U.N. Mission in Iraq, violent extremists care little about these distinctions.

To provide clearer rules of the road for our efforts, the Defense Department and ''InterAction''—the umbrella organization for many U.S.-based NGOs—have, for the first time, jointly developed guidelines for how the military and NGOs should relate to one another in a hostile environment. The Pentagon has also refined its guidance for humanitarian assistance to ensure that military projects are aligned with wider U.S. foreign policy objectives and do not duplicate or replace the work of civilian organizations.

Broadly speaking, when it comes to America's engagement with the rest of the world, you probably don't hear this often from a Secretary of Defense, it is important that the military is—and is clearly seen to be—in a supporting role to civilian agencies. Our diplomatic leaders—be they in ambassadors' suites or on the seventh floor of the State Department—must have the resources and political support needed to fully exercise their statutory responsibilities in leading American foreign policy.

The challenge facing our institutions is to adapt to new realities while preserving those core competencies and institutional traits that have made them so successful in the past. The Foreign Service is not the Foreign Legion, and the United States military should never be mistaken for the Peace Corps with guns. We will always need professional Foreign Service officers to conduct diplomacy in all its dimensions, to master local customs and culture, to negotiate treaties, and advance American interests and strengthen our international partnerships. And unless the fundamental nature of humankind and of nations radically changes, the need—and will to use—the full range of military capabilities to deter, and if necessary defeat, aggression from hostile states and forces will remain.

In closing, I am convinced, irrespective of what is reported in global opinion surveys, or recounted in the latest speculation about American decline, that around the world, men and women seeking freedom from despotism, want, and fear will continue to look to the United States for leadership.

As a nation, we have, over the last two centuries, made our share of mistakes. From time to time, we have strayed from our values; on occasion, we have become arrogant in our dealings with other countries. But we have always corrected our course. And that is why today, as throughout our history, this country remains the world's most powerful force for good—the ultimate protector of what Vaclav Havel once called ''civilization's thin veneer.'' A nation Abraham Lincoln described as mankind's ''last, best hope.''

For any given cause or crisis, if America does not lead, then more often than not, what needs to be done simply won't get done. In the final analysis, our global responsibilities are not a burden on the people or on the soul of this nation. They are, rather, a blessing.

Thank you for this award and I salute you for all that you do—for America, and for humanity.

MEASURES READ THE FIRST TIME

The following bill was read the first time:

S. 3344. A bill to defend against child exploitation and child pornography through improved Internet Crimes Against Children task forces and enhanced tools to block illegal images, and to eliminate the unwarranted release of convicted sex offenders.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. AKAKA, from the Committee on Veterans' Affairs, without amendment:

S. 3339. An original bill to amend chapter 33 of title 38, United States Code, to clarify and improve authorities relating to the availability of post-9/11 veterans educational assistance, and for other purposes (Rept. No. 110–433).

By Mr. LIEBERMAN, from the Committee on Homeland Security and Governmental Affairs, with amendments:

H.R. 5683. A bill to make certain reforms with respect to the Government Accountability Office, and for other purposes.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. AKAKA:

S. 3339. An original bill to amend chapter 33 of title 38, United States Code, to clarify and improve authorities relating to the availability of post-9/11 veterans educational assistance, and for other purposes; from the Committee on Veterans' Affairs; placed on the calendar.

By Mr. MARTINEZ (for himself and Mr. NELSON of Florida):

S. 3340. A bill to provide for the resolution of several land ownership and related issues with respect to parcels of land located within the Everglades National Park; to the Committee on Energy and Natural Resources.

By Mr. VOINOVICH (for himself and Mr. LIEBERMAN):

S. 3341. A bill to reauthorize and improve the Federal Financial Assistance Management Improvement Act of 1999; to the Committee on Homeland Security and Governmental Affairs.

By Ms. LANDRIEU:

S. 3342. A bill to improve access to technology by and increase entrepreneurship among small businesses located in rural communities, and for other purposes; to the Committee on Small Business and Entrepreneurship.

By Mr. GRASSLEY:

S. 3343. A bill to amend title XVIII of the Social Security Act to provide for a disclosure requirement under the Medicare program for physicians referring for imaging services; to the Committee on Finance.

By Mr. COBURN:

S. 3344. A bill to defend against child exploitation and child pornography through improved Internet Crimes Against Children task forces and enhanced tools to block illegal images, and to eliminate the unwarranted release of convicted sex offenders; read the first time.

By Mr. ROCKEFELLER:

S. 3345. A bill to promote the capture and sequestration of carbon dioxide, to promote the use of energy produced from coal, and for other purposes; to the Committee on Finance.

ADDITIONAL COSPONSORS

S. 1437

At the request of Ms. STABENOW, the names of the Senator from Maine (Ms. SNOWE), the Senator from Maryland (Ms. MIKULSKI) and the Senator from Texas (Mr. CORNYN) were added as cosponsors of S. 1437, a bill to require the Secretary of the Treasury to mint coins in commemoration of the semicentennial of the enactment of the Civil Rights Act of 1964.

S. 2921

At the request of Mrs. CLINTON, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 2921, a bill to require pilot programs on training and certification for family caregiver personal care attendants for veterans and members of the Armed Forces with traumatic brain injury, to require a pilot program on provision of respite care to such veterans and members, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. VOINOVICH (for himself and Mr. LIEBERMAN):

S. 3341. A bill to reauthorize and improve the Federal Financial Assistance Management Improvement Act of 1999; to the Committee on Homeland Security and Governmental Affairs.

Mr. VOINOVICH. Mr. President, I rise today to introduce the Federal Financial Assistance Management Improvement Act of 2008 with Senator LIEBERMAN.

In 1999, I introduced the Federal Financial Assistance Management Improvement Act of 1999 with Senators LIEBERMAN, Thompson and DURBIN. My good friend from Ohio, Congressman Portman, introduced companion legislation in the House of Representatives, and working together we were able to enact that legislation to improve the effectiveness and performance of Federal financial assistance programs, simplify Federal financial assistance application and reporting requirements, improve the delivery of services to the public and coordinate the delivery of such services.

Progress was made under the provisions of the Federal Financial Assistance Management Improvement Act of 1999, commonly known as ''PL 106–107.'' A 2005 Government Accountability Office, GAO, report noted that ''[m]ore than 5 years after passage of P.L. 106–107, cross-agency work groups have made some progress in streamlining aspects of the early phases of the grants life cycle and in some specific aspects of overall grants management . . .'' However, GAO noted that work remained to be done, and in 2006 suggested that Congress consider reauthorizing the Federal Financial Assistance Management Improvement Act of 1999. The Act expired in November, and I believe Congress should heed GAO's advice and reauthorize this important law.

The bill I am introducing today with Senator LIEBERMAN reauthorizes the Federal Financial Assistance Management Improvement Act and makes improvements to that Act based on the 2005 and 2006 recommendations of GAO. The bill requires the Director of the Office of Management and Budget, OMB, to develop a public Web site that allows grant applicants to search and

apply for grants, report on the use of grants, and provide required certifications and assurances for grants. I believe such a Web site will enhance the transparency required by the Federal Funding Accountability and Transparency Act that Congress enacted last year.

The bill also requires the Director of OMB to develop a strategic plan for an end-to-end electronic capability that allows non-Federal entities to manage Federal financial assistance and requires each Federal agency to plan actions to implement that strategic plan. Each Federal agency would be required to report to OMB on progress made in achieving its objectives under the OMB strategic plan, and the Director of OMB would be required to report to Congress biennially on progress made in implementing the Federal Financial Assistance Management Improvement Act.

In 1999 I said the Federal Financial Assistance Management Improvement Act was an important step toward detangling the web of duplicative Federal grants available to States, localities and community organizations. While some progress has been made to detangle that web, work remains to be done, and I hope that Congress will quickly reauthorize this law so that OMB and Federal agencies continue those efforts.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 3341

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Federal Financial Assistance Management Improvement Act of 2008''.

SEC. 2. REAUTHORIZATION.

Section 11 of the Federal Financial Assistance Management Improvement Act of 1999 (31 U.S.C. 6101 note) is amended—

(1) in the section heading, by striking ''**and sunset**''; and

(2) by striking ''and shall cease to be effective 8 years after such date of enactment''.

SEC. 3. WEBSITE RELATING TO FEDERAL GRANTS.

Section 6 of the Federal Financial Assistance Management Improvement Act of 1999 (31 U.S.C. 6101 note) is amended—

(1) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively;

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

''(e) WEBSITE RELATING TO FEDERAL GRANTS.—

''(1) IN GENERAL.—The Director shall establish and maintain a public website that serves as a central point of information and access for applicants for Federal grants.

''(2) CONTENTS.—To the maximum extent possible, the website established under this subsection shall include, at a minimum, for each Federal grant—

''(A) the grant announcement;

''(B) the statement of eligibility relating to the grant;

''(C) the application requirements for the grant;

''(D) the purposes of the grant;

''(E) the Federal agency funding the grant; and

''(F) the deadlines for applying for and awarding of the grant.

''(3) USE BY APPLICANTS.—The website established under this subsection shall, to the greatest extent practical, allow grant applicants to—

''(A) search the website for all Federal grants by type, purpose, funding agency, program source, and other relevant criteria;

''(B) apply for a Federal grant using the website;

''(C) manage, track, and report on the use of Federal grants using the website; and

''(D) provide all required certifications and assurances for a Federal grant using the website.''; and

(3) in subsection (g), as so redesignated, by striking ''All actions'' and inserting ''Except for actions relating to establishing the website required under subsection (e), all actions''.

SEC. 4. REPORT ON IMPLEMENTATION.

The Federal Financial Assistance Management Improvement Act of 1999 (31 U.S.C. 6101 note) is amended by striking section 7 and inserting the following:

''SEC. 7. EVALUATION OF IMPLEMENTATION.

''(a) IN GENERAL.—Not later than 9 months after the date of enactment of the Federal Financial Assistance Management Improvement Act of 2008, and every 2 years thereafter until the date that is 15 years after the date of enactment of the Federal Financial Assistance Management Improvement Act of 2008, the Director shall submit to Congress a report regarding the implementation of this Act.

