOPERATIVE.—The term “agricultural cooperative” means an association of persons that meets the requirements of the Capper-Volstead Act (7 U.S.C. 291 et seq.).

(3) AGRICULTURAL INDUSTRY.—The term “agricultural industry”—

(A) means any dealer, processor, commission merchant, or broker involved in the buying or selling of agricultural commodities; and

(B) does not include sale or marketing at the retail level.

(4) ANTITRUST LAWS.—The term “antitrust laws” has the meaning given that term in the first section of the Clayton Act (15 U.S.C. 12).

(5) ASSISTANT ATTORNEY GENERAL.—The term “Assistant Attorney General” means the Assistant Attorney General in charge of the Antitrust Division of the Department of Justice.

(6) BIOFUEL.—The term “biofuel” has the meaning given that term in section 9001 of the Farm Security and Rural Investment Act of 2002, as amended by section 9001 of this Act.

(7) BROKER.—The term “broker” means any person (excluding an agricultural cooperative) engaged in the business of negotiating sales and purchases of any agricultural commodity in commerce for or on behalf of the vendor or the purchaser.

(8) CHAIRMAN.—The term “Chairman” means the Chairman of the Federal Trade Commission.

(9) COMMISSION MERCHANT.—The term “commission merchant” means any person (excluding an agricultural cooperative) engaged in the business of receiving in commerce any agricultural commodity for sale, on commission, or for or on behalf of another.

(10) DEALER.—The term “dealer” means any person (excluding an agricultural cooperative) engaged in the business of buying, selling, or marketing agricultural commodities in commerce, except that no person shall be considered a dealer with respect to sales or marketing of any agricultural commodity produced by that person.

(11) PROCESSOR.—The term “processor” means any person (excluding an agricultural cooperative) engaged in the business of handling, preparing, or manufacturing (including slaughtering) an agricultural commodity, or the products of such agricultural commodity, for sale or marketing in commerce for human consumption (excluding sale or marketing at the retail level).

(12) SPECIAL COUNSEL.—The term “Special Counsel” means the Special Counsel for Agricultural Competition of the Department of Agriculture established under section 11 of the Packers and Stockyards Act, 1921, as added by this Act.

(13) TASK FORCE.—The term “Task Force” means the Agriculture Competition Task Force established under subsection (c).

(b) DEPUTY ASSISTANT ATTORNEY GENERAL FOR AGRICULTURAL ANTITRUST MATTERS.—There is in the Antitrust Division of the Department of Justice a Deputy Assistant Attorney General for Agricultural Antitrust Matters, who shall—

(1) be responsible for oversight and coordination of antitrust and related matters which affect agriculture, directly or indirectly; and

(2) work in coordination with the Task Force and the Department of Agriculture on all agricultural competition matters.

(c) AGRICULTURE COMPETITION TASK FORCE.—

(1) ESTABLISHMENT.—There is established, under the authority of the Attorney General, the Agriculture Competition Task Force, to examine problems in agricultural competition.

(2) MEMBERSHIP.—The Task Force shall consist of—

(A) the Deputy Assistant Attorney General for Agricultural Antitrust Matters, who shall serve as chairperson of the Task Force;

(B) the Special Counsel;

(C) a representative from the Federal Trade Commission;

(D) a representative from the Department of Agriculture, Office of Packers and Stockyards;

(E) 1 representative selected jointly by the attorneys general of States desiring to participate in the Task Force;

(F) 1 representative selected jointly by the heads of the departments of agriculture (or similar such agency) of States desiring to participate in the Task Force;

(G) 8 individuals who represent the interests of small family farmers, ranchers, independent producers, packers, processors, and other components of the agricultural industry—

(i) 2 of whom shall be selected by the Majority Leader of the Senate;

(ii) 2 of whom shall be selected by the Minority Leader of the Senate;

(iii) 2 of whom shall be selected by the Speaker of the House of Representatives; and

(iv) 2 of whom shall be selected by the Minority Leader of the House of Representatives; and

(H) 4 academics or other independent experts working in the field of agriculture, agricultural law, antitrust law, or economics—

(i) 1 of whom shall be selected by the Majority Leader of the Senate;
 (ii) 1 of whom shall be selected by the Minority Leader of the Senate;
 (iii) 1 of whom shall be selected by the Speaker of the House of Representatives; and
 (iv) 1 of whom shall be selected by the Minority Leader of the House of Representatives.

(3) DUTIES.—The Task Force shall—
 (A) study problems in competition in the agricultural industry;

(B) define and focus the national public interest in preserving an independent family farm and ranch sector;

(C) coordinate Federal and State activities to address unfair and deceptive practices and concentration in the agricultural industry;

(D) work with representatives from agriculture and rural communities to identify abusive practices in the agricultural industry;

(E) submit to Congress such reports as the Task Force determines appropriate on the state of family farmers and ranchers, and the impact of agricultural concentration and unfair business practices on rural communities in the United States; and

(F) make such recommendations to Congress as the Task Force determines appropriate on agricultural competition issues, which shall include any additional or dissenting views of the members of the Task Force.

(4) WORKING GROUP.—

(A) IN GENERAL.—The Task Force shall establish a working group on buyer power to—

(i) study the effects of concentration, monopsony, and oligopsony in agriculture, make recommendations to the Assistant Attorney General and the Chairman, and assist the Assistant Attorney General and the Chairman in drafting agricultural guidelines under subsection (e)(2); and

(ii) select certain agricultural mergers and acquisitions that were consummated during the 10-year period ending on the date of enactment of this Act, review the effects of such mergers and acquisitions on competition in agricultural commodities markets, and make recommendations to the Assistant Attorney General, the Chairman, and the Secretary.

(B) MEMBERS.—The working group shall include any member of the Task Force selected under paragraph (2)(H).

(5) MEETINGS.—

(A) FIRST MEETING.—The Task Force shall hold its initial meeting not later than the later of—

(i) 90 days after the date of enactment of this Act; and

(ii) 30 days after the date of enactment of an Act making appropriations to carry out this subsection.

(B) MINIMUM NUMBER.—The Task Force shall meet not less than once each year, at the call of the chairperson.

(6) COMPENSATION.—

(A) IN GENERAL.—The members of the Task Force shall serve without compensation.

(B) TRAVEL EXPENSES.—Members of the Task Force shall receive travel expenses, including per diem in lieu of subsistence, in accordance with subchapter I of chapter 57 of title 5, United States Code.

(7) STAFF OF TASK FORCE; EXPERTS AND CONSULTANTS.—

(A) STAFF.—

(i) APPOINTMENT.—The chairperson of the Task Force may, without regard to the provisions of chapter 51 of title 5, United States Code (relating to appointments in the competitive service), appoint and terminate an executive director and such other staff as are necessary to enable the Task Force to perform its duties. The appointment of an exec-

utive director shall be subject to approval by the Task Force.

(ii) COMPENSATION.—The chairperson of the Task Force may fix the compensation of the executive director and other staff without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code (relating to classification of positions and General Schedule pay rates), except that the rate of pay for the executive director and other staff may not exceed the rate of basic pay payable for level V of the Executive Schedule under section 5315 of title 5, United States Code, as in effect from time to time.

(B) EXPERTS AND CONSULTANTS.—The Task Force may procure temporary and intermittent services of experts and consultants in accordance with section 3109(b) of title 5, United States Code.

(8) POWERS OF THE TASK FORCE.—

(A) HEARINGS AND MEETINGS.—The Task Force, or a member of the Task Force if authorized by the Task Force, may hold such hearings, sit and act at such time and places, take such testimony, receive such evidence, and administer such oaths or affirmations as the Task Force considers to be appropriate.

(B) OFFICIAL DATA.—The Task Force may obtain directly from any executive agency (as defined in section 105 of title 5, United States Code) or court information necessary to enable it to carry out its duties under this subsection. On the request of the chairperson of the Task Force, and consistent with any other law, the head of an executive agency or of a Federal court shall provide such information to the Task Force.

(C) FACILITIES AND SUPPORT SERVICES.—The Administrator of General Services shall provide to the Task Force on a reimbursable basis such facilities and support services as the Task Force may request. On request of the Task Force, the head of an executive agency may make any of the facilities or services of such agency available to the Task Force, on a reimbursable or nonreimbursable basis, to assist the Task Force in carrying out its duties under this subsection.

(D) EXPENDITURES AND CONTRACTS.—The Task Force or, on authorization of the Task Force, a member of the Task Force may make expenditures and enter into contracts for the procurement of such supplies, services, and property as the Task Force or such member considers to be appropriate for the purpose of carrying out the duties of the Task Force. Such expenditures and contracts may be made only to such extent or in such amounts as are provided in advance in appropriation Acts.

(E) MAILS.—The Task Force may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(F) GIFTS, BEQUESTS, AND DEVISES.—The Task Force may accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Task Force. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury and shall be available for disbursement upon order of the Task Force.

(9) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection \$1,000,000 for each of fiscal years 2008, 2009, and 2010.

(d) AUTHORIZATION FOR ADDITIONAL STAFF AND FUNDING.—There are authorized to be appropriated such sums as are necessary to hire additional employees (including agricultural law and economics experts) for the Transportation, Energy, and Agriculture Section of the Antitrust Division of the Department of Justice, to enhance the review

of agricultural transactions and monitor, investigate, and prosecute unfair and deceptive practices in the agricultural industry.

(e) ENSURING FULL AND FREE COMPETITION IN AGRICULTURE.—

(1) BURDEN OF PROOF.—Section 7 of the Clayton Act (15 U.S.C. 18) is amended by adding at the end the following:

“In this paragraph, the term ‘covered civil action’ means a civil action brought against any person for violating this section in which the plaintiff alleges that the effect of a merger, acquisition, or other transaction affecting commerce may be to substantially lessen competition, or to tend to create a monopoly, in the business of procuring agricultural products from, or selling products to, agricultural producers in one or more geographic areas, and establishes that a merger, acquisition, or other transaction affecting commerce is between or involves persons competing in the business of procuring agricultural products from, or selling products to, agricultural producers. In any covered civil action—

“(A) if the plaintiff is the Federal Government or a State government, the burden of proof shall be on the defendant or defendants to establish by a preponderance of the evidence that the merger, acquisition, or transaction at issue will not—

“(i) substantially lessen competition; or

“(ii) tend to create a monopoly in 1 or more geographic markets; and

“(B) for any other plaintiff, if the plaintiff demonstrates that the parties to the merger, acquisition, or other transaction have a combined market share of not less than 20 percent in any relevant market, the burden of proof shall be on the defendant or defendants to establish by a preponderance of the evidence that the merger, acquisition, or transaction at issue will not—

“(i) substantially lessen competition; or

“(ii) tend to create a monopoly in 1 or more geographic markets.”

(2) AGRICULTURAL GUIDELINES.—

(A) FINDINGS.—Congress finds the following:

(i) The effective enforcement of the antitrust laws in agriculture requires that the antitrust enforcement agencies have guidelines with respect to mergers and other anticompetitive conduct that are properly adapted to the special circumstances of agricultural commodity markets.

(ii) There has been a substantial increase in concentration in the markets in which agricultural commodities are sold, with the result that buyers of agricultural commodities often possess regional dominance in the form of oligopsony or monopsony relative to sellers of such commodities. A substantial part of this increase in market concentration is the direct result of mergers and acquisitions that the antitrust enforcement agencies did not challenge, in large part because of the lack of appropriate guidelines identifying particular structural characteristics in the agricultural industry and the adverse competitive effects that such acquisitions and mergers would create.

(iii) The cost of transportation, impact on quality, and delay in sales of agricultural commodities if they are to be transported to more distant buyers result in narrow geographic markets with respect to buyer power.

(iv) Buyers have no economic incentive to bid up the price of agricultural commodities in the absence of effective competition. Further, the nature of buying makes it feasible for larger numbers of buyers to engage in tacit or overt collusion to restrain price competition.

(v) Buyers with oligopsonistic or monopsonistic power have incentives to engage in unfair, exploitative, discriminatory,

and exclusionary acts that cause producers of agricultural commodities to receive less than a competitive price for their goods, transfer economic risks to sellers without reasonable compensation, and exclude sellers from access to the market.

(vi) Markets for agricultural commodities often involve contexts in which many producers have relatively limited information and no bargaining power with respect to the sale of their commodities. These conditions invite buyers with significant oligopsonistic or monopsonistic power to exercise that power in ways that involve discrimination, exploitation, and undue differentiation among sellers.

(vii) Some Federal courts have incorrectly required a plaintiff to show harm to competition generally, in addition to harm to the producer of agricultural commodities when making a determination that an unfair, unjustly discriminatory, deceptive, or preferential act exists. Those same courts have also incorrectly held that it is a complete defense if a defendant can show any nonharmful justification for an act or practice, even though such conduct was not essential to the business activities of the defendant or there were less harmful ways to achieve a reasonably comparable result with respect to the legitimate and necessary interests of the defendant.

(B) ISSUANCE OF GUIDELINES.—The Assistant Attorney General and the Chairman, in consultation with the Special Counsel, shall issue agricultural guidelines informed and guided by the findings under subparagraph (A) that—

(i) facilitate a fair, open, accessible, transparent, and efficient market system for agricultural products;

(ii) reflect the national public interest in preserving a substantial and diverse family farm and ranch sector;

(iii) recognize that increasing competition in the purchase of agricultural products by highly concentrated firms from a sector in perfect competition is entirely consistent with the objective of the antitrust laws to protect consumers and enhance consumer benefits from competition; and

(iv) prevent any merger or acquisition in the agricultural industry, if the effect of that merger or acquisition may be to substantially lessen competition or tend to create a monopoly.

(C) CONTENTS.—The agricultural guidelines issued under subparagraph (B) shall consist of merger guidelines relating to existing and potential competition and vertical integration that—

(i) establish appropriate methodologies for determining the geographic and product markets for mergers affecting agricultural commodity markets;

(ii) establish thresholds of increased concentration that raise a presumption that the merger will have an adverse effect on competition in the affected agricultural commodities markets;

(iii) identify potential adverse competitive effects of mergers in agricultural commodities markets in a nonexclusive manner; and

(iv) identify the factors that would permit an enforcement agency to determine when a merger in the agricultural commodities market might avoid liability because it is not likely to have an adverse effect on competition.

(3) AGRICULTURE COMPETITION TASK FORCE WORKING GROUP ON BUYING POWER.—

(A) IN GENERAL.—In issuing agricultural guidelines under this subsection, the Chairman and the Assistant Attorney General shall consult with the working group on buyer power of the Task Force established under subsection (c)(4) and may incorporate

and implement the recommendations of that working group.

(B) EXPLANATION.—If the Chairman and the Assistant Attorney General do not incorporate any recommendation of the working group on buyer power of the Task Force established under subsection (c)(4) in the agricultural guidelines issued under this subsection, the Chairman and the Assistant Attorney General shall submit to Congress a report regarding the reasons for not adopting that recommendation.

(4) COMPLETION.—Not later than 2 years after the date of enactment of this Act, the Chairman and the Assistant Attorney General shall—

(A) issue agricultural guidelines under this subsection; and

(B) submit to Congress the agricultural guidelines issued under this subsection.

(5) REPORT.—Not later than 30 months after the date of enactment of this Act, the Chairman and the Assistant Attorney General shall jointly submit a report to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives regarding the issuing of agricultural guidelines under this subsection.

(f) POST-MERGER REVIEW OF AGRICULTURAL TRANSACTIONS.—

(1) IN GENERAL.—Not later than 5 years after the date of a covered merger or acquisition, the Assistant Attorney General or the Chairman, as the case may be, shall conduct a post-merger review to determine whether the effect of that covered merger or acquisition tended to substantially reduce competition in the agricultural industry.

(2) SHARING OF RESULTS.—

(A) IN GENERAL.—The Assistant Attorney General and the Chairman shall each submit to Congress an annual report regarding the results of any post-merger review under paragraph (1), for its consideration in examining problems in agricultural competition.

(B) PROTECTION OF INFORMATION.—The Assistant Attorney General or the Chairman, as the case may be, shall ensure that confidential or proprietary information is adequately protected in submitting each report required under subparagraph (A).

(3) DEFINITION.—In this subsection, the term “covered merger or acquisition” means a merger or acquisition—

(A) in the agricultural industry;

(B) that is subject to the notification requirements under section 7A of the Clayton Act (15 U.S.C. 18a);

(C) for which the Assistant Attorney General or the Chairman, as the case may be, required the submission of additional information or documentary material under section 7A(e)(1)(A) of the Clayton Act (15 U.S.C. 18a(e)(1)(A)); and

(D) for which, after review under that section, the Assistant Attorney General or the Chairman, as the case may be—

(i) did not institute a proceeding or action under the antitrust laws; or

(ii) instituted a proceeding or action under the antitrust laws that was resolved through a settlement agreement or consent decree.

(g) SPECIAL COUNSEL FOR AGRICULTURAL COMPETITION.—

(1) IN GENERAL.—The Packers and Stockyards Act, 1921 (7 U.S.C. 181 et seq.) is amended—

(A) by striking the title I heading and all that follows through “This Act” and inserting the following:

TITLE I—GENERAL PROVISIONS

Subtitle A—Definitions

SEC. 1. SHORT TITLE.

“This Act”; and

(B) by inserting after section 2 (7 U.S.C. 183) the following:

“Subtitle B—Special Counsel for Agricultural Competition

SEC. 11. SPECIAL COUNSEL FOR AGRICULTURAL COMPETITION.

“(a) ESTABLISHMENT.—

“(1) IN GENERAL.—There is established within the Department of Agriculture an office to be known as the ‘Office of Special Counsel for Agricultural Competition’ (referred to in this section as the ‘Office’).

“(2) DUTIES.—The Office shall—

“(A) have responsibility for all duties and functions of the Packers and Stockyards programs of the Department of Agriculture;

“(B) investigate and prosecute violations of this Act and the Agricultural Fair Practices Act of 1967 (7 U.S.C. 2301 et seq.);

“(C) analyze mergers within the food and agricultural sectors, in consultation with the Chief Economist of the Department of Agriculture, the Assistant Attorney General in charge of the Antitrust Division of the Department of Justice, and the Chairman of the Federal Trade Commission, as required under section 10201(h) of the Food and Energy Security Act of 2007;

“(D) serve as a liaison between, and act in consultation with, the Department of Agriculture, the Department of Justice, and the Federal Trade Commission with respect to competition and trade practices in the food and agricultural sector; and

“(E) maintain sufficient employees (including antitrust and litigation attorneys, economists, investigators, and other professionals with the appropriate expertise) to appropriately carry out the responsibilities of the Office.

“(b) SPECIAL COUNSEL FOR AGRICULTURAL COMPETITION.—

“(1) IN GENERAL.—The Office shall be headed by the Special Counsel for Agricultural Competition (referred to in this section as the ‘Special Counsel’), who shall be appointed by the President, by and with the advice and consent of the Senate.

“(2) INDEPENDENCE OF SPECIAL AUTHORITY.—

“(A) IN GENERAL.—The Special Counsel shall report to and be under the general supervision of the Secretary.

“(B) DIRECTION, CONTROL, AND SUPPORT.—

The Special Counsel shall be free from the direction and control of any person in the Department of Agriculture other than the Secretary.

“(C) PROHIBITION ON DELEGATION.—The Secretary may not delegate any duty described in subsection (a)(2) to any other officer or employee of the Department other than the Special Counsel.

“(D) REPORTING REQUIREMENT.—

“(i) IN GENERAL.—Twice each year, the Special Counsel 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 shall include, for the relevant reporting period, a description of—

“(I) the number of complaints that the Special Counsel has received and closed;

“(II)(aa) the number of investigations and civil and administrative actions that the Special Counsel has initiated, carried out, and completed, including the number of notices given to regulated entities for violations of this Act or the Agricultural Fair Practices Act of 1967 (7 U.S.C. 2301 et seq.);

“(bb) the number and types of decisions agreed to; and

“(cc) the number of stipulation agreements; and

“(III) the number of investigations and civil and administrative actions that the Secretary objected to or prohibited from being carried out, and the stated purpose of the Secretary for each objection or prohibition.

“(ii) REQUIREMENT.—The basis for each complaint, investigation, or civil or administrative action described in a report under clause (i) shall—

“(I) be organized by species; and

“(II) indicate if the complaint, investigation, or civil or administrative action was for anti-competitive, unfair, or deceptive practices under this Act or was a violation of the Agricultural Fair Practices Act of 1967 (7 U.S.C. 2301 et seq.).

“(E) REMOVAL.—

“(i) IN GENERAL.—The Special Counsel may be removed from office by the President.

“(ii) COMMUNICATION.—The President shall communicate the reasons for any such removal to both Houses of Congress.

