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Senate

The Senate met at 10 a.m. and was called to order by the Honorable CHRISTOPHER A. COONS, a Senator from the State of Delaware.

PRAYER

The Chaplain, Dr. Barry C. Black, offered the following prayer:

Let us pray.

Eternal God, thank You for Your faithful love. You are the one who instructs nations and shapes the destinies of humankind. Help our lawmakers today to grow in grace and in the knowledge of You. Equip them to be servants of the people so that day by day our citizens may more clearly reflect Your image. Grant that our Senators will shine as lights in this dark world to lead others to You. May they love expectantly, knowing that You will provide serendipities, wonderful surprises of Your goodness, to help them navigate through life's inevitable challenges.

We pray in Your merciful Name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable CHRISTOPHER A. COONS led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. INOUYE).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, June 12, 2012.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable CHRISTOPHER A. COONS, a Senator from the State of Delaware, to perform the duties of the Chair.

DANIEL K. INOUYE,
President pro tempore.

Mr. COONS thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

EXECUTIVE SESSION

NOMINATION OF ANDREW DAVID HURWITZ TO BE UNITED STATES CIRCUIT JUDGE FOR THE NINTH CIRCUIT

Mr. REID. I now ask unanimous consent that the Senate proceed to executive session.

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

SCHEDULE

Mr. REID. The Senate is considering the nomination of Andrew Hurwitz of Arizona to be a United States circuit judge for the ninth circuit postcloture. There is every expectation that time will be yielded back and the confirmation will take place soon.

The Senate will recess from 12:30 to 2:15 to allow for our weekly caucus meetings.

Senator STABENOW and Senator ROBERTS are working on an agreement for amendments on the farm bill and we will notify Senators if an agreement is reached.

MEASURE PLACED ON THE CALENDAR—H.R. 436

Mr. REID. Mr. President, H.R. 436 is at the desk and due for a second reading.

The ACTING PRESIDENT pro tempore. Without objection, the clerk will read the bill by title for the second time.

The legislative clerk read as follows:

A bill (H.R. 436) to amend the Internal Revenue Code of 1986 to repeal the excise tax on medical devices.

Mr. REID. I now object to proceeding further on this matter at this time.

The ACTING PRESIDENT pro tempore. Objection having been heard, the bill will be placed on the calendar.

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Republican leader is recognized.

Mr. MCCONNELL. I ask unanimous consent that the order for the quorum call be rescinded.

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

AMENDING THE FARM BILL

Mr. MCCONNELL. Mr. President, last week the President said the private sector is ''doing fine.'' Well, the fact is the private sector isn't doing fine and the President's comments make me wonder what private sector he may be talking about.

Since he took office, we have had 40 straight months of unemployment of over 8 percent and more than 23 million Americans are either unemployed, underemployed, or have given up looking for a job altogether. Last month's job report said the economy added only 69,000 jobs—far below what forecasters had predicted. That is the Obama economy, and it is not doing fine.

With the debt the size of our GDP, the President's recent push for even more government spending is equally out of touch. Taking more money out of the private sector, out of the hands of businesses and job creators or borrowing it to pay for yet another stimulus has consequences. We need to reduce the size and scope of government,

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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not expand it. We need to put in place a progrowth policy to allow the private sector to flourish.

That is why Republicans have been calling for years for comprehensive tax reform and for both parties to sit down and begin the process of reforming entitlements. That is how we will get our fiscal house in order and help the economy grow as well. But without Presidential leadership, it simply can't happen.

Controlling only one Chamber, Republicans in Congress can only do so much. The Republican-led House has passed budgets while, for 3½ years, the Democratic-led Senate has refused to do so. And they have passed 28 job-related bills over in the House that our Democratic friends here in the Senate refuse to take up. For our part, Senate Republicans will continue to pursue a pro-jobs agenda, and I encourage our Democratic friends to join us before the administration's spending and debt spree forces us into the sort of economic spiral we currently see facing folks over across the Atlantic. They can start by working with Republicans on our commonsense amendments to the farm bill.

The President may think the private sector is doing fine or that the government isn't big enough, but those in rural America are definitely not doing fine. The biggest threat to farmers in Kentucky and across America is this administration's job-killing regulations. That is why Republicans are calling for votes on commonsense amendments that would either eliminate or prevent future job-killing regulations from going into effect which would provide the necessary relief for American farmers and give a boost to rural America in these challenging economic times.

Last year, while visiting Atkinson, IL, the President blew off one farmer when he asked about policy regulations. The President said, ''Don't always believe what you hear.'' Either the President doesn't know what his administration is doing or he doesn't want the American people to know it is his policies that are hurting farmers all across the country. It is either one or the other.

Here are a few examples of this administration's policies that are suffocating the American agricultural industry and the Republican amendments we want the Senate to take up.

Last fall, the Department of Labor attempted to regulate the relationship, believe it or not, shared between parents and their kids on family farms. The proposed rule would have prohibited those under age 16 from manual labor such as stall cleaning, using a shovel, and using a battery-operated screwdriver. Many people in my State consider this the type of manual labor that is widely referred to as Saturday morning chores. Senator THUNE is offering an amendment that would require the Department of Labor to consult with Congress before implementing such regulations.

The EPA wants to lift the ban that prevents Washington, DC, bureaucrats from regulating nonnavigable waters. The expanded Federal jurisdiction would bring the EPA and their redtape and taxes into the backyards of millions—literally millions—of Americans. The economic impact would be disastrous.

Congress passed a navigable ban to protect families, small businesses, and farmers from Washington bureaucrats trying to seize control of their water or their land. The U.S. Supreme Court twice affirmed the limits of Federal authority under the Clean Water Act. But, apparently, the EPA believes they are above the other two branches of government, and Senators PAUL and BARRASSO are offering two amendments that would stop the EPA in its tracks.

The EPA is considering a regulation that would require farm and ranch families to take as yet undefined measures to lower the amount of dust that occurs naturally—I am not kidding—lower the amount of dust that occurs naturally and is transmitted into the air due to agricultural production activities. It is hard to go through this and maintain one's composure. These activities include such things as combining, haying, moving cattle, tilling a field, or even driving down a gravel road. Failure to do so would result in a substantial fine. Senator JOHANNS is offering an amendment that would prevent the EPA from issuing any new rule that regulates agricultural dust. I kid you not, they want to regulate agricultural dust.

Finally, Senator CRAPO and Senator JOHANNS are offering an amendment that would help farmers across the country continue to manage their unique business risks associated with their day-to-day operations. The amendment would prevent unnecessarily diverting capital away from job creation and investing in their businesses in a way that was never intended by the sponsors of the Dodd-Frank Act. Preventing this unnecessary burden would promote economic growth, protect farmers and businesses, and ultimately help save American jobs.

In these extremely difficult economic times, rural America is already struggling to get by and it simply can't be bothered by an overreaching Federal Government that has literally no idea of the unintended consequences of its policies.

These five commonsense Republican amendments I have outlined, along with several others, put an end to numerous job-killing regulations, and each of these amendments deserves a vote.

I now wish to address another matter.

(The remarks of Mr. MCCONNELL and Mr. REID pertaining to the introduction of S.J. Res. 43 are printed in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

Mr. REID. Mr. President, I will take my time now and talk about a number of things.

JOB CREATION

The first thing I wish to mention is that my friend the Republican leader talked about the fact that the President has not done enough to create jobs.

Mr. President, we all have heard that longstanding joke—in fact, it was not a joke. I represented a young man who murdered his parents, and the joke during that period of time was, I guess now your defense is going to be that he is going to claim he is an orphan. There was nothing novel or new or unique in the experience I had representing that young man who had killed his parents, but the Republican leader's remarks remind me of that. He is saying that the problem with this country is President Obama. That is like the fact that someone kills their parents and then claims they are an orphan.

Republicans have blocked bill after bill after bill. These pieces of legislation have been suggested by, introduced by friends of President Obama. These were all job-creating bills, and simply every one of these, with rare exception, has been stopped on a procedural basis by the Republicans.

Then the Republican leader cites nonrelevant Republican amendments they would like to offer on the farm bill as ways to create jobs. But it is precisely these nonrelevant, nongermane amendments that keep the Senate from doing its work—its job-creating work—like the farm bill. The farm bill involves 16 million people who work doing farm programs. We have not done one in 5 years. The highway bill is something we are waiting for Republicans in the House to move with us on.

So I would just simply say that we live in a world that is imperfect. We live in a country that is imperfect. But let's give credit where credit is due. President Obama and this administration found themselves in a terribly deep hole when he was elected 3½ years ago. The administration he replaced lost more than 8 million jobs—about 1 million jobs a year in the prior administration. And President Obama has had 27 straight months of private sector job creation. So I think we deserve and he deserves some credit for the work he has done in that regard.

So I really strongly object to the Republican leader's remarks. It is just simply wrong. And if we had some cooperation from my friends on the other side of the aisle, as we say, we would have a lot more jobs created in this country. But my friend has said that his No. 1 issue is to defeat President Obama, and that is what has happened here. We simply have not been able to legislate appropriately because that is their mantra.

CYBERSECURITY

Mr. President, technology has changed our world, and that is an understatement. It has changed the way we shop, the way we bank, even the way we travel. It changes the way we get information, and that is an understatement, and the way we share it, and that is an understatement.

It was about 10 years ago or so that I decided to sell my home here in the suburbs, and I was stunned by one of my boys telling me: Hey, Dad, do you want to find out what other homes have been selling for around that area? Give me about a minute. And they pulled up on the computer every home in that area that had been sold in the last 2 years—when, how much.

There was even more detail than that. I was like: How do you do that? That was 10 years ago. That was in the Dark Ages with technology. There is so much that can be done now. Somebody can go online, go to Amazon, they can buy virtually anything in the world on that one Web site.

I met with someone a couple weeks ago who had gone to work with Google when they had 15 employees, and he talked to us about the tremendous problems they had starting this company. They wanted to give people information. I will not go into all the details, but it was very difficult to come up with the Google that now exists. It was not there when there were 15 employees.

They were working all night long trying to shut down computers and keep others going. So it is amazing what we have on the computer. Everyone can do it. Who wrote that song? What is the name of that play? What is the capital of Uzbekistan? Go to our BlackBerry. Go to whatever we have and get it in a second.

So the way we get information, the way we share it, has changed so dramatically. It has changed the way our country protects itself. That is not something people understand as well as Google and Amazon. But the way we protect our country has changed. It has changed the type of attacks we have to guard against.

Some of the top national security officials, including GEN Martin Dempsey, Chairman of the Joint Chiefs of Staff, GEN David Petraeus, four-star general, now head of the CIA, one of America's great patriots, and Leon Panetta, Secretary of Defense, have all said that malicious cyber attacks are the most urgent threat to our country, not North Korea, not Iran, not Pakistan, not Afghanistan but cyber attacks. We have already seen some of these. They have been kind of quiet to some but not to those in the security field.

We have seen cyber attacks on our nuclear infrastructure, our Defense Department's most advanced weapons, and the stock exchange Nasdaq had an attack. Most major corporations have been attacked. They spend huge amounts of money protecting their products or their operations from not collapsing because of cyber attacks.

Cyber attacks do not threaten only our national security, they threaten our economic security. These attacks cost our economy billions of dollars every year, millions of dollars every hour, and thousands of jobs. So we need to act quickly to pass legislation to make our Nation safer and protect American jobs.

The Defense Department, Department of Homeland Security, and experts from across the intelligence community have issued chilling warnings about the seriousness of this threat. I cannot stress enough how concerned people who understand security feel about this. Just a few days ago, Senator MCCONNELL and I received a letter from a remarkable bipartisan group of former national security officials, Democrats and Republicans.

The group includes six former Bush and Obama administration officials: Michael Chertoff, who has been a circuit court judge, judicial scholar, became head of the Department of Homeland Security during some very difficult times we had in this country; Paul Wolfowitz, who has been advising Presidents for decades; ADM Mike McConnell; GEN Michael Hayden; GEN James Cartwright, William Lynn, III. That is who signed the letter, and I could give a short dissertation on every one of these individuals about what they know about the security of our country.

The letter presented the danger in stark terms, as stark as I could ever imagine. This is a public letter. Listen to what this one paragraph says: ''We carry the burden of knowing that 9/11 might have been averted with intelligence that existed at the time.''

Listen to that. They are admitting 9/11 could have been averted with the tools we had at hand. They go on to say:

> We do not want to be in the same position again when ''cyber 9/11'' hits—it is not a question of whether this will happen; it is a question of when.

This is not me saying this. This is General Hayden, who was the head of the CIA, briefing us many times about some of the most sensitive matters going on during the height of the Iraq war, Marine GEN James Cartwright, Defense Department expert William Lynn, III.

This eminent group called the threat of a cyber attack imminent. What does imminent mean? It means now. They said it ''represents the most serious challenge to our national security since the onset of the nuclear age sixty years ago.''

Let me reread that. They said it ''represents the most serious challenge to our national security since the onset of the nuclear age sixty years ago.'' They said it; I did not. The letter noted that the top cybersecurity priority is safeguarding critical infrastructure: computer networks—we talked about those a little bit already. But computer networks that control our electrical grid, our water supply, our sewers, our nuclear plants, energy pipelines, communication systems and financial systems and more.

Because of Senator MIKULSKI—she was the one who said this was important—we did this. We went down to this classified room. We had a briefing on an example of what would happen to New York City if they took down the computer system to run that State's electricity. It would be disastrous, not only for New York but for our country.

These vital networks must be required to meet minimum cybersecurity standards. That is what these prominent Americans believe, and so do I. The letter was clear that securing the infrastructure must be part of any cybersecurity legislation this Congress considers. I believe that also.

GEN Keith Alexander, Director of the National Security Agency, has said something very similar. This is what he wrote to Senator MCCAIN recently:

> Critical infrastructure protection needs to be addressed in any cyber security legislation. The risk is simply too great considering the reality of our interconnected and interdependent world.

General Alexander is one voice among many. President Obama; the nonpartisan Center for Strategic and International Studies Commission on Cyber Security; the two Chairmen of the 9/11 Commission, Governor Kean and Congressman Hamilton; the Director of National Intelligence, General Clapper; the Director of the FBI, Robert Mueller, have all echoed a call to action—not sometime in the distant future but now. They believe the attack is imminent.

The attack may not be one that knocks down buildings, starts fires that we saw on 9/11, but it will be a different kind of attack, even more destructive. The entire national security establishment, including leading officials of the Bush and Obama administrations, civilian and military leaders, Republicans and Democrats, agree on the urgent need to protect this vital infrastructure.

That is only part of it. Yet some key Republicans continue to argue that we should do nothing to secure the critical infrastructure, that we should just focus on the military. When virtually every intelligence expert says we need to secure the systems that make the lights come on, inaction is not an option. A coalition of Democrats and Republicans, including the chairman of the Homeland Security Committee, Senator LIEBERMAN, and the ranking member, Senator COLLINS; the chairman of the Commerce Committee, Senator ROCKEFELLER—remember, Senator ROCKEFELLER was for years chairman of the Intelligence Committee and/or the ranking member; Senator FEINSTEIN, now the chair of the Intelligence Committee, have joined together and proposed one approach to address the problem. It is legislation. It is not something that is theoretical. It is not an issue paper. It is legislation.