''(b) CONTENTS.—

''(1) IN GENERAL.—Each report under subsection (a) shall include, for the applicable period—

''(A) a list of all grants for which an applicant may submit an application using the website established under section 6(e);

''(B) a list of all Federal agencies that provide Federal financial assistance to non-Federal entities;

''(C) a list of each Federal agency that has complied, in whole or in part, with the requirements of this Act;

''(D) for each Federal agency listed under subparagraph (C), a description of the extent of the compliance with this Act by the Federal agency;

''(E) a list of all Federal agencies exempted under section 6(d);

''(F) for each Federal agency listed under subparagraph (E)—

''(i) an explanation of why the Federal agency was exempted; and

''(ii) a certification that the basis for the exemption of the Federal agency is still applicable;

''(G) a list of all common application forms that have been developed that allow non-Federal entities to apply, in whole or in part, for multiple Federal financial assistance programs (including Federal financial assistance programs administered by different Federal agencies) through a single common application;

''(H) a list of all common forms and requirements that have been developed that allow non-Federal entities to report, in whole or in part, on the use of funding from multiple Federal financial assistance programs (including Federal financial assistance programs administered by different Federal agencies);

''(I) a description of the efforts made by the Director and Federal agencies to communicate and collaborate with representatives of non-Federal entities during the implementation of the requirements under this Act;

''(J) a description of the efforts made by the Director to work with Federal agencies to meet the goals of this Act, including a description of working groups or other structures used to coordinate Federal efforts to meet the goals of this Act; and

''(K) identification and description of all systems being used to disburse Federal financial assistance to non-Federal entities.

''(2) SUBSEQUENT REPORTS.—The second report submitted under subsection (a), and each subsequent report submitted under subsection (a), shall include—

''(A) a discussion of the progress made by the Federal Government in meeting the goals of this Act, including the amendments made by the Federal Financial Assistance Management Improvement Act of 2008, and in implementing the strategic plan submitted under section 8, including an evaluation of the progress of each Federal agency that has not received an exemption under section 6(d) towards implementing the strategic plan; and

''(B) a compilation of the reports submitted under section 8(c)(3) during the applicable period.

''(c) DEFINITION OF APPLICABLE PERIOD.—In this section, the term 'applicable period' means—

''(1) for the first report submitted under subsection (a), the most recent full fiscal year before the date of the report; and

''(2) for the second report submitted under subsection (a), and each subsequent report submitted under subsection (a), the period beginning on the date on which the most recent report under subsection (a) was submitted and ending on the date of the report.''.

SEC. 5. STRATEGIC PLAN.

(a) IN GENERAL.—The Federal Financial Assistance Management Improvement Act of 1999 (31 U.S.C. 6101 note) is amended—

(1) by redesignating sections 8, 9, 10, and 11 as sections 9, 10, 11, and 12, respectively; and

(2) by inserting after section 7, as amended by this Act, the following:

''SEC. 8. STRATEGIC PLAN.

''(a) IN GENERAL.—Not later than 18 months after the date of enactment of the Federal Financial Assistance Management Improvement Act of 2008, the Director shall submit to Congress a strategic plan that—

''(1) identifies Federal financial assistance programs that are suitable for common applications based on the common or similar purposes of the Federal financial assistance;

''(2) identifies Federal financial assistance programs that are suitable for common reporting forms or requirements based on the common or similar purposes of the Federal financial assistance;

''(3) identifies common aspects of multiple Federal financial assistance programs that are suitable for common application or reporting forms or requirements;

''(4) identifies changes in law, if any, needed to achieve the goals of this Act; and

''(5) provides plans, timelines, and cost estimates for—

''(A) developing an entirely electronic, web-based process for managing Federal financial assistance, including the ability to—

''(i) apply for Federal financial assistance;

''(ii) track the status of applications for and payments of Federal financial assistance;

''(iii) report on the use of Federal financial assistance, including how such use has been in furtherance of the objectives or purposes of the Federal financial assistance; and

''(iv) provide required certifications and assurances;

''(B) ensuring full compliance by Federal agencies with the requirements of this Act,

including the amendments made by the Federal Financial Assistance Management Improvement Act of 2008;

''(C) creating common applications for the Federal financial assistance programs identified under paragraph (1), regardless of whether the Federal financial assistance programs are administered by different Federal agencies;

''(D) establishing common financial and performance reporting forms and requirements for the Federal financial assistance programs identified under paragraph (2), regardless of whether the Federal financial assistance programs are administered by different Federal agencies;

''(E) establishing common applications and financial and performance reporting forms and requirements for aspects of the Federal financial assistance programs identified under paragraph (3), regardless of whether the Federal financial assistance programs are administered by different Federal agencies;

''(F) developing mechanisms to ensure compatibility between Federal financial assistance administration systems and State systems to facilitate the importing and exporting of data;

''(G) developing common certifications and assurances, as appropriate, for all Federal financial assistance programs that have common or similar purposes, regardless of whether the Federal financial assistance programs are administered by different Federal agencies; and

''(H) minimizing the number of different systems used to disburse Federal financial assistance.

''(b) CONSULTATION.—In developing and implementing the strategic plan under subsection (a), the Director shall consult with representatives of non-Federal entities and Federal agencies that have not received an exemption under section 6(d).

''(c) FEDERAL AGENCIES.—

''(1) IN GENERAL.—Not later than 6 months after the date on which the Director submits the strategic plan under subsection (a), the head of each Federal agency that has not received an exemption under section 6(d) shall develop a plan that describes how the Federal agency will carry out the responsibilities of the Federal agency under the strategic plan, which shall include—

''(A) clear performance objectives and timelines for action by the Federal agency in furtherance of the strategic plan; and

''(B) the identification of measures to improve communication and collaboration with representatives of non-Federal entities on an on-going basis during the implementation of this Act.

''(2) CONSULTATION.—The head of each Federal agency that has not received an exemption under section 6(d) shall consult with representatives of non-Federal entities during the development and implementation of the plan of the Federal agency developed under paragraph (1).

''(3) REPORTING.—Not later than 2 years after the date on which the head of a Federal agency that has not received an exemption under section 6(d) develops the plan under paragraph (1), and every 2 years thereafter until the date that is 15 years after the date of enactment of the Federal Financial Assistance Management Improvement Act of 2008, the head of the Federal agency shall submit to the Director a report regarding the progress of the Federal agency in achieving the objectives of the plan of the Federal agency developed under paragraph (1).''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 5(d) of the Federal Financial Assistance Management Improvement Act of 1999 (31 U.S.C. 6101 note) is amended by inserting '', until the date on which the Federal agency submits the first report by the Federal agency required under section 8(c)(3)'' after ''subsection (a)(7)''.

By Ms. LANDRIEU:

S. 3342. A bill to improve access to technology by and increase entrepreneurship among small businesses located in rural communities, and for other purposes; to the Committee on Small Business and Entrepreneurship.

Ms. LANDRIEU. Mr. President, I come to the floor today to speak on behalf of small businesses in the rural areas of my State, as well as rural small businesses nationwide. This is because small businesses are crucial to rural communities as they account for 90 percent of all rural establishments. In 1998, small firms employed 60 percent of rural workers and over 1.2 million small firms were located in rural areas. While Louisiana has major metropolitan areas such as New Orleans, Baton Rouge, Shreveport, and Lafayette, my State has countless rural communities which are vital to our State's economy. In fact, Louisiana has 13.8 million acres of hardwood and softwood forests, in addition to the fact that the State is one of the 10 largest producers of agricultural products. These include cotton, sugar cane, rice, pecans, soybeans, strawberries, and cattle. We are proud of our natural and agricultural resources, just as Louisianans are proud of our culture and cuisine.

As I mentioned, rural small businesses are key to the economy in my State, just as they are in other States. While the Department of Agriculture has various programs to help rural communities, the Small Business Administration, SBA, remains the primary Federal agency focused on promoting small businesses. From my positions on the Senate Committee on Small Business and Entrepreneurship as well as the Senate Appropriations Subcommittee on Financial Services and General Government, I have focused on improving SBA's ability to serve small businesses in Louisiana. One area that I believe this Congress can truly make a difference in addressing the main challenges facing rural small businesses. In talking to various stakeholders, I have repeatedly heard that two of the traditional obstacles to small business expansion in rural areas are lack of access to technology and capital.

For my part, I would like to offer some commonsense solutions to help address these and other challenges facing our rural small businesses. These businesses are the backbone of our economy so we should give them every opportunity to succeed. In particular, I am proud to introduce today the, ''Rural Small Business Enhancement Act of 2008.'' This bill provides necessary improvements to SBA programs to help the agency better assist rural small businesses.

First, as you may know, in 1982 Congress established a 5-year government-wide Small Business Innovation Research, SBIR, program. This program has been extended three times, most recently by Public Law 106–554, which continues the SBIR program through September 30, 2008. The SBIR program was created to help meet the Federal Government's research and development needs. Among other things, the SBIR program was established to stimulate technological innovation related to each participating agency's goals and missions, to encourage agencies to use small businesses to meet Federal research and development needs, and to increase private sector commercialization of innovation derived from Federal research and development. The SBIR program had awarded over $17 billion to more than 82,000 projects from its inception to 2004.

In addition to the SBIR program, Congress also created the Small Business Technology Transfer, STTR, program. STTR is another important small business program that expands funding opportunities for small business in the area of Federal research and development. This program expands the public/private sector partnership to include joint venture opportunities for small businesses and nonprofit research institutions. For example, our university labs are important to the country in that they provide the engine for high-technology innovation. However, if innovation cannot be translated from the classroom or the lab to the marketplace, it cannot benefit the lives of everyday people. STTR combines the strengths of small businesses and universities to transfer technology/products from the lab to the marketplace. The small businesses in particular benefit from commercialization, which supports jobs and the U.S. economy.

As part of the 2000 Reauthorization of the SBIR program, Congress also created the Federal and State Technology Partnership Program, or FAST. FAST was created to strengthen the technological competitiveness of small business concerns by providing competitive grants to States to help support the SBIR program. These grants are traditionally used to assist technology transfers by universities to small businesses, provide technical assistance to firms participating in the SBIR program, and encourage commercialization of technology developed through SBIR funding. The FAST program has proven vital to States like Louisiana, which have traditionally been in the lower tier of States in terms of SBIR/STTR awards and total dollars. For example, in fiscal year 2003, Louisiana ranked 44 in terms of total SBIR award dollars out of the other 50 States, Puerto Rico and the District of Columbia. That year Louisiana had 14 Phase I and II awards for a total of $2,373,062. Compare that to the 3 ranked State of Maryland which had 325 awards for $96,533,591. For this reason, technical assistance provided under FAST grants is extremely important to businesses in my State. In general, the more SBIR

applications that are submitted by small businesses in a State, the more SBIR awards are made in that State.

The FAST program has allowed the Louisiana Business and Technology Center, LBTC, located at Louisiana State University in Baton Rouge, to establish the Louisiana SBIR/STTR Phase Zero Program. This program allows LBTC to grant up to $3,000 to companies needed help in writing SBIR Phase One grant applications and up to $5,000 for Phase Two proposals. One of the companies that benefitted from FAST and the Phase Zero Program was Mezzo Systems. Mezzo Systems is a provider of design analysis and prototyping services for micro fluidic, optic, magneto, and electronic devices. The company was an incubator tenant of the LBTC at LSU and I was able to visit with them at the center in 2003. With the support of my office and the LBTC, Mezzo won five SBIR awards totalling $1.3 million. One of these awards was an SBIR grant from the Department of Defense Missile Defense Agency totalling $750,000.