“(3) PROSECUTORIAL AUTHORITY.—Subject to paragraph (4), the Special Counsel may commence, defend, or intervene in, and supervise the litigation of, any civil or administrative action authorized under this Act or the Agricultural Fair Practices Act of 1967 (7 U.S.C. 2301 et seq.).

“(4) PROCEDURE FOR EXERCISE OF AUTHORITY TO LITIGATE OR APPEAL.—

“(A) IN GENERAL.—Prior to commencing, defending, or intervening in any civil action under this Act or the Agricultural Fair Practices Act of 1967 (7 U.S.C. 2301 et seq.), the Special Counsel shall give written notification to, and attempt to consult with, the Attorney General with respect to the proposed action.

“(B) FAILURE TO RESPOND.—If, not later than 45 days after the date of provision of notification under subparagraph (A), the Attorney General has failed to commence, defend, or intervene in the proposed action, the Special Counsel may commence, defend, or intervene in, and supervise the litigation of, the action and any appeal of the action in the name of the Special Counsel.

“(C) AUTHORITY OF ATTORNEY GENERAL TO INTERVENE.—Nothing in this paragraph precludes the Attorney General from intervening on behalf of the United States in any civil action under this Act or the Agricultural Fair Practices Act of 1967 (7 U.S.C. 2301 et seq.), or in any appeal of such action, as may be otherwise provided by law.

“(c) RELATIONSHIP TO OTHER PROVISIONS.—Nothing in this section modifies or otherwise affects subsections (a) and (b) of section 406.

“(d) AUTHORIZATION.—There are authorized to be appropriated such sums as are necessary to carry out subsection (a)(2)(E).”.

(2) CONFORMING AMENDMENT.—Section 5315 of title 5, United States Code, is amended by adding at the end the following:

“Special Counsel for Agricultural Competition.”.

(h) AGRIBUSINESS MERGER REVIEW AND ENFORCEMENT BY THE DEPARTMENT OF AGRICULTURE.—

(1) NOTICE.—The Assistant Attorney General or the Commissioner, as appropriate, shall notify the Secretary of any filing under section 7A of the Clayton Act (15 U.S.C. 18a) involving a merger or acquisition in the agricultural industry, and shall give the Secretary the opportunity to participate in the review proceedings.

(2) REVIEW.—

(A) IN GENERAL.—After receiving notice of a merger or acquisition under paragraph (1), the Secretary may submit to the Assistant Attorney General or the Commissioner, as appropriate, and publish the comments of the Secretary regarding that merger or acquisition, including a determination regarding whether the merger or acquisition may have a substantial adverse impact on rural communities or the family farm and ranch sector, such that further review by the Assistant Attorney General or the Commissioner, as appropriate, is warranted.

(B) SECOND REQUESTS.—For any merger or acquisition described in paragraph (1), if the Assistant Attorney General or the Chairman, as the case may be, requires the submission of additional information or documentary material under section 7A(e)(1)(A) of the Clayton Act (15 U.S.C. 18a(e)(1)(A))—

(i) copies of any materials provided in response to such a request shall be made available to the Secretary; and

(ii) the Secretary—

(I) shall submit to the Assistant Attorney General or the Chairman such additional comments as the Secretary determines appropriate; and

(II) shall publish a summary of any comments submitted under subclause (I).

(3) REPORT.—

(A) IN GENERAL.—The Secretary shall submit an annual report to Congress regarding the review of mergers and acquisitions described in paragraph (1).

(B) CONTENTS.—Each report submitted under subparagraph (A) shall provide a description of each merger or acquisition described in paragraph (1) that was reviewed by the Secretary during the year before the date that report is submitted, including—

(i) the name and total resources of each entity involved in that merger or acquisition;

(ii) a statement of the views of the Secretary regarding the competitive effects of that merger or acquisition on—

(I) agricultural markets; and

(II) rural communities and small, independent producers; and

(iii) a statement indicating whether the Assistant Attorney General or the Chairman, as the case may be, instituted a proceeding or action under the antitrust laws, and if so, the status of that proceeding or action.

(i) AUTHORIZATION FOR ADDITIONAL STAFF AND FUNDING FOR THE GRAIN INSPECTION, PACKERS, AND STOCKYARDS ADMINISTRATION.—There are authorized to be appropriated such sums as are necessary to enhance the capability of the Grain Inspection, Packers, and Stockyards Administration to monitor, investigate, and pursue the competitive implications of structural changes in the meat packing and poultry industries by hiring litigating attorneys to allow the Grain Inspection, Packers, and Stockyards Administration to more comprehensively and effectively pursue its enforcement activities.

SA 3632. Mr. COBURN submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 394, after line 25, add the following:

(d) INCOME REQUIREMENT.—Section 1240B of the Food Security Act of 1985 (16 U.S.C. 3839aa-2) (as amended by subsection (c)) is amended by adding at the end the following:

“(i) INCOME REQUIREMENT.—A producer shall not be eligible to receive any payment under this section unless not less than 66.66 percent of the average adjusted gross income of the producer is derived from farming, ranching, or forestry operations, as determined by the Secretary.”.

SA 3633. Ms. MIKULSKI submitted an amendment intended to be proposed by her to the bill H.R. 2419, to provide for the continuation of agricultural

programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ____ H-2B NONIMMIGRANTS.

(a) SHORT TITLE.—This section may be cited as the “Save Our Small and Seasonal Businesses Act of 2007”.

(b) EXTENSION OF RETURNING WORKER EXEMPTION TO H-2B NUMERICAL LIMITATION.—Section 214(g)(9)(A) of the Immigration and Nationality Act (8 U.S.C. 1184(g)(9)(A)) is amended, by striking “an alien who has already been counted toward the numerical limitation of paragraph (1)(B) during fiscal year 2004, 2005, or 2006 shall not again be counted toward such limitation during fiscal year 2007.” and inserting “an alien who has been present in the United States as an H-2B nonimmigrant during any 1 of the 3 fiscal years immediately preceding the fiscal year of the approved start date of a petition for a nonimmigrant worker described in section 101(a)(15)(H)(ii)(b) shall not be counted toward such limitation for the fiscal year in which the petition is approved.”.

(c) EFFECTIVE DATE.—The amendment made by this section shall be effective during the 5-year period beginning on October 1, 2007.

SA 3634. Ms. CANTWELL (for herself, Mrs. MURRAY, Mr. WYDEN, Ms. STABENOW, Mr. CRAIG, and Mr. CASEY) submitted an amendment intended to be proposed by her to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 1378, strike line 17 and all that follows through page 1380, line 14, and insert the following:

“(e) TREE ASSISTANCE PROGRAM.—

“(1) DEFINITIONS.—In this subsection:

“(A) ELIGIBLE ORCHARDIST.—The term ‘eligible orchardist’ means a person that produces annual crops from trees for commercial purposes.

“(B) NATURAL DISASTER.—The term ‘natural disaster’ means plant disease, insect infestation, drought, fire, freeze, flood, earthquake, lightning, or other occurrence, as determined by the Secretary.

“(C) NURSERY TREE GROWER.—The term ‘nursery tree grower’ means a person who produces nursery, ornamental, fruit, nut, or Christmas trees for commercial sale, as determined by the Secretary.

“(D) TREE.—The term ‘tree’ includes a tree, bush, and vine.

“(2) ELIGIBILITY.—

“(A) LOSS.—Subject to subparagraph (B), the Secretary shall provide assistance under paragraph (3) to eligible orchardists and nursery tree growers that planted trees for commercial purposes but lost the trees as a result of a natural disaster, as determined by the Secretary.

“(B) LIMITATION.—An eligible orchardist shall qualify for assistance under subparagraph (A) only if the tree mortality of the eligible orchardist or nursery tree grower, as a result of damaging weather or related condition, exceeds 15 percent (adjusted for normal mortality).

“(C) ASSISTANCE.—Subject to paragraph (4), the assistance provided by the Secretary to eligible orchardists and nursery tree growers for losses described in paragraph (2) shall consist of—

“(A)(i) reimbursement of 75 percent of the cost of replanting trees lost due to a natural disaster, as determined by the Secretary, in excess of 15 percent mortality (adjusted for normal mortality); or

“(ii) at the option of the Secretary, sufficient seedlings to reestablish a stand; and

“(B) reimbursement of 50 percent of the cost of pruning, removal, and other costs incurred by an eligible orchardist or nursery tree grower to salvage existing trees or, in the case of tree mortality, to prepare the land to replant trees as a result of damage or tree mortality due to a natural disaster, as determined by the Secretary, in excess of 15 percent damage or mortality (adjusted for normal tree damage and mortality).

“(4) LIMITATIONS ON ASSISTANCE.—

“(A) AMOUNT.—The total amount of payments that a person shall be entitled to receive under this subsection may not exceed \$100,000 per year, or an equivalent value in tree seedlings.

“(B) ACRES.—The total quantity of acres planted to trees or tree seedlings for which a person shall be entitled to receive payments under this subsection may not exceed 500 acres.

“(C) REGULATIONS.—The Secretary shall promulgate—

“(i) regulations defining the term ‘person’ for the purposes of this subsection, which shall conform, to the maximum extent practicable, to the regulations defining the term ‘person’ promulgated under section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308); and

“(ii) such regulations as the Secretary determines necessary to ensure a fair and reasonable application of the limitation established under this paragraph.”.

On page 1390, between lines 9 and 10, insert the following:

“(5) EXCEPTION.—Paragraph (1) does not apply to eligible orchardists and nursery tree growers described in subsection (e).”.

On page 1391, line 11, before the period at the end insert “(other than subsection (e))”.

SA 3635. Ms. CANTWELL (for herself and Mrs. MURRAY) submitted an amendment intended to be proposed by her to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

Section 1841 is amended by striking subsection (b) and inserting the following:

(b) AVAILABILITY OF FUNDS.—Section 101 of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note; Public Law 108–465) is amended by striking subsection (i) and inserting the following:

“(i) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall make grants under this section, using—

- “(1) \$85,000,000 for fiscal year 2008;
- “(2) \$90,000,000 for fiscal year 2009;
- “(3) \$95,000,000 for fiscal year 2010;
- “(4) \$95,000,000 for fiscal year 2011; and
- “(5) \$0 for fiscal year 2012.”.

At the end of title I, add the following:

Subtitle H—Reduction in Funds

SEC. 19. REDUCTION IN FUNDS.

(a) IN GENERAL.—Except as provided in subsection (b) and notwithstanding any other provision of this Act or an amendment made by this Act, for the period beginning on October 1, 2007, and ending on September 30, 2011—

(1) each amount provided to carry out administration for a program under this Act or an amendment made by this Act is reduced by an amount necessary to achieve a total reduction of \$95,000,000; and

(2) the Secretary shall adjust the amount of each payment, loan, gain, or other assistance provided under each program described in paragraph (1) by such amount as is nec-

essary to achieve the reduction required under that paragraph, as determined by the Secretary.

(b) APPLICATION.—This section does not apply to a payment, loan, gain, or other assistance provided under a contract entered into by the Secretary before the date of enactment of this Act.

SA 3636. Mrs. MURRAY (for herself, Ms. CANTWELL, Mr. SCHUMER, and Mr. WYDEN) submitted an amendment intended to be proposed by her to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 243, strike lines 2 through 12 and insert the following:

“(1) IN GENERAL.—The Secretary shall make available to carry out the program under this section—

“(A) \$9,000,000 of funds of, or an equal value of commodities owned by, the Commodity Credit Corporation for each of fiscal years 2008 through 2011; and

“(B) \$2,000,000 of funds of, or an equal value of commodities owned by, the Commodity Credit Corporation for fiscal year 2012 and each subsequent fiscal year.”.

On page 299, between lines 15 and 16, insert the following:

Subtitle H—Reduction in Funds

SEC. 19. REDUCTION IN FUNDS.

Notwithstanding any other provision of this Act or an amendment made by this Act, for the period beginning on October 1, 2007, and ending on September 30, 2011, each amount provided to carry out administration for a program under this Act or an amendment made by this Act is reduced by an amount necessary to achieve a total reduction of \$8,800,000.

SA 3637. Mrs. MURRAY (for herself and Ms. CANTWELL) submitted an amendment intended to be proposed by her to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

After section 2613, insert the following:

SEC. 26. COMPREHENSIVE CONSERVATION PLANNING FOR PUGET SOUND AREA.

(a) GRANT PROGRAM.—

(1) IN GENERAL.—The Secretary shall carry out a competitive grant program for the Puget Sound area to provide comprehensive conservation planning to address water quality.

(2) COOPERATIVE AGREEMENTS.—The Secretary shall enter into cooperative agreements with State and local governments, Indian tribes, or nongovernmental entities with a history of working with agricultural producers to carry out projects under the program.

(b) ASSISTANCE.—In carrying out the program, the Secretary may—

(1) provide project demonstration grants and technical assistance and carry out information and education programs to improve water quality in the Puget Sound area by reducing soil erosion and improving sediment control; and

(2) provide a priority for projects and activities that directly reduce soil erosion or improve water quality.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary \$5,000,000 for each of fiscal years 2008 through 2012 to carry out the program.

SA 3638. Mrs. MURRAY (for herself and Ms. CANTWELL) submitted an amendment intended to be proposed by her to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 309, strike lines 7 through 22 and insert the following:

“(D) EXCEPTIONS.—The Secretary may exceed the limitations limitation in subparagraph (A) if the Secretary determines that—

“(i)(I) the action would not adversely affect the local economy of a county; and

“(II) operators in the county are having difficulties complying with conservation plans implemented under section 1212;

“(ii)(I) the acreage to be enrolled could not be used for an agricultural purpose as a result of a State or local law, order, or regulation prohibiting water use for agricultural production; and

“(II) enrollment in the program would benefit the acreage enrolled or land adjacent to the acreage enrolled; or

“(iii)(I) the acreage to be enrolled is considered to be essential by Federal or State plans for a sustainable wildlife habitat; and

“(II) enrollment in the program would assist the producer in meeting environmental goals in the Federal or State plans.”.

SA 3639. Mr. HARKIN (for himself and Ms. MURKOWSKI) submitted an amendment intended to be proposed by him to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

After section 4402, insert the following:

SEC. 10. NUTRITION STANDARDS FOR FOODS AND BEVERAGES SOLD IN SCHOOLS.

(a) IN GENERAL.—Section 10 of the Child Nutrition Act of 1966 (42 U.S.C. 1779) is amended to read as follows:

SEC. 10. NUTRITION STANDARDS FOR FOODS AND BEVERAGES SOLD IN SCHOOLS.

“(a) DEFINITIONS.—In this section:

“(1) APPLICABLE.—

“(A) IN GENERAL.—The term ‘applicable’ means, with respect to a food or beverage, a food or beverage that is offered for sale—

“(i) on the school campus; and

“(ii) at any time during the extended school day, when events are primarily under the control of the school or a third party on behalf of the school.

“(B) EXCLUSIONS.—The term ‘applicable’ does not include, with respect to a food or beverage, a food or beverage when the food or beverage is sold as a part of a meal or meal supplement that is eligible for reimbursement under this Act or the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.).

“(2) EXTENDED SCHOOL DAY.—The term ‘extended school day’ means—

“(A) the official school day; and

“(B) the time before and after the official school day that includes activities, such as clubs, yearbook, band and choir practice, student government, drama, and childcare or latchkey programs.

“(b) REQUIREMENT.—

“(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), each applicable food and beverage that is offered for sale in an elementary school, middle school, or high school during the extended school day shall meet the requirements established under this section with respect to each serving or package as offered for sale.

“(2) EXCEPTION.—Paragraph (1) shall not apply to or affect—

“(A) a food or beverage that is sold for the purpose of a school-sponsored or school-related bona fide fundraising activity that does not take place—

“(i) on school grounds; or
“(ii) in transit to or from school;

“(B) a food or beverage that is sold at, or immediately before or after, a school-related event at which parents and other adults comprise a significant part of an audience; or

“(C) a fundraiser (other than fundraising through vending machines, school stores, snack bars, a la carte sales, and any other exclusions determined by the Secretary), if the fundraiser is—

“(i) approved by the school; and
“(ii) infrequent within the school.

“(3) A LA CARTE MAIN DISH ITEMS.—

“(A) IN GENERAL.—The Secretary shall promulgate regulations establishing nutrition standards for main dish items covered by paragraph (1) that are offered for sale a la carte.

“(B) CONSIDERATIONS.—In establishing the standards, the Secretary shall consider both the positive and negative contribution of nutrients, ingredients, and foods in a la carte items (including calories, portion size, saturated fat, trans fat, sodium, added sugars, and under-consumed food groups and nutrients) to the diets of children and adolescents.

“(C) REGULATIONS.—Regulations promulgated under this paragraph shall be—

“(i) in accordance with rulemaking under section 553 of title 5, United States Code; and

“(ii) subject to review by the Office of Management and Budget.

“(4) STATEWIDE NUTRITION STANDARDS.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), any State that participates in a food-service program under this Act or the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) may not establish or continue in effect any statewide nutrition standards relating to applicable foods and beverages that are different than the standards established under this section.

“(B) EXCEPTION.—Subparagraph (A) does not apply to or affect—

“(i) any Federal or State law relating to consumer protection, unfair or deceptive practices, unfair competition, or marketing;

“(ii) any additional nutrition standard relating to applicable foods and beverages that is established by any political subdivision of a State; or

“(iii) any additional nutrition standard for an a la carte main dish item that is established by any State or political subdivision.

“(c) APPLICABLE BEVERAGES.—

“(1) ELEMENTARY SCHOOLS AND MIDDLE SCHOOLS.—

“(A) PACKAGE SIZES.—Except as provided in subparagraph (B)(ii), the package of any applicable beverage that is offered for sale in an elementary school or middle school shall be not more than 8 fluid ounces.

“(B) WATER.—Water offered for sale in an elementary school or middle school may—

“(i) only be water without flavoring, sweeteners, or carbonation; and

“(ii) be sold in a package size of more than 8 fluid ounces.

“(C) MILK.—Milk offered for sale in an elementary school or middle school—

“(i) shall be low-fat or non-fat; and
“(ii) shall contain not more than 170 calories per 8 fluid ounce serving.

“(D) FLUID MILK SUBSTITUTES.—An elementary or middle school may offer for sale a fluid milk substitute that—

“(i) is consistent with the nutrition standards for fluid milk substitutes that are established by the Secretary for use under this Act or the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.); and

“(ii) contains not more than 170 calories per 8 fluid ounce serving.

“(E) JUICE.—Juice offered for sale in an elementary school or middle school may contain—

“(i) only juice, with or without added micronutrients or natural flavors—

“(I) with no added sweeteners; and
“(II) with or without water or carbonated water; and

“(ii) not more than 170 calories per 8 fluid ounce serving.

“(2) HIGH SCHOOLS.—

“(A) PACKAGE SIZES.—Except as provided in subparagraphs (B)(ii) and (F)(iii), the package of any applicable beverage offered for sale in a high school shall be not more than 12 fluid ounces.

“(B) WATER.—Water offered for sale in a high school may—

“(i) be water with or without flavoring, noncaloric sweeteners, or carbonation; and

“(ii) be sold in a package size of more than 12 ounces.

“(C) MILK.—Milk offered for sale in a high school shall—

“(i) be low-fat or nonfat; and

“(ii) contain not more than 170 calories per 8 fluid ounce serving.

“(D) FLUID MILK SUBSTITUTES.—A high school may offer for sale a fluid milk substitute that—

“(i) is consistent with the nutrition standards for fluid milk substitutes that are established by the Secretary for use under this Act or the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.); and

“(ii) contains not more than 170 calories per 8 fluid ounce serving.

“(E) JUICE.—Juice offered for sale in a high school may only contain juice, with or without added micronutrients or natural flavors—

“(i)(I) with no added sweeteners; or

“(II) with or without water or carbonated water with no added caloric sweeteners; and

“(ii) that contains not more than 170 calories per 8 fluid ounce serving.

“(F) OTHER BEVERAGES.—

“(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), any beverage offered for sale in a high school other than a beverage identified in subparagraph (B), (C), (D), or (E), shall contain—

“(I) during the period beginning on the effective date described in subsection (j) and ending on June 30, 2013, not more than 66 calories per 8 fluid ounce serving; and

“(II) effective beginning on July 1, 2013, not more than 25 calories per 8 fluid ounce serving.

“(ii) EXCEPTION.—Effective beginning on July 1, 2013, beverages that are mixtures of water, carbohydrates, and electrolytes (with or without other ingredients) that are useful for providing energy and hydration for sustained and vigorous physical activity with not more than 66 calories per 8 fluid ounces may be offered for sale in packages of not more than 12 fluid ounces in or immediately adjacent to an area of the high school in which students participate in a school-sponsored sport or other vigorous and sustained physical activity, subject to the requirement that such an adjacent area shall not be within the general movement of students between classes or into or out of the school campus.