Their bill is an excellent piece of legislation. It has been endorsed by many members of the national security community. It is a good approach, and it would make our Nation safer. But there are other possible solutions to this urgent challenge. Unfortunately, the critics of the bill have failed to offer any alternatives to secure our Nation's critical infrastructure.

The longer we argue over how to tackle these problems, the longer our powerplants, financial system, and water infrastructure go unprotected. Everyone knows this Congress cannot pass laws that do not have broad bipartisan support. There are 53 of us, 47 of them. So we will need to work together on a bill that addresses the concerns of the lawmakers on both sides of the aisle.

But for that to happen, more of my Republican colleagues need to start taking this threat seriously. It is time for them to participate productively in the conversation instead of just criticizing the current approach. There is room for more good ideas on the table, and I welcome the discussion of any Republican generally interested in being part of the solution.

The national security experts agree. We cannot afford to waste any more time. The question is not whether to act but how quickly we can act. I put everyone on notice. We are going to move to this bill at the earliest possible date.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

Under the previous order, the following hour will be equally divided and controlled between the two leaders or their designees, with the majority controlling the first half and the Republicans controlling the final half.

The Senator from Colorado.

Mr. UDALL of Colorado. Mr. President, before I talk about the production tax credit which brought me to the floor, I wish to associate myself with the leader's remarks.

I have the great privilege to sit on the Armed Services Committee and the Intelligence Committee. The leader has put his finger on what should be a singular focus on the part of the Senate. We have been warned about the threats in the cyber domain. It is time to act. There are plans that are concrete, focused, and have great support. We should act as soon as we possibly can. I wish to thank the leader for bringing that to our attention.

WIND POWER'S FUTURE

I rise to talk about a very important issue for the economies of both my State and the entire Nation. That is the future of the wind power industry in the United States and a future that is at risk, I might add, if Congress does not extend the production tax credit for wind. Such inaction jeopardizes U.S. jobs and threatens what is a real bright spot for American manufacturing. Such inaction is not acceptable to the people in my home State of Colorado, nor, I believe, to Americans more broadly.

Many of us know—I think all my colleagues know—that we have seen the wind industry grow by leaps and bounds over the last few years. According to the Wind Energy Industry Association, the industry has attracted an average of over $15 billion annually from 2001 to 2011 in private investment in our wind sector in the United States.

In 2009, that figure was $20 billion, when 10,000 megawatts, the highest annual total to date of wind, was installed. Seventy-five thousand hardworking Americans find good-paying jobs in the wind sector. There are 6,000 of those jobs in Colorado. So I am not unbiased, but when we look around the country, nobody should be unbiased.

Those jobs also have a positive ripple effect on all these communities where they are based. In just over the last 4 years, wind represented 35 percent of all new power capacity in our country, second only to natural gas. With technology advances, wind turbines are now generating 30 percent more electricity per turbine, which means they are producing more energy while driving down cost.

This also means all Americans from the Great Plains to the eastern shores have access to more affordable, reliable, and secure clean energy. That is a win-win. It is little wonder our constituents are demanding we extend the wind production tax credit. I wish to say this industry and the good news that is coming out of it could not have come at a better time for our manufacturing base, which has seen relentlessly tough times over the last few years.

The wind industry is cutting against the grain. It is creating manufacturing jobs at a time when many companies are outsourcing jobs. This chart gives a great picture of what has been happening all over the country. We see every sector of the country where we have wind manufacturing jobs.

At the end of last year, the wind industry included almost 500 manufacturing facilities that employ 30,000 people spanning 43 States. We have wind projects in a vast majority of States—38 out of 50. Last year alone over 100 different wind projects were installed—ranging from a single turbine to over 4,000-megawatt capacity plants.

Back in 2005—7 years ago—we had only five wind turbine manufacturers. But with steady and consistent growth and government policy support and certainty, the number of domestic and international manufacturers grew to 23 at the end of 2011. That is a key factor, the certainty that has been provided that will help this industry continue to grow jobs.

At a time when our economy is still coming back after the 2008 recession, and we are facing stiff competition from other countries, the wind industry is a dynamic example for how we can grow manufacturing jobs and investment in our country. When I started, I mentioned the wind production tax credit, the PTC. It has been a key factor in this growth, central to this young industry—and it is still a very young industry—and its success in America by helping make wind energy more economical, which is still being commercialized.

This critical tax credit expires at the end of this year. Unless we act now in this Congress to extend the wind production tax credit, we risk losing this industry as well as the jobs, the investment and manufacturing base it creates, to our competitors in China, in Europe, and other countries. That is the last result we need in our economy.

I have come to the floor to urge the Congress to keep our country an open marketplace for innovative energy industries and for new investments. The United States is on the cutting edge of renewable energy technologies and on a path to further secure our energy independence. We have to maintain that momentum by passing an extension of the wind production tax credit.

In fact, it is so important—this extension—that I am planning to come to the Senate floor every morning until we get our act together and extend the PTC—not just for Colorado but for every State in our country. I plan to talk about the importance of wind energy in a different State every time I come to the floor. I look forward to talking about the State of the Presiding Officer, the State of Delaware.

I hear every day from Coloradoans who are incredulous that we have not acted to extend this commonsense tax credit. We need to be reminded that American jobs are at stake if we fail to act.

Simply put, if we don't extend the PTC as soon as possible, the wind industry will shrink significantly in 2013. Estimates are that we can lose almost half of the wind-supported jobs, down from 78,000 in 2012 to 41,000 in 2013.

If we fail to extend this tax credit, total wind investment is projected to drop by nearly two-thirds, from $15.6 billion in 2012 to $5.5 billion in 2013. That is simply unacceptable. Luckily, I am not alone in this effort. There is strong bipartisan support in the Senate for the extension of this tax credit. Yes, this is one of those occasions where we are talking about legislation that is supported by Members of both parties.

Senator GRASSLEY, a Republican Senator from Iowa—along with myself and seven other Democrats and Republicans—introduced a bill earlier this year to extend the tax credit. Senator JERRY MORAN, a Republican Senator from Kansas, and I led 12 Members from across the country and both sides of the aisle in urging our Senate leadership to work with us to extend the PTC as soon as possible.

We have not seen that happen yet, Mr. President. Instead of addressing this bipartisan proposal which has been

a proven job creator, Congress has been caught up in partisan fights. Let's do what Americans are demanding. Let's work together to create jobs and strengthen our economy, as well as our energy security. Let's pass the PTC as soon as possible—ASAP.

I will be back tomorrow, and I will talk more specifically about the importance of the PTC to my home State of Colorado. We are home to thousands of renewable energy jobs, including high-paying manufacturing ones. But that could change literally overnight if the PTC is not extended.

For the good of our economy, I ask all of my colleagues from both sides of the aisle to work with me. Let's work together to get the PTC extended.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Nebraska.

CYBERSECURITY

Mr. NELSON of Nebraska. I rise today to discuss an amendment that I am proposing to the 2012 farm bill that we are debating in the Senate. Before I speak to that, I also want to associate myself with the leader's comments about the importance of taking care of our cyber defense, putting ourselves in a position to be able to deflect and deter cyber attack from terrorists and otherwise against our industries and against our Federal Government.

As chairman of the Strategic Forces Subcommittee of the Senate Armed Services Committee, cyber command is part of our responsibility. The leader is exactly on target with his comments about the need to move forward to protect our country against future cyber attacks—which we encounter daily—recognizing that we perhaps do know what we know, but we are in that unfortunate position of not knowing what we don't know.

To modernize and move forward is absolutely essential to maintain our vigilance against cyber attacks in the future.

DIRECT FARM PAYMENTS

Mr. NELSON of Nebraska. Mr. President, the amendment I wish to talk about today and propose is about fairness. It is about fairness for America's farmers and ranchers and fairness to all taxpayers.

First, I note that one of the key elements of the 2012 farm bill that we drafted in the Senate, and is now on the floor, is about reform. In particular the bill reforms a program of Federal subsidies that have gone to farmers regardless of whether farm prices were high or low.

These subsidies are known as direct farm payments. They were established by the 1996 farm bill as a way to transition producers away from a government-controlled system of agriculture to more market-based agriculture.

These direct farm payments, which are outdated government subsidies, were supposed to be temporary, and the 2012 farm bill takes the necessary step to eliminate them and remove them from the future.

When this change is enacted, farmers will not be paid for crops they are not growing on land they are not planting. Eliminating these direct payments will save $15 billion over 10 years, which will be used for deficit reduction.

Producers in my State understand that given our Nation's fiscal problems, we have to have shared sacrifice to get the debt and deficit under control. If we end these outdated subsidies, the farm bill establishes that crop insurance will be the focal point of risk management by strengthening crop insurance and expanding access so that farmers are not wiped out by a few days of bad weather or bad prices.

Crop insurance is a shared private-public partnership that maintains the safety net we all need to sustain American agriculture. In my efforts to identify other areas where shared sacrifice for deficit reduction can be pursued, I am proposing an amendment to eliminate another set of government subsidies which are unnecessary and should be eliminated. These subsidies go to just 2 percent of the Nation's livestock producers. They receive substantial taxpayer-paid subsidies for grazing on public lands.

In the interest of fairness to all livestock producers and the taxpayers, we need to reform Federal grazing subsidies. My amendment would require that ranchers pay grazing fees based more closely on the market value for their region when grazing on public lands. Today, the 2 percent of livestock producers grazing on public lands pay far below market value that other market producers are paying.

Given our huge Federal debt and deficit, we can no longer afford to heavily subsidize an elite group of ranchers to graze their cattle on public lands at the taxpayers' expense. These ranchers receive a special deal—Federal ''welfare'' so to speak—that they don't need, most ranchers can't get, and taxpayers should not be paying for.

It is a matter of fairness to level this playing field, and it will help balance the budget as well. This 2 percent of the country's ranchers have grazing rights on public lands that cost the government, by lost income, $144 million a year to manage. But the government collects only about $21 million a year in grazing fees from ranchers, according to a 2005 study by the GAO. That leaves a net cost to taxpayers of more than $120 million a year. Losing the $120 million of tax money per year isn't fair to taxpayers, nor is it fair to producers who then are required to subsidize their competition.

This report also found that the two agencies that manage most of the Federal grazing lands—the Bureau of Land Management and the U.S. Forest Service—actually reduced grazing fees during years when grazing fees on private lands increased. Get that: The Federal Government reduced fees on public lands when fees are being raised on private lands.

The GAO found that from 1980 to 2004, BLM and Forest Service fees fell by 40 percent. At the same time, grazing fees charged by private ranchers rose by 78 percent. By an actuary's term, that is disintermediation. One is going one direction and the other another direction.

Furthermore, GAO found if the goals of the grazing fee were to recover expenditures, BLM and the Forest Service would charge $7.64 and $12.26 per ''animal unit month.'' That is much higher—get this—than the current $1.35-per-animal unit ranchers pay to graze on public lands. That is not fair.

The GAO stated that the formula used to calculate the fee includes ranchers' ability to pay and is not ''primarily to recover the agencies' expenditures or to capture the fair market value of forage.'' No kidding. That is what they said and what they think this program is all about.

In Nebraska, it costs livestock producers who get this special deal $1.35 per cow to graze on public lands. But it costs other producers who don't graze on public land an average of $30 per cow to graze on private land just in northwest Nebraska. It costs an average of $38 per cow on private land just across all of northern Nebraska. That is according to the University of Nebraska's agriculture economics department.

I note that I am aware others before me have tried to reform Federal grazing fees, and they are saying to me right now: Good luck. Given today's critical need to get our Nation's fiscal house in order, it is time to bring grazing costs on public lands more in line with what it costs producers to graze on private lands. There is no fairness in this disparity.

I urge my colleagues to join me in working to improve the 2012 farm bill reforms by ending unfair and outdated Federal grazing subsidies. Doing so would bring fairness to all livestock producers and have the added benefit of saving taxpayers more than $2 billion over the next decade—savings that could help pay down the national debt and reduce our deficit in the meantime.

With that, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Michigan is recognized.

AGRICULTURE REFORM

Ms. STABENOW. Mr. President, in a short while—I think this afternoon—we will officially be back on consideration of what is dubbed the farm bill—the Agricultural Reform, Food, and Jobs Act. This is something we do every 5 years to secure the safest, most affordable, reliable food supply in the world. We are very proud of what our farmers and ranchers do.

The largest investment in land and water conservation we make as a country on working lands is made through the farm bill—protecting our Great Lakes, the Chesapeake Bay, and supporting farmers who have environmental challenges and managing those on their lands. So these are very important investments.

We also make important investments in nutrition for families who need temporary help, as many families certainly have during this economic downturn, and many other exciting opportunities that create jobs.

The Presiding Officer, I know, cares very deeply about manufacturing, as do I. One of the areas in which we are growing the economy is by making things, growing things, and bringing those together in something called bio-based manufacturing, which I will be talking more about as we proceed, but the idea is to use agricultural products to offset chemicals, to offset oil and plastics. This is an exciting new opportunity for us. We expand upon that through opportunities in what we call the farm bill.

The bottom line is this is a jobs bill. There are 16 million people at work in this country—and there are not too many bills that come to the floor that have the number 16 million—that are in some way related to agriculture and food production. It may be processing, it may be production, it may be in the sales end, but 16 million people work in this country because of agriculture in some way, and so it is important we get this right.

We also have a major trade surplus in this country coming from agriculture. So we are producing it here and then we are selling it overseas. I certainly wish to make sure we are focusing on exporting our products, not our jobs. The shining star of that is in agriculture, where we have seen just in the last few years a 270-percent increase in agricultural exports. So this is a big deal for us and it is part of why this is a jobs bill and very important.

We also know we need to reform agricultural production policies. This bill is very much about cutting subsidies as well as creating jobs. So what are we doing? We have taken the view in this farm bill where rather than focusing on protecting individual programs that have been with us a long time, we have focused on principles: What is it we need to do to have a strong economy, to support our farmers? Whether it is a weather disaster, such as we have had in Michigan, or whether it is a disaster in markets and prices, we don't want our farmers losing their farms because of a disaster beyond their control. We all have a stake in that. There is nothing more risky, in terms of a business, than agriculture, where one is at the whim of the weather and other market forces. So we want to make sure we are there.

We also know that for too long we have paid government money to folks who didn't need it for crops they didn't grow. We are not going to do that anymore. This is a huge reform in public policy, where we are moving to risk-based management. We are focusing on what we need to do to cut the deficit and strengthen and consolidate and save dollars but also provide risk management. In fact, in this bill, we are reducing the deficit by $23 billion.

We have not had the opportunity to have in front of us a bill on the floor that cuts the deficit, with strong bipartisan support around policies that make sense and that we agree to. This is an area where we have come forward. In fact, I am very proud of the fact our Agriculture Committees—in the fall, when the deficit reduction effort was going on—came forward with a House-Senate bipartisan agreement on deficit reduction. In fact, if every committee had done that, we would have gotten to where we needed to go.