Through the FAST program, several spinoff companies at Louisiana Technical University in Ruston, Louisiana have also received SBIR funding to support research and development related to commercial application of their innovations. This is because Louisiana Tech recognizes the value of expanding the local service network for technology-based, small and rural businesses through programs like FAST.

While my State has utilized the FAST program successfully in the past, I believe that rural areas, such as Louisiana, need additional technical assistance to help our small businesses compete in the SBIR program. In particular, I am concerned about the non-Federal match that is required for this program. Currently, each participating State that receives FAST awards is required to match each Federal dollar that is provided with their own funds. I do not oppose this approach as each recipient should put up funds as the Federal Government is putting up the majority of funds for these activities. However, as currently structured, each State in the bottom 18 States receiving the fewest SBIR Phase I awards is required to put up 50 cents for each Federal dollar. This makes sense as the lower tier of States need additional technical assistance so they should have an incentive to apply for these grants. Next, each State in 1 of the 16 States receiving the greatest number of Phase I awards are required to match dollar for dollar each Federal dollar awarded. States not included in either of these two categories, those in the middle tier, are required to match 75 cents for each Federal dollar. There was also included a special match requirement for low-income areas, which is 50 cents for each Federal dollar.

In reviewing this current structure, it is clear that rural areas and rural small businesses could benefit from a reduced match requirement for the FAST program. Just as low-income areas and States which are the bottom 18 States for SBIR awards are provided a 50-cent match requirement, FAST award recipients in rural areas should be provided a reduced match requirement. My bill would make this important revision and would also further reduce the match requirement, to 35 cents, for FAST grants from rural areas which are also in the bottom 18 States. This increased technical assistance would go a long way and really provide assistance where it is most needed—our rural small businesses and universities. Furthermore, this change does not affect the allocation of SBIR program awards but does provide rural areas with a level playing field when competing for these awards.

As I mentioned, the SBIR program is set to expire on September 30, 2008. It is important that we reauthorize this program given its importance to our country, universities and small businesses. Almost as important as reauthorizing this program is ensuring that the necessary technical assistance programs are also extended. Small business owners often lack the resources and expertise necessary to improve the quality of their proposals. That is where programs such as FAST come in to help. For SBIR/STTR, Congress also created a program which was particularly helpful to rural small businesses. In particular, the Rural Outreach Program was created by Senator KIT BOND in 1997 to help the lower tier SBIR/STTR States increase their participation and success in both programs. Funds under this program helped these 25 underrepresented States establish or expand programs to assist small high technology businesses through training, counselling, and outreach. Activities included workshops, one-on-one counselling for small businesses, and the expansion of the base of high-technology/economic development service providers.

While this program was extremely helpful to rural States like Louisiana, President Bush each year tried to cut the program in his budget. Along with Senator JOHN KERRY and six other Senators, in 2004 I sent a letter to then SBA Administrator Hector Barreto urging him to restore Rural Outreach Program funds in his fiscal year 2005 budget. Unfortunately, it is my understanding that no additional funding was provided and the program was not reauthorized. In my bill I include a reauthorization of the Rural Outreach Program. It is my hope to work closely with Senators BOND and KERRY to reauthorize this important program when we reauthorize the overall SBIR program. I would also note that I believe the Rural Outreach program, which I understand may have been intended to phase out as the FAST program ramped up, can coexist with the FAST program. With the change included in this bill for the FAST program, along with reauthorizing the Rural Outreach Program, the States at the lower tier of SBIR awards would receive the help needed most—technical assistance. Rural States and those at the bottom of the rankings in SBIR awards deserve more, not less, technical assistance dollars. That is so that they can provide the help necessary to foster innovation and commercialization in their States.

Next, both the SBIR and STTR programs are administered by the SBA Office of Technology. Eleven agencies participate in the SBIR program and five agencies participate in the $2 billion STTR program, yet I have repeatedly heard concerns from stakeholders that the Office of Technology is understaffed and overwhelmed. The employees in this office deserve tremendous credit for their service in running these vital programs but they also deserve additional help. Groups in my State have told me about calling the office for assistance with understanding SBIR/STTR rules. They indicated that the office was helpful, but slow. For example, when an award is granted, the agency administering the award provides the names of numerous staff members that may be contacted for SBIR reporting, funds management, technical assistance, and other needs. There does not appear to be the same capacity for assistance or outreach in the Office of Technology. If one considers that both SBIR/STTR provide hundreds of awards worth hundreds of millions of dollars each year, additional funds for staff to oversee these programs is a wise investment of taxpayer funds. The bill I am introducing today would require SBA to hire five additional employees and provide the agency with the funds to hire them.

While the Rural Small Business Enhancement Act includes these provisions which focus on existing SBA programs, there also is a need for new programs to help our rural small businesses. The Federal Government disposes of or sells thousands of unused computers each year. Some of this technology could be better utilized in the hands of entrepreneurs in rural communities. Recently, the SBA Office of Advocacy worked with U.S. Department of Agriculture to donate a warehouse of used Department of Health and Human Services computers to rural communities. Given that the SBA is charged with promoting entrepreneurship in low-income and rural communities, it is a natural agency to spearhead an initiative to donate/discount used Federal computers to rural/low-income areas. According to information provided to my office by SBA, the agency currently has about 7,000 desktop personal computers and 2,700 laptops. Some estimates say that perhaps as many as 10 percent of these computers are targeted for disposal every month or so. When SBA disposes of these computers, they follow General Services Administration guidelines to either dispose of them through excess property auctions or through contractors. I would like to see SBA

help address the technology challenges of rural small businesses by donating these used computers to these businesses or offering them at discounted prices. As such, my bill creates a 3 year pilot program at SBA where the agency would provide not less than 1,000 excess government computers each year to small businesses in rural areas.

Lastly, rural small businesses, just as with businesses in metropolitan areas, need capital to expand or survive. Unfortunately, many smaller lenders which have served rural areas have merged with larger banks in recent years. These local banks are traditionally the only source of capital in the community. To address this issue, my bill directs the Administrator to establish a rural lending outreach program. This program would provide not more than an 85 percent guaranty for loans of $250,000 or less. Since the program is targeted for rural areas, there is a requirement that the program be carried out only through lenders in rural areas. I would note that this particular provision is also included in a bill which I have cosponsored, S. 2920, the ''SBA Reauthorization and Improvement Act'' which was introduced by Senators KERRY, SNOWE, and LEVIN.

In the coming 2 months, both the House and Senate will be working to reauthorize the SBIR program. As we reauthorize the SBIR program, Congress should not forget the role that rural small businesses and universities play in fostering innovation and development. For example, in Louisiana, we have multiple universities participating in these programs and collaborating with local small businesses. I have already mentioned LSU and Louisiana Tech. Louisiana Tech in particular has steadily increased its activity in the SBIR program at a key time for the region. This is because the Barksdale Air Force base located in Shreveport, which is 70 miles from Ruston, is looking to secure the permanent Cyber Command. This command would protect the United States from cyber warfare. All of the universities, colleges, and parishes in this area are collaborating on securing this command, which could mean thousands of jobs for the region. As they look to attract additional technology-based businesses, the SBIR/STTR program has proven to be an important economic development tool for local businesses and communities. For my part, I want to ensure that universities like Louisiana Tech in rural areas have every opportunity to compete on a level playing field for SBIR dollars. I also would like to provide our rural small businesses with the tools necessary to partner with these institutions to commercialize the products of their research. The bill I introduce today would accomplish both of these goals and, in the process, it would improve the ability of SBA to assist rural small businesses. I urge my colleagues to support this commonsense legislation as we must foster development in our rural small businesses. Without these businesses, our country cannot truly compete on the international stage. This is because our Fortune 500 companies and large urban areas are instrumental in the success of the United States but rural small businesses and rural areas form the backbone of this country.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 3342

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Rural Small Business Enhancement Act of 2008''.

SEC. 2. DEFINITIONS.

In this Act, the terms ''Administration'' and ''Administrator'' mean the Small Business Administration and the Administrator thereof, respectively.

SEC. 3. RURAL AREAS.

Section 34(e)(2) of the Small Business Act (15 U.S.C. 6657d(e)(2)) is amended—

(1) by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively; and

(2) by inserting after subparagraph (B) the following:

''(C) RURAL AREAS.—

''(i) IN GENERAL.—Except as provided in clause (ii), the non-Federal share of the cost of the activity carried out using an award or under a cooperative agreement under this section shall be 50 cents for each Federal dollar that will be directly allocated by a recipient described in paragraph (A) to serve small business concerns located in a rural area.

''(ii) SBIR AWARDS.—For a recipient located in a rural area that is located in a States as described in subparagraph (A)(i), the non-Federal share of the cost of the activity carried out using an award or under a cooperative agreement under this section shall be 35 cents for each Federal dollar that will be directly allocated by a recipient described in paragraph (A) to serve small business concerns located in the rural area.

''(iii) DEFINITION OF RURAL AREA.—In this subparagraph, the term 'rural area' has the meaning given that term in section 1393(a)(2)) of the Internal Revenue Code of 1986.''.

SEC. 4. RURAL OUTREACH PROGRAM.

Section 9 of the Small Business Act (15 U.S.C. 638) is amended by inserting after subsection (r) the following:

''(s) OUTREACH.—

''(1) DEFINITION OF ELIGIBLE STATE.—In this subsection, the term 'eligible State' means a State—

''(A) if the total value of contracts awarded to the State during fiscal year 2004 under this section was less than $10,000,000; and

''(B) that certifies to the Administration described in paragraph (2) that the State will, upon receipt of assistance under this subsection, provide matching funds from non-Federal sources in an amount that is not less than 50 percent of the amount provided under this subsection.

''(2) PROGRAM AUTHORITY.—Of amounts made available to carry out this section for each of the fiscal years 2009 through 2020, the Administrator may expend with eligible States not more than $2,000,000 in each such fiscal year in order to increase the participation of small business concerns located in those States in the programs under this section.

''(3) AMOUNT OF ASSISTANCE.—The amount of assistance provided to an eligible State under this subsection in any fiscal year—

''(A) shall be equal to twice the total amount of matching funds from non-Federal sources provided by the State; and

''(B) shall not exceed $100,000.

''(4) USE OF ASSISTANCE.—Assistance provided to an eligible State under this subsection shall be used by the State, in consultation with State and local departments and agencies, for programs and activities to increase the participation of small business concerns located in the State in the programs under this section, including—

''(A) the establishment of quantifiable performance goals, including goals relating to

''(i) the number of program awards under this section made to small business concerns in the State; and

''(ii) the total amount of Federal research and development contracts awarded to small business concerns in the State;

''(B) the provision of competition outreach support to small business concerns in the State that are involved in research and development; and

''(C) the development and dissemination of educational and promotional information relating to the programs under this section to small business concerns in the State.''.