“(iii) VERY LOW CALORIE EXCEPTION.—Any beverage that contains between 0 and 10 calories per 8 fluid ounce serving may be offered for sale in a high school in a package of not more than 20 fluid ounces.

“(d) APPLICABLE FOOD.—

“(1) STANDARDS.—

“(A) FATS.—An applicable food shall contain—

“(i) not more than 35 percent of total calories from fat, except for—

“(I) seeds, nuts, nut butters, and nut-based products containing 40 percent or more nuts by weight; and

“(II) reduced-fat and part skim cheese packaged for individual sale;

“(ii) not more than 10 percent of total calories from saturated fat, except for reduced-fat and part skim cheese packaged for individual sale; and

“(iii) less than 0.5 grams of trans fats.

“(B) SUGARS.—An applicable food shall consist of not more than 35 percent sugars by weight, excluding sugar from whole fruit.

“(C) SODIUM.—An applicable food shall contain, per package or serving as offered for sale—

“(i) in the case of chips, crackers, French fries, vegetables, baked goods, yogurt (including drinkable yogurt and yogurt smoothies), and other side dishes or snack items, not more than 230 milligrams of sodium per serving; and

“(ii) in the case of pastas that are side dishes, cereals, meats, and soups, not more than 480 milligrams of sodium per serving.

“(2) REQUIRED CONTENTS.—Each applicable food that is offered for sale in an elementary school, middle school, or high school shall contain 1 or more of the following:

“(A) 10 percent of the daily recommended value of 1 or more of the following:

“(i) Vitamin A, E, or C.

“(ii) Calcium.

“(iii) Magnesium.

“(iv) Potassium.

“(v) Fiber.

“(B) $\frac{1}{4}$ cup of a fruit or vegetable, as provided prior to processing.

“(C) 51 percent or more by weight whole grain ingredients or have a whole grain as the first ingredient.

“(3) CALORIES.—

“(A) ELEMENTARY SCHOOLS AND MIDDLE SCHOOLS.—An applicable food that is offered for sale in an elementary school or middle school shall contain not more than 180 calories per package or serving as offered for sale.

“(B) HIGH SCHOOLS.—An applicable food that is offered for sale in a high school shall contain not more than 200 calories per package or serving as offered for sale.

“(e) SHARED SCHOOL FACILITIES.—Notwithstanding subsection (c)(1) or (d)(3)(A), if elementary school or middle school students have shared access to areas in common buildings with high school students, the local educational authority may elect whether to apply in those areas the applicable beverage provisions in paragraph (1) or (2) of subsection (c) or the applicable food provisions in subparagraph (A) or (B) of subsection (d)(3).

“(f) APPROVAL OF NEW PRODUCTS.—The Secretary may approve for sale in schools a new food or beverage that does not satisfy the applicable food and beverage requirements of this section if the Secretary (based on a rulemaking conducted under section 553 of title 5, United States Code, prior to approval)—

“(1) determines that the sale of the new food or beverage does not undermine the purposes of this section; and

“(2) provides scientific justification for the approval.

“(g) UPDATING STANDARDS AND REQUIREMENTS.—

“(1) IN GENERAL.—As soon as practicable after the date of publication by the Department of Agriculture and the Department of Health and Human Services of a new edition of the Dietary Guidelines for Americans under section 301 of the National Nutrition Monitoring and Related Research Act of 1990

(7 U.S.C. 5341), beginning with the 2015 edition, the Secretary shall review and update as necessary the school nutrition standards and requirements established under this section.

“(2) REQUIREMENTS.—In reviewing or updating the nutrition standards and requirements under this section, the Secretary shall take into consideration—

“(A) the positive and negative contributions of nutrients, ingredients, and foods (including calories, vitamins, minerals, portion size, saturated fat, trans fat, sodium, added sugars, and underconsumed food groups and nutrients) to the diets of children and adolescents;

“(B) evidence concerning the relationship between consumption of certain nutrients, ingredients, and foods with respect to the prevention of overweight, obesity, and other chronic illnesses;

“(C) recommendations made by authoritative scientific sources concerning—

“(i) appropriate nutrition standards for foods sold outside the reimbursable meal programs in schools; and

“(ii) the most effective manner in which to teach children and adolescents how to improve dietary habits; and

“(D) the practicality and feasibility of implementation of potential modifications to the nutrition standards and requirements.

“(3) LIMITATION ON AUTHORITY.—The Secretary may update or otherwise modify nutrition standards and requirements under this section only—

“(A) in accordance with rulemaking under section 553 of title 5, United States Code; and

“(B) subject to review by the Office of Management and Budget.

“(4) EFFECT OF UPDATED STANDARDS.—Updated school nutrition standards and requirements under this subsection shall supersede any other school nutrition standards or requirements in effect on the date on which the updated standards and requirements are implemented.

“(h) SCHOOL FOOD AND BEVERAGE ADVISORY COMMITTEE.—

“(1) IN GENERAL.—The Secretary may establish an advisory committee, to be known as the ‘School Food and Beverage Advisory Committee’ (in this subsection referred to as the ‘Advisory Committee’), to advise the Secretary on updating the school nutrition standards and requirements under this section.

“(2) MEMBERSHIP.—The members of the Advisory Committee shall be appointed by the Secretary and shall include—

“(A) registered dietitians and certified nutritionists;

“(B) school officials, such as school food service directors, principals, or school board members;

“(C) public health professionals, including physicians and dentists;

“(D) members of parent or consumer advocacy groups;

“(E) representatives of industry stakeholders that produce food and beverages offered for sale in schools; and

“(F) other individuals with relevant expertise in child health and nutrition.

“(3) DUTIES.—

“(A) IN GENERAL.—The Advisory Committee shall provide advice, information, and recommendations to the Secretary on implementation of this section and on other child health and nutrition issues related to the provision of foods and beverages in schools, as requested by the Secretary.

“(B) SCIENTIFIC JUSTIFICATION.—The Advisory Committee shall provide—

“(i) scientific justification for any recommended modification to the provisions regarding applicable foods and beverages under this section; and

“(ii) anticipated nutrition and health benefits if the recommended modification is adopted.

“(i) GUIDANCE.—

“(1) IN GENERAL.—The Secretary shall develop guidance to help local educational authorities and school food authorities identify beverage and food products that meet the nutrition standards established by this section.

“(2) LIST OF BEVERAGES.—In issuing guidance to carry out this section, and at any time not later than 60 days after receipt of an applicable request, the Secretary shall identify and maintain a list of beverages allowable under subsection (c)(2)(F)(ii).

“(j) EFFECTIVE DATE.—

“(1) IN GENERAL.—Except as provided in paragraph (2), nutrition standards and requirements established under this section shall take effect on the first day of the first school year beginning on or after July 1, 2011.

“(2) EXCEPTION.—Standards for a la carte main dish items established under subsection (b)(3) take effect on the later of—

“(A) the date on which final regulations under subsection (b)(3) are promulgated; or

“(B) July 1, 2011.”.

“(b) IMPLEMENTATION, REGULATIONS, AND ENFORCEMENT.—

“(1) IMPLEMENTATION.—The Secretary shall implement section 10 of the Child Nutrition Act of 1966 (as amended by subsection (a)) (other than subsections (b)(3)(C) and (g) of that section) through the issuance of guidance, which shall be considered a “significant guidance document” under Executive Order 12866 (5 U.S.C. 601 note; relating to regulatory planning and review), as amended by Executive Order 13422 (72 Fed. Reg. 2763).

“(2) REGULATIONS.—

“(A) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary shall promulgate—

“(i) regulations to eliminate any conflicting provisions regarding competitive foods and foods of minimal nutritional value; and

“(ii) such other regulations as are necessary to carry out the amendment made by subsection (a).

“(B) PROCEDURE.—The promulgation of the regulations under subparagraph (A) shall be made without regard to—

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

“(ii) 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

“(iii) 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 paragraph, the Secretary shall use the authority provided under section 808 of title 5, United States Code.

“(3) ENFORCEMENT.—The Secretary shall enforce this section and the amendments made by this section (including regulations) in accordance with requirements established by the Secretary.

SA 3640. Mr. CRAIG (for himself, Mr. BROWNBACK, and Mr. ALLARD) submitted an amendment intended to be proposed by him to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. 3640. FARMLAND AND GRAZING LAND PRESERVATION.

“(a) DEFINITIONS.—In this section:

“(1) FARMLAND OR GRAZING LAND.—The term “farmland or grazing land” means—

“(A) farmland (as defined in section 1540(c) of the Farmland Protection Policy Act (7 U.S.C. 4201(c)));

“(B) land that is used for any part of the year as pasture land for the grazing of livestock;

“(C) land that is assessed as agricultural land for purposes of State or local property taxes; and

“(D) land that is enrolled in—

“(i) 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.); or

“(ii) any other program authorized under—

“(I) subtitle D of title XII of that Act; or

“(II) the Food and Energy Security Act of 2007.

“(2) FEDERAL FUNDS OR FINANCIAL ASSISTANCE.—The term “Federal funds or financial assistance” means—

“(A) Federal financial assistance (as defined in section 101 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601)); and

“(B) any other Federal funds that are appropriated through an Act of Congress or otherwise expended from the Treasury.

“(3) PROHIBITED CONDUCT.—

“(A) IN GENERAL.—The term “prohibited conduct” means the exercise of eminent domain authority to acquire real property that is farmland or grazing land for the purpose of a park, recreation, open space, conservation, preservation view, scenic vista, or similar purpose.

“(B) EXCEPTIONS.—The term “prohibited conduct” does not include a transfer of farmland or grazing land for—

“(i) use by a public utility;

“(ii) a road or other right of way or means, open to the public or common carriers, for transportation;

“(iii) an aqueduct, pipeline, or similar use;

“(iv) a prison or hospital; or

“(v) any use during and in relation to a national emergency or national disaster declared by the President under other law.

“(4) RELEVANT ENTITY.—The term “relevant entity” means—

“(A) a State or unit of local government that engages in prohibited conduct;

“(B) a State or unit of local government that gives authority for an entity to engage in prohibited conduct; and

“(C) in the case of extraterritorial prohibited conduct—

“(i) the entity that engages in prohibited conduct; and

“(ii) the State or unit of local government that allows the prohibited conduct to take place within the jurisdiction of the State or local government.

“(5) STATE.—The term “State” means—

“(A) each of the several States of the United States;

“(B) the District of Columbia;

“(C) the Commonwealth of Puerto Rico;

“(D) Guam;

“(E) American Samoa;

“(F) the Commonwealth of the Northern Mariana Islands;

“(G) the Federated States of Micronesia;

“(H) the Republic of the Marshall Islands;

“(I) the Republic of Palau; and

“(J) the United States Virgin Islands.

“(b) PROHIBITIONS.—

“(1) IN GENERAL.—If a relevant entity engages in prohibited conduct, no officer or employee of the Federal Government with responsibility over Federal funds or financial assistance may make the Federal funds or assistance available to the relevant entity during the period described in paragraph (2).

“(2) DURATION OF PROHIBITION.—The period referred to in paragraph (1) is the period that

begins on the date that an officer or employee of the Federal Government determines that a relevant entity has engaged in prohibited conduct and ends on the earlier of—

(A) the date that is 5 years after the date on which the period began; or

(B) the date on which the farmland or grazing land is returned to the person from whom the property was acquired, in the same condition in which the property was originally acquired.

(3) FEDERAL PROHIBITION.—No agency of the Federal Government may engage in prohibited conduct.

(c) PRIVATE RIGHT OF ACTION.—The owner of any real property acquired by prohibited conduct that results in the prohibition under this section of Federal funds or financial assistance may, in a civil action, obtain injunctive and declaratory relief to enforce that prohibition.

(d) APPLICABILITY.—This section applies to any prohibited conduct—

(1) that takes place on or after the date of enactment of this section; or

(2)(A) that is in process on the date of enactment of this section; and

(B) for which title has not yet passed to the relevant entity.

SA 3641. Mr. ALLARD (for himself and Mr. SALAZAR) submitted an amendment intended to be proposed by him to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 1055, strike lines 6 through 8 and insert the following:

“(A) incorporates any forest management plan of the State in existence on the date of enactment of this section (including community wildfire protection plans);

SA 3642. Mr. KYL submitted an amendment intended to be proposed by him to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 1587, after line 18, add the following:

Subtitle G—AMT Relief

SEC. 12701. EXTENSION OF ALTERNATIVE MINIMUM TAX RELIEF FOR NONREFUNDABLE PERSONAL CREDITS.

(a) IN GENERAL.—Paragraph (2) of section 26(a) (relating to special rule for taxable years 2000 through 2006) is amended—

(1) by striking “or 2006” and inserting “2006, or 2007”, and

(2) by striking “2006” in the heading thereof and inserting “2007”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 12702. EXTENSION OF INCREASED ALTERNATIVE MINIMUM TAX EXEMPTION AMOUNT.

(a) IN GENERAL.—Paragraph (1) of section 55(d) (relating to exemption amount) is amended—

(1) by striking “(\$62,550 in the case of taxable years beginning in 2006)” in subparagraph (A) and inserting “(\$66,250 in the case of taxable years beginning in 2007)”, and

(2) by striking “(\$42,500 in the case of taxable years beginning in 2006)” in subparagraph (B) and inserting “(\$44,350 in the case of taxable years beginning in 2007)”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

SEC. 12703. INCREASE OF AMT REFUNDABLE CREDIT AMOUNT FOR INDIVIDUALS WITH LONG-TERM UNUSED CREDITS FOR PRIOR YEAR MINIMUM TAX LIABILITY, ETC.

(a) IN GENERAL.—Paragraph (2) of section 53(e) of the Internal Revenue Code of 1986 is amended to read as follows:

“(2) AMT REFUNDABLE CREDIT AMOUNT.—For purposes of paragraph (1), the term ‘AMT refundable credit amount’ means, with respect to any taxable year, the amount (not in excess of the long-term unused minimum tax credit for such taxable year) equal to the greater of—

“(A) 50 percent of the long-term unused minimum tax credit for such taxable year, or

“(B) the amount (if any) of the AMT refundable credit amount determined under this paragraph for the taxpayer’s preceding taxable year.”.

(b) TREATMENT OF CERTAIN UNDERPAYMENTS, INTEREST, AND PENALTIES ATTRIBUTABLE TO THE TREATMENT OF INCENTIVE STOCK OPTIONS.—Section 53 of such Code is amended by adding at the end the following new subsection:

“(f) TREATMENT OF CERTAIN UNDERPAYMENTS, INTEREST, AND PENALTIES ATTRIBUTABLE TO THE TREATMENT OF INCENTIVE STOCK OPTIONS.—

“(1) ABATEMENT.—Any underpayment of tax outstanding on the date of the enactment of this subsection which is attributable to the application of section 56(b)(3) for any taxable year ending before January 1, 2007 (and any interest or penalty with respect to such underpayment which is outstanding on such date of enactment), is hereby abated. No credit shall be allowed under this section with respect to any amount abated under this paragraph.

“(2) INCREASE IN CREDIT FOR CERTAIN INTEREST AND PENALTIES ALREADY PAID.—Any interest or penalty paid before the date of the enactment of this subsection which would (but for such payment) have been abated under paragraph (1) shall be treated for purposes of this section as an amount of adjusted net minimum tax imposed for the taxable year of the underpayment to which such interest or penalty relates.”.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by this section shall apply to taxable years beginning after December 31, 2006.

(2) ABATEMENT.—Section 53(f)(1) of the Internal Revenue Code of 1986, as added by subsection (b), shall take effect on the date of the enactment of this Act.

Subtitle H—Additional Individual Tax Relief

SEC. 12751. REFUNDABLE CHILD CREDIT.

(a) MODIFICATION OF THRESHOLD AMOUNT.—Clause (i) of section 24(d)(1)(B) is amended by inserting “(\$8,500 in the case of taxable years beginning in 2008)” after “\$10,000”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2007.

SEC. 12752. ADDITIONAL STANDARD DEDUCTION FOR REAL PROPERTY TAXES FOR NONITEMIZERS.

(a) IN GENERAL.—Section 63(c)(1) (defining standard deduction) is amended by striking “and” at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting “, and”, and by adding at the end the following new subparagraph:

“(C) in the case of any taxable year beginning in 2008, the real property tax deduction.”.

(b) DEFINITION.—Section 63(c) is amended by adding at the end the following new paragraph:

“(8) REAL PROPERTY TAX DEDUCTION.—For purposes of paragraph (1), the real property

tax deduction is so much of the amount of State and local real property taxes (within the meaning of section 164) paid or accrued by the taxpayer during the taxable year which do not exceed \$350 (\$700 in the case of a joint return).”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

Subtitle I—One-Year Extenders

PART I—EXTENDERS PRIMARILY AFFECTING INDIVIDUALS

SEC. 12801. DEDUCTION FOR STATE AND LOCAL SALES TAXES.

(a) IN GENERAL.—Subparagraph (I) of section 164(b)(5) is amended by striking “January 1, 2008” and inserting “January 1, 2009”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 12802. DEDUCTION OF QUALIFIED TUITION AND RELATED EXPENSES.

(a) IN GENERAL.—Subsection (e) of section 222 (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 12803. TREATMENT OF CERTAIN DIVIDENDS OF REGULATED INVESTMENT COMPANIES.

(a) INTEREST-RELATED DIVIDENDS.—Subparagraph (C) of section 871(k)(1) (defining interest-related dividend) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) SHORT-TERM CAPITAL GAIN DIVIDENDS.—Subparagraph (C) of section 871(k)(2) (defining short-term capital gain dividend) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to dividends with respect to taxable years of regulated investment companies beginning after December 31, 2007.

SEC. 12804. PARITY IN THE APPLICATION OF CERTAIN LIMITS TO MENTAL HEALTH BENEFITS.

(a) IN GENERAL.—Paragraph (3) of section 9812(f) (relating to application of section) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to benefits for services furnished after December 31, 2007.

SEC. 12805. QUALIFIED CONSERVATION CONTRIBUTIONS.

(a) IN GENERAL.—Clause (vi) of section 170(b)(1)(E) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made in taxable years beginning after December 31, 2007.

SEC. 12806. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT PLANS FOR CHARITABLE PURPOSES.

(a) IN GENERAL.—Subparagraph (F) of section 408(d)(8) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions made in taxable years beginning after December 31, 2007.

SEC. 12807. DEDUCTION FOR CERTAIN EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.

(a) IN GENERAL.—Subparagraph (D) of section 62(a)(2) (relating to certain expenses of elementary and secondary school teachers) is amended by striking “or 2007” and inserting “2007, or 2008”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2007.

SEC. 12808. ELECTION TO INCLUDE COMBAT PAY AS EARNED INCOME FOR PURPOSES OF EARNED INCOME TAX CREDIT.

(a) IN GENERAL.—Subclause (II) of section 32(c)(2)(B)(vi) (defining earned income) is amended by striking “January 1, 2008” and inserting “January 1, 2009”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending after December 31, 2007.

SEC. 12809. MODIFICATION OF MORTGAGE REVENUE BONDS FOR VETERANS.

(a) **QUALIFIED MORTGAGE BONDS USED TO FINANCE RESIDENCES FOR VETERANS WITHOUT REGARD TO FIRST-TIME HOMEBUYER REQUIREMENT.**—Subparagraph (D) of section 143(d)(2) (relating to exceptions) is amended by striking “January 1, 2008” and inserting “January 1, 2009”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to bonds issued after December 31, 2007.

SEC. 12810. DISTRIBUTIONS FROM RETIREMENT PLANS TO INDIVIDUALS CALLED TO ACTIVE DUTY.

(a) IN GENERAL.—Clause (iv) of section 72(t)(2)(G) is amended by striking “December 31, 2007” and inserting “January 1, 2009”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to individuals ordered or called to active duty on or after December 31, 2007.

SEC. 12811. STOCK IN RIC FOR PURPOSES OF TERMINATING ESTATES OF NON-RESIDENTS NOT CITIZENS.

(a) IN GENERAL.—Paragraph (3) of section 2105(d) (relating to stock in a RIC) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to decedents dying after December 31, 2007.

SEC. 12812. QUALIFIED INVESTMENT ENTITIES.

(a) IN GENERAL.—Clause (ii) of section 897(h)(4)(A) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 2008.

SEC. 12813. STATE LEGISLATORS' TRAVEL EXPENSES AWAY FROM HOME.

(a) IN GENERAL.—Paragraph (2) of section 162(h) (relating to legislative days) is amended by adding at the end the following flush sentence: “In the case of taxable years beginning in 2008, a legislature shall be treated for purposes of this paragraph as in session on any day in which it is formally called into session without regard to whether legislation was considered on such day.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2007.