I wish to thank my friend and ranking member Senator ROBERTS for his strong leadership, as well as the chairman and ranking member in the House for their joint efforts in that way.

But when that didn't happen, we decided we would keep our commitment to deficit reduction and move forward on policies that would achieve that and we have done that with $23 billion in cuts. We do that by repealing what is called direct payments that go to a farmer regardless of what is happening, whether it is good times or bad.

In fact, we replace four different farm subsidies with a strengthening of crop insurance and additional risk-management efforts when there is a loss by the individual farmer, at the county. We focus on loss. As I indicated, we will support farmers for what they plant.

We strengthen payment limits in terms of where we focus precious taxpayer dollars, and we also took a scalpel as we looked at every part of the USDA programs. We looked for duplication, what made sense, what was outdated, and we eliminated 100 different programs and authorizations within this farm bill policy. Again, I don't know many committees that have come forward with that kind of elimination.

That doesn't mean we are eliminating the functions, the critical areas of supporting farmers and ranchers or conservation or expanding jobs through renewable energy or our nutrition efforts or so on—farm credit, other beginning farmers, and all the efforts we are involved in. We are just doing it in a more streamlined way. We are cutting paperwork.

In rural development, which affects every single community, every town, every village, every county outside our urban areas, we want to make sure a part-time mayor can actually figure out rural development and use the supports that are there to start businesses, to focus on water and sewer infrastructure or roads, that it is actually simple and available and doable from their standpoint. We have spent our time working together to come up with something that makes sense for taxpayers, for consumers of food, for those who care deeply in every region of our country about how we support farmers and ranchers and for those who care very deeply about our land and water and air resources on working lands and how we can work together to actually do that.

We are moving forward now to the next phase on our farm bill consideration. Senator ROBERTS and I are working closely together to tee up some amendments—both Democratic and Republican amendments—so we can begin the process of voting. We know there is a lot of work to do. Colleagues have a lot of ideas. Certainly, some of those ideas I will support, some I will not support, but the process of the Senate is to come forward and offer ideas, debate them, and vote.

So we are working hard, hopefully to tee up some votes this afternoon or tomorrow that would give us the opportunity to move forward. We know there is a lot more work to do. We have a lot of ideas that colleagues have, and we will continue to negotiate moving forward on a final set of amendments. But we think it is important to get started.

I wish to thank all our colleagues who came together on the motion to proceed. It was extraordinary. After a strong bipartisan vote in committee, we are very appreciative of the fact our colleagues are willing to give us the opportunity to get this done with such a strong bipartisan vote on the motion to proceed.

Also, before relinquishing the floor, I notice my colleague from South Dakota is here, and I wish to personally thank him for his leadership on this bill, with extremely important provisions in the bill, both on risk coverage. The proposal to support farmers who have a loss came from a very important proposal Senator THUNE and Senator SHERROD BROWN put forward, along with other colleagues, which is the foundation of what we are doing to work with crop insurance to support farmers. Also, Senator THUNE has been pivotal in a very important part of conservation that ties what we call the sodsaver amendment to the protection of prairie sod, prairie land, to crop insurance. If someone is breaking up the sod, there would be a penalty on the crop insurance side. So it is an important way of bringing together accountability and crop insurance and protecting our native sod. This is something, among many other things, Senator THUNE has been involved in and shown real leadership.

As I said, this has been a strong bipartisan effort. Again, I thank my colleague from Kansas who has been a partner in this effort.

I look forward to having the opportunity to bring all our amendments to the floor and to give people the opportunity to move forward in good faith. It is going to be critical that we move forward in good faith so we can begin to debate, to vote, and to get this bill done.

All the policies we have talked about actually end on September 30 of this year, with very disastrous results for farmers and ranchers if we don't get this done. They need economic certainty. The 16 million who work because of agriculture are counting on us to get this done so they can make their

decisions on what they are going to plant and how their business is going to work.

I am proud of the effort so far, our coming together and having folks join in this wonderful bipartisan effort to get to work.

I yield the floor.

The PRESIDING OFFICER (Mr. MANCHIN). The Senator from South Dakota.

Mr. THUNE. Mr. President, I ask unanimous consent that my Republican colleagues, Senators MCCAIN and AYOTTE, and myself be permitted to enter into a colloquy for up to 30 minutes.

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

DEFENSE SEQUESTRATION

Mr. THUNE. Mr. President, I come to the floor, along with my colleagues, Senators MCCAIN and AYOTTE, to talk about the significant uncertainty surrounding sequestration and its threat to our national security.

The triggered reduction in spending is $1.2 trillion. After accounting for 18 percent in debt service savings, the required reductions amount to $984 billion to be distributed evenly over a 9-year period or $109.3 billion per year. So what we are talking about is $54.7 billion in reductions will be necessary in both the defense and nondefense categories, despite the fact—despite the fact—defense funding constitutes just 20 percent of the budget.

As my colleagues Senators MCCAIN and AYOTTE are well aware, this sequester disproportionately impacts defense spending, putting our national security at risk.

It has been almost a full year since the Budget Control Act was passed, and Congress needs a precise understanding from this administration as to the full effects of sequestration on national security funding. Both Senator MCCAIN and I, along with Senators SESSIONS, AYOTTE, and others, have called on the administration to detail the impact of sequestration on defense accounts.

This information is necessary for Congress to address the deep and unbalanced defense budget cuts that are expected under sequestration—which are in addition, I might add, to the $487 billion in reductions that were carried out last August.

What little information has been made available from the administration about the planned cuts to defense should give all of us pause about our Nation's security if sequestration proceeds without any modifications.

In a letter to Senators MCCAIN and GRAHAM this past November, Secretary Panetta said that over the long term, sequestration means we will have the smallest ground force since 1940, the smallest fleet of ships since 1915, and the smallest tactical fighter force in the history of the Air Force.

If sequestration were to go into effect, we risk turning back the clock on our military strength to where it was during the early 20th Century, before World War II. That clearly cannot be allowed to happen if we hope to have a future in which we are secure, prosperous, and at peace in the world.

I wish to turn now to my colleague Senator MCCAIN, who is the ranking member of the Armed Services Committee. He has been a leader in calling attention to this cloud of sequestration cuts looming over the Defense Department and its threat to our national security. He is, obviously, one of the foremost experts in the Senate when it comes to the issue of national security, and someone who has been raising the issue of sequestration and its impact to our national security interest for some time.

I would ask Senator MCCAIN if he might comment on his observations with regard to this issue and its impact on national security.

Mr. MCCAIN. I thank my colleague from South Dakota and appreciate very much his leadership on this issue and my colleague from New Hampshire, Senator AYOTTE, who has done a preliminary study on the effect of these sequestrations on our defense industries and jobs and employment in States across America.

In fact, she has been asked by the Conference of Mayors to give them assessments. One of the problems we have is not only sequestration itself, as my colleague from South Dakota mentioned, but the American people don't fully understand the impact—not only from a national security standpoint but from an economic standpoint.

I appreciate and admire our Secretary of Defense who continues to say that sequestration would be devastating to our national security, the effects would be Draconian in nature. He has described it in the most graphic and, I think, accurate terms. But we don't know exactly what those impacts would be and, unfortunately, the Secretary of Defense and the Defense Department have not given us information as to what those impacts would be. The American people need to know and they deserve to know what these impacts would be.

That is why we put in the Defense authorization bill a requirement that the Secretary of Defense send to the Congress and the American people the exact effects of this sequestration, which he has refused to do, up until now.

Since we have not taken the bill to the floor—and it may not be signed until the end of this year—that is why I have an amendment pending on the farm bill, to seek that same reporting, because Members of Congress, elected representatives, and the American people deserve to know the effects of sequestration.

One, they need to know from the interest of our national security, but I would argue to my friend they also need to know from the impact on an already faltering economy. I want to thank the Senator from New Hampshire, who has done more on this issue. In fact, she has given every member of our conference a rough readout as to exactly what the impact would be in our States. But obviously, the Senator from New Hampshire and I don't have access to the same database the Secretary of Defense has as to these Draconian effects.

So in summary, I would say we are facing what is now known as the fiscal cliff: the debt limit, which needs to be raised; the sequestration issue; the expiration of the Bush tax cuts; and several other issues, which we are all going to now address in a lameduck session. That is a Utopian vision for a lameduck session that, frankly, is not justified by history.

One of the aspects of this sequestration, the reason we need to address it now, is because the Pentagon has to plan. They have to plan on a certain budget. They can't wait until the end of this year, or early next year when it kicks in, until January 2, I believe it is, of 2013, in order to adjust to it. So, one, we need the information.

And, two, Members of Congress need to know that the sequestration issue should be, and must be, addressed. I thank Senator THUNE not only for his outstanding work on the farm bill but also for his leadership on this important issue.

I yield to my colleague from New Hampshire, who has done probably a more in-depth study of this issue and its impact on the defense industry in America and jobs and employment than any other Member.

Ms. AYOTTE. I thank Senator MCCAIN for his leadership as the ranking Republican on the Armed Services Committee. No one knows these issues better in the Senate than JOHN MCCAIN. So it is an honor be here with him, and also my colleague Senator THUNE, with whom I serve on the Budget Committee. Senator THUNE has been very concerned about the impacts of sequestration on our national security. I call sequestration the biggest national security threat you have never heard of. The American people need to know this threat to their national security, to the protection of our country, which is our fundamental responsibility under the Constitution.

I fully support the amendment Senator MCCAIN has brought forward on the farm bill that he championed, along with Senator LEVIN, on the Defense authorization, because we can't afford to keep hiding the details of what will happen to our Department of Defense and our military if sequestration goes forward.

To be clear, as Senator THUNE has already identified, the Department of Defense is taking significant reductions. In the proposed 2013 budget from the President, the Department will take approximately $487 billion in reductions over the next 9 years. That already means a reduction of approximately 72,000 of our Army and a reduction of 20,000 of our Marine Corps. But what we are here talking about today

is an additional $500 billion to $600 billion in reductions coming in January of 2013 that the American people need to know about, and our Department of Defense should clearly identify what is going to happen with those reductions.

But here is what we do know. As Senator MCCAIN and Senator THUNE have already talked about, our Secretary of Defense has warned that these cuts will be devastating; that they will be catastrophic; that we will be shooting ourselves in the head if we did this for our national security; that we would be undermining our national security for generations.

This is what it means, and what our service chiefs have told us so far about the preliminary assessments of sequestration:

For our Army, what they have said is an additional 100,000 reduction in our Army, 50 percent coming from the Guard and Reserve, on top of the 72,000 coming in the proposed 2013 budget. That would result in our ground forces being reduced to the smallest size since before World War II.

For the Navy, our current fleet is 285 and the Navy has said previously that we need 313 ships. If sequestration goes forward the Navy has said that our fleet will have to shrink to between 230 to 235 ships and submarines. At a time when China is investing more and more in their navy, where we have increased our defense focus in our national security strategy on the Asian Pacific region, it would make that increased focus a mockery, truthfully, if we allowed sequestration to go forward.

We have heard the same from our Marine Corps. What the Marine Corps has said about sequestration every Member of Congress should be concerned about. The Assistant Commandant of the Marine Corps has said if sequestration goes forward, it is an additional 18,000 reduction in our Marine Corps, and that the Marines would be incapable of conducting a single major contingency operation. Think about it: The Marine Corps of the United States of America incapable of responding to a single major contingency operation. This is at a time when the threats to our country have not diminished. This is at a time when we still have men and women, as we sit here today, who are serving us admirably in Afghanistan.

And, by the way, OMB has already said that the OCO—or war funding—will not be exempt from sequestration.

We owe it to our men and women who are in the field right now to make sure they have the support they need and deserve from this Congress.

When we look at where we are, this is not just about our national defense. But you would think that being about our national defense, our foremost responsibility in Congress, would be enough to bring everyone to the table right now to resolve this, regardless of whatever your party affiliation is. But this is also an issue about jobs, because the estimates are, in terms of the job impact in this country, George Mason University estimates that over 1 million jobs will be lost in this country over 1 year due to sequestration. And that is just looking at research and development and procurement.

Well, let's talk about some of the States that will be impacted, because every one of my colleagues represents a State in this Chamber that will be impacted by the jobs at issue.

We look at where our economy is right now, and yet we continue not to address this fundamental issue of sequestration when 1 million jobs are at stake.

For Virginia, the estimate is 123,000 jobs; Florida, 39,000 jobs; Ohio, 18,000 jobs; North Carolina, 11,000 jobs; Connecticut, 34,000 jobs; Pennsylvania, 36,000 jobs. In my small State of New Hampshire, it is projected that we will lose approximately 3,300 jobs.

So not only is this a national security issue, but we are also talking about our defense industrial base. And once we lose much of the talent in that industrial base, it doesn't necessarily come back. We have many small employers who can't sustain these cuts, who will go bankrupt, and won't be able to come back. And once they are gone, we lose their expertise and the U.S. military becomes more reliant on foreign suppliers.

In fact, the CEO of Lockheed Martin has said recently:

> The very prospect of sequestration is already having a chilling effect on the industry. We're not going to hire. We're not going to make speculative investments. We're not going to invest in incremental training, because the uncertainty associated with 53 billion of reductions in the first fiscal quarter of next year is a huge disruption to our business.

To my colleagues who think we can kick this can down the road until after the elections, please understand that when it comes to jobs, these defense employers have a responsibility under Federal law, what is called the WARN Act, to notify their employees if they are going to be laid off at least 60 days before a layoff will occur.

What that means is there could be hundreds of thousands of WARN Act notices going out, likely before the election in November, letting people across this country know that they may lose their job because Congress has not come forward and addressed this fundamental issue to our national security right now.

In conclusion—and I know Senator THUNE is supportive of this. I am the cosponsor of a bill along with Senator MCCAIN and others that comes up with savings to deal with the first year of sequestration, and I would ask every Member of this Chamber: Let's sit down and resolve this. We do need to cut spending, and we should find these savings. It is important to deal with our debt. But let's make sure we find savings that don't devastate our national security or undermine our national security for generations or hollow out our force, as our Chairman of the Joint Chiefs of Staff has said about sequestration. I would urge my colleagues on both sides of the aisle, let's sit down now and resolve this issue on behalf of our most important responsibility, which is to protect the American people from the threats that still remain around the world and are very real. We have seen it with Iran trying to acquire the capability of a nuclear weapon. It still remains a very challenging time, and we need to protect our country from the threats we face.

I thank my colleague Senator THUNE, and I turn it back to him.

Mr. THUNE. I would say to my colleague, the Senator from New Hampshire—because she mentioned that she and I both serve on the Budget Committee—that this perhaps could have been avoided had we passed a budget that dealt with title reform.