SEC. 5. RURAL SMALL BUSINESS TECHNOLOGY PILOT PROGRAM.

(a) DEFINITIONS.—In this section—

(1) the term ''qualified small business concern'' means a small business concern located in a rural area;

(2) the term ''rural area'' has the meaning given that term in section 1393(a)(2)) of the Internal Revenue Code of 1986; and

(3) the term ''small business concern'' has the same meaning as under section 3 of the Small Business Act (15 U.S.C. 632).

(b) REPORT.—Not later than 120 days after the date of enactment of this Act, the Administrator, in coordination with the Administrator of General Services, 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 describing—

(1) the number of Government-owned computers in the possession of the Administration, including the number of working computers, nonworking computers, desktop computers, and laptop computers;

(2) the number of Government-owned computers disposed of by the Administration during the 5-year period ending on the date of enactment of this Act, including the number of such computers that were working computers, nonworking computers, desktop computers, or laptop computers;

(3) the procedures of the Administration for the disposal of Government-owned computers;

(4) the plans of the Administrator for carrying out the pilot program under subsection (c).

(c) PILOT PROGRAM.—

(1) ESTABLISHMENT.—Not later than 180 days after the date of enactment of this Act, the Administrator shall establish a pilot program to provide not more than 1,000 excess Government-owned computers each year to qualified small business concerns at no cost or a reduced cost.

(2) PURPOSES OF PROGRAM.—The pilot program established under paragraph (1) shall be designed to—

(A) encourage entrepreneurship in rural areas;

(B) assist small business concerns in accessing technology; and

(C) accelerate the growth of qualified small business concerns.

(3) TERMINATION.—The authority to conduct the pilot program under this subsection shall terminate 3 years after the date of enactment of this Act.

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

SEC. 6. OFFICE OF TECHNOLOGY.

(a) IN GENERAL.—The Administrator shall hire not less than 5 additional full-time equivalent employees for the Office of Technology of the Administration.

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

SEC. 7. RURAL LENDING OUTREACH PROGRAM.

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

(1) by striking paragraph (25)(C);

(2) by redesignating paragraph (32) relating to increased veteran participation, as added by section 208 of the Military Reservist and Veteran Small Business Reauthorization and Opportunity Act of 2008 (Public Law 110–186; 122 Stat. 631), as paragraph (33);

(3) by adding at the end the following:

''(34) RURAL LENDING OUTREACH PROGRAM.—

''(A) IN GENERAL.—The Administrator shall carry out a rural lending outreach program to provide not more than an 85 percent guaranty for loans of not more than $250,000. The program shall be carried out only through lenders located in rural areas (as the term 'rural' is defined in section 501(f) of the Small Business Investment Act of 1958 (15 U.S.C. 695(f))).

''(B) LOAN TERMS.—For a loan made through the program under this paragraph—

''(i) the Administrator shall approve or disapprove the loan within 36 hours of the time the Administrator receives the application;

''(ii) the program shall use abbreviated application and documentation requirements; and

''(iii) minimum credit standards, as the Administrator considers necessary to limit the rate of default on loans made under the program, shall apply.''.

By Mr. GRASSLEY:

S. 3343. A bill to amend title XVIII of the Social Security Act to provide for a disclosure requirement under the Medicare program for physicians referring for imaging services; to the Committee on Finance.

Mr. GRASSLEY. Mr. President, I am pleased today to introduce the Medicare Imaging Disclosure Sunshine Act of 2008.

I agreed to a short-term Medicare extension bill last December with the understanding that this would give us the opportunity to include other priorities in a bipartisan Medicare package this year. One of the significant issues I had hoped to address was the lack of transparency in physician self-referrals for imaging services in the Medicare program.

The recently-enacted Medicare bill requires accreditation for providers of the technical component of advanced diagnostic imaging services such as magnetic resonance imaging, MRI, computed tomography, CT, scans, and positron emission tomography, PET, and it establishes a demonstration project to assess appropriate physician use of these services. However, Mr. President, the legislation regrettably fails to address an issue that has contributed significantly to the rapid growth in Medicare spending for imaging services: physician self-referrals for imaging services in their offices and in facilities where they own or lease advanced imaging equipment. According to a June 2008 report of the Government Accountability Office, Medicare Part B spending for imaging services more than doubled in 6 years, growing from $6.89 billion in 2000 to $14.11 billion in 2006. During this time, the percentage of Medicare spending on imaging services provided in physician offices grew from 58 percent, about $4 billion, in 2000 to 64 percent, about $9 billion, in 2006. Spending on advanced imaging services, such as MRIs, CT scans, and nuclear medicine, also grew substantially faster than other imaging services.

Beneficiaries need more transparency and disclosure of potential conflicts of interest when physicians write referrals for imaging services. An imaging disclosure provision was included in the Medicare bill that I introduced in June, and it was included in the agreement that Senator BAUCUS and I reached for this year's Medicare bill. The provision was not onerous nor was it overly proscriptive: it merely required referring physicians to disclose any conflict of interest related to their ownership of advanced imaging facilities or equipment. Patients still would be free to choose their physicians' imaging facility or equipment or to go elsewhere. Unfortunately, the imaging disclosure provision was dropped from the Medicare bill that Congress enacted once the process became partisan.

It is for this reason that I am introducing this bill. The Medicare Imaging Disclosure Sunshine Act does just what the name implies: it requires referring physicians to shed some light on their relationship to imaging facilities and equipment they own by disclosing that ownership interest and providing beneficiaries with a list of alternative providers. The referring physician is required to inform the individual in writing at the time of referral that he or she can obtain imaging services elsewhere if they choose to do so and to provide a list of imaging suppliers located where the individual resides. The imaging services covered by the requirement include MRIs, CT scans, PET, and other radiology services specified as designated health services that the Secretary of Health and Human Services determines appropriate. The requirement would be effective in January 2010.

Technology has made great advances in imaging services in recent years, and improvements in imaging hold much promise for earlier and more accurate diagnoses of life-threatening diseases which often may lead to improved outcomes for patients. But we must do more to help control the potential for overutilization of imaging services. The Medicare Payment Advisory Commission, or MedPAC, and others have expressed serious concerns that the sizeable growth in the volume of imaging services needs to be addressed. In March 2005, MedPAC recommended that the Secretary of HHS establish standards for providers of diagnostic imaging services and measure physicians' use of imaging services with their peers. Those recommendations were addressed to some degree in the Medicare bill that Congress enacted. However, another key MedPAC recommendation—that the Secretary of HHS strengthen the rules limiting physicians' financial incentives to order imaging services—unfortunately was ignored.

The June 2008 GAO Report noted that physicians in specialties other than radiology generated an increasing share of revenue from in-office imaging services from 2000 to 2006. They also found that in-office imaging spending per beneficiary, like other Medicare spending, varied widely across geographic regions of the country. By 2006, in-office imaging spending per beneficiary varied from $62 in Vermont to $472 in Florida, nearly eight times as much. This raises additional concerns about overuse since research on geographic variations on health care spending shows that, generally, providing more services does not lead to improved health care outcomes. In GAO's view, the shift in imaging services from hospital settings to physician offices has the potential to encourage overuse in light of the financial incentives that exist for physicians to supplement lower professional fees for interpreting imaging tests with relatively higher fees for performing the tests. They concluded that physician ownership of imaging equipment is a way to generate additional revenue for a practice.

The Medicare Imaging Disclosure Sunshine Act will provide another necessary tool to address the significant increase in Medicare spending for in-office imaging services by providing more transparency and shedding some light on physician referrals to facilities and medical imaging equipment they own. I urge my colleagues to support this legislation.

By Mr. ROCKEFELLER:

S. 3345. A bill to promote the capture and sequestration of carbon dioxide, to promote the use of energy produced from coal, and for other purposes; to the Committee on Finance.

Mr. ROCKEFELLER. Mr. President, today I introduce the Future Fuels Act of 2008. Put simply, I think coal—especially clean coal—is a critical part of the solution to America's energy independence and to our national security. The bill I will describe this morning presents several technological options that will help put us on a path toward achieving greater energy independence, while also tackling the grave threat to human health, property, and the world's economy that is global climate change.

I know that there are some, in this chamber and around the country, who would demonize coal. But the reality is that coal is what we have—in abundance. We just can't ignore this resource or the incredible potential that it has not just to generate electricity, but as a potential transportation fuel source. The challenges that we face today—and they are challenges which I firmly believe can be overcome with the right combination of resources and American know-how—is how to use coal to produce energy in cleaner ways than we do now, and to accelerate development of carbon capture and sequestration, CCS, technologies to see to it that we don't make our current climate problems worse.

In addition to the bill I am introducing today, in West Virginia we have been working with major companies and our coal industry to promote some exciting next generation projects that will produce a range of value-added products out of coal—electricity, chemical feedstocks, fertilizer, diesel and aviation fuels. If we can pull off what we are trying to do, it will be, in a word, transformational.

My colleagues know that from Maine to California, West Virginia to Washington State, our constituents are paying more at the gasoline pump, in the supermarket aisles, and for virtually everything else. American families are being crushed by the weight of the rising cost of living—especially our seniors, veterans, and low-income families, who often live on fixed incomes. They are looking for solutions, not lengthy and circular debates on how this energy crisis came about and who is to blame for not fixing it. They are looking for the people they sent to Washington to examine all the options, work together for the common good, and to stop playing partisan or parochial games.

As a Senator from West Virginia, I can tell you that the people of my State know a thing or two about coal. They know that from small towns to major cities, from the Capitol building to the Vegas strip, coal generates nearly 50 percent of the Nation's electricity. It lights our homes, schools, and workplaces, and while the summer sun beats down, coal-burning power plants keep us cool. West Virginians, like so many others in this country who have considered our energy options, understand that coal also has the potential to run our cars and trucks and keep our planes flying. West Virginians—like the relatively few of us who are proud to call ourselves Coal State Senators—understand that the only thing keeping us from turning this promise into a reality is a laser-focused commitment from our government and the Nation's industries to unleash good old American ingenuity.

The Future Fuels Act can be the foundation for our efforts. In a way not seen since the Manhattan Project helped us win World War II, and at least not since we fulfilled President Kennedy's promise to put a man on the Moon and bring him safely back to Earth, the Future Fuels Act would bring together the best minds in government and the private sector to figure out commercially viable solutions to carbon capture and sequestration. In achieving what is undoubtedly the greatest environmental challenge of this century, the best minds throughout the world, working together, will renew the promise of a better standard of living that coal showed the world at the dawn of the industrial age. For Americans blessed with abundant reserves of this resource, the Future Fuels Act can allow coal to be the source of most of the clean energy we must have in the coming decades.