PART II—EXTENDERS PRIMARILY AFFECTING BUSINESSES

SEC. 12821. RESEARCH CREDIT.

(a) IN GENERAL.—Subparagraph (B) of section 41(h)(1) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) CONFORMING AMENDMENT.—Subparagraph (D) of section 45C(b)(1) (relating to qualified clinical testing expenses) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after December 31, 2007.

SEC. 12822. INDIAN EMPLOYMENT CREDIT.

(a) IN GENERAL.—Subsection (f) of section 45A (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 12823. NEW MARKETS TAX CREDIT.

Subparagraph (D) of section 45D(f)(1) (relating to national limitation on amount of investments designated) is amended by striking “and 2008” and inserting “2008, and 2009”.

SEC. 12824. RAILROAD TRACK MAINTENANCE.

(a) IN GENERAL.—Subsection (f) of section 45G (relating to application of section) is amended by striking “January 1, 2008” and inserting “January 1, 2009”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to expenditures paid or incurred during taxable years beginning after December 31, 2007.

SEC. 12825. FIFTEEN-YEAR STRAIGHT-LINE COST RECOVERY FOR QUALIFIED LEASEHOLD IMPROVEMENTS AND QUALIFIED RESTAURANT PROPERTY.

(a) IN GENERAL.—Clauses (iv) and (v) of section 168(e)(3)(E) (relating to 15-year property) are each amended by striking “January 1, 2008” and inserting “January 1, 2009”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2007.

SEC. 12826. SEVEN-YEAR COST RECOVERY PERIOD FOR MOTORSPORTS RACING TRACK FACILITY.

(a) IN GENERAL.—Subparagraph (D) of section 168(i)(15) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2007.

SEC. 12827. ACCELERATED DEPRECIATION FOR BUSINESS PROPERTY ON INDIAN RESERVATION.

(a) IN GENERAL.—Paragraph (8) of section 168(j) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after December 31, 2007.

SEC. 12828. EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS.

(a) IN GENERAL.—Subsection (h) of section 198 (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to expenditures paid or incurred after December 31, 2007.

SEC. 12829. DEDUCTION ALLOWABLE WITH RESPECT TO INCOME ATTRIBUTABLE TO DOMESTIC PRODUCTION ACTIVITIES IN PUERTO RICO.

(a) IN GENERAL.—Subparagraph (C) of section 199(d)(8) (relating to termination) is amended—

(1) by striking “first 2 taxable years” and inserting “first 3 taxable years”, and

(2) by striking “January 1, 2008” and inserting “January 1, 2009”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 12830. MODIFICATION OF TAX TREATMENT OF CERTAIN PAYMENTS TO CONTROLLING EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—Clause (iv) of section 512(b)(13)(E) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments received or accrued after December 31, 2007.

SEC. 12831. EXTENSION AND MODIFICATION OF CREDIT TO HOLDERS OF QUALIFIED ZONE ACADEMY BONDS.

(a) IN GENERAL.—Subsection (e) of section 1397E (relating to limitation on amount of

bonds designated) is amended by striking “1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, and 2007” and inserting “each of calendar years 1998 through 2008”.

(b) MODIFICATION OF ARBITRAGE RULES.—

(1) IN GENERAL.—Subsection (g) of section 1397E (relating to special rules relating to arbitration) is amended to read as follows:

“(g) SPECIAL RULES RELATING TO ARBITRAGE.—

“(1) IN GENERAL.—An issue shall be treated as meeting the requirements of this subsection if the issuer satisfies the requirements of section 148 with respect to the proceeds of the issue.

“(2) SPECIAL RULE FOR INVESTMENTS DURING EXPENDITURE PERIOD.—An issue shall not be treated as failing to meet the requirements of paragraph (1) by reason of any investment of available project proceeds during the 5-year period described in subsection (f)(1)(A) (including any extension of such period under subsection (f)(2)).

“(3) SPECIAL RULE FOR RESERVE FUNDS.—An issue shall not be treated as failing to meet the requirements of paragraph (1) by reason of any fund which is expected to be used to repay such issue if—

“(A) such fund is funded at a rate not more rapid than equal annual installments,

“(B) such fund is funded in a manner that such fund will not exceed the amount necessary to repay the issue if invested at the maximum rate permitted under subparagraph (C), and

“(C) the yield on such fund is not greater than the discount rate determined under subsection (d)(3) with respect to the issue.”.

(2) APPLICATION OF AVAILABLE PROJECT PROCEEDS TO OTHER REQUIREMENTS.—Subsections (d)(1)(A), (d)(2)(A), (f)(1)(A), (f)(1)(B), (f)(1)(C), and (f)(3) of section 1397E are each amended by striking “proceeds” and inserting “available project proceeds”.

(3) AVAILABLE PROJECT PROCEEDS DEFINED.—Subsection (i) of section 1397E (relating to definitions) is amended by adding at the end the following new paragraph:

“(4) AVAILABLE PROJECT PROCEEDS.—The term ‘available project proceeds’ means—

“(A) the excess of—

“(i) the proceeds from the sale of an issue, over

“(ii) the issuance costs financed by the issue (to the extent that such costs do not exceed 2 percent of such proceeds), and

“(B) the proceeds from any investment of the excess described in subparagraph (A).”.

(c) EFFECTIVE DATE.—

(1) EXTENSION.—The amendment made by subsection (a) shall apply to obligations issued after December 31, 2007.

(2) MODIFICATION OF ARBITRAGE RULES.—The amendments made by subsection (b) shall apply to obligations issued after the date of the enactment of this Act.

SEC. 12832. TAX INCENTIVES FOR INVESTMENT IN THE DISTRICT OF COLUMBIA.

(a) DESIGNATION OF ZONE.—

(1) IN GENERAL.—Subsection (f) of section 1400 is amended by striking “2007” both places it appears and inserting “2008”.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to periods beginning after December 31, 2007.

(b) TAX-EXEMPT ECONOMIC DEVELOPMENT BONDS.—

(1) IN GENERAL.—Subsection (b) of section 1400A is amended by striking “2007” and inserting “2008”.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to bonds issued after December 31, 2007.

(c) ZERO PERCENT CAPITAL GAINS RATE.—

(1) IN GENERAL.—Subsection (b) of section 1400B is amended by striking “2008” each place it appears and inserting “2009”.

(2) CONFORMING AMENDMENTS.—

(A) Section 1400B(e)(2) is amended—
 (i) by striking “2012” and inserting “2013”, and
 (ii) by striking “2012” in the heading thereof and inserting “2013”.
 (B) Section 1400B(g)(2) is amended by striking “2012” and inserting “2013”.
 (C) Section 1400F(d) is amended by striking “2012” and inserting “2013”.

(3) **EFFECTIVE DATES.**
 (A) **EXTENSION.**—The amendments made by paragraph (1) shall apply to acquisitions after December 31, 2007.

(B) **CONFORMING AMENDMENTS.**—The amendments made by paragraph (2) shall take effect on the date of the enactment of this Act.

(d) **FIRST-TIME HOMEBUYER CREDIT.**—

(1) **IN GENERAL.**—Subsection (i) of section 1400C is amended by striking “2008” and inserting “2009”.

(2) **EFFECTIVE DATE.**—The amendment made by this subsection shall apply to property purchased after December 31, 2007.

SEC. 12833. EXTENSION OF ECONOMIC DEVELOPMENT CREDIT FOR AMERICAN SAMOA.

(a) **IN GENERAL.**—Subsection (d) of section 119 of division A of the Tax Relief and Health Care Act of 2006 is amended—

(1) by striking “first two taxable years” and inserting “first 3 taxable years”, and
 (2) by striking “January 1, 2008” and inserting “January 1, 2009”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to taxable years beginning after December 31, 2007.

SEC. 12834. ENHANCED CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORY.

(a) **IN GENERAL.**—Clause (iv) of section 170(e)(3)(C) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to contributions made after December 31, 2007.

SEC. 12835. ENHANCED CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF BOOK INVENTORY TO PUBLIC SCHOOLS.

(a) **IN GENERAL.**—Clause (iv) of section 170(e)(3)(D) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to contributions made after December 31, 2007.

SEC. 12836. ENHANCED DEDUCTION FOR QUALIFIED COMPUTER CONTRIBUTIONS.

(a) **IN GENERAL.**—Subparagraph (G) of section 170(e)(6) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to contributions made during taxable years beginning after December 31, 2007.

SEC. 12837. BASIS ADJUSTMENT TO STOCK OF S CORPORATIONS MAKING CHARITABLE CONTRIBUTIONS OF PROPERTY.

(a) **IN GENERAL.**—The last sentence of section 1367(a)(2) (relating to decreases in basis) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) **TECHNICAL AMENDMENT RELATED TO SECTION 1203 OF THE PENSION PROTECTION ACT OF 2006.**—Subsection (d) of section 1366 is amended by adding at the end the following new paragraph:

“(4) APPLICATION OF LIMITATION ON CHARITABLE CONTRIBUTIONS.—In the case of any charitable contribution of property to which the second sentence of section 1367(a)(2) applies, paragraph (1) shall not apply to the extent of the excess (if any) of—

“(A) the shareholder’s pro rata share of such contribution, over

“(B) the shareholder’s pro rata share of the adjusted basis of such property.”.

(c) **EFFECTIVE DATE.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), the amendments made by this section shall apply to contributions made in taxable years beginning after December 31, 2007.

(2) **TECHNICAL AMENDMENT.**—The amendment made by subsection (b) shall take effect as if included in the provision of the Pension Protection Act of 2006 to which it relates.

SEC. 12838. EXTENSION OF WORK OPPORTUNITY TAX CREDIT FOR HURRICANE KATRINA EMPLOYEES.

(a) **IN GENERAL.**—Paragraph (1) of section 201(b) of the Katrina Emergency Tax Relief Act of 2005 is amended by striking “2-year” and inserting “3-year”.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply to individuals hired after August 27, 2007.

PART III—OTHER EXTENDERS

SEC. 12841. DISCLOSURE FOR COMBINED EMPLOYMENT TAX REPORTING.

(a) **IN GENERAL.**—Subparagraph (B) of section 6103(d)(5) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to disclosures after December 31, 2007.

SEC. 12842. DISCLOSURE OF RETURN INFORMATION TO APPRISE APPROPRIATE OFFICIALS OF TERRORIST ACTIVITIES.

(a) **IN GENERAL.**—Clause (iv) of section 6103(i)(3)(C) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to disclosures after December 31, 2007.

SEC. 12843. DISCLOSURE UPON REQUEST OF INFORMATION RELATING TO TERRORIST ACTIVITIES.

(a) **IN GENERAL.**—Subparagraph (E) of section 6103(i)(7) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to disclosures after December 31, 2007.

SEC. 12844. DISCLOSURE OF RETURN INFORMATION TO CARRY OUT INCOME CONTINGENT REPAYMENT OF STUDENT LOANS.

(a) **IN GENERAL.**—Subparagraph (D) of section 6103(i)(13) (relating to termination) is amended by striking “December 31, 2007” and inserting “December 31, 2008”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to requests made after December 31, 2007.

SEC. 12845. AUTHORITY FOR UNDERCOVER OPERATIONS.

(a) **IN GENERAL.**—Paragraph (6) of section 7608(c) (relating to application of section) is amended by striking “January 1, 2008” each place it appears and inserting “January 1, 2009”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall take effect on January 1, 2008.

SEC. 12846. INCREASE IN LIMIT ON COVER OVER OF RUM EXCISE TAX TO PUERTO RICO AND THE VIRGIN ISLANDS.

(a) **IN GENERAL.**—Paragraph (1) of section 7652(f) is amended by striking “January 1, 2008” and inserting “January 1, 2009”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to distilled spirits brought into the United States after December 31, 2007.

SEC. 12847. DISCLOSURE OF RETURN INFORMATION FOR CERTAIN VETERANS PROGRAMS.

(a) **IN GENERAL.**—The last sentence of paragraph (7) of section 6103(l) is amended by

striking “September 30, 2008” and inserting “December 31, 2008”.

(b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply to requests made after September 30, 2008.

Subtitle J—Mortgage Forgiveness Debt Relief

SEC. 12851. DISCHARGES OF INDEBTEDNESS ON PRINCIPAL RESIDENCE EXCLUDED FROM GROSS INCOME.

(a) **IN GENERAL.**—Paragraph (1) of section 108(a) is amended by striking “or” at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting “, or”, and by inserting after subparagraph (D) the following new subparagraph:

“(B) the indebtedness discharged is qualified principal residence indebtedness.”.

(b) **SPECIAL RULES RELATING TO QUALIFIED PRINCIPAL RESIDENCE INDEBTEDNESS.**—Section 108 is amended by adding at the end the following new subsection:

“(h) **SPECIAL RULES RELATING TO QUALIFIED PRINCIPAL RESIDENCE INDEBTEDNESS.**—

“(1) **BASIS REDUCTION.**—The amount excluded from gross income by reason of subsection (a)(1)(E) shall be applied to reduce (but not below zero) the basis of the principal residence of the taxpayer.

“(2) **QUALIFIED PRINCIPAL RESIDENCE INDEBTEDNESS.**—For purposes of this section, the term ‘qualified principal residence indebtedness’ means acquisition indebtedness (within the meaning of section 163(h)(3)(B), applied by substituting “\$2,000,000 (\$1,000,000 for \$1,000,000 (\$500,000 in clause (ii) thereof) with respect to the principal residence of the taxpayer.

“(3) **EXCEPTION FOR CERTAIN DISCHARGES NOT RELATED TO TAXPAYER’S FINANCIAL CONDITION.**—Subsection (a)(1)(E) shall not apply to the discharge of a loan if the discharge is on account of services performed for the lender or any other factor not directly related to a decline in the value of the residence or to the financial condition of the taxpayer.

“(4) **ORDERING RULE.**—If any loan is discharged, in whole or in part, and only a portion of such loan is qualified principal residence indebtedness, subsection (a)(1)(E) shall apply only to so much of the amount discharged as exceeds the amount of the loan (as determined immediately before such discharge) which is not qualified principal residence indebtedness.

“(5) **PRINCIPAL RESIDENCE.**—For purposes of this subsection, the term ‘principal residence’ has the same meaning as when used in section 121.”.

(c) **COORDINATION.**—

(1) Subparagraph (A) of section 108(a)(2) is amended by striking “and (D)” and inserting “(D), and (E)”.

(2) Paragraph (2) of section 108(a) is amended by adding at the end the following new subparagraph:

“(C) **PRINCIPAL RESIDENCE EXCLUSION TAKES PRECEDENCE OVER INSOLVENCY EXCLUSION UNLESS ELECTED OTHERWISE.**—Paragraph (1)(B) shall not apply to a discharge to which paragraph (1)(E) applies unless the taxpayer elects to apply paragraph (1)(B) in lieu of paragraph (1)(E).”.

(d) **EFFECTIVE DATE.**—The amendments made by this section shall apply to discharges of indebtedness on or after January 1, 2007.

SEC. 12852. LONG-TERM EXTENSION OF DEDUCTION FOR MORTGAGE INSURANCE PREMIUMS.

(a) **IN GENERAL.**—Subparagraph (E) of section 163(h)(3) (relating to mortgage insurance premiums treated as interest) is amended by striking clauses (iii) and (iv) and inserting the following new clause:

“(iii) **APPLICATION.**—Clause (i) shall not apply with respect to any mortgage insurance contract issued before January 1, 2007, or after December 31, 2014.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to contracts issued after December 31, 2006.

SEC. 12853. ALTERNATIVE TESTS FOR QUALIFYING AS COOPERATIVE HOUSING CORPORATION.

(a) IN GENERAL.—Subparagraph (D) of section 216(b)(1) (defining cooperative housing corporation) is amended to read as follows:

“(D) meeting 1 or more of the following requirements for the taxable year in which the taxes and interest described in subsection (a) are paid or incurred:

“(i) 80 percent or more of the corporation’s gross income for such taxable year is derived from tenant-stockholders.

“(ii) At all times during such taxable year, 80 percent or more of the total square footage of the corporation’s property is used or available for use by the tenant-stockholders for residential purposes or purposes ancillary to such residential use.

“(iii) 90 percent or more of the expenditures of the corporation paid or incurred during such taxable year are paid or incurred for the acquisition, construction, management, maintenance, or care of the corporation’s property for the benefit of the tenant-stockholders.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 12854. GAIN FROM SALE OF PRINCIPAL RESIDENCE ALLOCATED TO NON-QUALIFIED USE NOT EXCLUDED FROM INCOME.

(a) IN GENERAL.—Subsection (b) of section 121 (relating to limitations) is amended by adding at the end the following new paragraph:

“(4) EXCLUSION OF GAIN ALLOCATED TO NON-QUALIFIED USE.—

“(A) IN GENERAL.—Subsection (a) shall not apply to so much of the gain from the sale or exchange of property as is allocated to periods of nonqualified use.

“(B) GAIN ALLOCATED TO PERIODS OF NON-QUALIFIED USE.—For purposes of subparagraph (A), gain shall be allocated to periods of nonqualified use based on the ratio which—

“(i) the aggregate periods of nonqualified use during the period such property was owned by the taxpayer, bears to

“(ii) the period such property was owned by the taxpayer.

“(C) PERIOD OF NONQUALIFIED USE.—For purposes of this paragraph—

“(i) IN GENERAL.—The term ‘period of non-qualified use’ means any period (other than the portion of any period preceding January 1, 2008) during which the property is not used as the principal residence of the taxpayer or the taxpayer’s spouse or former spouse.

“(ii) EXCEPTIONS.—The term ‘period of non-qualified use’ does not include—

“(I) any portion of the 5-year period described in subsection (a) which is after the last date that such property is used as the principal residence of the taxpayer or the taxpayer’s spouse,

“(II) any period (not to exceed an aggregate period of 10 years) during which the taxpayer or the taxpayer’s spouse is serving on qualified official extended duty (as defined in subsection (d)(9)(C)) described in clause (i), (ii), or (iii) of subsection (d)(9)(A), and

“(III) any other period of temporary absence (not to exceed an aggregate period of 2 years) due to change of employment, health conditions, or such other unforeseen circumstances as may be specified by the Secretary.

“(D) COORDINATION WITH RECOGNITION OF GAIN ATTRIBUTABLE TO DEPRECIATION.—For purposes of this paragraph—

“(i) subparagraph (A) shall be applied after the application of subsection (d)(6), and

“(ii) subparagraph (B) shall be applied without regard to any gain to which subsection (d)(6) applies.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to sales and exchanges after December 31, 2007.

Subtitle K—Administrative Provisions

SEC. 12861. REPEAL OF AUTHORITY TO ENTER INTO PRIVATE DEBT COLLECTION CONTRACTS.

(a) IN GENERAL.—Subchapter A of chapter 64 is amended by striking section 6306.

(b) CONFORMING AMENDMENTS.—

(1) Subchapter B of chapter 76 is amended by striking section 7433A.

(2) Section 7811 is amended by striking subsection (g).

(3) Section 1203 of the Internal Revenue Service Restructuring Act of 1998 is amended by striking subsection (e).

(4) The table of sections for subchapter A of chapter 64 is amended by striking the item relating to section 6306.

(5) The table of sections for subchapter B of chapter 76 is amended by striking the item relating to section 7433A.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) EXCEPTION FOR EXISTING CONTRACTS, ETC.—The amendments made by this section shall not apply to any contract which was entered into before July 18, 2007, and is not renewed or extended on or after such date.

(3) UNAUTHORIZED CONTRACTS AND EXTENSIONS TREATED AS VOID.—Any qualified tax collection contract (as defined in section 6306 of the Internal Revenue Code of 1986, as in effect before its repeal) which is entered into on or after July 18, 2007, and any extension or renewal on or after such date of any qualified tax collection contract (as so defined) shall be void.

SEC. 12862. DELAY OF APPLICATION OF WITHHOLDING REQUIREMENT ON CERTAIN GOVERNMENTAL PAYMENTS FOR GOODS AND SERVICES.

(a) IN GENERAL.—Subsection (b) of section 511 of the Tax Increase Prevention and Reconciliation Act of 2005 is amended by striking “December 31, 2010” and inserting “December 31, 2011”.

(b) REPORT TO CONGRESS.—Not later than 6 months after the date of the enactment of this Act, the Secretary of the Treasury shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report with respect to the withholding requirements of section 3402(t) of the Internal Revenue Code of 1986, including a detailed analysis of—

(1) the problems, if any, which are anticipated in administering and complying with such requirements,

(2) the burdens, if any, that such requirements will place on governments and businesses (taking into account such mechanisms as may be necessary to administer such requirements), and

(3) the application of such requirements to small expenditures for services and goods by governments.