The reason we have these huge cuts, these steep and unbalanced cuts to the defense budget, is because we punted on the Budget Control Act to the supercommittee, which didn't produce a result, and this triggered these across-the-board reductions in spending—half of which come out of the defense budget, as the Senator mentioned, a defense budget that represents only 20 percent of Federal spending. So proportionality here seems to be a real issue. Why would you gut the part of a budget from which you get the resources to keep your country safe and secure?

Frankly, it comes back—in my view, at least—to the fact that now, for 3 consecutive years, the Budget Committee, on which the Senator and I both serve, has failed to produce a budget, spelling out a more reasonable and thoughtful plan for how to deal with these challenges as opposed to having this budget axe fall in this disproportionate way on our national security interests.

I am curious as to the Senator's thoughts with regard to the reason why we are where we are today.

Ms. AYOTTE. I would say to my colleague from South Dakota, you are absolutely right. It is outrageous that it has been over 1,100 days that we have not had a budget in the Senate. In the Budget Committee that we both serve on, the Senator and I are anxious to resolve the big fiscal issues facing our country.

I agree with the Senator from South Dakota, if we did that function of budgeting, we wouldn't be in this position where we have put our national security at risk because we are not taking on the big-picture fiscal issue to get our fiscal house in order in Washington and make sure we reform mandatory spending so those programs are sustainable and available for future generations. So here we are.

Not only do I serve on the Senate Armed Services Committee, but I am the wife of a veteran. It is astounding to me that we would put our national security at risk rather than doing our jobs, putting together a budget that is

responsible and proportional. That is one of the underlying reasons why we find ourselves in the position we are right now.

I ask my colleague from South Dakota, as Commander in Chief, the President has a responsibility on this very important issue. It is such an important and weighty responsibility as President of the United States to be Commander in Chief. Where is the President on these issues?

Mr. THUNE. Ironically, the point my colleague from New Hampshire made earlier and the statements made by the President's own Defense Secretary about what these cuts would mean just speak volumes. It is absolutely stunning when we look at the impact this would have on our national security budget, and, at least to date, the President is not weighing in on this argument at all.

I think what the Senator from New Hampshire and Senator MCCAIN and I are saying is this: Show us your plan.

If we are going to do something about this, we need to know how they intend to implement this. So the transparency issue is very important. Asking them to tell us how they are planning on making these reductions seems to be a critically important part of not only informing the American public but giving Congress a pathway—if there is one—to address and perhaps redistribute these reductions.

When we are talking about a $109 billion reduction that will take effect in January of next year—half of which comes out of defense—on top of $½ trillion in cuts to accrue over the next decade that were approved as part of the Budget Control Act, that is a huge chunk out of our national security budget.

I think the Senator from New Hampshire made an excellent point as well about how this obviously impacts national security first and foremost. I have always maintained that if we don't get national security right to protect and defend the country, then the rest is all secondary.

But there is a huge economic impact, as was pointed out not only by the study my colleague from New Hampshire mentioned but also by the Congressional Budget Office recently in speaking about the fiscal cliff that hits us in the first part of January next year and could cost us 1.3 percent in growth, which, according to the President's economic advisers, could be 1.3 million jobs. If the national security issue does not get your attention, certainly we would think the economy and jobs issue would. Yet we are hearing silence—crickets coming out of the White House.

I would hope he would weigh in on this debate and at least provide us with an idea of how the administration intends to implement this and hopefully a plan about how to avert this. As has been emphasized by the President's Defense Secretary, there would be a catastrophic impact on our national security interest.

Ms. AYOTTE. I ask Senator THUNE, is this not so important when we think about the impact on our national security that now we hear from the President that Members on both sides of the aisle should sit down instead of kicking this can beyond the elections?

What I have heard from our employers is that they will have to make decisions now that could impact our defense industrial base. We are talking about shipbuilders, we are talking about experts, small businesses that work in this area. Once those jobs go away in terms of a small business, such as a sole supplier on one of our major procurement programs, which happens quite often, that expertise goes away. We don't immediately pull that back. So we are talking about an estimate of 1 million jobs, and the private sector can't wait for us to resolve this until after the election. They need us to resolve this now. In my view, our military can't wait until after the election, nor should our military be put in that position. They should know that we are going to resolve this because we want to keep faith with them. We do not want to hollow out our force. We do not want to put them at risk. So, on a bipartisan basis, this is a critical issue to resolve before the election. I wondered what my colleague's view was on that.

Mr. THUNE. Mr. President, again I appreciate the leadership of the Senator from New Hampshire as a member of the Armed Services Committee on not only this issue of national security but also as a member of the Budget Committee, where we serve together. It is critical that we do something soon, and the reason for that, as the Senator from New Hampshire mentioned, is that a lameduck session of Congress—is not an appropriate time to try to legislate on a major issue such as this, particularly given the fact that there is going to be a pileup of other issues. We have tax rate expiration issues to deal with and potentially another debt limit vote coming up.

It seems to me that we ought to provide as much certainty as we can to our military, to the leaders of our military who have to make these decisions, and to the people who build these weapons systems and experience many of these reductions that will impact jobs.

As my colleague mentioned, there is a Warren Act requirement that they notify people if they are going to lay off people. There has to be a lead time to this, and that is why getting a plan from the administration that lays out in specific and detailed terms exactly what they intend to do with regard to sequestration is really important to this process and as a matter of fundamental transparency for the American people and for the Congress.

Clearly, there is a need—in my view, at least—for us to deal with this in advance of the election, not waiting, not punting, and not kicking the can down the road as is so often done here.

I appreciate the leadership of the Senator from Arizona, the ranking member of the Armed Services Committee, and my colleague from New Hampshire in raising and elevating this issue and putting it on the radar screen of the Senate in hopes that something might actually happen before the election. But that will require that the President of the United States and his administration get in the game. So far, we haven't heard anything from them with regard to how they would implement sequestration or what suggestions they might have that would avoid and avert what would be a national security catastrophe if these planned or at least proposed reductions go into effect at the first of next year.

I see that the Senator from Arizona, the ranking member of the Armed Services Committee, is back. Does the Senator have any closing comment before we wrap up this session?

Well, let me thank my colleagues in the Senate and particularly the Senator from Arizona and the Senator from New Hampshire for what they are doing on this issue. I hope that we are successful and that in the end we can get some greater transparency from the administration about how they intend to implement these reductions and that we might be able to take the steps that are necessary, as was pointed out, on a bipartisan basis. This is not an issue that affects one side or the other, it is an issue that affects the entire country when we are talking about our national security interests and the great jeopardy and risk we put them in if we don't take steps to address this issue.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I ask unanimous consent to address the Senate in a colloquy with my colleague from South Carolina, Senator GRAHAM.

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

NATIONAL SECURITY

Mr. MCCAIN. Mr. President, Senator GRAHAM and I know there are others who would like to come to the floor on the issue of the almost unprecedented release of information which directly affects our national security—in fact, the most important programs in which we are engaged, including the use of drones and our counterterrorism activities, and, of course, the highly classified cyber attacks that have been made on the Iranians in order to prevent them from achieving their goal of building nuclear weapons.

I can't think of any time that I have seen such breaches of ongoing national security programs as has been the case here. The damage to our national security has been articulated by many both inside and outside of the administration, including the most damaging that we have seen. Our Director of National Intelligence said that it is the worst he has seen in his 30 years of service in the area of intelligence. All of the

ranking and chair members of the Intelligence Committee, Armed Services Committee, Foreign Relations Committee, and Homeland Security Committee have described in the strongest terms what damage has been done by these ''leaks.''

Among the sources that the authors of these publications list are ''administration officials'' and ''senior officials''; ''senior aides'' to the President; ''members of the President's national security team who were in the [White House Situation Room] during key discussions''; an official ''who requested anonymity to speak about what is still a classified program''—I am quoting all of these from the public cases; ''current . . . American officials . . . [who would not] allow their names to be used because the effort remains highly classified, and parts of it continue to this day''; several sources who would be ''fired'' for what they divulged—presumably because what they divulged was classified or otherwise very sensitive.

One author notes:

> [O]ver the course of 2009, more and more people inside the Obama White House were being 'read into' a [particular secret, compartmentalized] cyber program [previously known only by an extremely tight group of top intelligence, military and White House officials], even those not directly involved. As the reports from the latest iteration of the bug arrived—

Talking about the cyber attack on Iran—

> meetings were held to assess what kind of damage had been done, and the room got more and more crowded.

Some of the sources in these publications specifically refused to be identified because what they were talking about related to classified programs or ongoing programs. One of the authors specifically observed that some of his sources would be horrified if their identities were revealed.

As always with this leaking, which goes on in this town, although not at the level I have ever seen, I think we need to ask ourselves first who benefits—certainly not our national security or our military intelligence professionals or our partners abroad who are more exposed as a result of these leaks. I think to answer the question of who benefits, we have to look at the totality of circumstances. In this case, the publications came out closely together in time. They involved the participation, according to those publications, of administration officials. The overall impression left by these publications is very favorable to the President of the United States.

So here we are with a very serious breach of national security—and in the view of some, the most serious in recent history—and it clearly cries out for the appointment of a special counsel.

I would remind my colleagues and my friend from South Carolina will remind our colleagues that when the Valerie Plame investigation was going on, my colleagues on the other side of the aisle argued strenuously for the appointment of a special counsel at that time. Later on, I will read some of their direct quotes.

It is obviously one of the highest breaches of security this country has ever seen because of ongoing operations that are taking place. By the way, our friends and allies, especially the Israelis, who have been compromised on the Stuxnet operation, the virus in the Iranian nuclear program, of course, feel betrayed.

Now, can I finally say that I understand our colleague and chairperson of the Intelligence Committee is going to come over to object to our motion for the appointment of a special counsel. It is the same special counsel who was appointed at other times in our history, and ahead of her appearance after the statements she made about how serious these breaches of intelligence were. It is a bit puzzling why she should object to the appointment of a special counsel.

I ask my colleague from South Carolina—to place two outstanding individuals and prosecutors to investigate still places them under the authority of the Attorney General of the United States. The Attorney General of the United States is under severe scrutiny in the House of Representatives. The Attorney General of the United States may be cited for contempt of Congress over the Fast and Furious gunrunning-to-Mexico issue which also resulted, by the way, in the death of a brave young Border Patrolman, Brian Terry, in my own State, who was killed by one of these weapons. That is how serious it is.

I would think Mr. Holder, for his own benefit, would seek the appointment of a special counsel, and I ask that of my friend from South Carolina.

Mr. GRAHAM. I think it not only would serve Mr. Holder well, but certainly the country well.

We are setting the precedent that if we do not appoint a special counsel—and I don't know these two U.S. attorneys at all. I am sure they are fine men. But the special counsel provisions that are available to the Attorney General need to be embraced because it creates an impression and, quite frankly, a legal infrastructure to put the special counsel above common politics. The precedent we are about to set in the Senate if we vote down this resolution is, in this case, we don't need to assure the public that we don't have to worry, the person involved is not going to be interfered with; that in this case we don't need the special counsel, and there is no need for it.

Well, to my colleagues on the other side, how many of them said we needed a special counsel—Peter Fitzgerald—who was not in the jurisdiction—Illinois wasn't the subject matter of the Valerie Plame leaks. It happened in Washington. When Peter Fitzgerald was chosen as a special counsel, the country said that is a good choice, chosen under the special counsel provisions, which are designed to avoid a conflict of interest.

What is the problem? For us to say we don't need one here is a precedent that will haunt the country and this body and future White Houses in a way that I think is very disturbing, I say to the Senator from Arizona, because if we needed one for Valerie Plame—allegations of outing a CIA agent—and if we needed one for Jack Abramoff, a lobbyist who had infiltrated the highest levels of the government, why would we need one here? Is this less serious?

The allegations we are talking about are breathtaking. Go read Mr. Sanger's book as he describes Operation Olympic Games. It reads like a novel about how the administration, trying to avoid an Israeli strike against the Iranian nuclear program, worked with the Israelis to create a cyber attack on the Iranian nuclear program, and how successful it was. It literally reads like a novel.

What about the situation regarding the Underwear Bomber case, a plot that was thwarted by a double agent. One could read every detail about the plot and how dangerous it was and how successful we were in stopping it from coming about. Then, how we got bin Laden and sharing information with a movie producer, but telling the world about the Pakistani doctor and how we used him to track down bin Laden.

Mr. MCCAIN. Mr. President, could I add revealing the name of Seal Team 6.

Mr. GRAHAM. That takes us to the bin Laden information. In the book there is a scenario where the Secretary of Defense went to the National Security Adviser, Thomas Donilon, and said, ''I have a new communication strategy for you regarding the bin Laden raid: Shut the F up.''

But the drone program, a blow-by-blow description of how the President handpicks who gets killed and who doesn't.

This is breathtaking. Certainly, it is on par with Abramoff and Plame, I think, the biggest national security compromise in generations. For our friends on the other side to say we don't need a special counsel here, but they were the ones arguing for one in the other two cases, sets a terrible precedent, and we are not going to let this happen without one heck of a fight.

Senator Obama wrote a letter with a large group of colleagues urging the Bush administration to appoint a special counsel and to have an independent congressional investigation on top of that of the Valerie Plame CIA leak case. He also joined in a letter with his Democratic colleagues urging the Bush administration to appoint a special counsel in the Jack Abramoff case because the allegations were that Mr. Abramoff had access to the highest levels of government and that extraordinary circumstances existed.

What are we talking about here? We are talking about leaks of national security done in a 45-day period that paint this President as a strong, decisive national security leader. The book questions—not just the articles—is there any reason to believe this may go to the White House? Look what happened with the Scooter Libby prosecution in the Valerie Plame case. The Chief of Staff of the Vice President of the United States eventually was held accountable for his involvement.

Is there any reason to believe that senior White House people may be involved in these leaks? Just read the articles. But this is a book review by Mr. Thomas Riggs of the book in question by Mr. Sanger. Throughout, Mr. Sanger clearly has enjoyed great access to senior White House officials, most notably to Thomas Donilon, the National Security Adviser. Mr. Donilon, in fact, is the hero of the book as well as the commentator of record on events. It goes on and on in talking about how these programs were so successful.

Here is the problem. In the House, when a program is not so successful, such as Fast and Furious, that is embarrassing to the administration. One can't literally get information with a subpoena. So we have an administration and an Attorney General's Office that is about to be held in contempt by the House for not releasing information about the Fast and Furious Program that was embarrassing. When we have programs that were successful and make the White House look strong and the President look strong, we can read about it in the paper.

All we are asking for is what Senator Obama and Senator BIDEN asked for in previous national security events involving corruption of the government: a special counsel to be appointed, with the powers of a special counsel, somebody we can all buy into. If we set a precedent of not doing it here, I think it will be a huge mistake.

Mr. MCCAIN. Mr. President, wouldn't my colleague agree that one of the most revealing aspects of this entire issue from program to program that leads to enormous suspicion would be that probably the most respected Member of the President's Cabinet who stayed over from the Bush administration, Secretary Gates, was so agitated by the revelation of information about the bin Laden raid that he came over to the White House and said to the President's National Security Adviser that he had a ''new communication strategy.'' He responded by saying to the National Security Adviser, ''Shut the F up.'' That is a devastating comment and leads one to the suspicion that things were done improperly in the revelation of these most important and sensitive programs that were being carried out and are ongoing to this day.