I understand there are those who believe that coal can never be part of the solution, because its detractors have made it such a poster child of the problem. Let's be honest. No energy policy choice can be made that does not have an environmental consequence. Oil drilling obviously does—and mining coal does, as well.

But it is not just the use of fossil fuels that has consequences. Wind power probably has more than its fair share of detractors, due to perceived threats to migratory birds and bats, and what some consider an unacceptable disruption of scenic vistas. Ethanol has been blamed for rising food prices and for the minimal value of the energy it produces relative to its production costs. Nuclear energy is touted by its proponents as a carbon-free option that should have its share of the nation's electricity generation expanded. Yet we have never figured out what to do about the permanent storage of, and human health and safety concerns regarding, highly radioactive waste with a half-life measured in tens of thousands of years. It is clear to me, at least, that the fundamentally flawed Yucca Mountain plan is not the answer. Natural gas-powered plants emit somewhat less than coal-fired plants, but are still not clean. In any event, installing new gas pipelines or trying to open a liquefied natural gas terminal inevitably runs utilities into the classic problem of ''not in my backyard,'' or NIMBY. The point is we need to find energy alternatives that are accessible, can be used wisely, preserve our standard of living, and make positive strides to heal our broken world.

Anyone who has watched the nightly news lately or who has read a newsmagazine in the last several years knows that global climate change is no longer cloaked in uncertainty or shrouded in doubt. The sheer repetition of major meteorological calamities renders discussion of ''storms of the century'' mute. Meanwhile, all too frequently floods, hurricanes, and typhoons are characterized as ''500-year events.'' We've watched the floodwaters rise in the heartland of America, forest fires rage out West, and both our Atlantic and Pacific coastlines battered by more common storms. The permafrost in the Arctic Tundra is thawing and releasing methane, and the polar ice caps are melting. Growing seasons are changing, and temperate zones are shifting. The damaging effects of global climate change are not suffered only by humanity; an increasing number of plant and animal species are facing extinction.

Whether you believe that climate change is happening or not; whether you accept the science of it all, or not, is beside the point. One thing is clear—we can't afford to be wrong, and doing nothing is not an option any longer. Our national policy can not be to merely clean up after more and more terrible weather affects more and more parts of the country—we'll go steadily more bankrupt if we do. We need to start addressing the root cause of it all—and that means fundamental changes in the ways we harness the immense power of fossil fuels, like coal, and permanent solutions for the carbon produced.

To do this, my legislation will expand incentives for clean coal technologies, establish an incentive to capture a potent greenhouse gas currently being vented into the atmosphere, create a low-cost program to promote responsible conversion of coal to transportation fuels, help develop new pipeline networks connecting the coalfields to the gas pump, and devote substantial resources to enable government and private sector scientists to turn the corner on commercially viable CCS.

The United States has more than a 250-year supply of coal stored beneath the hills of Appalachia and in several places around the country. To use this abundance in a responsible and environmentally appropriate way, the Future Fuels Act will do the following:

It will expand tax incentive and clean coal energy bond programs in current law designed to defray costs incurred by investor-owned utilities and public power providers when they choose advanced clean coal technologies to replace and supplement our current fleet of electricity generating plants. We have provided money for this purpose over the last decade, but given the scope of the challenge, we have up until now provided pennies on the dollar. The Future Fuels Act will provide $10.3 billion—$8.3 billion in expanded clean coal tax incentives and an additional $2 billion for municipal and cooperative energy providers in clean coal energy bonds.

It will establish a new incentive available to companies that mine coal underground to capture and sequester methane. Methane is more than 20 times as potent a heat-trapping greenhouse gas as an equal volume of carbon dioxide. It is liberated as a natural byproduct of the excavation of coal, and is currently vented to prevent explosions and to purify the air coal miners breathe. This incentive would allow coal companies that voluntarily capture methane and prevent it from being

released into the atmosphere to offset some of the costs of that capture.

It will create a ''stand-by'' loan program for development of environmentally responsible coal conversion facilities. Coal-based fuel developers would receive no Federal funds to build or operate their facilities, but would be able to tap into a loan program with strict repayment terms when the world price of oil drops below a figure to be set in statute. As a frustrating summer of high gasoline prices and airlines teetering on the edge of collapse because of high jet fuel costs makes clear, we need a new set of solutions to meet our energy demand. The Future Fuels Act will move us toward a time when we can run our cars, trucks, planes, and trains with domestic coal-derived fuel.

It will establish a tax incentive for the construction of pipeline infrastructure to bring coal-based fuels to the marketplace. Because our current network of oil and gas pipelines serves, naturally, where oil and gas is found, it may not be adequate or geographically able to serve new sources of fuels in the coalfields of Appalachia and other regions of the country where coal conversion facilities might be built. This incentive would encourage pipeline companies to build out to new locations with untapped potential in coal reserves.

But the Future Fuels Act is not just about using coal. It is about meeting the challenge of using coal in the carbon-constrained future we know is coming. The Future Fuels Act does this by harnessing the wisdom, scientific knowledge, and creativity of both government scientists and their private sector counterparts.

First, it would put into motion the kind of massive research, development, demonstration, and technology deployment program we should have seen from the current Administration, which had promised to be a friend to coal, only to walk away from ongoing coal initiatives in our Federal laboratories. Instead of doing the work that would establish a sustainable future for coal, the Administration first denied climate change was a problem, and then cut the fossil fuel R&D. Consequently, we have lost eight years' worth of serious efforts to develop commercial-scale carbon capture and sequestration, or CCS, options. This is utterly inexcusable, but by increasing the size and investment in government CCS R&D, my legislation attempts to make up for that lost time. Our national labs have done groundbreaking work, especially West Virginia, but they have not been given the resources they need to truly accelerate their research and make it commercially available. In contrast, this legislation would authorize $650 million over the next 5 fiscal years to develop commercial-scale carbon sequestration demonstrations in multiple geological and terrestrial formations, with the goal of storing 1 million tons of carbon dioxide annually.

Finally, my bill would create the Future Fuels Corporation, FFC, a publicly funded but privately operated institution with two primary goals. First, the FFC accelerate research—and more importantly, commercial deployment—of CCS technologies. Without the combination of brainpower and private sector dedication to deadlines and results we may never get CCS technologies off the drawing board and on to power plants and other industrial emitting facilities.

Second, the FFC will work to create new technologies and new production processes to enable the production of coal-based transportation fuels that are not only cleaner than petroleum-based fuels in use today, but which are made in plants that are cleaner, and which cause less environmental disruption than drilling for oil.

Like so many of the other legislative responses to the current energy and economic crisis, my legislation is not a ''silver bullet.'' It is, however, a sincere attempt to offer American solutions to what is both an American and a global problem.

We can never be truly energy ''independent,'' but we must resolve to be more energy ''resilient.'' We can do that when we tap into coal's still unbound potential. Likewise, we cannot expect the serious problem of global climate change to fix itself. The combination of our abundant coal and the innovative potential of the greatest scientists, technicians, and researchers in American business, academia, and government can make the energy resources of Saudi Arabia seem like a drop in the bucket. We need to foster policies to unleash these brilliant men and women to find and prove a range of carbon storage solutions, and then watch a waiting world beat a path to our doorstep.

Known American coal reserves can produce electricity at current rates—and be converted to transportation fuels in sufficient amounts to supplant more than the petroleum we import from the Persian Gulf and elsewhere—for two centuries or more. No American president will have to call up the Guard and Reserve to secure the coalfields, and no American parent will have trouble falling asleep because they're concerned about the safety of their son or daughter in uniform because the people who own the energy don't much like the American presence near the energy.

That is why the Future Fuels Act is so important, and why I commend it to my colleagues.

Mr. President, I ask consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 3345

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Future Fuels Act of 2008''.

SEC. 2. FUTURE FUELS CORPORATION.

Subtitle A of title XVI of the Energy Policy Act of 2005 (Public Law 109–58; 119 Stat. 1109) is amended by adding at the end the following:

''SEC. 1602. FUTURE FUELS CORPORATION.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—The Future Fuels Corporation (referred to in this section as the 'Corporation') is established as a government corporation.

''(2) ADMINISTRATION.—The Corporation shall be subject to—

''(A) this section; and

''(B) chapter 91 of title 31, United States Code.

''(3) BOARD OF DIRECTORS.—

''(A) IN GENERAL.—The Corporation shall be managed by a board of directors composed of 7 individuals who are citizens of the United States, appointed by the President, by and with the advice and consent of the Senate.

''(B) CHAIRPERSON.—The board of directors shall annually elect a Chairperson from among the members of the board of directors.

''(C) TERM.—The term of a member of the board of directors shall be 4 years.

''(4) TRANSFERS.—The Secretary shall transfer to the Corporation, from amounts appropriated and allocated to it, such sums as may be necessary to meet the requirements of this section.

''(b) USE OF FUNDS.—Beginning in fiscal year 2009, funds transferred by the Secretary to the Corporation under subsection (a)(4) shall be expended by the Corporation to—

''(1) promote and deploy coal and coal cofired polygeneration technologies;

''(2) reduce—

''(A) the carbon footprint of coal consumption; and

''(B) the production of coal-based byproducts; and

''(3) conduct widespread carbon sequestration research, development, and deployment activities.''.

SEC. 3. CARBON CAPTURE AND STORAGE RESEARCH, DEVELOPMENT, AND DEMONSTRATION PROGRAM.

Section 963 of the Energy Policy Act of 2005 (42 U.S.C. 16293) is amended—

(1) in the section heading, by striking ''**AND SEQUESTRATION**'' and inserting ''**AND STORAGE**'';

(2) in subsection (a), by striking ''and sequestration'' and inserting ''and storage''; and

(3) by striking subsections (c) and (d) and inserting the following:

''(c) PROGRAMMATIC ACTIVITIES.—

''(1) GOAL.—The Secretary shall establish a program under which the Secretary shall conduct activities necessary to achieve the goal of annually sequestering at least 1,000,000 tons of carbon dioxide by January 1, 2015.

''(2) REVIEW OF EXISTING DATA.—Not later than 180 days after the date of enactment of the Future Fuels Act of 2008, the Secretary shall—

''(A) verify and analyze the results of any assessment conducted by any other Federal agency or a State relating to geological storage capacity and the potential for carbon injection rates, including a risk analysis of any potential geologic storage areas assessed; and

''(B) submit to the appropriate committees of Congress a report that describes the results of the verification and analyses under subparagraph (A).