SEC. 12863. CLARIFICATION OF ENTITLEMENT OF VIRGIN ISLANDS RESIDENTS TO PROTECTIONS OF LIMITATIONS ON ASSESSMENT AND COLLECTION OF TAX.

(a) IN GENERAL.—Subsection (c) of section 932 (relating to treatment of Virgin Islands residents) is amended by adding at the end the following new paragraph:

“(5) TREATMENT OF INCOME TAX RETURN FILED WITH VIRGIN ISLANDS.—An income tax return filed with the Virgin Islands by an individual claiming to be described in para-

graph (1) for the taxable year shall be treated for purposes of subtitle F in the same manner as if such return were an income tax return filed with the United States for such taxable year. The preceding sentence shall not apply where such return is false or fraudulent with the intent to evade tax or otherwise is a willful attempt in any manner to defeat or evade tax.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after 1986.

SEC. 12864. REVISION OF TAX RULES ON EXPATRIATION.

(a) IN GENERAL.—Subpart A of part II of subchapter N of chapter 1 is amended by inserting after section 877 the following new section:

“SEC. 877A. TAX RESPONSIBILITIES OF EXPATRIATION.

“(a) GENERAL RULES.—For purposes of this subtitle—

“(1) MARK TO MARKET.—All property of a covered expatriate shall be treated as sold on the day before the expatriation date for its fair market value.

“(2) RECOGNITION OF GAIN OR LOSS.—In the case of any sale under paragraph (1)—

“(A) notwithstanding any other provision of this title, any gain arising from such sale shall be taken into account for the taxable year of the sale, and

“(B) any loss arising from such sale shall be taken into account for the taxable year of the sale to the extent otherwise provided by this title, except that section 1091 shall not apply to any such loss.

Proper adjustment shall be made in the amount of any gain or loss subsequently realized for gain or loss taken into account under the preceding sentence, determined without regard to paragraph (3).

“(3) EXCLUSION FOR CERTAIN GAIN.—

“(A) IN GENERAL.—The amount which would (but for this paragraph) be includible in the gross income of any individual by reason of paragraph (1) shall be reduced (but not below zero) by \$600,000.

“(B) ADJUSTMENT FOR INFLATION.—

“(i) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2008, the dollar amount in subparagraph (A) shall be increased by an amount equal to—

“(I) such dollar amount, multiplied by

“(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting ‘calendar year 2007’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“(ii) ROUNDING.—If any amount as adjusted under clause (i) is not a multiple of \$1,000, such amount shall be rounded to the nearest multiple of \$1,000.

“(B) ELECTION TO DEFER TAX.—

“(1) IN GENERAL.—If the taxpayer elects the application of this subsection with respect to any property treated as sold by reason of subsection (a), the time for payment of the additional tax attributable to such property shall be extended until the due date of the return for the taxable year in which such property is disposed of (or, in the case of property disposed of in a transaction in which gain is not recognized in whole or in part, until such other date as the Secretary may prescribe).

“(2) DETERMINATION OF TAX WITH RESPECT TO PROPERTY.—For purposes of paragraph (1), the additional tax attributable to any property is an amount which bears the same ratio to the additional tax imposed by this chapter for the taxable year solely by reason of subsection (a) as the gain taken into account under subsection (a) with respect to such property bears to the total gain taken into account under subsection (a) with respect to all property to which subsection (a) applies.

“(3) TERMINATION OF EXTENSION.—The due date for payment of tax may not be extended under this subsection later than the due date for the return of tax imposed by this chapter for the taxable year which includes the date of death of the expatriate (or, if earlier, the time that the security provided with respect to the property fails to meet the requirements of paragraph (4), unless the taxpayer corrects such failure within the time specified by the Secretary).

“(4) SECURITY.—

“(A) IN GENERAL.—No election may be made under paragraph (1) with respect to any property unless adequate security is provided with respect to such property.

“(B) ADEQUATE SECURITY.—For purposes of subparagraph (A), security with respect to any property shall be treated as adequate security if—

“(i) it is a bond which is furnished to, and accepted by, the Secretary, which is conditioned on the payment of tax (and interest thereon), and which meets the requirements of section 6325, or

“(ii) it is another form of security for such payment (including letters of credit) that meets such requirements as the Secretary may prescribe.

“(5) WAIVER OF CERTAIN RIGHTS.—No election may be made under paragraph (1) unless the taxpayer makes an irrevocable waiver of any right under any treaty of the United States which would preclude assessment or collection of any tax imposed by reason of this section.

“(6) ELECTIONS.—An election under paragraph (1) shall only apply to property described in the election and, once made, is irrevocable.

“(7) INTEREST.—For purposes of section 6601, the last date for the payment of tax shall be determined without regard to the election under this subsection.

“(c) EXCEPTION FOR CERTAIN PROPERTY.—Subsection (a) shall not apply to—

“(1) any deferred compensation item (as defined in subsection (d)(4)),

“(2) any specified tax deferred account (as defined in subsection (e)(2)), and

“(3) any interest in a nongrantor trust (as defined in subsection (f)(3)).

“(d) TREATMENT OF DEFERRED COMPENSATION ITEMS.—

“(1) WITHHOLDING ON ELIGIBLE DEFERRED COMPENSATION ITEMS.—

“(A) IN GENERAL.—In the case of any eligible deferred compensation item, the payor shall deduct and withhold from any taxable payment to a covered expatriate with respect to such item a tax equal to 30 percent thereof.

“(B) TAXABLE PAYMENT.—For purposes of subparagraph (A), the term ‘taxable payment’ means with respect to a covered expatriate any payment to the extent it would be includible in the gross income of the covered expatriate if such expatriate continued to be subject to tax as a citizen or resident of the United States. A deferred compensation item shall be taken into account as a payment under the preceding sentence when such item would be so includible.

“(2) OTHER DEFERRED COMPENSATION ITEMS.—In the case of any deferred compensation item which is not an eligible deferred compensation item—

“(A)(i) with respect to any deferred compensation item to which clause (ii) does not apply, an amount equal to the present value of the covered expatriate’s accrued benefit shall be treated as having been received by such individual on the day before the expatriation date as a distribution under the plan, and

“(ii) with respect to any deferred compensation item referred to in paragraph (4)(D), the rights of the covered expatriate to

such item shall be treated as becoming transferable and not subject to a substantial risk of forfeiture on the day before the expatriation date,

“(B) no early distribution tax shall apply by reason of such treatment, and

“(C) appropriate adjustments shall be made to subsequent distributions from the plan to reflect such treatment.

“(3) ELIGIBLE DEFERRED COMPENSATION ITEMS.—For purposes of this subsection, the term ‘eligible deferred compensation item’ means any deferred compensation item with respect to which—

“(A) the payor of such item is—

“(i) a United States person, or

“(ii) a person who is not a United States person but who elects to be treated as a United States person for purposes of paragraph (1) and meets such requirements as the Secretary may provide to ensure that the payor will meet the requirements of paragraph (1), and

“(B) the covered expatriate—

“(i) notifies the payor of his status as a covered expatriate, and

“(ii) makes an irrevocable waiver of any right to claim any reduction under any treaty with the United States in withholding on such item.

“(4) DEFERRED COMPENSATION ITEM.—For purposes of this subsection, the term ‘deferred compensation item’ means—

“(A) any interest in a plan or arrangement described in section 219(g)(5),

“(B) any interest in a foreign pension plan or similar retirement arrangement or program,

“(C) any item of deferred compensation, and

“(D) any property, or right to property, which the individual is entitled to receive in connection with the performance of services to the extent not previously taken into account under section 83 or in accordance with section 83.

“(5) EXCEPTION.—Paragraphs (1) and (2) shall not apply to any deferred compensation item which is attributable to services performed outside the United States while the covered expatriate was not a citizen or resident of the United States.

“(6) SPECIAL RULES.—

“(A) APPLICATION OF WITHHOLDING RULES.—Rules similar to the rules of subchapter B of chapter 3 shall apply for purposes of this subsection.

“(B) APPLICATION OF TAX.—Any item subject to the withholding tax imposed under paragraph (1) shall be subject to tax under section 871.

“(C) COORDINATION WITH OTHER WITHHOLDING REQUIREMENTS.—Any item subject to withholding under paragraph (1) shall not be subject to withholding under section 1441 or chapter 24.

“(e) TREATMENT OF SPECIFIED TAX DEFERRED ACCOUNTS.—

“(1) ACCOUNT TREATED AS DISTRIBUTED.—In the case of any interest in a specified tax deferred account held by a covered expatriate on the day before the expatriation date—

“(A) the covered expatriate shall be treated as receiving a distribution of his entire interest in such account on the day before the expatriation date,

“(B) no early distribution tax shall apply by reason of such treatment, and

“(C) appropriate adjustments shall be made to subsequent distributions from the account to reflect such treatment.

“(2) SPECIFIED TAX DEFERRED ACCOUNT.—For purposes of paragraph (1), the term ‘specified tax deferred account’ means an individual retirement plan (as defined in section 7701(a)(87)) other than any arrangement described in subsection (k) or (p) of section 408, a qualified tuition program (as defined in

section 529), a Coverdell education savings account (as defined in section 530), a health savings account (as defined in section 223), and an Archer MSA (as defined in section 220).

“(f) SPECIAL RULES FOR NONGRANTOR TRUSTS.—

“(1) IN GENERAL.—In the case of a distribution (directly or indirectly) of any property from a nongrantor trust to a covered expatriate—

“(A) the trustee shall deduct and withhold from such distribution an amount equal to 30 percent of the taxable portion of the distribution, and

“(B) if the fair market value of such property exceeds its adjusted basis in the hands of the trust, gain shall be recognized to the trust as if such property were sold to the expatriate at its fair market value.

“(2) TAXABLE PORTION.—For purposes of this subsection, the term ‘taxable portion’ means, with respect to any distribution, that portion of the distribution which would be includible in the gross income of the covered expatriate if such expatriate continued to be subject to tax as a citizen or resident of the United States.

“(3) NONGRANTOR TRUST.—For purposes of this subsection, the term ‘nongrantor trust’ means the portion of any trust that the individual is not considered the owner of under subpart E of part I of subchapter J. The determination under the preceding sentence shall be made immediately before the expatriation date.

“(4) SPECIAL RULES RELATING TO WITHHOLDING.—For purposes of this subsection—

“(A) rules similar to the rules of subsection (d)(6) shall apply, and

“(B) the covered expatriate shall be treated as having waived any right to claim any reduction under any treaty with the United States in withholding on any distribution to which paragraph (1)(A) applies.

“(5) APPLICATION.—This subsection shall apply to a nongrantor trust only if the covered expatriate was a beneficiary of the trust on the day before the expatriation date.

“(g) DEFINITIONS AND SPECIAL RULES RELATING TO EXPATRIATION.—For purposes of this section—

“(1) COVERED EXPATRIATE.—

“(A) IN GENERAL.—The term ‘covered expatriate’ means an expatriate who meets the requirements of subparagraph (A), (B), or (C) of section 877(a)(2).

“(B) EXCEPTIONS.—An individual shall not be treated as meeting the requirements of subparagraph (A) or (B) of section 877(a)(2) if—

“(i) the individual—

“(I) became at birth a citizen of the United States and a citizen of another country and, as of the expatriation date, continues to be a citizen of, and is taxed as a resident of, such other country, and

“(II) has been a resident of the United States (as defined in section 7701(b)(1)(A)(ii)) for not more than 10 taxable years during the 15-taxable year period ending with the taxable year during which the expatriation date occurs, or

“(ii)(I) the individual’s relinquishment of United States citizenship occurs before such individual attains age 18½, and

“(II) the individual has been a resident of the United States (as so defined) for not more than 10 taxable years before the date of relinquishment.

“(C) COVERED EXPATRIATES ALSO SUBJECT TO TAX AS CITIZENS OR RESIDENTS.—In the case of any covered expatriate who is subject to tax as a citizen or resident of the United States for any period beginning after the expatriation date, such individual shall not be treated as a covered expatriate during such

period for purposes of subsections (d)(1) and (f) and section 2801.

“(2) EXPATRIATE.—The term ‘expatriate’ means—

“(A) any United States citizen who relinquishes his citizenship, and

“(B) any long-term resident of the United States who ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)).

“(3) EXPATRIATION DATE.—The term ‘expatriation date’ means—

“(A) the date an individual relinquishes United States citizenship, or

“(B) in the case of a long-term resident of the United States, the date on which the individual ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)).

“(4) RELINQUISHMENT OF CITIZENSHIP.—A citizen shall be treated as relinquishing his United States citizenship on the earliest of—

“(A) the date the individual renounces his United States nationality before a diplomatic or consular officer of the United States pursuant to paragraph (5) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(5)),

“(B) the date the individual furnishes to the United States Department of State a signed statement of voluntary relinquishment of United States nationality confirming the performance of an act of expatriation specified in paragraph (1), (2), (3), or (4) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(1)–(4)),

“(C) the date the United States Department of State issues to the individual a certificate of loss of nationality, or

“(D) the date a court of the United States cancels a naturalized citizen’s certificate of naturalization.

Subparagraph (A) or (B) shall not apply to any individual unless the renunciation or voluntary relinquishment is subsequently approved by the issuance to the individual of a certificate of loss of nationality by the United States Department of State.

“(5) LONG-TERM RESIDENT.—The term ‘long-term resident’ has the meaning given to such term by section 877(e)(2).

“(6) EARLY DISTRIBUTION TAX.—The term ‘early distribution tax’ means any increase in tax imposed under section 72(t), 220(e)(4), 223(f)(4), 409A(a)(1)(B), 529(c)(6), or 530(d)(4).

“(h) OTHER RULES.—

“(1) TERMINATION OF DEFERRALS, ETC.—In the case of any covered expatriate, notwithstanding any other provision of this title—

“(A) any time period for acquiring property which would result in the reduction in the amount of gain recognized with respect to property disposed of by the taxpayer shall terminate on the day before the expatriation date, and

“(B) any extension of time for payment of tax shall cease to apply on the day before the expatriation date and the unpaid portion of such tax shall be due and payable at the time and in the manner prescribed by the Secretary.

“(2) STEP-UP IN BASIS.—Solely for purposes of determining any tax imposed by reason of subsection (a), property which was held by an individual on the date the individual first became a resident of the United States (within the meaning of section 7701(b)) shall be treated as having a basis on such date of not less than the fair market value of such property on such date. The preceding sentence shall not apply if the individual elects not to have such sentence apply. Such an election, once made, shall be irrevocable.

“(3) COORDINATION WITH SECTION 684.—If the expatriation of any individual would result in the recognition of gain under section 684, this section shall be applied after the application of section 684.

“(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.”.

(b) TAX ON GIFTS AND BEQUESTS RECEIVED BY UNITED STATES CITIZENS AND RESIDENTS FROM EXPATRIATES.—

(1) IN GENERAL.—Subtitle B (relating to estate and gift taxes) is amended by inserting after chapter 14 the following new chapter:

“CHAPTER 15—GIFTS AND BEQUESTS FROM EXPATRIATES”

“Sec. 2801. Imposition of tax.

“SEC. 2801. IMPOSITION OF TAX.

“(a) IN GENERAL.—If, during any calendar year, any United States citizen or resident receives any covered gift or bequest, there is hereby imposed a tax equal to the product of—

“(1) the highest rate of tax specified in the table contained in section 2001(c) as in effect on the date of such receipt (or, if greater, the highest rate of tax specified in the table applicable under section 2502(a) as in effect on the date), and

“(2) the value of such covered gift or bequest.

“(b) TAX TO BE PAID BY RECIPIENT.—The tax imposed by subsection (a) on any covered gift or bequest shall be paid by the person receiving such gift or bequest.

“(c) EXCEPTION FOR CERTAIN GIFTS.—Subsection (a) shall apply only to the extent that the value of covered gifts and bequests received by any person during the calendar year exceeds \$10,000.

“(d) TAX REDUCED BY FOREIGN GIFT OR ESTATE TAX.—The tax imposed by subsection (a) on any covered gift or bequest shall be reduced by the amount of any gift or estate tax paid to a foreign country with respect to such covered gift or bequest.

“(e) COVERED GIFT OR BEQUEST.”

“(1) IN GENERAL.—For purposes of this chapter, the term ‘covered gift or bequest’ means—

“(A) any property acquired by gift directly or indirectly from an individual who, at the time of such acquisition, is a covered expatriate, and

“(B) any property acquired directly or indirectly by reason of the death of an individual who, immediately before such death, was a covered expatriate.

“(2) EXCEPTIONS FOR TRANSFERS OTHERWISE SUBJECT TO ESTATE OR GIFT TAX.—Such term shall not include—

“(A) any property shown on a timely filed return of tax imposed by chapter 12 which is a taxable gift by the covered expatriate, and

“(B) any property included in the gross estate of the covered expatriate for purposes of chapter 11 and shown on a timely filed return of tax imposed by chapter 11 of the estate of the covered expatriate.

“(3) TRANSFERS IN TRUST.”

“(A) DOMESTIC TRUSTS.—In the case of a covered gift or bequest made to a domestic trust—

“(i) subsection (a) shall apply in the same manner as if such trust were a United States citizen, and

“(ii) the tax imposed by subsection (a) on such gift or bequest shall be paid by such trust.

“(B) FOREIGN TRUSTS.”

“(i) IN GENERAL.—In the case of a covered gift or bequest made to a foreign trust, subsection (a) shall apply to any distribution attributable to such gift or bequest from such trust (whether from income or corpus) to a United States citizen or resident in the same manner as if such distribution were a covered gift or bequest.

“(ii) DEDUCTION FOR TAX PAID BY RECIPIENT.—There shall be allowed as a deduction under section 164 the amount of tax imposed

by this section which is paid or accrued by a United States citizen or resident by reason of a distribution from a foreign trust, but only to the extent such tax is imposed on the portion of such distribution which is included in the gross income of such citizen or resident.

“(iii) ELECTION TO BE TREATED AS DOMESTIC TRUST.—Solely for purposes of this section, a foreign trust may elect to be treated as a domestic trust. Such an election may be revoked with the consent of the Secretary.

“(f) COVERED EXPATRIATE.—For purposes of this section, the term ‘covered expatriate’ has the meaning given to such term by section 877A(g)(1).”

(2) CLERICAL AMENDMENT.—The table of chapters for subtitle B is amended by inserting after the item relating to chapter 14 the following new item:

“CHAPTER 15. GIFTS AND BEQUESTS FROM EXPATRIATES.”

(c) DEFINITION OF TERMINATION OF UNITED STATES CITIZENSHIP.”

(1) IN GENERAL.—Section 7701(a) is amended by adding at the end the following new paragraph:

“(50) TERMINATION OF UNITED STATES CITIZENSHIP.”

“(A) IN GENERAL.—An individual shall not cease to be treated as a United States citizen before the date on which the individual’s citizenship is treated as relinquished under section 877A(g)(4).

“(B) DUAL CITIZENS.—Under regulations prescribed by the Secretary, subparagraph (A) shall not apply to an individual who became at birth a citizen of the United States and a citizen of another country.”

(2) CONFORMING AMENDMENTS.”

(A) Paragraph (1) of section 877(e) is amended to read as follows:

“(1) IN GENERAL.—Any long-term resident of the United States who ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)) shall be treated for purposes of this section and sections 2107, 2501, and 6039G in the same manner as if such resident were a citizen of the United States who lost United States citizenship on the date of such cessation or commencement.”

(B) Paragraph (6) of section 7701(b) is amended by adding at the end the following flush sentence:

“An individual shall cease to be treated as a lawful permanent resident of the United States if such individual commences to be treated as a resident of a foreign country under the provisions of a tax treaty between the United States and the foreign country, does not waive the benefits of such treaty applicable to residents of the foreign country, and notifies the Secretary of the commencement of such treatment.”

(C) Section 7701 is amended by striking subsection (n) and by redesignating subsections (o) and (p) as subsections (n) and (o), respectively.

(d) INFORMATION RETURNS.—Section 6039G is amended—

(1) by inserting “or 877A” after “section 877(b)” in subsection (a), and

(2) by inserting “or 877A” after “section 877(a)” in subsection (d).

(e) CLERICAL AMENDMENT.—The table of sections for subpart A of part II of subchapter N of chapter 1 is amended by inserting after the item relating to section 877 the following new item:

“Sec. 877A. Tax responsibilities of expatriation.”

(f) EFFECTIVE DATE.”

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to expatriates (as defined in section 877A(g) of the Internal Revenue

Code of 1986, as added by this section) whose expatriation date (as so defined) is on or after the date of the enactment of this Act.

(2) GIFTS AND BEQUESTS.—Chapter 15 of the Internal Revenue Code of 1986 (as added by subsection (b)) shall apply to covered gifts and bequests (as defined in section 2801 of such Code, as so added) received on or after the date of the enactment of this Act, regardless of when the transferor expatriated.