So I ask my colleague, what is the difference between the Biden-Schumer-Levin-Daschle letter to President Bush in 2003 where they called for the appointment of a special counsel—Vice President BIDEN—and how the White House should handle Libby? I think they should appoint a special prosecutor. In 2003, then-Senator BIDEN called for a special counsel with 34 Senators, and then-Senator Obama requested the appointment of a special counsel to lead the Abramoff case.

I was involved heavily initially with the Abramoff case, and I can tell my colleagues even though there was severe corruption, there was certainly nothing as far as a breach of national security is concerned. Yet they needed a special counsel, according to then-Senator Obama, to investigate Abramoff but not this serious consequence.

So I guess my unanimous consent request for this resolution will be objected to. But the fact is, we need a special counsel because the American people need to know. I do not believe anyone who has to report to the Attorney General of the United States would be considered as objective.

I ask unanimous consent for an additional 3 minutes.

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

Mr. GRAHAM. Mr. President, if I may, I ask unanimous consent to have printed in the RECORD the letters written by Senator Obama and Senator BIDEN asking for a special counsel.

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

OBAMA, ET AL. LETTER ON ABRAMOFF

FEBRUARY 2, 2006.

Hon. ALBERTO GONZALES,
U.S. Department of Justice,
Washington, DC.

DEAR GENERAL GONZALES: We write to join the request made last week that you appoint a special counsel to continue the investigation and the prosecution of those involved in the corruption scandal surrounding Jack Abramoff's dealings with the federal government. The Department's response to the press regarding that request did not address the fundamental issue of a conflict of interest or the other serious issues raised by the letter.

This scandal has shaken the public's confidence in our government and all involved must be pursued vigorously. A special counsel will ensure the public's confidence in the investigation and prosecution and help to restore its faith in our government. FBI officials have said the Abramoff investigation ''involves systemic corruption within the highest levels of government.'' Such an assertion indicates extraordinary circumstances and it is in the public interest that you act under your existing statutory authority to appoint a special counsel.

Mr. Abramoff's significant ties to Republican leadership in Congress, and allegations of improper activity involving Administration officials, reaching, possibly, into the White House itself, pose a possible conflict of interest for the Department and thus further warrant the appointment of a special counsel. Recent news reports confirm that Mr. Abramoff met the President on several occasions and during some of those meetings, Mr. Abramoff and his family had their photos taken with the President. Mr. Abramoff also organized at least one and possibly several meetings with White House staff for his clients. These meetings with the President and White House staff occurred while you were serving as White House Counsel. Given the possible ties between Mr. Abramoff and senior government officials, we believe the appointment of a special counsel is not only justified, but necessary.

The Public Integrity section of the Department has thus far pursued this case appropriately, and we applaud its pursuit of Mr. Abramoff and his colleagues. As the investigation turns to government officials and their staffs, both in the Executive and Legislative branches, we have no doubt that if the investigation is left to the career prosecutors in that section, the case would reach its appropriate conclusion. Unfortunately, the highly political context of the allegations and charges may lead some to surmise that political influence may compromise the investigation. This concern is heightened by allegations that Frederick Black, the former acting U.S. Attorney for Guam and the Northern Marianas, was replaced, perhaps improperly, as a result of his investigation of Mr. Abramoff.

Appointment of a Special Counsel at this point in time is made even more appropriate by the White House's recent nomination of Noel Hillman, the career prosecutor in charge of the case, to a federal judgeship. As a new prosecutor will need to take over the case, we ask you to appoint an outside Special Counsel so the public can be assured no political considerations will be a part of this investigation or the subsequent prosecutions.

Because this investigation is vital to restoring the public's faith in its government, any appearance of bias, special favor or political consideration would be a further blow to our democracy. Appointment of a special counsel would ensure that the investigation and prosecution will proceed without fear or favor and provide the public with full confidence that no one in this country is above the law.

We know you share our commitment to restoring the public's trust in our government. We hope you will take the only appropriate action here and appoint a special counsel so we can ensure that justice is done while preserving the integrity of the Justice Department.

We look forward to hearing from you on this matter soon.

Harry Reid; Charles E. Schumer; Ken Salazar; Barack Obama; Dick Durbin; Robert Menendez; Ted Kennedy; Daniel K. Inouye; Blanche L. Lincoln; Kent Conrad; Jack Reed; Evan Bayh; Carl Levin; Joe Lieberman; Debbie Stabenow; John F. Kerry; Bill Nelson; Frank R. Lautenberg; Barbara Mikulski; Dianne Feinstein; Patty Murray; Daniel K. Akaka; Maria Cantwell; Hillary Rodham Clinton; Ron Wyden; Barbara Boxer; Jim Jeffords; Max Baucus; Joe Biden; Chris Dodd; Patrick Leahy; Russell D. Feingold; Tim Johnson; Paul Sarbanes; Tom Carper; Jeff Bingaman.

BIDEN, DASCHLE, SCHUMER, LEVIN LETTER TO BUSH

UNITED STATES SENATE,
Washington, DC, October 9, 2003.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: We write to express our continuing concerns regarding the manner in which your Administration is conducting the investigation into the apparently criminal leaking of a covert CIA operative's identity. You have personally pledged the White House's full cooperation in this investigation and you have stated

your desire to see any culprits identified and prosecuted, but the Administration's actions are inconsistent with your words.

Already, just 14 days into this investigation, there have been at least five serious missteps.

First, although the Department of Justice commenced its investigation on Friday, September 26, the Justice Department did not ask the White House to order employees to preserve all relevant evidence until Monday, September 29. Every former prosecutor with whom we have spoken has said that the first step in such an investigation would be to ensure all potentially relevant evidence is preserved, yet the Justice Department waited four days before making a formal request for such documents.

Second, when the Justice Department finally asked the White House to order employees to preserve documents, White House Counsel Alberto Gonzales asked for permission to delay transmitting the order to preserve evidence until morning. That request for delay was granted. Again, every former prosecutor with whom we have spoken has said that such a delay is a significant departure from standard practice.

Third, instead of immediately seeking the preservation of evidence at the two other Executive Branch departments from which the leak might have originated, i.e., State and Defense, such a request was not made until Thursday, October 1. Perhaps even more troubling, the request to State and Defense Department employees to preserve evidence was telegraphed in advance not only by the request to White House employees earlier in the week, but also by the October 1st Wall Street Journal report that such a request was ''forthcoming'' from the Justice Department. It is, of course, extremely unusual to tip off potential witnesses in this manner that a preservation request is forthcoming.

Fourth, on October 7, White House spokesperson Scott McClellan stated that he had personally determined three White House officials, Karl Rove, Lewis Libby and Elliot Abrams, had not disclosed classified information. According to press reports, Mr. McClellan said, ''I've spoken with each of them individually. They were not involved in leaking classified information, nor did they condone it.'' Clearly, a media spokesperson does not have the legal expertise to be questioning possible suspects or evaluating or reaching conclusions about the legality of their conduct. In addition, by making this statement, the White House has now put the Justice Department in the position of having to determine not only what happened, but also whether to contradict the publicly stated position of the White House.

Fifth, and perhaps most importantly, the investigation continues to be directly overseen by Attorney General Ashcroft who has well-documented conflicts of interest in any investigation of the White House. Mr. Ashcroft's personal relationship and political alliance with you, his close professional relationships with Karl Rove and Mr. Gonzales, and his seat on the National Security Council all tie him so tightly to this White House that the results may not be trusted by the American people. Even if the case is being handled in the first instance by professional career prosecutors, the integrity of the inquiry may be called into question if individuals with a vested interest in protecting the White House are still involved in any matter related to the investigation.

We are at risk of seeing this investigation so compromised that those responsible for this national security breach will never be identified and prosecuted. Public confidence in the integrity of this investigation would be substantially bolstered by the appointment of a special counsel. The criteria in the Justice Department regulations that created the authority to appoint a Special Counsel have been met in the current case. Namely, there is a criminal investigation that presents a conflict of interest for the Justice Department, and it would be in the public interest to appoint an outside special counsel to assume responsibility for the matter. In the meantime, we urge you to ask Attorney General Ashcroft to recuse himself from this investigation and do everything within your power to ensure the remainder of this investigation is conducted in a way that engenders public confidence.

Sincerely,

TOM DASCHLE.
JOSEPH R. BIDEN.
CARL LEVIN.
CHARLES E. SCHUMER.

Mr. GRAHAM. I guess the difference is we are supposed to trust Democratic administrations, and we can't trust Republican administrations. I guess that is the difference. It is the only difference I can glean here. Certainly, the subject matter in question is as equal to or more serious in terms of how it has damaged the Nation and in terms of the structure of a special counsel. If we thought it was necessary to make sure the Abramoff investigation could lead to high-level Republicans, which it did, and if we thought the Valerie Plame case needed a special counsel to go into the White House because that is where it went, why would we not believe it would help the country as a whole to appoint somebody we can all buy into in this case, give them the powers of a special counsel? That is what was urged before when the shoe was on the other foot.

This is a very big deal. We are talking about serious criminal activity. Apparently, the suspects are at the highest level of government, and I believe it was done for political purposes. To not appoint a special counsel would set a precedent that I think is damaging for the country and is absolutely unimaginable in terms of how someone could differentiate this case from the other two we have talked about.

To my Democratic colleagues: Don't go down this road. Don't be part of setting a precedent of not appointing a special counsel for some of the most serious national security leaks in recent memory—maybe in the history of the country—while at the same time most of my Democratic colleagues were on the record asking about a special counsel about everything and anything that happened in the Bush administration. This is not good for the country.

Mr. MCCAIN. I appreciate the indulgence of my colleagues.

UNANIMOUS CONSENT REQUEST

As in legislative session, I ask unanimous consent that the Senate now proceed to the consideration of a resolution regarding the recent intelligence leaks, which means the appointment of a special counsel, which is at the desk. I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Is there objection?

Mr. WYDEN. Reserving the right to object——

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Mr. President, I have served on the Intelligence Committee for 11 years now, and I have seen during that time plenty of leaks. I have tried with every bit of my energy to demonstrate how serious an issue this leaking matter is. In fact, I teamed up with Senator Bond—our colleagues remember Senator Bond, of course—and I sponsored legislation to double—double—the criminal penalty for those who leak, for those who expose covert agents. So I don't take a back seat to anybody in terms of recognizing the seriousness of leaks and ensuring that they are dealt with in an extremely prompt and responsive fashion.

What is at issue here is whether we are going to give an opportunity for U.S. attorneys—professionals in their fields—to handle this particular inquiry. I see no evidence that the way the U.S. attorneys are handling this investigation at this time is not with the highest standards of professionalism.

I have disagreed with the Attorney General on plenty of issues. My colleagues know I have been particularly in disagreement with the Attorney General on this issue of secret law. I think there are real questions about whether laws that are written in the Congress are actually the laws that govern their interpretations. So I have disagreed with the Attorney General on plenty of matters. I think I have demonstrated by writing that law with Senator Bond that I want to be as tough as possible on leakers.

But I would now have to object to the request from our colleague from Arizona simply because I believe it is premature. For that reason, Mr. President, I object to the request from the Senator from Arizona.

The PRESIDING OFFICER. Objection is heard.

The Senator from Oklahoma.

PRESIDENT'S WAR ON COAL

Mr. INHOFE. Mr. President, I think I have time reserved now for up to 30 minutes. I wish to first of all say that the subject we have been listening to is life threatening. It is critical. That is not why I am down here today because we have something else that is very important.

I have come to the floor today with some breaking news. The momentum to stop President Obama's war on coal is now so great that some of my colleagues—Senators ALEXANDER and PRYOR—are going to introduce a countermeasure to my resolution. My resolution would put a stop to the second most expensive EPA regulation in history—a rule known as Utility MACT, with which the occupier of the chair is very familiar. The countermeasure is a cover bill, pure and simple.

While my resolution requires the EPA to go back to the drawing board

to craft a rule in which utilities can actually comply, the measure that Senators ALEXANDER and PRYOR are offering would keep Utility MACT in place but delay the rule for 6 years. This alternative is a clear admission that the Obama EPA's policy is wrong, but it does not fix the problem. It simply puts off the day of execution for a matter of 6 years.

What is really going on here? Since my S.J. Res. 37 is a privileged motion, it must be voted on by Monday, June 18, unless we extend it, which I would be willing to do, until after the farm bill takes place. That might be a better idea. It requires 50 votes to pass. The Alexander-Pryor cover bill will likely be introduced tomorrow. It is a bill that will likely never be voted on and would require 60 votes to pass. Therefore, the Senators who want to kill coal by opposing S.J. Res. 37 will put their names on the Alexander-Pryor bill as cosponsors to make it look as if they are saving coal, when in reality that bill, the Alexander-Pryor bill, kills coal in 6 years.

We have seen this before. I remember when we considered the Upton-Inhofe Energy Tax Prevention Act when it came to the floor last year. It was a measure that would have prevented the EPA from regulating greenhouse gases under the Clean Air Act. I would like to expand on that, but there is not time to do that.

My colleagues offered a number of counteramendments so they could have a cover vote. They wanted to appear as if they were reining in the out-of-control EPA—and I think everybody knows what is going on right now with all those regulations—for their constituents back home, all the while letting President Obama go through with his job-killing regulations. Some chose to vote for the only real solution to the problem—the Energy Tax Prevention Act—and some chose the cover vote. But all in all, 64 Senators went on record that day as wanting to rein in the EPA. But some of them did not have the courage to stand by it.

Of course, it is highly unlikely the Utility MACT alternative by Senators ALEXANDER and PRYOR will ever get a vote, but that is not the point. The point is just to have something out there that Senators in a tough spot can claim to support.

As I have said many times now, the vote on S.J. Res. 37 will be the one and only opportunity to stop President Obama's war on coal. This is the only vote. There is no other vote out there. If we do not do this, and that rule goes through—Utility MACT—coal is dead. This is the only chance we have.

Fortunately, we have a thing called the CRA. It is a process whereby a Senator can introduce a resolution to stop an unelected bureaucrat from having some kind of an onerous regulation. That is exactly what I have done with this. But this is the only chance for my colleagues to show constituents who they do stand with. Which of my colleagues will vote for the only real solution, which is my resolution, and which of my colleagues will vote for a cover vote?

What has changed over the past few weeks to the extent of my colleagues suddenly feeling it necessary for a cover vote?

A lot has changed because the American people are speaking up, and they are not happy about the Obama EPA. When I go back to Oklahoma, that is all I hear. It does not matter if you are in the ag business, if you are in the military business, if you are in the manufacturing business, they are all talking about the onerous regulations that are taking place in the EPA. I am pleased to say we have picked up the support of groups representing business and labor. Even more encouraging is a growing number of elected officials are working across the aisle to save coal. The Senate has taken notice, and the first Senate Democrats are beginning to come on board.