''(3) RECOMMENDATIONS.—As soon as practicable after the date of enactment of the Future Fuels Act of 2008, the Secretary shall submit to the appropriate committees of Congress recommendations on appropriate regulatory and advisory mechanisms for—

''(A) the determination of best technologies;

''(B) the identification and evaluation of state-of-the-art research, development, and deployment strategies for carbon capture and storage technologies;

''(C) the selection and operation of carbon dioxide sequestration sites; and

''(D) the transfer of liability for the sites to the United States.

''(4) INTERSTATE COMPACTS.—As soon as practicable after the date of enactment of this Act, the Secretary shall develop model interstate compacts to govern the transportation, injection, and storage of carbon dioxide.

''(5) DEMONSTRATION PROJECT.—The Secretary shall conduct geological sequestration demonstration projects involving carbon dioxide sequestration operations in a variety of candidate geological settings, including—

''(A) oil and gas reservoirs;

''(B) unmineable coal seams;

''(C) deep saline aquifers;

''(D) basalt and shale formations; and

''(E) terrestrial sequestration, including restoration project sites provided assistance by the Abandoned Mine Reclamation Fund established by section 401 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1231) .

''(d) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated to carry out this section—

''(A) $100,000,000 for each of fiscal years 2009 and 2010;

''(B) $105,000,000 for fiscal year 2011;

''(C) $110,000,000 for fiscal year 2012;

''(D) $115,000,000 for fiscal year 2013; and

''(E) $120,000,000 for fiscal year 2014.

''(2) AVAILABILITY OF FUNDS.—Funds made available for a fiscal year under paragraph (1)—

''(A) shall remain available until expended, but not later than September 30, 2014; and

''(B) may be reprogrammed, at the discretion of the Secretary, for expenditure for other demonstration projects under this title only after—

''(i) September 30, 2010; and

''(ii) the Secretary provides notice of the proposed reprogramming to the appropriate committees of Congress.''.

SEC. 4. STANDBY LOANS FOR QUALIFYING COAL-TO-LIQUID PROJECTS.

Section 1702 of the Energy Policy Act of 2005 (42 U.S.C. 16512) is amended by adding at the end the following:

''(k) STANDBY LOANS FOR QUALIFYING COAL-TO-LIQUID PROJECTS.—

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

''(A) CAP PRICE.—The term 'cap price' means the market price specified in a standby loan agreement above which the qualifying CTL project is required to make payments to the United States.

''(B) CONVENTIONAL BASELINE EMISSIONS.—The term 'conventional baseline emissions' means—

''(i) the lifecycle greenhouse gas emissions of a facility that produces combustible end products, using petroleum as a feedstock, that are equivalent to combustible end products produced by a facility of comparable size through a qualifying CTL project;

''(ii) in the case of noncombustible products produced through a qualifying CTL project, the average lifecycle greenhouse gas emissions emitted by projects that—

''(I) are of comparable size; and

''(II) produce equivalent products using conventional feedstocks; and

''(iii) in the case of synthesized gas intended for use as a combustible fuel in lieu of natural gas produced by a qualifying CTL project, the lifecycle greenhouse gas emissions that would result from equivalent use of natural gas.

''(C) DIRECT LOAN.—The term 'direct loan' has the meaning given the term in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a).

''(D) ELIGIBLE ENTITY.—The term 'eligible entity' means an entity that conducts a qualifying CTL project.

''(E) FACILITY.—The term 'facility' means a facility at which the conversion of feedstocks to end products takes place.

''(F) FULL TERM.—The term 'full term' means the full term of a standby loan agreement, as specified in the standby loan agreement under paragraph (2)(A)(ii)(III), which shall not be more than the lesser of—

''(i) 30 years; or

''(ii) 90 percent of the projected useful life of the qualifying CTL project, as determined by the Secretary.

''(G) LIFECYCLE GREENHOUSE GAS EMISSIONS.—The term 'lifecycle greenhouse gas emissions' means the difference between—

''(i) the aggregate quantity of greenhouse gases attributable to the production and transportation of end products at a facility, including the production, extraction, cultivation, distribution, marketing, and transportation of feedstocks, and the subsequent distribution and use of any combustible end products; and

''(ii)(I) any greenhouse gases captured at the facility and sequestered;

''(II) the carbon content, expressed in units of carbon dioxide equivalent, of any feedstock that is a renewable biomass; and

''(III) the carbon content, expressed in units of carbon dioxide equivalent, of any end products that do not result in the release of carbon dioxide to the atmosphere.

''(H) LONG-TERM STORAGE.—The term 'long-term storage' means sequestration with an expected maximum rate of carbon dioxide leakage over a specified period of time that is consistent with the objective of reducing atmospheric concentrations of carbon dioxide, subject to a permit issued under any law in effect as of the date of the sequestration.

''(I) MARKET PRICE.—The term 'market price' means the average quarterly price of a petroleum price index specified in the standby loan agreement.

''(J) MINIMUM PRICE.—The term 'minimum price' means a market price specified in the standby loan agreement below which the United States is obligated to make disbursements to the qualifying CTL project.

''(K) OUTPUT.—The term 'output' means all or a portion of the liquid or gaseous transportation fuels produced from the qualifying CTL project, as specified in the standby loan agreement.

''(L) PRIMARY TERM.—The term 'primary term' means the initial term of a standby loan agreement, as specified in the agreement under paragraph (2)(A)(ii)(II), which shall not be more than the lesser of—

''(i) 20 years; or

''(ii) 75 percent of the projected useful life of the qualifying CTL project, as determined by the Secretary.

''(M) QUALIFYING CTL PROJECT.—The term 'qualifying CTL project' means a commercial-scale project that converts coal to industrial feedstocks or 1 or more liquid or gaseous fuels for transportation or other uses or a project conducted at a facility that converts petroleum refinery waste products (including petroleum coke) into 1 or more liquid or gaseous transportation fuels—

''(i) that demonstrates the capture, sequestration, disposal, or use of the carbon dioxide produced in the conversion process; and

''(ii) for which—

''(I) the annual lifecycle greenhouse gas emissions of the project are at least 20 percent lower than conventional baseline emissions;

''(II) at least 75 percent of the carbon dioxide that would otherwise be released to the atmosphere at the facility in the production of end products of the project is captured for long-term storage; and

''(III) the eligible entity has entered into an enforceable agreement with the Secretary to implement carbon capture at the percentage that, by the end of the 5-year period after commencement of commercial operation of the eligible qualifying CTL project—

''(aa) represents the best available technology; and

''(bb) achieves a reduction in carbon emissions that is not less than 75 percent.

''(N) STANDBY LOAN AGREEMENT.—The term 'standby loan agreement' means a loan agreement entered into under paragraph (2)(A)(i).

''(2) AGREEMENTS.—

''(A) STANDBY LOAN AGREEMENT.—

''(i) IN GENERAL.—The Secretary may enter into standby loan agreements for the conduct of not more than 10 qualifying CTL projects, at least 1 of which may be a qualifying CTL project primarily designed to produce pipeline-quality natural gas from domestic coal.

''(ii) REQUIREMENTS.—A standby loan agreement entered into under clause (i) shall—

''(I) provide for a direct loan from the Secretary to the eligible entity for the qualifying CTL project;

''(II) specify the primary term of the standby loan agreement;

''(III) specify the full term of the standby loan agreement; and

''(IV) establish a cap price and a minimum price for the primary term of the standby loan agreement.

''(B) PROFIT-SHARING AGREEMENT.—

''(i) IN GENERAL.—Simultaneously with entering into a standby loan agreement under subparagraph (A), the Secretary may enter into a profit-sharing agreement with the eligible entity.

''(ii) REQUIREMENTS.—Under a profit-sharing agreement, if the market price exceeds the cap price in a calendar quarter, a profit-sharing payment shall be made for the calendar quarter, in an amount equal to the difference between—

''(I) the amount that is equal to the product obtained by multiplying—

''(aa) the amount that is equal to the difference between—

''(AA) the market price; and

''(BB) the cap price; and

''(bb) the output of the qualifying CTL project; and

''(II) the total amount of any loan repayments made for the calendar quarter.

''(3) LOAN DISBURSEMENTS.—

''(A) DISBURSEMENT.—A loan subject to a standby loan agreement shall be disbursed during the primary term of the standby loan agreement during any period in which the market price falls below the minimum price.

''(B) AMOUNT.—

''(i) IN GENERAL.—Subject to subparagraph (B), the total amount of disbursements in any calendar quarter under subparagraph (A) shall be equal to the product obtained by multiplying—

''(I) the difference between—

''(aa) the minimum price; and

''(bb) the market price; and

''(II) the output of the qualifying CTL project.

''(ii) LIMITATION.—Notwithstanding clause (i), the total amount of disbursements in any calendar quarter shall be not more than the total amount of disbursements specified in the applicable standby loan agreement.

''(4) LOAN REPAYMENTS.—

''(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall establish terms and conditions, including interest rates and amortization schedules, for the repayment of a loan under this subsection within the full term of the standby loan agreement.

''(B) LIMITATIONS.—In establishing the terms and conditions under subparagraph (A), the Secretary shall provide that—

''(i) if, in any calendar quarter during the primary term of the standby loan agreement, the market price is less than the cap price—

''(I) the qualifying CTL project may elect to defer some or all of the repayment obligations due during the applicable calendar quarter; and

''(II) if an election is made under subclause (I), any unpaid obligations will continue to accrue interest during the deferral period;

''(ii)(I) if, in any calendar quarter during the primary term of the agreement, the market price is greater than the cap price, the qualifying CTL project shall meet the scheduled repayment obligation and any deferred repayment obligations, but shall not be required to pay in the applicable calendar quarter an amount that is more than the product obtained by multiplying—

''(aa) the amount that is equal to the difference between—

''(AA) the market price; and

''(BB) the cap price; and

''(bb) the output of the qualifying CTL project; and

''(II) the qualifying CTL project may elect to defer any repayment obligation in excess of the amount determined under subclause (I); and

''(C) at the end of the primary term of the standby loan agreement, the cumulative amount of any deferred repayment obligations and any accrued interest shall be amortized (with interest) over the remainder of the full term of the standby loan agreement.

''(5) COMPLIANCE WITH FEDERAL CREDIT REFORM ACT.—

''(A) UPFRONT PAYMENT OF COST OF LOAN.—No standby loan agreement may be entered into under this subsection unless the eligible entity, on execution of the standby loan agreement, makes an upfront payment to the United States that the Director of the Office of Management and Budget determines is equal to the cost of the loan, as determined under 502(5)(B) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5)(B)).

''(B) MINIMIZATION OF RISK TO THE GOVERNMENT.—In making the determination of the cost of the loan for purposes of establishing the upfront payment under subparagraph (A), the Secretary and the Director of the Office of Management and Budget shall take into consideration the extent to which the minimum price and the cap price reflect historical patterns of volatility in actual oil prices relative to projections of future oil prices, based on—

''(i) publicly available data from the Energy Information Administration; and

''(ii) statistical methods and analyses that are appropriate for the analysis of volatility in energy prices.