SEC. 12865. REPEAL OF SUSPENSION OF CERTAIN PENALTIES AND INTEREST.

(a) IN GENERAL.—Section 6404 is amended by striking subsection (g) and by redesignating subsection (h) as subsection (g).

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to notices provided by the Secretary of the Treasury, or his delegate, after the date which is 6 months after the date of the enactment of the Small Business and Work Opportunity Tax Act of 2007.

SEC. 12866. UNUSED MERCHANDISE DRAWBACK.

(a) IN GENERAL.—Section 313(j)(2) of the Tariff Act of 1930 (19 U.S.C. 1313(j)(2)) is amended by adding at the end the following: “For purposes of subparagraph (A) of this paragraph, wine of the same color having a price variation not to exceed 50 percent between the imported wine and the exported wine shall be deemed to be commercially interchangeable.”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to claims filed for drawback under section 313(j)(2) of the Tariff Act of 1930 on or after the date of the enactment of this Act.

Subtitle L—Revenue Provisions

PART I—NONQUALIFIED DEFERRED COMPENSATION FROM CERTAIN TAX INDIFFERENT PARTIES

SEC. 12901. NONQUALIFIED DEFERRED COMPENSATION FROM CERTAIN TAX INDIFFERENT PARTIES.

(a) IN GENERAL.—Subpart B of part II of subchapter E of chapter 1 (relating to taxable year for which items of gross income included) is amended by inserting after section 457 the following new section:

“SEC. 457A. NONQUALIFIED DEFERRED COMPENSATION FROM CERTAIN TAX INDIFFERENT PARTIES.

“(a) IN GENERAL.—Any compensation which is deferred under a nonqualified deferred compensation plan of a nonqualified entity shall be taken into account for purposes of this chapter when there is no substantial risk of forfeiture of the rights to such compensation.

“(b) NONQUALIFIED ENTITY.—For purposes of this section, the term ‘nonqualified entity’ means—

“(1) any foreign corporation unless substantially all of such income is—

“(A) effectively connected with the conduct of a trade or business in the United States, or

“(B) subject to a comprehensive foreign income tax, and

“(2) any partnership unless substantially all of such income is allocated to persons other than—

“(A) foreign persons with respect to whom such income is not subject to a comprehensive foreign income tax, and

“(B) organizations which are exempt from tax under this title.

“(c) ASCERTAINABILITY OF AMOUNTS OF COMPENSATION.—

“(1) IN GENERAL.—If the amount of any compensation is not ascertainable at the time that such compensation is otherwise to be taken into account under subsection (a)—

“(A) such amount shall be so taken into account when ascertainable, and

“(B) the tax imposed under this chapter for the taxable year in which such compensation

is taken into account under subparagraph (A) shall be increased by the sum of—

“(i) the amount of interest determined under paragraph (2), and

“(ii) an amount equal to 20 percent of the amount of such compensation.

“(2) INTEREST.—For purposes of paragraph (1)(B)(i), the interest determined under this paragraph for any taxable year is the amount of interest at the underpayment rate under section 6621 plus 1 percentage point on the underpayments that would have occurred had the deferred compensation been includable in gross income for the taxable year in which first deferred or, if later, the first taxable year in which such deferred compensation is not subject to a substantial risk of forfeiture.

“(d) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

“(1) SUBSTANTIAL RISK OF FORFEITURE.—The rights of a person to compensation shall be treated as subject to a substantial risk of forfeiture only if such person’s rights to such compensation are conditioned upon the future performance of substantial services by any individual.

“(2) COMPREHENSIVE FOREIGN INCOME TAX.—The term ‘comprehensive foreign income tax’ means, with respect to any foreign person, the income tax of a foreign country if—

“(A) such person is eligible for the benefits of a comprehensive income tax treaty between such foreign country and the United States, or

“(B) such person demonstrates to the satisfaction of the Secretary that such foreign country has a comprehensive income tax. Such term shall not include any tax unless such tax includes rules for the deductibility of deferred compensation which are similar to the rules of this title.

“(3) NONQUALIFIED DEFERRED COMPENSATION PLAN.—The term ‘nonqualified deferred compensation plan’ has the meaning given such term under section 409A(d), except that such term shall include any plan that provides a right to compensation based on the appreciation in value of a specified number of equity units of the service recipient.

“(4) APPLICATION OF RULES.—Rules similar to the rules of paragraphs (5) and (6) of section 409A(d) shall apply.

“(e) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including regulations disregarding a substantial risk of forfeiture in cases where necessary to carry out the purposes of this section.”.

(b) CONFORMING AMENDMENT.—Section 26(b)(2) is amended by striking “and” at the end of subparagraph (S), by striking the period at the end of subparagraph (T) and inserting “, and”, and by adding at the end the following new subparagraph:

“(U) section 457A(c)(1)(B) (relating to ascertainability of amounts of compensation).”.

(c) CLERICAL AMENDMENT.—The table of sections of subpart B of part II of subchapter E of chapter 1 is amended by inserting after the item relating to section 457 the following new item:

“Sec. 457A. Nonqualified deferred compensation from certain tax indifferent parties.”.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to amounts deferred which are attributable to services performed after December 31, 2007.

(2) APPLICATION TO EXISTING DEFERRALS.—

In the case of any amount deferred to which the amendments made by this section do not apply solely by reason of the fact that the

amount is attributable to services performed before January 1, 2008, to the extent such amount is not includable in gross income in a taxable year beginning before 2017, such amounts shall be includable in gross income in the later of—

(A) the last taxable year beginning before 2017, or

(B) the taxable year in which there is no substantial risk of forfeiture of the rights to such compensation (determined in the same manner as determined for purposes of section 457A of the Internal Revenue Code of 1986, as added by this section).

(3) ACCELERATED PAYMENTS.—No later than 60 days after the date of the enactment of this Act, the Secretary shall issue guidance providing a limited period of time during which a nonqualified deferred compensation arrangement attributable to services performed on or before December 31, 2007, may, without violating the requirements of section 409A(a) of the Internal Revenue Code of 1986, be amended to conform to the date of distribution to the date the amounts are required to be included in income.

PART II—PROVISIONS RELATED TO CERTAIN INVESTMENT PARTNERSHIPS

SEC. 12911. INCOME OF PARTNERS FOR PERFORMING INVESTMENT MANAGEMENT SERVICES TREATED AS ORDINARY INCOME RECEIVED FOR PERFORMANCE OF SERVICES.

(a) IN GENERAL.—Part I of subchapter K of chapter 1 is amended by adding at the end the following new section:

“SEC. 710. SPECIAL RULES FOR PARTNERS PROVIDING INVESTMENT MANAGEMENT SERVICES TO PARTNERSHIP.

“(a) TREATMENT OF DISTRIBUTIVE SHARE OF PARTNERSHIP ITEMS.—For purposes of this title, in the case of an investment services partnership interest—

“(1) IN GENERAL.—Notwithstanding section 702(b)—

“(A) any net income with respect to such interest for any partnership taxable year shall be treated as ordinary income for the performance of services, and

“(B) any net loss with respect to such interest for such year, to the extent not disallowed under paragraph (2) for such year, shall be treated as an ordinary loss.

“(2) TREATMENT OF LOSSES.—

“(A) LIMITATION.—Any net loss with respect to such interest shall be allowed for any partnership taxable year only to the extent that such loss does not exceed the excess (if any) of—

“(i) the aggregate net income with respect to such interest for all prior partnership taxable years, over

“(ii) the aggregate net loss with respect to such interest not disallowed under this subparagraph for all prior partnership taxable years.

“(B) CARRYFORWARD.—Any net loss for any partnership taxable year which is not allowed by reason of subparagraph (A) shall be treated as an item of loss with respect to such partnership interest for the succeeding partnership taxable year.

“(C) BASIS ADJUSTMENT.—No adjustment to the basis of a partnership interest shall be made on account of any net loss which is not allowed by reason of subparagraph (A).

“(D) EXCEPTION FOR BASIS ATTRIBUTABLE TO PURCHASE OF A PARTNERSHIP INTEREST.—In the case of an investment services partnership interest acquired by purchase, paragraph (1)(B) shall not apply to so much of any net loss with respect to such interest for any taxable year as does not exceed the excess of—

“(i) the basis of such interest immediately after such purchase, over

“(ii) the aggregate net loss with respect to such interest to which paragraph (1)(B) did

not apply by reason of this subparagraph for all prior taxable years.

Any net loss to which paragraph (1)(B) does not apply by reason of this subparagraph shall not be taken into account under subparagraph (A).

“(E) PRIOR PARTNERSHIP YEARS.—Any reference in this paragraph to prior partnership taxable years shall only include prior partnership taxable years to which this section applies.

“(3) NET INCOME AND LOSS.—For purposes of this section—

“(A) NET INCOME.—The term ‘net income’ means, with respect to any investment services partnership interest, for any partnership taxable year, the excess (if any) of—

“(i) all items of income and gain taken into account by the holder of such interest under section 702 with respect to such interest for such year, over

“(ii) all items of deduction and loss so taken into account.

“(B) NET LOSS.—The term ‘net loss’ means with respect to such interest for such year, the excess (if any) of the amount described in subparagraph (A)(ii) over the amount described in subparagraph (A)(i).

“(b) DISPOSITIONS OF PARTNERSHIP INTERESTS.—

“(1) GAIN.—Any gain on the disposition of an investment services partnership interest shall be treated as ordinary income for the performance of services.

“(2) LOSS.—Any loss on the disposition of an investment services partnership interest shall be treated as an ordinary loss to the extent of the excess (if any) of—

“(A) the aggregate net income with respect to such interest for all partnership taxable years, over

“(B) the aggregate net loss with respect to such interest allowed under subsection (a)(2) for all partnership taxable years.

“(3) DISPOSITION OF PORTION OF INTEREST.—In the case of any disposition of an investment services partnership interest, the amount of net loss which otherwise would have (but for subsection (a)(2)(C)) applied to reduce the basis of such interest shall be disregarded for purposes of this section for all succeeding partnership taxable years.

“(4) DISTRIBUTIONS OF PARTNERSHIP PROPERTY.—In the case of any distribution of appreciated property by a partnership with respect to any investment services partnership interest, gain shall be recognized by the partnership in the same manner as if the partnership sold such property at fair market value at the time of the distribution. For purposes of this paragraph, the term ‘appreciated property’ means any property with respect to which gain would be determined if sold as described in the preceding sentence.

“(5) APPLICATION OF SECTION 751.—In applying section 751(a), an investment services partnership interest shall be treated as an inventory item.

“(c) INVESTMENT SERVICES PARTNERSHIP INTEREST.—For purposes of this section—

“(1) IN GENERAL.—The term ‘investment services partnership interest’ means any interest in a partnership which is held by any person if such person provides (directly or indirectly) a substantial quantity of any of the following services with respect to the assets of the partnership in the conduct of the trade or business of providing such services:

“(A) Advising as to the advisability of investing in, purchasing, or selling any specified asset.

“(B) Managing, acquiring, or disposing of any specified asset.

“(C) Arranging financing with respect to acquiring specified assets.

“(D) Any activity in support of any service described in subparagraphs (A) through (C).

For purposes of this paragraph, the term ‘specified asset’ means securities (as defined in section 475(c)(2) without regard to the last sentence thereof), real estate, commodities (as defined in section 475(e)(2))), or options or derivative contracts with respect to securities (as so defined), real estate, or commodities (as so defined).

“(2) EXCEPTION FOR CERTAIN CAPITAL INTERESTS.—

“(A) IN GENERAL.—If—

“(i) a portion of an investment services partnership interest is acquired on account of a contribution of invested capital, and

“(ii) the partnership makes a reasonable allocation of partnership items between the portion of the distributive share that is with respect to invested capital and the portion of such distributive share that is not with respect to invested capital,

then subsection (a) shall not apply to the portion of the distributive share that is with respect to invested capital. An allocation will not be treated as reasonable for purposes of this subparagraph if such allocation would result in the partnership allocating a greater portion of income to invested capital than any other partner not providing services would have been allocated with respect to the same amount of invested capital.

“(B) SPECIAL RULE FOR DISPOSITIONS.—In any case to which subparagraph (A) applies, subsection (b) shall not apply to any gain or loss allocable to invested capital. The portion of any gain or loss attributable to invested capital is the proportion of such gain or loss which is based on the distributive share of gain or loss that would have been allocable to invested capital under subparagraph (A) if the partnership sold all of its assets immediately before the disposition.

“(C) INVESTED CAPITAL.—For purposes of this paragraph, the term ‘invested capital’ means, the fair market value at the time of contribution of any money or other property contributed to the partnership.

“(D) TREATMENT OF CERTAIN LOANS.—

“(i) PROCEEDS OF PARTNERSHIP LOANS NOT TREATED AS INVESTED CAPITAL OF SERVICE PROVIDING PARTNERS.—For purposes of this paragraph, an investment services partnership interest shall not be treated as acquired on account of a contribution of invested capital to the extent that such capital is attributable to the proceeds of any loan or other advance made or guaranteed, directly or indirectly, by any partner or the partnership.

“(ii) LOANS FROM NONSERVICE PROVIDING PARTNERS TO THE PARTNERSHIP TREATED AS INVESTED CAPITAL.—For purposes of this paragraph, any loan or other advance to the partnership made or guaranteed, directly or indirectly, by a partner not providing services to the partnership shall be treated as invested capital of such partner and amounts of income and loss treated as allocable to invested capital shall be adjusted accordingly.

“(d) OTHER INCOME AND GAIN IN CONNECTION WITH INVESTMENT MANAGEMENT SERVICES.—

“(1) IN GENERAL.—If—

“(A) a person performs (directly or indirectly) investment management services for any entity,

“(B) such person holds a disqualified interest with respect to such entity, and

“(C) the value of such interest (or payments thereunder) is substantially related to the amount of income or gain (whether or not realized) from the assets with respect to which the investment management services are performed,

any income or gain with respect to such interest shall be treated as ordinary income for the performance of services. Rules similar to the rules of subsection (c)(2) shall apply where such interest was acquired on account of invested capital in such entity.

“(2) DEFINITIONS.—For purposes of this subsection—

“(A) DISQUALIFIED INTEREST.—The term ‘disqualified interest’ means, with respect to any entity—

“(i) any interest in such entity other than indebtedness,

“(ii) convertible or contingent debt of such entity,

“(iii) any option or other right to acquire property described in clause (i) or (ii), and

“(iv) any derivative instrument entered into (directly or indirectly) with such entity or any investor in such entity.

Such term shall not include a partnership interest and shall not include stock in a taxable corporation.

“(B) TAXABLE CORPORATION.—The term ‘taxable corporation’ means—

“(i) a domestic C corporation, or

“(ii) a foreign corporation subject to a comprehensive foreign income tax (as defined in section 457A(d)(4)).

“(C) INVESTMENT MANAGEMENT SERVICES.—The term ‘investment management services’ means a substantial quantity of any of the services described in subsection (c)(1) which are provided in the conduct of the trade or business of providing such services.

“(e) REGULATIONS.—The Secretary shall prescribe such regulations as are necessary or appropriate to carry out the purposes of this section, including regulations to—

“(1) prevent the avoidance of the purposes of this section, and

“(2) coordinate this section with the other provisions of this subchapter.

“(f) CROSS REFERENCE.—For 40 percent no fault penalty on certain underpayments due to the avoidance of this section, see section 6662.”.

(b) APPLICATION TO REAL ESTATE INVESTMENT TRUSTS.—Subsection (c) of section 856 is amended by adding at the end the following new paragraph:

“(8) EXCEPTION FROM RECHARACTERIZATION OF INCOME FROM INVESTMENT SERVICES PARTNERSHIP INTERESTS.—

“(A) IN GENERAL.—Paragraphs (2), (3), and (4) shall be applied without regard to section 710 (relating to special rules for partners providing investment management services to partnership).

“(B) SPECIAL RULE FOR PARTNERSHIPS OWNED BY REITS.—Section 7704 shall be applied without regard to section 710 in the case of a partnership which meets each of the following requirements:

“(i) Such partnership is treated as publicly traded under section 7704 solely by reason of interests in such partnership being convertible into interests in a real estate investment trust which is publicly traded.

“(ii) 50 percent or more of the capital and profits interests of such partnership are owned, directly or indirectly, at all times during the taxable year by such real estate investment trust (determined with the application of section 207(c)).

“(iii) Such partnership meets the requirements of paragraphs (2), (3), and (4) (applied without regard to section 710).”.

(c) IMPOSITION OF PENALTY ON UNDERPAYMENTS.—

(1) IN GENERAL.—Subsection (b) of section 6662 is amended by inserting after paragraph (5) the following new paragraph:

“(6) The application of subsection (d) of section 710 or the regulations prescribed under section 710(e) to prevent the avoidance of the purposes of section 710.”.

(2) AMOUNT OF PENALTY.—

(A) IN GENERAL.—Section 6662 is amended by adding at the end the following new subsection:

“(i) INCREASE IN PENALTY IN CASE OF PROPERTY TRANSFERRED FOR INVESTMENT MANAGEMENT SERVICES.—In the case of any portion of an underpayment to which this section applies by reason of subsection (b)(6), subsection (a) shall be applied with respect to such portion by substituting ‘40 percent’ for ‘20 percent’.”.

(B) CONFORMING AMENDMENTS.—Subparagraph (B) of section 6662A(e)(2) is amended—

(i) by striking “section 6662(h)” and inserting “subsection (h) or (i) of section 6662”, and

(ii) by striking “GROSS VALUATION MISSTATEMENT PENALTY” in the heading and inserting “CERTAIN INCREASED UNDERPAYMENT PENALTIES”.

(3) REASONABLE CAUSE EXCEPTION NOT APPLICABLE.—Subsection (c) of section 6664 is amended—

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

(B) by striking “paragraph (2)” in paragraph (4), as so redesignated, and inserting “paragraph (3)”, and

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

“(2) EXCEPTION.—Paragraph (1) shall not apply to any portion of an underpayment to which this section applies by reason of subsection (b)(6).”.

(d) CONFORMING AMENDMENTS.—

(1) Subsection (d) of section 731 is amended by inserting “section 710(b)(4) (relating to distributions of partnership property),” before “section 736”.

(2) Section 741 is amended by inserting “or section 710 (relating to special rules for partners providing investment management services to partnership)” before the period at the end.

(3) Paragraph (13) of section 1402(a) is amended—

(A) by striking “other than guaranteed” and inserting “other than—

“(A) guaranteed”,

(B) by striking the semi-colon at the end and inserting “, and”, and

(C) by adding at the end the following new subparagraph:

“(B) any income treated as ordinary income under section 710 received by an individual who provides investment management services (as defined in section 710(d)(2));”.

(4) Paragraph (12) of section 211(a) of the Social Security Act is amended—

(A) by striking “other than guaranteed” and inserting “other than—

“(A) guaranteed”,

(B) by striking the semi-colon at the end and inserting “, and”, and

(C) by adding at the end the following new subparagraph:

“(B) any income treated as ordinary income under section 710 of the Internal Revenue Code of 1986 received by an individual who provides investment management services (as defined in section 710(d)(2) of such Code);”.

(5) The table of sections for part I of subchapter K of chapter 1 is amended by adding at the end the following new item:

“Sec. 710. Special rules for partners providing investment management services to partnership.”.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years ending after November 1, 2007.

(2) PARTNERSHIP TAXABLE YEARS WHICH INCLUDE EFFECTIVE DATE.—In applying section 710(a) of the Internal Revenue Code of 1986 (as added by this section) in the case of any partnership taxable year which includes November 1, 2007, the amount of the net income referred to in such section shall be treated as

being the lesser of the net income for the entire partnership taxable year or the net income determined by only taking into account items attributable to the portion of the partnership taxable year which is after such date.

(3) DISPOSITIONS OF PARTNERSHIP INTERESTS.—Section 710(b) of the Internal Revenue Code of 1986 (as added by this section) shall apply to dispositions and distributions after November 1, 2007.

(4) OTHER INCOME AND GAIN IN CONNECTION WITH INVESTMENT MANAGEMENT SERVICES.—Section 710(d) of such Code (as added by this section) shall take effect on November 1, 2007.

(5) PUBLICLY TRADED PARTNERSHIPS.—For purposes of applying section 7704, the amendments made by this section shall apply to taxable years beginning after December 31, 2009.

SEC. 12912. INDEBTEDNESS INCURRED BY A PARTNERSHIP IN ACQUIRING SECURITIES AND COMMODITIES NOT TREATED AS ACQUISITION INDEBTEDNESS FOR ORGANIZATIONS WHICH ARE PARTNERS WITH LIMITED LIABILITY.