I want to commend Senator JOE MANCHIN, who happens to be occupying the chair at this time, and Senator BEN NELSON. They were the first two Senate Democrats to come out publicly in support of our resolution. I must say, I am very glad to see that they have made the right choice to stand with their constituents.

Senator MANCHIN's announcement came just after the Democratic Governor of West Virginia, Governor Tomblin, sent a letter asking him, as well as Senator ROCKEFELLER, to vote for my resolution because, he said, EPA's rules have—and I am quoting now the Democratic Governor of West Virginia; and the occupier of the chair will know this—EPA's rules have ''coalesced to create an unprecedented attack on West Virginia's coal industry.'' Still quoting, he said: ''This attack will have disastrous consequences on West Virginia's economy, our citizens and our way of life,'' and that EPA ''continues on this ill-conceived path to end the development of our nation's most reliable cost-effective source of energy—coal.''

I am very proud of a lot of the officials in West Virginia for what they have come out with. Governor Tomblin is not the only Democrat to be concerned. West Virginia Lieutenant Governor Jeffrey Kessler sent a separate letter to the West Virginia Senators and others asking them to pass S.J. Res. 37 in order to save what he called West Virginia's ''most valuable state natural resource and industry.'' He reminded the Senators that:

> On May 25, 2012, the State of West Virginia challenged the MATS rule—

that is the kill coal rule—

> and cited four reasons the defective rule should be rejected.

That is not all. A group of bipartisan State legislators from West Virginia also wrote the Senators and others urging them to support S.J. Res. 37 out of concern for the devastating impact on West Virginia. As they wrote:

> Several West Virginia power plants have announced their closure and the loss of employment that comes with it. Additionally, it is projected that with the implementation of this rule, consumer electric rates will skyrocket.

We all know that is true. Even the President has stated that.

I wish to note that we have support from nearly 80 percent of the private sector—those businesses that President Obama claims are ''doing just fine.'' Apparently, they do not think they are doing all that fine. American businesses are suffering because of aggressive overregulation by the Obama administration.

Let me take a minute to read the names of just some of the groups that are supporting our efforts to pass S.J. Res. 37: The National Federation of Independent Business, the U.S. Chamber of Commerce, the American Farm Bureau, the National Association of Manufacturers, the Industrial Energy Consumers of America, the American Chemistry Council, the Association of American Railroads, the American Forest and Paper Association, the American Iron and Steel Institute, the Fertilizer Institute, the Western Business Roundtable, and the National Rural Electric Cooperative Association.

That is just part of it.

Then the unions. The unions are coming too—I have talked about the businesses and read all of their groups—they have come to stop the overregulation that is killing jobs. Cecil Roberts, I had the occasion to meet him once. He is the president of the United Mine Workers, one of the largest labor unions in the country. He recently sent a letter to several Senators saying the union's support for my resolution is ''based upon our assessment of the threat that the EPA MATS rule''—that is the coal-killing rule—''poses to United Mine Workers Association members' jobs, the economies of coal field communities, and the future direction of our national energy policy.''

Remember, Cecil Roberts is the one who traveled across the country in 2008 campaigning for President Obama. But after 4 years of his regulatory barrage designed to kill the mining jobs his union is trying to protect, Mr. Roberts has said his group may choose not to endorse President Obama or just sit the election out. As he explained:

> We've been placed in a horrendous position here. How do you take coal miners' money and say let's use it politically to support someone whose EPA has pretty much said, ''You're done''?

With even Democrats and unions supporting my effort to save millions of jobs that depend on coal, EPA has to be feeling the pressure.

Gina McCarthy, the Assistant Administrator of EPA's Office for Air and Radiation, came out with a statement last week vehemently denying that Utility MACT and EPA's other rules are an effort to end coal. She said:

This is not a rule that is in any way designed to move coal out of the energy system.

Everybody knows better than that.

EPA Administrator Lisa Jackson echoed this sentiment saying that it is simply a coincidence that these rules are coming out at the ''same time'' that natural gas prices are low so utilities are naturally moving toward natural gas. Her message was: Do not blame the EPA.

Last week on the Senate floor, I described why their public health and natural gas arguments do not hold up, so I will not go into that today. But what I wish to focus on today is that these claims backing up their efforts to kill coal are just a part of the far-left environmental playbook.

There is a pretty big difference between what EPA is saying publicly and what they are saying when they talk with their friends, when they feel as though they can let their guard down and admit what is really going on down at the EPA. That is exactly what happened in a video recently uncovered of Region 6 Administrator Al Armendariz. While President Obama was posing in front of an oil pipeline in my State of Oklahoma pretending to support oil and gas, Administrator Armendariz told us the truth, that EPA's ''general philosophy'' is to ''crucify'' and make examples of oil and gas companies.

You may remember last week when I spoke on the Senate floor, I talked about a newly discovered video of EPA Region 1 Administrator Curt Spalding who is caught on tape telling the truth to a group of his environmental friends at Yale University. At a gathering there, he said that EPA's rules are specifically designed to kill coal and that the process isn't going to be pretty.

He openly admitted:

If you want to build a coal plant you got a big problem.

He goes on to say that the decision to kill coal was ''painful every step of the way'' because it will devastate communities in Virginia, Pennsylvania, and any area that depends on coal for jobs and livelihoods. That is kind of worth repeating. He said it is going to be painful. At least he recognized that. And we all know exactly what he is talking about.

I read his whole quotes on the floor of the Senate. They are a little too long to read now. But he talks about how painful it is going to be for all these families who are losing their jobs because we are killing coal.

I talked a lot about President Obama's war on coal last week, but what I did not have time to address was the Obama administration's allies in this war. It would come as no surprise that Administrator Spalding and, indeed, many at EPA are working hand in hand with the far-left environmental groups to move these regulations to kill coal.

Last July, Administrator Spalding spoke at a Boston rally for Big Green groups—that is capitalized: ''Big Green''—supporting EPA'S Utility MACT rule. That is the rule that would kill coal. In a YouTube video of this rally, Administrator Spalding gushes over the environmental community, thanking them profusely for ''weighing in on our behalf.'' So here we have EPA admitting that Big Green is working for them.

His whole speech was directly out of the environmental playbook. This is something that really exists: the environmental playbook. It was all about the so-called health benefits of killing coal. And he said:

Don't let anybody tell you these rules cost our economy money.

This is out of their playbook.

Administrator Spalding is not alone in his alliance with Big Green. Also appearing with these far-left environmental groups was Region 5 Administrator Susan Hedman. According to Paul Chesser, an associate fellow for the National League and Policy Center, Hedman told supporters at the rally:

We really appreciate your enthusiastic support for this rule. It's quite literally a breath of fresh air compared with what's going on in the nation's capital these days.

Of course, the former EPA region 6 Administrator Armendariz showed us again last week just how close EPA's relationship is with the far left groups. Armendariz had agreed to testify before Congress. It was actually over in the House, but at the last minute he canceled. As it turns out, Armendariz was in Washington that day. But while he apparently could not find time to testify before Congress, he did have time to stop by the Sierra Club for what has been described by the group as a private meeting. I suspect that Armendariz was there for a job interview. His ''crucify them'' resume makes him the perfect candidate.

Of course, EPA and their Big Green allies cannot tell the public the truth that they are crucifying oil and gas companies or that their efforts to kill coal will be ''painful every step of the way'' so they are deceiving the public with talking points from their playbook. When I say ''playbook,'' I mean a literal document telling activists exactly how to get the emotional effects they want.

We recently got a copy of this, and I have to say its contents are quite revealing. It comes from usclimatenetwork.com, a coalition of several major environmental groups, and it is a guideline for environmental activists when they attend hearings with the EPA to support the agency's greenhouse gas regulations.

A quick search revealed it was apparently written by a key player in the Sierra Club's Beyond Coal campaign, which is an aggressive effort to shut down all coal plants across America. After offering some tips on the word limit and how to deliver the message, the document urges activists to make it personal. It asks: Are you an expectant or new mother? Grandparent? If so, it suggests you bring your baby to the hearing. As it states, some examples of great visuals are ''holding your baby with you at the podium or pushing them in strollers, baby car seats,'' and so forth. ''Older children are also welcome.'' It encourages the visual aids of ''Asthma inhalers, medicine bottles, healthcare bills'' and all these other things that are good visuals.

The American Lung Association certainly took a page of this playbook. We have all seen the commercials of the red buggy in front of the Capitol. Of course, the Sierra Club put their principles to practice by inundating the American people with images of small children with inhalers.

The posters for the Beyond Coal campaign also featured abdomens of pregnant women with an arrow pointing to the unborn baby. The words on the arrow are, ''This little bundle of joy is now a reservoir for mercury.'' Another one says, ''She's going to be so full of joy, love, smiles, and mercury.''

Of course, the supreme irony is that the campaign that claims to be protecting this unborn child is the same one that is aggressively prochoice. It is coming from a movement that believes there are too many people in the world and actively advocates for population control and abortion.

Just after a hearing in May of this year, the Sierra Club posted pictures of their efforts. Sure enough, there is one of Mary Anne Hitt, director of the Sierra Club's Beyond Coal campaign, holding her 2-year-old daughter Hazel. But for all their efforts, it is clear the campaign is about one thing only; that is, killing coal.

At a hearing, Mary Anne Hitt with the Sierra Club said, ''We are here today to thank the Obama administration and to show our ironclad support for limiting dangerous carbon pollution being dumped into the air.'' She apparently sees the Obama administration as the closest ally in the Sierra Club's effort, and she has said about the Beyond Coal campaign:

Coal is a fuel of the past. What we're seeing now is the beginning of a growing trend to leave it there.

Of course, it is not just coal they want to kill; they want to kill coal, oil, and gas. A lot of people do not realize that. It was not long ago that Michael Brune, the executive director of the Sierra Club, said:

As we push to retire coal plants, we're going to work to make sure we are not simultaneously switching to natural gas infrastructure. And we're going to be preventing new gas plants from being built wherever we can.

So it is not just coal. It is oil. It is gas. We have to ask the question—at least I get the question asked when I go back to my State of Oklahoma because there are normal people there. They say: If we do not have coal, oil, and gas, how do you run this machine called America? The answer is we cannot.

As this vote on my Utility MACT resolution approaches, look for many of

my liberal friends to take their arguments directly out of the far left environmental playbook. Get ready to see lots of pictures of babies and children using inhalers. But these are the same Members who voted against my Clear Skies bill, that would have given us a 70-percent reduction in real pollutants, I am talking about SOx, NO_X, and mercury. We had that bill up, and that was one that would have actually had that reduction—a greater reduction than any President has advocated. When President Obama spoke—at that time he was in the Senate—he said: I voted against the Clear Skies bill. In fact, I was the deciding vote, despite the fact that I am from a coal State and half my State thought I had thoroughly betrayed them because I thought clean air was critical and global warming was critical.

At an April 17 hearing this year, Senator BARRASSO and Brenda Archambo, of the Sturgeon for Tomorrow, who testified before the EPW Committee, ''Would Michigan lakes, sturgeon, sportsmen, families have been better off had those reductions already gone into effect when they had the opportunity to pass [Clear Skies]?''

Her answer was yes. We are talking about, by this time, 6 years from now, we would have been enjoying those reductions. There are crucial differences between Clear Skies and Utility MACT. Clear Skies would have reduced the emissions without harming jobs and our economy because it was based on a commonsense, market-based approach. It was designed to retain coal in American electricity generation while reducing emissions each year.

On the other hand, Utility MACT is specifically designed to kill coal as well as all the good-paying jobs that come with it. EPA itself admits the rule will cost $10 billion to implement, but $10 billion will yield $6 million in benefits. Wait a minute. That does not make sense. That is a cost-benefit ratio between $10 billion and $6 million of 1,600 to 1.

If their campaign is so focused on public health, why did Democrats oppose our commonsense clean air regulations? Very simple. Because we did not include CO_2 regulation in the Clear Skies legislation. President Obama's quote only verifies that. He is on record admitting he voted against these health benefits because regulating greenhouse gases, which have no effect whatsoever on public health, was more important. In other words, the real agenda is to kill coal.

Just before President Obama made the decision to halt the EPA's plan to tighten ozone regulations, the White House Chief of Staff Bill Daley asked: ''What are the health impacts of unemployment?'' That is one of the most important questions before this Senate in preparation for the vote on my resolution to stop Utility MACT. What are the health impacts on the children whose parents will lose their jobs due to President Obama's war on coal? What are the health impacts on children and low-income families whose parents will have less money to spend on their well-being when they have to put more and more of their paychecks into the skyrocketing electricity costs?

EPA Administrator Spalding gave us a clue about the impacts of unemployment. It would be, as he said, ''Painful. Painful every step of the way.'' Do my colleagues in the Senate truly want that? I deeply regret that I have to be critical of two of my best friends in the Senate, Senators ALEXANDER and PRYOR, particularly Senator PRYOR. Three of my kids went to school with him at the University of Arkansas. He is considered part of our family. He is my brother. But if someone has been to West Virginia and to Ohio and to Illinois, to Michigan, to Missouri, and the rest of the coal States, as I have, and personally visited with the proud fourth- and fifth-generation coal families, as I have and certainly the occupier of the chair has, they know they will lose their livelihood if Alexander-Pryor saves the EPA's effort to kill coal. I cannot stand by and idly allow that to happen.

Let me conclude by speaking to my friends in this body who have yet to make up their minds as to whether they will support my resolution. I know everyone in the Senate wants to ensure we continue to make the tremendous environmental progress we have made over the past few years. We truly have.

The Clean Air Act many years ago cleaned up the air. We have had successes. Unfortunately, this administration's regulations are failing to strike that balance between growing our economy and improving our environment. Rather, this agenda is about killing our ability to run this machine called America.

Again, I wish to welcome the support of Senators MANCHIN and BEN NELSON, who listened to their constituents. It is the rest of the Senators from the coal States that I am concerned about. What about Senators LEVIN and STABENOW, who come from a State that uses coal for 60 percent of its electricity?

What about Senator CONRAD from a State with 85 percent of the electricity coming from coal? In Ohio, where Senator BROWN is from, 19,000 jobs depend on coal. Then there is Virginia, home of Senators WARNER and WEBB, which has 31,660 jobs, a 16 to 19 percent increase in the electric rates.

Arkansas, the war on coal there, that is 44.9 percent of electricity generation in the State of Arkansas; Tennessee, 52 percent of electricity generation, 6,000 jobs; Missouri, 81 percent of electricity generation—81 percent in the State of Missouri. That is 4,600 jobs at stake; Montana, 58 percent; Louisiana, that is 35 percent of electricity generation. These are all States that depend on coal for their electricity generation; lastly, Pennsylvania, 48.2 percent of electricity generation, 49,000 jobs would be lost in Pennsylvania if utility MACT is passed. That is significant. I would not be surprised if all these Senators from coal States that I just mentioned will vote for the bill of Senators ALEXANDER and PRYOR that says: Let's kill coal, but let's put it off for 6 years.