''(C) TREATMENT OF PAYMENTS.—

''(i) IN GENERAL.—The value to the United States of an upfront payment under subparagraph (A) and any profit-sharing payments under paragraph (2)(B) shall be taken into account for purposes of section 502(5)(B)(iii) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5)(B)(iii)) in determining the cost to the Federal Government of a loan under this subsection.

''(ii) NO COST.—If a loan under this subsection has no cost to the Federal Government, the requirements of section 504(b) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661c(b)) shall be considered to be satisfied.

''(6) APPLICABLE LAW.—

''(A) NO DOUBLE BENEFIT.—A qualifying CTL project receiving a loan under this subsection may not, during the primary term of the standby loan agreement, receive a Federal loan guarantee under—

''(i) subsection (a); or

''(ii) any other law.

''(B) SUBROGATION, FEES, AND FULL FAITH AND CREDIT.—Subsections (g)(2), (h), and (j) shall apply to standby loans under this subsection to the same extent the provisions apply to loan guarantees.''.

SEC. 5. CREDIT FOR MULTI-PRODUCT PIPELINE CONSTRUCTION.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

''SEC. 45Q. COAL-BASED TRANSPORTATION FUEL PIPELINE CREDIT.

''(a) IN GENERAL.—For purposes of section 38, in the case of an eligible taxpayer, the coal-based transportation fuel pipeline credit for any taxable year is an amount equal to the applicable amount for each gallon of qualified average daily throughput with respect to an eligible pipeline during the taxable year.

''(b) APPLICABLE AMOUNT.—For purposes of subsection (a), the applicable amount is an amount equal to—

''(1) $0.02 per gallon for the first 1,000,000 gallons of qualified average daily throughput, and

''(2) $0.01 per gallon for the number of gallons of qualified average daily throughput in excess of 1,000,000 gallons.

''(c) QUALIFIED AVERAGE DAILY THROUGHPUT.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified average daily throughput' means the average of the amount of qualified fuel which enters the eligible pipeline on each day during the taxable year.

''(2) TERMINATION.—

''(A) IN GENERAL.—No amount of qualified fuel entering an eligible pipeline shall be taken into account for any day after December 31, 2015.

''(B) SPECIAL RULE.—In the case of any taxable year which includes December 31, 2015, any day in such taxable year following such date shall not be taken into account in determining the qualified average daily throughput for such year.

''(d) OTHER DEFINITIONS.—For purposes of this section—

''(1) ELIGIBLE TAXPAYER.—The term 'eligible taxpayer' means any taxpayer who owns an eligible pipeline.

''(2) ELIGIBLE PIPELINE.—The term 'eligible pipeline' means a pipeline—

''(A) the original use of which commences with the taxpayer,

''(B) which is placed in service by the taxpayer after the date of the enactment of this Act and before December 31, 2012,

''(C) no written binding contract for the construction of which was in effect on or before December 31, 2007, and

''(D) which is used for the transportation of fuels derived from coal.

Rules similar to the rules of section 179C(c)(2) shall apply for purposes of this paragraph.

''(3) QUALIFIED FUEL.—The term 'qualified fuel' means any liquid fuel derived from coal, or coal and biomass (as defined in section 45K(c)(3)) through the Fischer-Tropsch processor another process converting coal into liquid fuel.''.

(b) CONFORMING AMENDMENT.—Section 38(b) of such the Internal Revenue Code of 1986 (relating to general business credit) is amended by striking ''plus'' at the end of paragraph (32), by striking the period at the end of paragraph (33) and inserting '', plus'', and by adding at the end of following new paragraph:

''(34) the coal-based transportation fuel pipeline credit under section 45Q(a).''.

(c) CLERICAL AMENDMENT.—The table of sections for subpart B of part IV of subchapter A of chapter 1 of such Code (relating to other credits) is amended by adding at the end the following new section:

''Sec. 45Q. Coal-based transportation fuel pipeline credit.''.

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

SEC. 6. INCENTIVES TO CAPTURE COALMINE METHANE.

(a) IN GENERAL.—Section 45K of the Internal Revenue Code of 1986 (relating to credit for producing fuel from a nonconventional source) is amended by adding at the end the following new subsection:

''(h) APPLICATION TO COALMINE METHANE GAS.—

''(1) IN GENERAL.—This section shall apply to coalmine methane gas—

''(A) captured or extracted by the taxpayer after the date of the enactment of this subsection and before the date that is 5 years after the date of the enactment of this subsection, and

''(B) utilized as a fuel source or sold by or on behalf of the taxpayer to an unrelated person after the date of the enactment of this subsection and before the date that is 5 years after the date of the enactment of this subsection.

''(2) COALMINE METHANE GAS.—For purposes of this paragraph, the term 'coalmine methane gas' means any methane gas which is—

''(A) liberated during qualified coal mining operations, or

''(B) extracted up to 5 years in advance of qualified coal mining operations as part of a specific plan to mine a coal deposit.

''(3) SPECIAL RULE FOR ADVANCED EXTRACTION.—In the case of coalmine methane gas which is captured in advance of qualified coal mining operations, the credit under subsection (a) shall be allowed only after the date the coal extraction occurs in the immediate area where the coalmine methane gas was removed.

''(4) NONCOMPLIANCE WITH POLLUTION LAWS.—For purposes of subparagraphs (B) and (C), coal mining operations which are not in compliance with the applicable State and Federal pollution prevention, control, and permit requirements for any period of time shall not be considered to be qualified coal mining operations during such period.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 7. EXPANDED CLEAN COAL TECHNOLOGY INCENTIVES.

(a) EXPANSION AND MODIFICATION OF ADVANCED COAL PROJECT INVESTMENT CREDIT.—

(1) CREDIT RATE PARITY AMONG PROJECTS.—Section 48A(a) of the Internal Revenue Code of 1986 (relating to qualifying advanced coal project credit) is amended by striking ''equal to'' and all that follows and inserting ''equal to 30 percent of the qualified investment for such taxable year.''.

(2) EXPANSION OF AGGREGATE CREDITS.—Section 48A(d)(3)(A) of such Code (relating to aggregate credits) is amended by striking ''$1,300,000,000'' and inserting ''$8,300,000,000''.

(3) AUTHORIZATION OF ADDITIONAL PROJECTS.—

(A) IN GENERAL.—Subparagraph (B) of section 48A(d)(3) of such Code (relating to aggregate credits) is amended to read as follows:

''(B) PARTICULAR PROJECTS.—Of the dollar amount in subparagraph (A), the Secretary is authorized to certify—

''(i) $800,000,000 for integrated gasification combined cycle projects the application for which is submitted during the period described in paragraph (2)(A)(i),

''(ii) $500,000,000 for projects which use other advanced coal-based generation technologies the application for which is submitted during the period described in paragraph (2)(A)(i),

''(iii) $4,200,000,000 for integrated gasification combined cycle projects the application for which is submitted during the period described in paragraph (2)(A)(ii), and

''(iv) $2,800,000,000 for other advanced coal-based generation technology projects the application for which is submitted during the period described in paragraph (2)(A)(ii).''.

(B) APPLICATION PERIOD FOR ADDITIONAL PROJECTS.—Subparagraph (A) of section 48A(d)(2) of such Code (relating to certification) is amended to read as follows:

''(A) APPLICATION PERIOD.—Each applicant for certification under this paragraph shall submit an application meeting the requirements of subparagraph (B). An applicant may only submit an application—

''(i) for an allocation from the dollar amount specified in clause (i) or (ii) of paragraph (3)(A) during the 3-year period beginning on the date the Secretary establishes the program under paragraph (1), and

''(ii) for an allocation from the dollar amount specified in clause (iii) or (iv) of paragraph (3)(A) during the 3-year period beginning at the earlier of the termination of the period described in clause (i) or the date prescribed by the Secretary.''.

(C) CAPTURE AND SEQUESTRATION OF CARBON DIOXIDE EMISSIONS REQUIREMENT.—Section 48A(e)(1) of such Code (relating to requirements) is amended by striking ''and'' at the end of subparagraph (E), by striking the period at the end of subparagraph (F) and inserting '', and'', and by adding at the end the following new subparagraph:

''(G) in the case of any project the application for which is submitted during the period described in paragraph (2)(A)(ii), the project includes equipment to separate and sequester 65 percent of such project's total carbon dioxide emissions.''.

(4) NAMEPLATE CAPACITY.—Paragraph (1) of section 48A(e) of such Code is amended by adding at the end the following new flush sentence:

''For purposes of subparagraph (C), in determining total nameplate generating capacity, the Secretary shall use the electric output that is guaranteed by the provider or supplier of the advanced coal-based generation technology based upon a certified heat and material heat balance.''.

(5) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the date of the enactment of this Act.

(b) CLEAN COAL ENERGY BONDS.—

(1) IN GENERAL.—Subpart I of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

''SEC. 54C. CLEAN COAL ENERGY BONDS.

''(a) CLEAN COAL ENERGY BOND.—For purposes of this subchapter, the term 'clean coal energy bond' means any bond issued as part of an issue if—

''(1) the bond is issued by a qualified issuer pursuant to an allocation by the Secretary to such issuer of a portion of the national clean coal energy bond limitation under subsection (c)(2),

''(2) 100 percent or more of the available project proceeds from the sale of such issue are to be used for capital expenditures incurred by qualified borrowers for 1 or more qualified projects, and

''(3) the qualified issuer designates such bond for purposes of this section and the bond is in registered form.

''(b) QUALIFIED PROJECT; SPECIAL USE RULES.—

''(1) IN GENERAL.—The term 'qualified project' means a qualifying advanced coal project (as defined in section 48A(c)(1)) placed in service by a qualified borrower.

''(2) REFINANCING RULES.—For purposes of subsection (a)(2), a qualified project may be refinanced with proceeds of a clean coal energy bond only if the indebtedness being refinanced (including any obligation directly or indirectly refinanced by such indebtedness) was originally incurred by a qualified borrower after the date of the enactment of this section.

''(3) REIMBURSEMENT.—For purposes of subsection (a)(2), a clean coal energy bond may be issued to reimburse a qualified borrower for amounts paid after the date of the enactment of this section with respect to a qualified project, but only if—

''(A) prior to the payment of the original expenditure, the qualified borrower declared its intent to reimburse such expenditure with the proceeds of a clean coal energy bond,

''(B) not later than 60 days after payment of the original expenditure, the qualified issuer adopts an official intent to reimburse the original expenditure with such proceeds, and

''(C) the reimbursement is made not later than 18 months after the date the original expenditure is paid.