(a) IN GENERAL.—Subsection (c) of section 514 (relating to acquisition indebtedness) is amended by adding at the end the following new paragraph:

“(10) SECURITIES AND COMMODITIES ACQUIRED BY PARTNERSHIPS IN WHICH AN ORGANIZATION IS A PARTNER WITH LIMITED LIABILITY.—

“(A) IN GENERAL.—In the case of any organization which is a partner with limited liability in a partnership, the term ‘acquisition indebtedness’ does not, for purposes of this section, include indebtedness incurred or continued by such partnership in purchasing or carrying any qualified security or commodity.

“(B) QUALIFIED SECURITY OR COMMODITY.—For purposes of this paragraph, the term ‘qualified security or commodity’ means any security (as defined in section 475(c)(2) without regard to the last sentence thereof), any commodity (as defined in section 475(e)(2)), or any option or derivative contract with respect to such a security or commodity.

“(C) APPLICATION TO TIERED PARTNERSHIPS AND OTHER PASS-THRU ENTITIES.—Rules similar to the rules of subparagraph (A) shall apply in the case of tiered partnerships and other pass-thru entities.

“(D) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out the purposes of this paragraph, including regulations to prevent the abuse of this paragraph.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 12913. APPLICATION TO PARTNERSHIP INTERESTS AND TAX SHARING AGREEMENTS OF RULE TREATING CERTAIN GAIN ON SALES BETWEEN RELATED PERSONS AS ORDINARY INCOME.

(a) PARTNERSHIP INTERESTS.—Subsection (a) of section 1239 is amended to read as follows:

“(a) TREATMENT OF GAIN AS ORDINARY INCOME.—In the case of a sale or exchange of property, directly or indirectly, between related persons, any gain recognized to the transferor shall be treated as ordinary income if—

“(1) such property is, in the hands of the transferee, of a character which is subject to the allowance for depreciation provided in section 167, or

“(2) such property is an interest in a partnership, but only to the extent of gain attributable to unrealized appreciation in

property which is of a character subject to the allowance for depreciation provided in section 167.”.

(b) TAX SHARING AGREEMENTS.—Section 1239 (relating to gain from sale of depreciable property between certain related taxpayers) is amended by adding at the end the following new subsection:

“(f) APPLICATION TO TAX SHARING AGREEMENTS.—

“(1) IN GENERAL.—If there is a tax sharing agreement with respect to any sale or exchange, the transferee and the transferor shall be treated as related persons for purposes of this section.

“(2) TAX SHARING AGREEMENT.—For purposes of this subsection, the term ‘tax sharing agreement’ means any agreement which provides for the payment to the transferor of any amount which is determined by reference to any portion of the tax benefit realized by the transferee with respect to the depreciation (or amortization) of the property transferred.”.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to sales and exchanges after the date of the enactment of this Act.

(2) EXCEPTION FOR BINDING CONTRACTS.—The amendment made by subsection (b) shall not apply to any sale or exchange pursuant to a written binding contract which includes a tax sharing agreement and which is in effect on November 1, 2007, and not modified thereafter in any material respect.

PART III—OTHER PROVISIONS

SEC. 12921. DELAY IN APPLICATION OF WORLDWIDE ALLOCATION OF INTEREST.

(a) IN GENERAL.—Paragraphs (5)(D) and (6) of section 864(f) are each amended by striking “December 31, 2008” and inserting “December 31, 2017”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2008.

SEC. 12922. BROKER REPORTING OF CUSTOMER’S BASIS IN SECURITIES TRANSACTIONS.

(a) IN GENERAL.—

(1) BROKER REPORTING FOR SECURITIES TRANSACTIONS.—Section 6045 (relating to returns of brokers) is amended by adding at the end the following new subsection:

“(g) ADDITIONAL INFORMATION REQUIRED IN THE CASE OF SECURITIES TRANSACTIONS.—

“(1) IN GENERAL.—If a broker is otherwise required to make a return under subsection (a) with respect to the gross proceeds of the sale of a covered security, the broker shall include in such return the information described in paragraph (2).

“(2) ADDITIONAL INFORMATION REQUIRED.—

“(A) IN GENERAL.—The information required under paragraph (1) to be shown on a return with respect to a covered security of a customer shall include the customer’s adjusted basis in such security and whether any gain or loss with respect to such security is long-term or short-term (within the meaning of section 1222).

“(B) DETERMINATION OF ADJUSTED BASIS.—For purposes of subparagraph (A)—

“(i) IN GENERAL.—The customer’s adjusted basis shall be determined—

“(I) in the case of any stock (other than any stock in an open-end fund), in accordance with the first-in first-out method unless the customer notifies the broker by means of making an adequate identification of the stock sold or transferred,

“(II) in the case of any stock in an open-end fund acquired before January 1, 2011, in accordance with any acceptable method under section 1012 with respect to the account in which such interest is held,

“(III) in the case of any stock in an open-end fund acquired after December 31, 2010, in

accordance with the broker's default method unless the customer notifies the broker that he elects another acceptable method under section 1012 with respect to the account in which such interest is held, and

“(IV) in any other case, under the method for making such determination under section 1012.

“(ii) EXCEPTION FOR WASH SALES.—Except as otherwise provided by the Secretary, the customer's adjusted basis shall be determined without regard to section 1091 (relating to loss from wash sales of stock or securities) unless the transactions occur in the same account with respect to identical securities.

“(3) COVERED SECURITY.—For purposes of this subsection—

“(A) IN GENERAL.—The term 'covered security' means any specified security acquired on or after the applicable date if such security—

“(i) was acquired through a transaction in the account in which such security is held, or

“(ii) was transferred to such account from an account in which such security was a covered security, but only if the broker received a statement under section 6045A with respect to the transfer.

“(B) SPECIFIED SECURITY.—The term 'specified security' means—

“(i) any share of stock in a corporation,

“(ii) any note, bond, debenture, or other evidence of indebtedness,

“(iii) any commodity, or contract or derivative with respect to such commodity, if the Secretary determines that adjusted basis reporting is appropriate for purposes of this subsection, and

“(iv) any other financial instrument with respect to which the Secretary determines that adjusted basis reporting is appropriate for purposes of this subsection.

“(C) APPLICABLE DATE.—The term 'applicable date' means—

“(i) January 1, 2009, in the case of any specified security which is stock in a corporation, and

“(ii) January 1, 2011, or such later date determined by the Secretary in the case of any other specified security.

“(4) OPEN-END FUND.—For purposes of this subsection, the term 'open-end fund' means a regulated investment company (as defined in section 851) which is offering for sale or has outstanding any redeemable security of which it is the issuer and the shares of which are not traded on an established securities exchange.”.

(2) BROKER INFORMATION REQUIRED WITH RESPECT TO OPTIONS.—Section 6045, as amended by subsection (a), is amended by adding at the end the following new subsection:

“(h) APPLICATION TO OPTIONS ON COVERED SECURITIES.—

“(1) EXERCISE OF OPTION.—For purposes of this section, in the case of any exercise of an option on a covered security where the taxpayer is the grantor of the option and the option was acquired in the same account as the covered security, the amount received for the grant of an option on a covered security shall be treated as an adjustment to gross proceeds or as an adjustment to basis, as the case may be. A similar rule shall apply in the case of the exercise of an option where the taxpayer is not the grantor of the option.

“(2) LAPSE OR CLOSING TRANSACTION.—For purposes of this section, in the case of the lapse (or closing transaction (as defined in section 1234(b)(2)(A))) of an option on a covered security where the taxpayer is the grantor of the option, this section shall apply as if the premium received for such option were gross proceeds received on the date of the lapse or closing transaction, and the cost (if any) of the closing transaction shall

be taken into account as adjusted basis. A similar rule shall apply in the case of a lapse or closing transaction where the taxpayer is not the grantor of the option.

“(3) PROSPECTIVE APPLICATION.—Paragraphs (1) and (2) shall not apply to any option which is granted or acquired before January 1, 2011.

“(4) COVERED SECURITY.—For purposes of this subsection, the term 'covered security' shall have the meaning given such term in subsection (g)(3).”.

(3) EXTENSION OF PERIOD FOR STATEMENTS SENT TO CUSTOMERS.—

(A) IN GENERAL.—Subsection (b) of section 6045 is amended by striking “January 31” and inserting “February 15”.

(B) STATEMENTS RELATED TO SUBSTITUTE PAYMENTS.—Subsection (d) of section 6045 is amended—

(i) by striking “at such time and”, and

(ii) by inserting after “other item.” the following new sentence: “The written statement required under the preceding sentence shall be furnished on or before February 15 of the year following the calendar year during which such payment was made.”.

(C) OTHER STATEMENTS.—Subsection (b) of section 6045 is amended by adding at the end the following: “In the case of a consolidated reporting statement (as defined in regulations) with respect to any account which includes the statement required by this subsection, any statement which would otherwise be required to be furnished on or before January 31 under section 6042(c), 6049(c)(2)(A), or 6050N(b) with respect to any item in such account shall instead be required to be furnished on or before February 15 if furnished as part of such consolidated reporting statement.”.

(b) DETERMINATION OF BASIS OF CERTAIN SECURITIES ON ACCOUNT BY ACCOUNT METHOD.—Section 1012 (relating to basis of property—cost) is amended—

(1) by striking “The basis of property” and inserting the following:

“(a) IN GENERAL.—The basis of property”,

(2) by striking “The cost of real property” and inserting the following:

“(b) SPECIAL RULE FOR APPORTIONED REAL ESTATE TAXES.—The cost of real property”, and

(3) by adding at the end the following new subsection:

“(c) DETERMINATIONS BY ACCOUNT.—

“(1) IN GENERAL.—In the case of the sale, exchange, or other disposition of a specified security on or after the applicable date, the conventions prescribed by regulations under this section shall be applied on an account by account basis.

“(2) APPLICATION TO OPEN-END FUNDS.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), any stock in an open-end fund acquired before January 1, 2009, shall be treated as a separate account from any such stock acquired on or after such date.

“(B) ELECTION BY OPEN-END FUND FOR TREATMENT AS SINGLE ACCOUNT.—If an open-end fund elects (at such time and in such form and manner as the Secretary may prescribe) to have this subparagraph apply with respect to one or more of its stockholders—

“(i) subparagraph (A) shall not apply with respect to any stock in such fund held by such stockholders, and

“(ii) all stock in such fund which is held by such stockholders shall be treated as covered securities described in section 6045(g)(3) without regard to the date of the acquisition of such stock.

“(3) DEFINITIONS.—For purposes of this section, the terms 'specified security', 'applicable date', and 'open-end fund' shall have the meaning given such terms in section 6045(g).”.

(c) INFORMATION BY TRANSFERORS TO AID BROKERS.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 is amended by inserting after section 6045 the following new section:

“SEC. 6045A. INFORMATION REQUIRED IN CONNECTION WITH TRANSFERS OF COVERED SECURITIES TO BROKERS.

“(a) FURNISHING OF INFORMATION.—Every applicable person which transfers to a broker (as defined in section 6045(c)(1)) a security which is a covered security (as defined in section 6045(g)(3)) in the hands of such applicable person shall furnish to such broker a written statement in such manner and setting forth such information as the Secretary may by regulations prescribe for purposes of enabling such broker to meet the requirements of section 6045(g).

“(b) APPLICABLE PERSON.—For purposes of subsection (a), the term 'applicable person' means—

“(1) any broker (as defined in section 6045(c)(1)), and

“(2) any other person as provided by the Secretary in regulations.

“(c) TIME FOR FURNISHING STATEMENT.—Any statement required by subsection (a) shall be furnished not later than the earlier of—

“(1) 45 days after the date of the transfer described in subsection (a), or

“(2) January 15 of the year following the calendar year during which such transfer occurred.”.

(2) ASSESSABLE PENALTIES.—Paragraph (2) of section 6724(d) (defining payee statement) is amended by redesignating subparagraphs (I) through (CC) as subparagraphs (J) through (DD), respectively, and by inserting after subparagraph (H) the following new subparagraph:

“(I) section 6045A (relating to information required in connection with transfers of covered securities to brokers).”.

(3) CLERICAL AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by inserting after the item relating to section 6045 the following new item:

“Sec. 6045A. Information required in connection with transfers of covered securities to brokers.”.

(d) ADDITIONAL ISSUER INFORMATION TO AID BROKERS.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1986, as amended by subsection (b), is amended by inserting after section 6045A the following new section:

“SEC. 6045B. RETURNS RELATING TO ACTIONS AFFECTING BASIS OF SPECIFIED SECURITIES.

“(a) IN GENERAL.—According to the forms or regulations prescribed by the Secretary, any issuer of a specified security shall make a return setting forth—

“(1) a description of any organizational action which affects the basis of such specified security of such issuer,

“(2) the quantitative effect on the basis of such specified security resulting from such action, and

“(3) such other information as the Secretary may prescribe.

“(b) TIME FOR FILING RETURN.—Any return required by subsection (a) shall be filed not later than the earlier of—

“(1) 45 days after the date of the action described in subsection (a), or

“(2) January 31 of the year following the calendar year during which such action occurred.”.

“(c) STATEMENTS TO BE FURNISHED TO HOLDERS OF SPECIFIED SECURITIES OR THEIR NOMINEES.—According to the forms or regulations prescribed by the Secretary, every

person required to make a return under subsection (a) with respect to a specified security shall furnish to the nominee with respect to the specified security (or certificate holder if there is no nominee) a written statement showing—

“(1) the name, address, and phone number of the information contact of the person required to make such return;

“(2) the information required to be shown on such return with respect to such security, and

“(3) such other information as the Secretary may prescribe.

The written statement required under the preceding sentence shall be furnished to the holder on or before January 31 of the year following the calendar year during which the action described in subsection (a) occurred.

“(d) SPECIFIED SECURITY.—For purposes of this section, the term ‘specified security’ has the meaning given such term by section 6045(g)(3)(B). No return shall be required under this section with respect to actions described in subsection (a) with respect to a specified security which occur before the applicable date (as defined in section 6045(g)(3)(C) with respect to such security).

“(e) PUBLIC REPORTING IN LIEU OF RETURN.—The Secretary may waive the requirements under subsections (a) and (c) with respect to a specified security, if the person required to make the return under subsection (a) makes publicly available, in such form and manner as the Secretary determines necessary to carry out the purposes of this section—

“(1) the name, address, phone number, and email address of the information contact of such person, and

“(2) the information described in paragraphs (1), (2), and (3) of subsection (a).”.

(2) ASSESSABLE PENALTIES.—

(A) Subparagraph (B) of section 6724(d)(1) of such Code (defining information return) is amended by redesignating clauses (iv) through (xix) as clauses (v) through (xx), respectively, and by inserting after clause (iii) the following new clause:

“(iv) section 6045B(a) (relating to returns relating to actions affecting basis of specified securities).”.

(B) Paragraph (2) of section 6724(d) of such Code (defining payee statement), as amended by subsection (c)(2), is amended by redesignating subparagraphs (J) through (DD) as subparagraphs (K) through (EE), respectively, and by inserting after subparagraph (I) the following new subparagraph:

“(J) subsections (c) and (e) of section 6045B (relating to returns relating to actions affecting basis of specified securities).”.

(3) CLERICAL AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 61 of such Code, as amended by subsection (b)(3), is amended by inserting after the item relating to section 6045A the following new item:

“Sec. 6045B. Returns relating to actions affecting basis of specified securities.”.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2009.

SEC. 12923. MODIFICATION OF PENALTY FOR FAILURE TO FILE PARTNERSHIP RETURNS.

Section 6698 is amended by adding at the end the following new subsection:

“(e) MODIFICATIONS.—In the case of any return required to be filed after the date of the enactment of this subsection—

“(1) the dollar amount in effect under subsection (b)(1) shall be increased by \$25, and

“(2) the limitation on the number of months taken into account under subsection (a) shall not be less than 12 months.”.

SEC. 12924. PENALTY FOR FAILURE TO FILE S CORPORATION RETURNS.

(a) IN GENERAL.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended by adding at the end the following new section:

“SEC. 6699A. FAILURE TO FILE S CORPORATION RETURN.

“(a) GENERAL RULE.—In addition to the penalty imposed by section 7203 (relating to willful failure to file return, supply information, or pay tax), if any S corporation required to file a return under section 6037 for any taxable year—

“(1) fails to file such return at the time prescribed therefor (determined with regard to any extension of time for filing), or

“(2) files a return which fails to show the information required under section 6037,

such S corporation shall be liable for a penalty determined under subsection (b) for each month (or fraction thereof) during which such failure continues (but not to exceed 12 months), unless it is shown that such failure is due to reasonable cause.

“(b) AMOUNT PER MONTH.—For purposes of subsection (a), the amount determined under this subsection for any month is the product of—

“(1) \$25, multiplied by

“(2) the number of persons who were shareholders in the S corporation during any part of the taxable year.

“(c) ASSESSMENT OF PENALTY.—The penalty imposed by subsection (a) shall be assessed against the S corporation.

“(d) DEFICIENCY PROCEDURES NOT TO APPLY.—Subchapter B of chapter 63 (relating to deficiency procedures for income, estate, gift, and certain excise taxes) shall not apply in respect of the assessment or collection of any penalty imposed by subsection (a).”.

(b) CLERICAL AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 is amended by adding at the end the following new item:

“Sec. 6699A. Failure to file S corporation return.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns required to be filed after the date of the enactment of this Act.

SEC. 12925. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

Subparagraph (B) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 is amended by striking “115 percent” and inserting “181 percent”.

SA 3643. Mr. CORNYN (for himself and Mr. GREGG) submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 1362, after line 19, insert the following:

SEC. _____. POINT OF ORDER AGAINST LEGISLATION THAT RAISES INCOME TAX RATES.

(a) IN GENERAL.—It shall not be in order in the Senate to consider any bill, resolution, amendment, amendment between Houses, motion, or conference report that includes a Federal income tax rate increase.

(b) FEDERAL INCOME TAX RATE DEFINED.—In this section, the term ‘Federal income tax rate increase’ means any amendment to subsection (a), (b), (c), (d), or (e) of section 1, or to section 11(b) or 55(b), of the Internal Revenue Code of 1986, that imposes a new

percentage as a rate of tax and thereby increases the amount of tax imposed by any such section.

(c) SUPERMAJORITY WAIVER AND APPEAL.

(1) WAIVER.—This section may be waived or suspended in the Senate only by an affirmative vote of three-fifths of the Members, duly chosen and sworn.

(2) APPEAL.—An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

SA 3644. Mr. CORNYN submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 626, line 7, insert “(including childhood obesity)” after “obesity”.

SA 3645. Mr. ENSIGN submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 210, strike line 20 and all that follows through page 211, line 19, and insert the following:

“(1) PROGRAMS.—

“(A) COMMODITY PROGRAMS.—Notwithstanding any other provision of law, an individual or entity shall not be eligible to receive any benefit described in paragraph (2)(A) during a crop year if the average adjusted gross income of the individual or entity exceeds \$200,000.

“(B) CONSERVATION PROGRAMS.—

On page 212, lines 6 and 7, strike “Subparagraphs (A) and (B) of paragraph (1)” and insert “Paragraph (1)(A)”.

On page 212, line 21, strike “(1)(C)” and inserting “(1)(B)”.

SA 3646. Mr. INOUYE (for himself, Mr. ROBERTS, Mr. LOTT, Mr. LAUTENBERG, Mr. SMITH, and Mr. VITTER) submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 525, strike lines 1 through 4 and insert the following: “Chapter 9 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2292 et seq.) is amended by adding at the end the following:

“SEC. 495L. PILOT PROGRAM FOR LOCAL PURCHASE OF ELIGIBLE COMMODITIES.

On page 525, between lines 5 and 6, insert the following:

“(1) ADMINISTRATOR.—The term ‘Administrator’ means the Administrator of the Agency for International Development.

On page 525, lines 6 and 7, strike “Notwithstanding section 402(2), the term” and insert “The term”.

On page 525, line 17, insert “of the Food for Peace Act” after “section 202(d)”.

On page 526, lines 4 through 6, strike “Notwithstanding section 407(c)(1)(A), the Administrator, in consultation with the Secretary” and insert “The Administrator”.

On page 527, lines 5 and 6, strike “Subject to subsections (a), (b), (f), and (h) of section 403, eligible commodities” and insert “Eligible commodities”.

On page 529, strike lines 10 through 12.

On page 534, strike lines 1 through 11 and insert the following:

“(k) AUTHORIZATION OF APPROPRIATIONS.—

“(1) IN GENERAL.—There are authorized to be appropriated up to \$25,000,000 for each of the fiscal years 2008 through 2011 to carry out this section.