I repeat. It does not do any good to delay the death sentence on coal 6 years. Contracts will already be violated and the mines will be closed. So I say to my colleagues that their constituents will see right though those of who choose a cover vote. The American people are pretty smart. They know there is only one real solution to stop, not just delay, EPA's war on coal.

I hope they will join Senators MANCHIN and NELSON and me and several others and stand with the constituents, instead of President Obama and his EPA, which will make it painful every step of the way for them all. We need to pass S.J. Res. 37 and put an end to President Obama's war on coal. This is the last chance we have to do this. There is no other vote coming along.

If a Senator does not want to kill coal, they have to support S.J. Res. 37. It is our last chance to do it. Again, we do not know when this is going to come up. It is locked in a time limit, unless we, by unanimous consent, increase that time. I have no objection to putting it off until after the farm bill because that is a very important piece of legislation. So we will wait and see what takes place.

I yield the floor.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2:15 p.m.

Thereupon, the Senate, at 12:28 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. WEBB).

EXECUTIVE SESSION

NOMINATION OF ANDREW DAVID HURWITZ TO BE UNITED STATES CIRCUIT JUDGE FOR THE NINTH CIRCUIT—Continued

The PRESIDING OFFICER. The Senator from South Carolina.

SPENDING

Mr. DEMINT. Mr. President, I will speak for a few minutes on the farm bill, which we are debating this week.

Four years ago, President Obama was elected on the promise of change, the promise to cut the deficit in half in the first term, and to get unemployment, before the end of his first term, to a low of 6 percent. We all know what happened to those promises.

Two years ago, a wave of Republicans were elected with the promise of cutting spending, borrowing, and debt. Yet debt has continued to explode, as has spending. We were promised change,

but we got more of the status quo—a lot more of it. We got a lot more spending, borrowing, and debt—to the point where most Americans, at this point, are deeply concerned about the future of their country.

Americans are still demanding change, and for good reason. We must change the way business in Washington is done because we are nearly $16 trillion in debt. We talk about the debt all the time, and these numbers are facts. We are poised to spend nearly $1 trillion more on a massive farm bill that some people in Washington have the nerve to tell the American people saves money.

I want to talk a little bit about that because we obviously need to save money. But despite all the fuss about the need to cut spending, the debt ceiling debate, and the fact that we are actually cutting our military defenses to the bone because of our overspending in other areas, let's look at what we have done this year as a Senate. We passed a highway bill that spent $13 billion bailing out a highway trust fund because we spent too much there. We have spent another $140 billion in corporate welfare reauthorizing the Export-Import Bank. We passed an $11 billion Postal Service bailout. Now we are working on a $1 trillion farm bill.

No one here can bring up one bill where we have actually cut spending. Yet we know our country is going off a fiscal cliff. The farm bill supporters are telling us this bill saves money. Unfortunately, we are using the same smoke-and-mirror accounting that is often used in Washington—a lot of gimmicks that make it appear less expensive—and it is an affront to the American people who are demanding less spending and debt.

There is absolutely no connection between what some of my colleagues are telling their constituents back home and what they are doing in Washington as far as cutting spending. They talk about cutting spending, but now they want to pass this farm bill.

The farm bill we are debating today is projected by the CBO to cost about $1 trillion over the next 10 years. The last farm bill cost $600 billion. This is a 60-percent increase.

If we look at these numbers on the chart, you can understand the rest of the debate. The Congressional Research Service has confirmed these numbers. In 2008 we passed a farm bill that was projected to spend $604 billion over 10 years. The bill we are considering today is projected to spend nearly $1 trillion—$969 billion. Yet the folks who are speaking about the farm bill here are telling us this saves some $20 billion. Only in Washington could they look at you with a straight face and say this saves money.

Let's talk about how they actually get that figure.

In 2008 it was about $600 billion. This farm bill is about $1 trillion. What happened in the meantime was mostly the President's stimulus package, which spent about $1 trillion. It had a lot of money in it for food stamps. It was a short-term, temporary stimulus, supposedly with a lot of new money for food stamps.

Between 2008 and now, we have increased food stamp spending about 400 percent—400 percent. I think that number actually goes back to 2000. During periods of good economy and low unemployment, we increased food stamps, and we have continued to increase that dramatically over the last few years. There was supposed to have been a temporary increase in food stamps. We are actually locking in that spending permanently with this new farm bill. But since it is slightly lower than this temporary increase, the folks speaking to us today are saying: This is big savings, America. We are saving money on the farm bill. It is actually a 60-percent increase in the last farm bill.

There is only one question: Does this bill really save money? The answer is absolutely not. Instead of doing the reforms we need in the Food Stamp Program, which, frankly, is about 75 percent or more of this bill, we are passing a farm bill that locks in what is supposed to be a temporary spending level for food stamps over the next 5 years.

What is really in this farm bill? A lot of it is food stamps. There is some foreign aid. There are some things for climate change. There is housing and foreclosure. And there is broadband Internet. It is a catch-all for a lot of things. But in order for us to get what we need for the pharmaceutical industry in America, we have to agree to this huge additional increase in these other programs.

The stunning expansion in the Food Stamp Program is particularly concerning because more than one in seven Americans is now on the Food Stamp Program. The number of people on the program has increased by 70 percent since 2007 and 400 percent since 2000. This, again, was when our economy was good and unemployment was low. We were still increasing.

Unfortunately, many politicians are using the food stamps to buy votes. The small part of the bill that actually deals with farming replaces one form of corporate welfare for another. The bill eliminates the controversial direct payment system but replaces it with something that many consider far worse—a new program in this bill that is called agricultural risk coverage that promises farmers the government will pay for 90 percent of their expected profits if the market prices decline. Under this scheme, farmers will pay no attention to the laws of supply and demand because the government will guarantee their profits.

Americans want less spending and less debt. All the polls we have looked at—the National Journal poll that came out—said 74 percent of Americans believe the spending on food stamps should stay the same or decrease, and the spending on the farm bill, 56 percent say, should stay the same or decrease. Yet we are increasing it 60 percent.

It is hard to answer the question of why we continue to do this—continue to spend money, borrow money, and talk about the need to cut. Yet for one program after another we increase spending.

I oppose this bill for the reasons I have talked about. It spends $1 trillion. We need an open debate, which we are being told we are not going to have. We are not going to have all the amendments we are talking about, which we need to fix this program. So if the leader decides to limit the debate and limit the amendments, I will absolutely oppose this bill and do everything I can to stop it.

I plead with my colleagues to start telling Americans the truth. This farm bill increases spending. It doesn't save money. It adds to our debt. It locks in spending on a program we need to change, particularly for the beneficiaries of the Food Stamp Program who are not being helped. They are being trapped in a dependent relationship with government indefinitely instead of us doing what will actually help them get a job and improve their status in life.

I encourage my colleagues to oppose this bill.

I yield the floor.

The PRESIDING OFFICER. The Senator from Indiana.

NATIONAL SECURITY LEAKS

Mr. COATS. Mr. President, I rise today to discuss the issue of national security leaks.

A few weeks ago, the world learned that U.S. intelligence agencies and partners disrupted an al-Qaida plot to blow up a civilian aircraft. We are all very familiar with the success of this effort, and we applaud those involved in preventing a truly horrific terrorist attack.

However, my concern today, and has been since that time, is that the public has become too familiar with this successful operation. Specifically, due to an intelligence leak, the world learned of highly sensitive information, sources, and methods that enabled the United States and its allies to prevent al-Qaida from striking again.

This irresponsible leak jeopardizes future operations and future cooperation with valuable sources and intelligence partners overseas. The release of this information—intentional or not—puts American lives at risk as well as the lives of those who helped us in this operation.

Unfortunately, this is not the only recent leak to occur. As a member of the Senate Select Committee on Intelligence, I am deeply concerned about a troubling rash of leaks exposing classified intelligence information that has come out in the last several weeks. This paints a disturbing picture of this administration's judgment when it comes to national security.

There is a questionable collaboration with Hollywood, whereby the Obama

administration decided to give unprecedented access to filmmakers producing a movie on the bin Laden raid—including the confidential identity of one of our Nation's most elite warriors. Discussions with reporters in the aftermath of the raid also may have revealed the involvement of a Pakistani doctor, who was sentenced to 33 years in prison for treason after playing a critical role in the hunt for bin Laden.

The pages of our newspapers have highly classified information publicized pertaining to intelligence operations in Yemen and Iran—currently, the two most concerning foreign policy challenges this Nation faces. This is in addition to the frequency with which top administration officials now openly discuss the once highly classified execution of drone strikes. All too frequently we read in these publications that ''highly placed administration officials'' are the source of confirmation of previously classified information.

Sadly, these incidents are not the first time this Nation's secrets have spilled onto the streets or in the book stores. The problem stems in part from the media's insatiable desire for information that makes intelligence operations look a lot like something out of a Hollywood script. This media hunger is fed by inexcusable contributions from current and former government officials.

Mr. President, I want to repeat that last statement. This media hunger to publish classified information comes from the inexcusable contributions of current and former government officials. We now know that investigations by the FBI, CIA, and now two prosecutors are underway, but more must be done to prevent intelligence disclosures from occurring in the first place.

The question of whether the White House purposely leaked classified information, as the President refutes, is not my main point. Whether it was intentional has little bearing on the results. Highly classified information still got out, and it appears to have been enabled by interviews with senior administration officials.

At this time, I take the President at his word that the White House did not purposely leak classified information. But what about his administration leaking it accidentally or what about mistakenly or—and this is perhaps the best adjective that might apply—what about stupidly? There remain a lot of unanswered questions about the White House's judgment and whether the actions by this administration, intentional or not, enabled highly sensitive information to become public.

The House and Senate Intelligence Committees are working together in a nonpartisan fashion—let me emphasize that we are working together in a nonpartisan fashion—to address this issue. As a member of the committee, I am working with my colleagues to evaluate a range of reforms to reduce or hopefully eliminate the opportunity for future leaks. I wish to commend Chairman FEINSTEIN and Vice Chairman CHAMBLISS for their efforts and genuine interest in moving forward with this, and I thank them for their leadership on this matter. Our committee, working across the Capitol with the House Intelligence Committee, will bring forward recommendations, including legislation, to address this growing problem.

As the Department of Justice conducts its investigations, we cannot lose sight of important questions that must be answered, such as but not limited to the following:

Question No. 1: Why did the White House hold a conference call on May 7 with a collection of former national security officials, some of whom are talking heads on network television, to discuss the confidential operation to disrupt the al-Qaida bomb plot?

Question No. 2: Why is the White House cooperating so candidly with Hollywood filmmakers on a movie about the Osama bin Laden raid, one of the most highly secretive operations in the history of this country? While we don't know the date of the public release of this Hollywood production, we can be sure that any release prior to the November Presidential election will fuel a firestorm of accusations of political motives.

Question No. 3: Why would the confidential identity of elite U.S. military personnel be released to Hollywood filmmakers?

Question No. 4: Why would administration officials even talk to reporters or authors writing books or articles about incredibly sensitive operations?

Question No. 5: Did any administration officials—in the White House or not—authorize the disclosure of classified information?

These are just some of the key questions that must be asked in this investigation. There also remain several questions surrounding the current investigations. The appointment of two prosecutors to lead criminal investigations into the recent leaks is a step forward, but the scope remains unclear, as well as the question of whether we should insist on a special counsel given the current concerns about the credibility of the Justice Department.

Will these investigations focus just on the Yemen and Iran issue or will the leaks involving drone strikes and other leaks that have occurred in the past months also be a target of the investigation?

Will White House officials be interviewed as part of this investigation? Which officials will or will not be available to take part in the investigation? Will those who are former or no longer a part of the administration or the Federal Government or those outside it, including those reporters in question, be a part of this investigation?

Will e-mails or phone calls of administration officials be analyzed to identify who spoke with the reporters and authors in question and when?

Again, whether these officials are intentionally leaking classified information is not the main point. If they put themselves in situations where they are discussing or confirming classified information, they must also be held accountable. Public pressure is required to shape these investigations and to ensure all our questions about these events are answered, which is why I am speaking here today.

Every day, we have men and women in uniform serving around the globe to protect and defend this great country, and every day we have intelligence professionals and national security officers working behind the scenes with allies and potential informants to prevent attacks on our country. These leaks undermine all that hard work and all those countless sacrifices. Additionally, it risks lives and the success of future operations. Not only must we plug these damaging and irresponsible leaks, we also must work to do all we can to eliminate or greatly reduce the opportunity for them to occur in the future.

Criminal prosecution and congressional action is not the only solution. We also need public accountability. Administration officials continue to speak off the record with reporters and authors about classified information even after these recent disclosures. It is a practice that contributes to unwise and harmful consequences.

Purposely or accidentally, loose lips can bring about disastrous results. Perhaps the best advice is the saying: ''You don't have to explain what you don't say'' or maybe it is even simpler than that. Maybe the best advice for those who are privy to confidential information is what former Defense Secretary Robert Gates said, and I paraphrase: Just shut the heck up.

I yield the floor.

Mr. LEAHY. Mr. President, last night the Senate voted to end the Republican filibuster of this outstanding nominee. For the 28th time since President Obama was elected, the majority leader was forced to file cloture to get an up-or-down vote on one of President Obama's judicial nominations. Justice Hurwitz is not a nominee who should have been filibustered. With the support of Senator KYL, the partisan effort to stall yet another judicial nomination was defeated. I thank Senator KYL and the Republican Senators who had the good sense to agree to proceed to an up-or-down vote on this nomination.

By any traditional measure, Justice Hurwitz is the kind of judicial nominee who should have been confirmed easily by an overwhelming, bipartisan majority. Justice Hurwitz has served for 9 years on the Arizona Supreme Court and had a distinguished legal career. He has the support of his home state Senators, both conservative Republicans. He was unanimously rated well qualified by the American Bar Association Standing Committee on the Federal Judiciary. And he was nominated to fill a longstanding judicial emergency vacancy on the overburdened

Ninth Circuit after extensive consultation between the White House and the Arizona Senators.

The campaign that was mounted by the extreme right against this outstanding nominee was wrong. I spoke against it yesterday, as did Senator KYL and Senator FEINSTEIN. Some were attempting to disqualify a nominee with impeccable credentials because a Federal judge for whom that nominee clerked some 40 years ago decided a case with which they disagree, a case that is still reflected as the law of the land. We have seen a number of new and disappointing developments during the last 2 years as Republicans have ratcheted up their partisan opposition to President Obama's judicial nominees. On this nomination, for example, I saw for what I think may be the first time a Senator reverse his vote for a nomination and, instead, oppose cloture and support a filibuster of that same nomination.

Justice Hurwitz's nomination is representative of the new standard that has been imposed on President Obama's judicial nominees since this President took office. After close consultation with home State Senators, President Obama sent to the Senate a nominee with unimpeachable credentials. Indeed, in the near decade that he has served on the Arizona Supreme Court, not one of Justice Hurwitz's decisions has been overturned. Despite the bipartisan support for Justice Hurwitz, and his excellent credentials, partisan Republicans have filibustered this nomination.