''(4) TREATMENT OF CHANGES IN USE.—For purposes of subsection (a)(2), the proceeds of an issue shall not be treated as used for a qualified project to the extent that a qualified borrower takes any action within its control which causes such proceeds not to be used for a qualified project. The Secretary shall prescribe regulations specifying remedial actions that may be taken (including conditions to taking such remedial actions) to prevent an action described in the preceding sentence from causing a bond to fail to be a clean coal energy bond.

''(c) LIMITATION ON AMOUNT OF BONDS DESIGNATED.—

''(1) NATIONAL LIMITATION.—There is a national clean coal energy bond limitation of $2,000,000,000.

''(2) ALLOCATION BY SECRETARY.—The Secretary shall allocate the amount described in paragraph (1) among qualified projects in such manner as the Secretary determines appropriate, except that the Secretary may not allocate more than $1,250,000,000 of the national clean coal energy bond limitation to finance qualified projects of qualified borrowers which are governmental bodies.

''(d) QUALIFIED ISSUER; QUALIFIED BORROWER.—For purposes of this section—

''(1) QUALIFIED ISSUER.—The term 'qualified issuer' means—

''(A) a clean coal energy bond lender,

''(B) a cooperative electric company, or

''(C) a governmental body.

''(2) QUALIFIED BORROWER.—The term 'qualified borrower' means—

''(A) a mutual or cooperative electric company described in section 501(c)(12) or 1381(a)(2)(C), or

''(B) a governmental body.

''(3) COOPERATIVE ELECTRIC COMPANY.—The term 'cooperative electric company' means a mutual or cooperative electric company described in section 501(c)(12) or section 1381(a)(2)(C), or a not-for-profit electric utility which has received a loan or loan guarantee under the Rural Electrification Act.

''(4) CLEAN COAL ENERGY BOND LENDER.—The term 'clean coal energy bond lender' means a lender which is a cooperative which is owned by, or has outstanding loans to, 100 or more cooperative electric companies and is in existence on February 1, 2002, and shall include any affiliated entity which is controlled by such lender.

''(5) GOVERNMENTAL BODY.—The term 'governmental body' means any State, territory, possession of the United States, the District of Columbia, Indian tribal government, and any political subdivision thereof.

''(e) SPECIAL RULES RELATING TO POOL BONDS.—No portion of a clean coal energy bond which is a pooled financing bond may be allocable to any loan unless the borrower has entered into a written loan commitment for such portion prior to the issue date of such issue.

''(f) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) POOLED FINANCING BOND.—The term 'pooled financing bond' shall have the meaning given such term by section 149(f)(4)(A).

''(2) RATABLE PRINCIPAL AMORTIZATION REQUIRED.—A bond shall not be treated as a clean coal energy bond unless it is part of an issue which provides for an equal amount principal to be paid by the qualified issuer during each 12-month period that the issue is outstanding (other than the first 12-month period).

''(g) TERMINATION.—A bond shall not be treated as a clean coal energy bond if such bond is issued after December 31, 2012.''.

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (1) of section 54A(d) is amended to read as follows:

''(1) QUALIFIED TAX CREDIT BOND.—The term 'qualified tax credit bond' means—

''(A) a qualified forestry conservation bond, or

''(B) a clean coal energy bond,

which is part of an issue that meets requirements of paragraphs (2), (3), (4), (5), and (6).''.

(B) Subparagraph (C) of section 54A(d)(2), as added by section 106, is amended to read as follows:

''(C) QUALIFIED PURPOSE.—For purposes of this paragraph, the term 'qualified purpose' means—

''(i) in the case of a qualified forestry conservation bond, a purpose specified in section 54B(e), and

''(ii) in the case of a clean coal energy bond, a qualified project specified in section 54C(b).''.

(C) The table of sections for subpart I of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

''Sec. 54C. Clean coal energy bonds.''.

(3) ISSUANCE OF REGULATIONS.—The Secretary of the Treasury shall issues regulations required under section 54C of the Internal Revenue Code of 1986 (as added by this section) not later than 120 days after the date of the enactment of this Act.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to bonds issued after December 31, 2007.

(c) TAX CREDIT FOR CARBON DIOXIDE SEQUESTRATION.—

(1) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business credits), as amended by this Act, is amended by adding at the end the following new section:

''SEC. 45R. CREDIT FOR CARBON DIOXIDE SEQUESTRATION.

''(a) GENERAL RULE.—For purposes of section 38, the carbon dioxide sequestration credit for any taxable year is an amount equal to the sum of—

''(1) $20 per metric ton of qualified carbon dioxide which is—

''(A) captured by the taxpayer at a qualified facility, and

''(B) disposed of by the taxpayer in secure geological storage, and

''(2) $10 per metric ton of qualified carbon dioxide which is—

''(A) captured by the taxpayer at a qualified facility, and

''(B) used by the taxpayer as a tertiary injectant in a qualified enhanced oil or natural gas recovery project.

''(b) QUALIFIED CARBON DIOXIDE.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified carbon dioxide' means carbon dioxide captured from an industrial source which—

''(A) would otherwise be released into the atmosphere as industrial emission of greenhouse gas, and

''(B) is measured at the source of capture and verified at the point of disposal or injection.

''(2) RECYCLED CARBON DIOXIDE.—The term 'qualified carbon dioxide' includes the initial deposit of captured carbon dioxide used as a tertiary injectant. Such term does not include carbon dioxide that is re-captured, recycled, and re-injected as part of the enhanced oil and natural gas recovery process.

''(c) QUALIFIED FACILITY.—For purposes of this section, the term 'qualified facility' means any industrial facility—

''(1) which is owned by the taxpayer,

''(2) at which carbon capture equipment is placed in service, and

''(3) which captures not less than 500,000 metric tons of carbon dioxide during the taxable year.

''(d) SPECIAL RULES AND OTHER DEFINITIONS.—For purposes of this section—

''(1) ONLY CARBON DIOXIDE CAPTURED WITHIN THE UNITED STATES TAKEN INTO ACCOUNT.—The credit under this section shall apply only with respect to qualified carbon dioxide the capture of which is within—

''(A) the United States (within the meaning of section 638(1)), or

''(B) a possession of the United States (within the meaning of section 638(2)).

''(2) SECURE GEOLOGICAL STORAGE.—The Secretary, in consultation with the Administrator of the Environmental Protection Agency, shall establish regulations for determining adequate security measures for the geological storage of carbon dioxide under subsection (a)(1)(B) such that the carbon dioxide does not escape into the atmosphere. Such term shall include storage at deep saline formations and unminable coal seems under such conditions as the Secretary may determine under such regulations.

''(3) TERTIARY INJECTANT.—The term 'tertiary injectant' has the same meaning as when used within section 193(b)(1).

''(4) QUALIFIED ENHANCED OIL OR NATURAL GAS RECOVERY PROJECT.—The term 'qualified enhanced oil or natural gas recovery project' has the meaning given the term 'qualified enhanced oil recovery project' by section 43(c)(2), by substituting 'crude oil or natural gas' for 'crude oil' in subparagraph (A)(i) thereof.

''(5) CREDIT ATTRIBUTABLE TO TAXPAYER.—Any credit under this section shall be attributable to the person that captures and physically or contractually ensures the disposal of or the use as a tertiary injectant of the qualified carbon dioxide, except to the extent provided in regulations prescribed by the Secretary.

''(6) RECAPTURE.—The Secretary shall, by regulations, provide for recapturing the benefit of any credit allowable under subsection (a) with respect to any qualified carbon dioxide which ceases to be captured, disposed of, or used as a tertiary injectant in a manner consistent with the requirements of this section.

''(7) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2008, there shall be substituted for each dollar amount contained in subsection (a) an amount equal to the product of—

''(A) such dollar amount, multiplied by

''(B) the inflation adjustment factor for such calendar year determined under section 43(b)(3)(B) for such calendar year, determined by substituting '2007' for '1990'.

''(e) TERMINATION.—This section shall not apply to qualified carbon dioxide after the date that is 5 years after the date of the enactment of this Act.''.

(2) CONFORMING AMENDMENT.—Section 38(b) of such Code (relating to general business credit), as amended by this Act, is amended by striking ''plus'' at the end of paragraph (33), by striking the period at the end of paragraph (34) and inserting '', plus'', and by adding at the end of following new paragraph:

''(35) the carbon dioxide sequestration credit determined under section 45R(a).''.

(3) CLERICAL AMENDMENT.—The table of sections for subpart B of part IV of subchapter A of chapter 1 of such Code (relating to other credits), as amended by this Act, is amended by adding at the end the following new section:

''Sec. 45R. Credit for carbon dioxide sequestration.''.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply carbon dioxide captured after the date of the enactment of this Act.

AUTHORIZING PRINTING OF POCKET VERSION OF U.S. CONSTITUTION

Mr. REID. I ask unanimous consent that the Senate proceed to the consideration of H. Con. Res. 395.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The bill clerk read as follows:

A concurrent resolution (H. Con. Res. 395) authorizing the printing of an additional number of copies of the 23rd edition of the United States Constitution.

There being no objection, the Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. I ask unanimous consent that the concurrent resolution be agreed to, the motion to reconsider be laid upon the table, and there be no intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution (H. Con. Res. 395) was agreed to.

MEASURE READ THE FIRST TIME—S. 3344

Mr. REID. Mr. President, S. 3344 is at the desk, and I ask for its first reading.

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

The bill clerk read as follows:

A bill (S. 3344) to defend against child exploitation and child pornography through improved Internet Crimes Against Children task forces and enhanced tools to block illegal images, and to eliminate the unwanted release of convicted sex offenders.

Mr. REID. Mr. President, I now ask for its second reading and object to my own request.

The PRESIDING OFFICER. Objection is heard.

The bill will be read a second time on the next legislative day.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR SUNDAY, JULY 27 AND MONDAY, JULY 28, 2008

Mr. REID. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 10 a.m. tomorrow morning, Sunday, July 27, for a pro forma session only; that following the pro forma session, the Senate adjourn until 3 p.m., Monday, July 28; that following the prayer and pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate resume consideration of the motion to proceed to S. 3297, a bill to advance America's priorities, and that the time until 4 p.m. be equally divided between the two leaders or their designees.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. REID. Mr. President, Senators should be prepared to start voting at about 4 p.m. on Monday. In fact, it will be 4 p.m. Monday because any—we have the prayer time. I ask the Chair, are the prayer and the pledge counted as part of the hour before the cloture vote?

The PRESIDING OFFICER. The majority leader is correct. It does count toward the hour.

Mr. REID. So I would say to everyone, they should be pretty well informed that we will vote at 4 o'clock. Unless something comes up that I do not foresee, we will start voting at 4 o'clock.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. REID. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that it stand adjourned under the previous order.

There being no objection, the Senate, at 2:01 p.m., adjourned until Sunday, July 27, 2008, at 10 a.m.