“(2) AVAILABILITY.—Any amounts appropriated pursuant to paragraph (1) shall remain available until expended.”.

SA 3647. Mr. FEINGOLD submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 563, between lines 15 and 16, insert the following:

SEC. 320. REPORT ON THE IMPORTATION OF HIGH PROTEIN FOOD INGREDIENTS.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary and the Secretary of Health and Human Services (acting through the Commissioner of Food and Drugs), in consultation with the heads of other appropriate Federal agencies, shall jointly submit to Congress a report on imports of high protein food ingredients (including gluten, casein, and milk protein concentrate) into the United States during the 5-year period preceding the date of enactment of this Act.

(b) COMPONENTS.—The report required under subsection (a) shall include—

(1) a description of—

(A) the quantity of each high protein food ingredient imported into the United States; and

(B) the source of the high protein food ingredients being imported;

(2) an accounting of the percentage of imports in each category and subcategory of high protein food ingredients that were inspected, including whether the inspections were—

(A) basic or visual inspections; or

(B) more intensive inspections or laboratory analyses;

(3) an evaluation of—

(A) whether the laboratory tests conducted on high protein food ingredients were able to detect adulteration with other high nitrogen compounds, such as melamine; and

(B) if some of the laboratory tests were sensitive and others were not sensitive, the number and results for each sensitivity; and

(4) a survey of whether high protein food ingredients were imported for food uses or non-food uses, including an analysis of—

(A) whether the food uses were animal or human food uses; and

(B) whether any non-food or animal feed products could have entered the human food supply, including an analysis of any safeguards to prevent such products from entering the human food supply.

(c) AVAILABILITY.—As soon as practicable after the completion of the report under sub-

section (a), the Secretary and the Secretary of Health and Human Services shall make the report available to the public.

SA 3648. Mr. FEINGOLD (for himself and Mr. KOHL) submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 1208, between lines 10 and 11, insert the following:

SEC. 1004. DISCLOSURE OF COUNTRY OF HARVEST FOR GINSENG.

(a) IN GENERAL.—The Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.) is amended by adding at the end the following:

“Subtitle E—Ginseng

“SEC. 291. DISCLOSURE OF COUNTRY OF HARVEST.

“(a) DEFINITIONS.—In this section:

“(1) GINSENG.—The term ‘ginseng’ means a plant classified within the genus *Panax*.

“(2) RAW AGRICULTURAL COMMODITY.—The term ‘raw agricultural commodity’ has the meaning given the term in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

“(3) SECRETARY.—The term ‘Secretary’ means the Secretary of Agriculture.

“(b) DISCLOSURE.—

“(1) IN GENERAL.—A person that offers ginseng for sale as a raw agricultural commodity shall disclose to a potential purchaser the country of harvest of the ginseng.

“(2) IMPORTATION.—A person that imports ginseng as a raw agricultural commodity into the United States shall disclose at the point of entry into the United States, in accordance with section 304 of the Tariff Act of 1930 (19 U.S.C. 1304), the country in which the ginseng was harvested.

“(c) MANNER OF DISCLOSURE.—

“(1) IN GENERAL.—The disclosure required by subsection (b) shall be provided to a potential purchaser by means of a label, stamp, mark, placard, or other easily legible and visible sign on the ginseng or on the package, display, holding unit, or bin containing the ginseng.

“(2) RETAILERS.—A retailer of ginseng as a raw agricultural commodity shall—

“(A) retain the means of disclosure provided under subsection (b); and

“(B) provide the received means of disclosure to a consumer of ginseng.

“(3) REGULATIONS.—The Secretary shall by regulation prescribe with specificity the manner in which disclosure shall be made in a transaction at the wholesale or retail level (including a transaction by mail, telephone, internet, or in retail stores).

“(d) FINES.—The Secretary may, after providing notice and an opportunity for a hearing before the Secretary, fine a person subject to subsection (b), or a person supplying ginseng to such a person, in an amount of not more than \$1,000 for each violation if the Secretary determines that the person—

“(1) has not made a good faith effort to comply with subsection (b); and

“(2) continues to willfully violate subsection (b).

“(e) INFORMATION.—The Secretary shall make information available to wholesalers, importers, retailers, trade associations, and other interested persons concerning the requirements of this section (including regulations promulgated to carry out this section).”

(b) EFFECTIVE DATE.—This section and the amendments made by this section take ef-

fect on the date that is 180 days after the date of enactment of this Act.

SA 3649. Mr. KERRY (for himself, Mr. KENNEDY, Ms. SNOWE, Mr. GREGG, Mr. SUNUNU, Mr. REED, and Ms. COLLINS) submitted an amendment intended to be proposed by him to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following new section:

SEC. _____. FISHERY FAILURE OF THE NORTHEAST GROUNDFISH.

(a) FINDINGS.—Congress makes the following findings:

(1) The Secretary of Commerce may provide fishery disaster assistance under section 312(a) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1861a(a)) if the Secretary determines that there is a commercial fishery failure due to a fishery resource disaster as a result of—

(A) natural causes;

(B) man-made causes beyond the control of fishery managers to mitigate through conservation and management measures, including regulatory restrictions imposed to protect human health or the marine environment; or

(C) undetermined causes.

(2) The Secretary of Commerce has not proposed or promulgated regulations to implement such section 312(a).

(3) During 2007, the Governors of each of the Commonwealth of Massachusetts, the State of Maine, and the State of Rhode Island requested that the Secretary of Commerce declare a commercial fishery failure for the groundfish fishery under such section 312(a) and the Governor of the State of New Hampshire has indicated his intention of submitting a similar request.

(4) Since 1996, the Secretary of Commerce has had regulations in place that require significant restrictions and reductions on the catch and days-at-sea of New England fishermen in the groundfish fishery.

(5) New England fishermen in the groundfish fishery have endured additional restrictions and reductions under Framework 42, which has resulted in many fishermen having just 24 days to fish during a season.

(6) Framework 42 and other Federal fishing restrictions have had a great impact on small-boat fishermen, many of whom cannot safely fish beyond the inshore areas. As of the date of the enactment of this Act, each day-at-sea a fisherman spends in an inshore area reduces that fisherman’s number of available days-at-sea by 2 days.

(7) The Commonwealth of Massachusetts has provided information to the Secretary of Commerce demonstrating that—

(A) between 1994 and 2006, overall conditions of groundfish stocks have not improved and that spawning stock biomass is near record lows for most major groundfish stocks; and

(B) between 2005 and 2006, total Massachusetts commercial groundfish vessel revenues (landings) decreased by 18 percent and there was a loss for related industries and communities estimated at \$22,000,000.

(8) The State of Maine has provided information to the Secretary of Commerce indicating that—

(A) since 1994, the impact of groundfish regulations has eliminated 50 percent of Maine’s groundfish fleet, leaving just 110 active groundfish fishermen;

(B) between 1996 and 2006, there was a 58 percent decrease in groundfish landings in

Maine and a 45 percent decrease in groundfish revenue, from approximately \$27,000,000 to \$15,000,000; and

(C) between 2005 and 2006, groundfish revenues decreased 25 percent.

(9) The State of Rhode Island has provided information to the Secretary of Commerce indicating that—

(A) since 1994, there has been a 66 percent drop in Rhode Island's groundfish fishery landings; and

(B) between 1995 and 2007, groundfish revenue decreased 20 percent from approximately \$7,500,000 to \$6,000,000.

(10) The Secretary of Commerce rejected requests from Massachusetts, Maine, and Rhode Island to declare a commercial fishery failure prior to establishing any appropriate standard to implement section 312(a) of the Magnuson-Stevens Fishery Conservation and Management Act.

(11) For centuries, growth in New England's commercial fishing industry has been intertwined with the history and economic growth of the New England States and has created thousands of jobs in both fishing and fishing-related industries for generations of New England residents.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of Commerce should—

(1) reconsider the October 22, 2007 decision to deny the requests of the Commonwealth of Massachusetts, the State of Maine, and the State of Rhode Island for a groundfish fishery failure declaration;

(2) look favorably upon the request of the State of New Hampshire for a groundfish fishery failure declaration; and

(3) immediately propose regulations to implement section 312(a) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1861a(a)).

SA 3650. Mrs. HUTCHISON submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 1192, strike line 13 and insert the following:

“SEC. 9023. RENEWABLE ENERGY INITIATIVE.

“(a) IN GENERAL.—The Secretary, in consultation with the Secretary of Energy, shall provide competitive grants to consortia of institutions of higher education to assist the consortia with the conduct of—

“(1) studies on, and the development of engineering designs for, the production of advanced biofuel, biobutanol, and biodiesel from regional bioresources;

“(2) studies to develop systems for the commercial production of biofuel feedstocks from rice, other crops, and other agriculture residue;

“(3) pilot plant demonstration projects for advanced biofuel production and biodiesel production;

“(4) research on biofuel distribution systems; and

“(5) educational activities relating to renewable energy science and technology.

“(b) PROVISION OF GRANTS.—

“(1) APPLICATIONS.—The Secretary shall solicit from individual institutions of higher education and consortia of institutions of higher education applications for projects eligible for grants under this section.

“(2) PRIORITY.—In providing grants under this section, the Secretary shall give priority to individual institutions of higher

education and consortia of institutions of higher education that have—

“(A) resources for, and expertise in, renewable energy research and production;

“(B) significant experience in working with agricultural producers;

“(C) access to land and biofeedstocks;

“(D) the ability to study methods for reducing lifecycle greenhouse gas emissions;

“(E) demonstrated a willingness to contribute significant in-kind resources; and

“(F) engineering and research knowledge and experience relating to biofuels or the production of inputs for biofuel production.

“(c) AUTHORIZATION OF APPROPRIATIONS.—

There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2008 through 2012, to remain available until expended.

“SEC. 9024. FUTURE FARMSTEADS PROGRAM.

SA 3651. Mr. CORKER (for himself and Mr. ALEXANDER) submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 1500, between lines 10 and 11, insert the following:

PART V—COMPETITIVE CERTIFICATION AWARDS

SEC. 12701. COMPETITIVE CERTIFICATION AWARDS MODIFICATION AUTHORITY.

(a) IN GENERAL.—Section 48A (relating to qualifying advanced coal project credit) is amended by adding at the end the following new subsection:

“(h) COMPETITIVE CERTIFICATION AWARDS MODIFICATION AUTHORITY.—In implementing this section or section 48B, the Secretary is directed to modify the terms of any competitive certification award and any associated closing agreement where such modification—

“(1) is consistent with the objectives of such section, and

“(2) is requested by the recipient of the competitive certification award,

unless the Secretary determines that the dollar amount of tax credits available to the taxpayer under such section would increase, or that the net public benefits associated with the original application would be reduced, as a result of the modification. In considering any such modification, the Secretary shall consult with other relevant Federal agencies, including the Department of Energy.”

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act and is applicable to all competitive certification awards entered into under section 48A or 48B of the Internal Revenue Code of 1986, whether such awards were issued before, on, or after such date of enactment.

SA 3652. Mr. LAUTENBERG (for himself, Mrs. DOLE, and Mr. SMITH) submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 692, between lines 17 and 18, insert the following:

SEC. 49. FOOD EMPLOYMENT EMPOWERMENT AND DEVELOPMENT PROGRAM.

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE ENTITY.—The term “eligible entity” means an entity that meets the requirements of subsection (b)(2).

(2) VULNERABLE SUBPOPULATION.—

(A) IN GENERAL.—The term “vulnerable subpopulation” means low-income individuals, unemployed individuals, and other subpopulations identified by the Secretary as being likely to experience special risks from hunger or a special need for job training.

(B) INCLUSIONS.—The term “vulnerable subpopulation” includes—

(i) addicts (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802));

(ii) at-risk youths (as defined in section 1432 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6472));

(iii) individuals that are basic skills deficient (as defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801));

(iv) homeless individuals (as defined in section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)));

(v) homeless youths (as defined in section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a));

(vi) individuals with disabilities (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102));

(vii) low-income individuals (as defined in section 101 of the Workforce Investment Act of 1998 (29 U.S.C. 2801)); and

(viii) older individuals (as defined in section 102 of the Older Americans Act of 1965 (42 U.S.C. 3002)).

(b) FOOD EMPLOYMENT EMPOWERMENT AND DEVELOPMENT PROGRAM.—

(1) ESTABLISHMENT.—The Secretary shall establish a food employment empowerment and development program under which the Secretary shall make grants to eligible entities to encourage the effective use of community resources to combat hunger and the root causes of hunger by creating opportunity through food recovery and job training.

(2) ELIGIBLE ENTITIES.—To be eligible to receive a grant under this section, an entity shall be a public agency, or private nonprofit institution, that conducts, or will conduct, 2 or more of the following activities as an integral part of the normal operation of the entity:

(A) Recovery of donated food from area restaurants, caterers, hotels, cafeterias, farms, or other food service businesses.

(B) Distribution of meals or recovered food to—

(i) nonprofit organizations described in section 501(c)(3) of the Internal Revenue Code of 1986;

(ii) entities that feed vulnerable subpopulations; and

(iii) other agencies considered appropriate by the Secretary.

(C) Training of unemployed and underemployed adults for careers in the food service industry.

(D) Carrying out of a welfare-to-work job training program in combination with—

(i) production of school meals, such as school meals served under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.); or

(ii) support for after-school programs, such as programs conducted by community learning centers (as defined in section 4201(b) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7171(b))).

(3) USE OF FUNDS.—An eligible entity may use a grant awarded under this section for—

(A) capital investments related to the operation of the eligible entity;

(B) support services for clients, including staff, of the eligible entity and individuals enrolled in job training programs;

(C) purchase of equipment and supplies related to the operation of the eligible entity or that improve or directly affect service delivery;

(D) building and kitchen renovations that improve or directly affect service delivery;

(E) educational material and services;

(F) administrative costs, in accordance with guidelines established by the Secretary; and

(G) additional activities determined appropriate by the Secretary.

(4) PREFERENCES.—In awarding grants under this section, the Secretary shall give preference to eligible entities that perform, or will perform, any of the following activities:

(A) Carrying out food recovery programs that are integrated with—

(i) culinary worker training programs, such as programs conducted by a food service management institute under section 21 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1769b-1);

(ii) school education programs; or

(iii) programs of service-learning (as defined in section 101 of the National and Community Service Act of 1990 (42 U.S.C. 12511)).

(B) Providing job skills training, life skills training, and case management support to vulnerable subpopulations.

(C) Integrating recovery and distribution of food with a job training program.

(D) Maximizing the use of an established school, community, or private food service facility or resource in meal preparation and culinary skills training.

(E) Providing job skills training, life skills training, and case management support to vulnerable subpopulations.

(5) ELIGIBILITY FOR JOB TRAINING.—To be eligible to receive job training assistance from an eligible entity using a grant made available under this section, an individual shall be a member of a vulnerable subpopulation.

(6) PERFORMANCE INDICATORS.—The Secretary shall establish, for each year of the program, performance indicators and expected levels of performance for meal and food distribution and job training for eligible entities to continue to receive and use grants under this section.

(7) TECHNICAL ASSISTANCE.—

(A) IN GENERAL.—The Secretary shall provide technical assistance to eligible entities that receive grants under this section to assist the eligible entities in carrying out programs under this section using the grants.

(B) FORM.—Technical assistance for a program provided under this paragraph includes—

(i) maintenance of a website, newsletters, email communications, and other tools to promote shared communications, expertise, and best practices;

(ii) hosting of an annual meeting or other forums to provide education and outreach to all programs participants;

(iii) collection of data for each program to ensure that the performance indicators and purposes of the program are met or exceeded;

(iv) intervention (if necessary) to assist an eligible entity to carry out the program in a manner that meets or exceeds the performance indicators and purposes of the program;

(v) consultation and assistance to an eligible entity to assist the eligible entity in providing the best services practicable to the community served by the eligible entity, including consultation and assistance related to—

(I) strategic plans;

(II) board development;

(III) fund development;

(IV) mission development; and

(V) other activities considered appropriate by the Secretary;

(vi) assistance considered appropriate by the Secretary regarding—

(I) the status of program participants;

(II) the demographic characteristics of program participants that affect program services;

(III) any new idea that could be integrated into the program; and

(IV) the review of grant proposals; and

(vii) any other forms of technical assistance the Secretary considers appropriate.

(8) RELATIONSHIP TO OTHER LAW.—

(A) BILL EMERSON GOOD SAMARITAN FOOD DONATION ACT.—An action taken by an eligible entity using a grant provided under this section shall be covered by the Bill Emerson Good Samaritan Food Donation Act (42 U.S.C. 2008f(b)).

(B) FOOD HANDLING GUIDELINES.—In using a grant provided under this section, an eligible entity shall comply with any applicable food handling guideline established by a State or local authority.

(C) INSPECTIONS.—An eligible entity using a grant provided under this section shall be exempt from inspection under sections 303.1(d)(2)(iii) and 381.10(d)(2)(iii) of volume 9, Code of Federal Regulations (or a successor regulation), if the eligible entity—

(i) has a hazard analysis and critical control point (HACCP) plan;

(ii) has a sanitation standard operating procedure (SSOP); and

(iii) otherwise complies with the Federal Meat Inspection Act (21 U.S.C. 601 et seq.) and the Poultry Products Inspection Act (21 U.S.C. 451 et seq.).

(9) MAXIMUM AMOUNT OF GRANT.—The amount of a grant provided to an eligible entity for a fiscal year under this section shall not exceed \$200,000.

(c) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2008 through 2012.

(2) TECHNICAL ASSISTANCE.—Of the amount of funds that are made available for a fiscal year under paragraph (1), the Secretary shall use to provide technical assistance under subsection (b)(7) not more than the greater of—

(A) 5 percent of the amount of funds that are made available for the fiscal year under paragraph (1); or

(B) \$1,000,000.

SA 3653. Mr. COBURN submitted an amendment intended to be proposed to amendment SA 3500 proposed by Mr. HARKIN (for himself, Mr. CHAMBLISS, Mr. BAUCUS, and Mr. GRASSLEY) to the bill H.R. 2419, to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes; which was ordered to lie on the table; as follows:

On page 266, between lines 10 and 11, insert the following:

SEC. 19. ELIGIBILITY FOR DEPARTMENT PROGRAMS.

(a) IN GENERAL.—Section 508(b)(7) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)(7)) is amended by striking subparagraph (A) and inserting the following:

“(A) IN GENERAL.—

“(i) REQUIREMENT TO PURCHASE CROP INSURANCE.—Effective for the spring-planted 2008 and subsequent crops (and fall-planted 2008 crops at the option of the Secretary), to be eligible for any benefit listed in clause (ii), a person shall obtain additional coverage under subsection (c), if available, for each crop of economic significance that—

“(I) covers at least 55 percent of loss in yield, on an individual or area yield basis, and that indemnifies at 100 percent of the expected market price; or

“(II) provides a level of coverage that is comparable to the coverage described in sub-clause (I), as determined by the Secretary.

“(ii) COVERED BENEFITS.—Benefits referred to in clause (i) are any type of price support, payment, loan, or other benefit, as determined by the Secretary—

“(I) described in section 371(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008f(b)); or

“(II) authorized under—

“(aa) title XII of the Food Security Act of 1985 (16 U.S.C. 3801 et seq.);

“(bb) title I of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7901 et seq.);

“(cc) title I of the Food and Energy Security Act of 2007;

“(dd) the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.);

“(ee) any law providing agricultural disaster assistance; or

“(ff) any other similar Act administered by the Secretary, as determined by the Secretary.”

(b) PAYMENT OF PORTION OF PREMIUM BY CORPORATION.—Section 508(e)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)(2)) is amended—

(1) in subparagraph (B)(i), by striking “67 percent” and inserting “62 percent”;

(2) in subparagraph (C)(i), by striking “64 percent” and inserting “59 percent”;

(3) in subparagraph (D)(i), by striking “59 percent” and inserting “54 percent”;

(4) in subparagraph (E)(i), by striking “55 percent” and inserting “53 percent”;

(5) in subparagraph (F)(i), by striking “48 percent” and inserting “46 percent”; and

(6) in subparagraph (G)(i), by striking “38 percent” and inserting “36 percent”.

(c) CONFORMING AMENDMENT.—Section 371(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008f(a)) is amended by striking “at least catastrophic” and all that follows through the end of the subsection and inserting “insurance coverage pursuant to section 508(b)(7) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)(7)).”

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. AKAKA. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Tuesday, November 13, 2007, at 2:30 p.m., in room 253 of the Russell Senate Office Building, in order to conduct a hearing.

At this hearing, the Committee will examine the accuracy of the Federal Trade Commission’s tar and nicotine cigarette rating system and the marketing claims of cigarette companies based on these ratings.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. AKAKA. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Tuesday, November 13, 2007, at 2:30 p.m., in room