I heard some Senate Republicans attempt to mischaracterize Justice Hurwitz's record on the death penalty. Over his 9-year tenure on the Arizona Supreme Court, Justice Hurwitz has personally authored eight opinions and joined numerous other opinions upholding the death penalty. He also responded to both Senator GRASSLEY and Senator SESSIONS that ''the death penalty is a constitutionally appropriate form of punishment'' and that he ''has voted in scores of cases to uphold the death penalty.''

Justice Hurwitz's critics argue that he was the lone dissenter in two rulings involving the death penalty, but in each case Justice Hurwitz did not oppose the death penalty but sought to ensure that due process was followed to guarantee fair justice and prevent reversal on appeal. In State v. Beaty, the State of Arizona had decided overnight to apply a new death penalty execution cocktail, and Justice Hurwitz felt that a new execution warrant was necessary. Justice Hurwitz's dissent was not opposing the death penalty; rather, he specifically requested the court ''immediately issue a new [execution] warrant effective as soon as legally possible.''

In State v. Styers, Justice Hurwitz relied on Supreme Court precedent and held that it prevented the Court from affirming the defendant's death sentence when one aggregating factor had not been tried to a jury. In his dissent, Justice Hurwitz reasoned that a limited proceeding on that aggravating factor was ''constitutionally mandated and will likely bring this case to conclusion more promptly than the new round of federal habeas proceedings that will inevitably follow today's decision.'' Thus, Justice Hurwitz did not ''quarrel with the substance of the determination,'' but felt that the procedural error should have been corrected.

The fact that he successfully argued the case of Ring v. Arizona, where the U.S. Supreme Court found by a 7–2 vote that the Constitution requires a jury trial to establish the aggravating circumstances that make a defendant eligible to receive the death penalty, does not make him an opponent of the death penalty any more than Justice Scalia and Justice Thomas, who supported the decision, oppose the death penalty. That case was principally about the defendant's Sixth Amendment right to a jury trial and it was not a challenge to the death penalty.

Moreover, a ''study'' cited that purports to label Justice Hurwitz as ''pro defendant'' is based on a sample size of only 10 criminal cases—and Justice Hurwitz was not on the bench for four of them. That is hardly representative of Justice Hurwitz's career on the bench and the many criminal appeals Justice Hurwitz has heard and the many convictions he has upheld. Let us be honest about his record.

Justice Hurwitz is an outstanding nominee with impeccable credentials and qualifications. He has a record of excellence as a jurist. Not a single decision he has made from the bench in his nine years as justice has been reversed, and he has the strong support of both Republican Senators from Arizona as well as many, many others from both sides of the political aisle.

A graduate of Princeton University and Yale Law School, Justice Hurwitz served as the Note and Comment Editor of the Yale Law Journal. Following graduation, he clerked on every level of the Federal judiciary: First for Judge Jon O. Newman, who was then U.S. District Judge on the District of Connecticut. Subsequently, he clerked for Judge Joseph Smith of the U.S. Court of Appeals for the Second Circuit. Then he clerked for Justice Potter Stewart of the U.S. Supreme Court.

He then distinguished himself in private practice, where he spent over 25 years at a law firm in Phoenix, Arizona. While in private practice, Justice Hurwitz tried more than 40 cases to verdict or final decision. Justice Hurwitz has also taught classes at Arizona State University's Sandra Day O'Connor College of Law for approximately 15 years on a variety of subjects including ethics, Supreme Court litigation, legislative process, civil procedure, and Federal courts.

By any traditional measure, Justice Hurwitz is the kind of judicial nominee who should be confirmed easily by an overwhelming, bipartisan vote. And now that the Senate has been forced to invoke cloture with 60 votes to end a partisan filibuster, I hope the Senate will vote to confirm him with bipartisan support.

I will conclude by emphasizing what I have been saying for months, that the Ninth Circuit is in dire need of assistance. This nomination should have been considered and confirmed months ago. The Chief Judge of the Ninth Circuit along with the members of the Judicial Council of the Ninth Circuit, wrote to the Senate months ago emphasizing the Ninth Circuit's ''desperate need for judges,'' urging the Senate to ''act on judicial nominees without delay,'' and concluding ''we fear that the public will suffer unless our vacancies are filled very promptly.'' The judicial emergency vacancies on the Ninth Circuit harm litigants by creating unnecessary and costly delays. The Administrative Office of U.S. Courts reports that it takes nearly 5 months longer for the Ninth Circuit to issue an opinion after an appeal is filed, compared to all other circuits. The Ninth Circuit's backlog of pending cases far exceeds other Federal courts. As of September 2011, the Ninth Circuit had 14,041 cases pending before it, far more than any other circuit.

When Senate Republicans filibustered the nomination of Caitlin Halligan to the D.C. Circuit for positions she took while representing the State of New York, they contended that their underlying concern was that the caseload of the D.C. Circuit did not justify the appointment of another judge to that Circuit. I disagreed with their treatment of Caitlin Halligan, their shifting standards and their purported caseload argument. But if caseloads were really a concern, Senate Republicans would not have delayed action on the nominations to judicial emergency vacancies on the overburdened Ninth Circuit for months and months.

So, let us move forward to confirm Justice Hurwitz without further delay. The partisan filibuster against this nomination was wrong. Just as we moved forward after defeating the filibuster of the nomination of Judge Jack McConnell, let us move forward now to vote on the 17 other judicial nominees ready for final Senate action and make real progress in working with the President to fill judicial vacancies around the country.

The PRESIDING OFFICER. The majority leader.

Mr. REID. Mr. President, shortly, we are going to move to confirm the judge whose nomination we voted to move forward to last night. If everyone will be at ease for just a moment.

Let me ask Senator COBURN how long he wishes to speak.

Mr. COBURN. Mr. President, I will speak in conjunction with the majority whip for a short period of time. I don't have a long speech.

Mr. REID. If the Senator will be patient, we will get this done very quickly.

Mr. COBURN. You bet.

Mr. REID. Mr. President, the matter before the Senate is the nomination of Judge Hurwitz; is that right?

The PRESIDING OFFICER. The Senator is correct.

Mr. REID. I yield back all time on this nomination.

The PRESIDING OFFICER. If there is no further debate, all time is yielded back.

The question is, Will the Senate advise and consent to the nomination of Andrew David Hurwitz, of Arizona, to be United States Circuit Judge for the Ninth Circuit.

The nomination was confirmed.

Mr. ALEXANDER. I wonder if the majority leader would permit me to make a brief statement.

Mr. REID. I will in one second.

ORDER OF PROCEDURE

Mr. REID. I ask unanimous consent that immediately upon the adoption of the motion to proceed to S. 3240, there be a period of debate only on the bill until 4 p.m. today and that the majority leader be recognized at that time.

The PRESIDING OFFICER. Is there objection?

There being no objection, it is so ordered.

LEGISLATIVE SESSION

AGRICULTURE REFORM, FOOD, AND JOBS ACT OF 2012—MOTION TO PROCEED

The PRESIDING OFFICER. Under the previous order, the Senate will now resume legislative session and will resume consideration of the motion to proceed to S. 3240, which the clerk will report.

The legislative clerk read as follows:

Motion to proceed to Calendar No. 415, S. 3240, a bill to reauthorize the agriculture programs through 2017, and for other purposes.

The PRESIDING OFFICER. Under the previous order, the motion to proceed is agreed to.

The Senator from Tennessee.

VOTE ON HURWITZ CONFIRMATION

Mr. ALEXANDER. Mr. President, I thank the majority leader. I simply wanted to say I did not object to a voice vote on Mr. Hurwitz's confirmation, but I wished to make this statement.

Last night, I voted for cloture because when I became a Senator, Democrats were blocking an up-or-down vote on President Bush's judicial nominees. I said then that I would not do that and did not like doing that. I have held to that in almost every case since then. I believe nominees for circuit judges, in all but extraordinary cases, and district judges in every case ought to have an up-or-down vote by the Senate.

So while I voted for cloture last night, if we had a vote today, I would have voted no against confirmation because of my concerns about Mr. Hurwitz's record on right-to-life issues.

I thank the Chair and I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. COBURN. Mr. President, I just want to have it noted for the record that I would have voted no on this nominee had we had a recorded vote.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, I associate myself with those last two remarks. I would have also voted no. I wish we had had a recorded vote.

I wasn't able to understand even what the majority leader was saying, it was spoken so softly, but had we had a recorded vote, I would have been listed as no.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Madam President, I was shocked and disappointed to learn that the majority leader came to the floor to yield back all time and move immediately to a voice vote on the nomination of Andrew David Hurwitz to be U.S. Circuit Judge for the ninth circuit. I find this to be quite irregular and outside the recent precedents of this Senate. Typically, Members are informed of such actions in advance. I was not so informed, and I am the ranking member of the Judiciary Committee. I certainly did not intend to yield my time and, in fact, I intended to speak further on the nominee, particularly to make clear some corrections that I think needed to be made after I debated this yesterday.

Regardless of yielding time or further debate, I expected a rollcall vote on this nominee. This has been Senate precedent recently. Before today, cloture was invoked on 22 different judicial nominees. Only 1 of those 22 was confirmed without a rollcall vote—Lavenski Smith to the eighth circuit. Cloture was invoked 94 to 3 on July 15, 2002, and he was confirmed by unanimous consent later that day. Even Barbara Keenan, fourth circuit, had a confirmation rollcall after cloture was invoked 99 to 0.

Furthermore, it has been our general understanding around here for some time that circuit votes would be by rollcall vote. So I am extremely disappointed that there has been a breach of comity around here.

Yesterday I outlined my primary concerns regarding the nomination of Andrew David Hurwitz to be U.S. Circuit Judge for the ninth circuit. I continue to oppose the nomination and will vote no on his confirmation.

I want to supplement and correct the RECORD on a few issues that arose during yesterday's debate. One of the biggest misunderstandings is that opposition to Justice Hurwitz is based on a 40 year-old decision made by a Judge other than Justice Hurwitz. I do not oppose his nomination because of what somebody else did, or because Justice Hurwitz was a law clerk. My opposition, on this issue, is based on what Mr. Hurwitz himself takes credit for.

He authored the article in question, not as a young law clerk, but when he was well established and seasoned lawyer, shortly before joining the Arizona Supreme Court. In that article Justice Hurwitz praised Judge Newman's opinion for its ''careful and meticulous analysis of the competing constitutional issues.'' He called the opinion ''striking, even in hindsight.'' Let me remind you, the constitutional issues and analysis he praises is Newman's influence on the Supreme Court's expansion of the ''right'' to abortion beyond the first trimester of pregnancy. This, Hurwitz wrote, ''effectively doubled the period of time in which states were barred from absolutely prohibiting abortions.''

Hurwitz's article was clearly an attempt to attribute great significance to decisions in which the judge for whom he had clerked had participated. I think by any fair measure, it is impossible to read Justice Hurwitz's article and not conclude that he wholeheartedly embraces Roe, and importantly, the constitutional arguments that supposedly support it.

Now it would not be surprising to learn that Justice Hurwitz might not be a pro-life judge. The question is not his personal views, but his judicial philosophy. He defends the legal reasoning of Roe, despite near universal agreement, among both liberal and conservative legal scholars, that Roe is one of the worst examples of judicial activism in our Nation's history.

I have also raised my concern that Justice Hurwitz's personal views do seep into his decisions as a judge. Yesterday, I discussed his troubling record on the death penalty and how he appears to be pro-defendant in his judicial rulings. Some of my colleagues came to the floor and stated they were unaware of even one case where his personal views influenced his judicial decision making. So I will review a bit of the record.

While in private practice, Justice Hurwitz successfully challenged Arizona's death penalty sentencing scheme in Ring v. Arizona, even though the law previously had been upheld by the Supreme Court of the United States in Walton v. Arizona.

After the Ring decision, Hurwitz, attempted to expand the ruling by asking the Arizona Supreme Court to either throw out each man's death sentence and order a new trial or to resentence each to life imprisonment with the possibility of parole, saying that allowing the previous death sentence to stand would be a ''dangerous precedent.'' The Arizona Supreme Court refused to overturn the convictions and death sentences on a blanket basis, ruling that the trials were fundamentally fair and that the U.S. Supreme Court's ruling didn't require throwing out all the death sentences.

Justice Hurwitz didn't stop there. While on the Arizona Supreme Court,

Justice Hurwitz continued to attempt to expand the scope of the Ring case. His personal opposition to the death penalty appears to have influenced his decisions on the Arizona Supreme Court.

Justice Hurwitz was the lone dissenter in the case of State of Arizona v. Styers. In that case, a jury found James Lynn Styers guilty of the 1989 murder, conspiracy to commit first degree murder, kidnapping, and child abuse of four-year-old Christopher Milke.

Four-year old Christopher was told he was being taken to see Santa Claus, but instead he was taken to the desert and brutally shot in the back of the head.

After years of appeals, the case found itself in federal court, making its way to the Ninth Circuit. In 2008, nearly 19 years after the heart wrenching crime took place, the Ninth Circuit sent the Styers case back to Arizona. In June 2011, some 22 years after this horrific event occurred, the Arizona Supreme Court, in a 4–1 decision, upheld Styers' death sentence. Justice Hurwitz, attempting to cite Ring as authority—the case he argued in while in private practice—was the sole Justice on the Arizona Supreme Court who thought that Christopher's murderer should be given another trial, likely resulting in another round of delays.

If he had his way, the victims in this crime would still be awaiting justice, Arizona taxpayers would be facing unnecessary expenses and society at large would still be waiting for a resolution of the case.

In another death penalty case, State of Arizona v. Donald Edward Beaty, Justice Hurwitz was again the lone dissenter. Donald Beaty was convicted of the May 9, 1984 murder in Tempe of 13-year-old Christy Ann Fornoff. Thirteen-year-old-Christy was abducted, sexually assaulted and suffocated to death by Beaty while collecting newspaper subscription payments.

Beaty, who has been on death row since July, 1985, was scheduled to die by lethal injection at an Arizona Department of Corrections prison in Florence at 10 a.m. on May 25, 2011, more than 27 years after the crime occurred. Beaty's execution was delayed for most of the day as his defense team tried to challenge the Arizona Department of Corrections' decision to substitute one approved drug for another in the state's execution-drug formula. The Arizona Supreme Court ruled 4–1 to lift the stay, with the majority saying Beaty's lawyers hadn't proved he was likely to be harmed by the change. Once again, Justice Hurwitz was the sole dissenter.

If Justice Hurwitz had his way, the State would have had to start over with the death warrant process, leading to additional delays and pain to the victim's family.

So there are two examples of where his death penalty views seeped into his judicial decision making.

As a sitting Justice on the Arizona Supreme Court, Justice Hurwitz tends to be pro-defendant. A study by court watcher and Albany Law School Professor Vincent Bonventre validated the pro-defendant posture of Justice Hurwitz. In a 2008 study, Professor Bonventre examined the criminal decisions in which the Arizona Supreme Court was divided over the previous five years. His study found that Justice Hurwitz was the most pro-defendant member of the Court, siding with the pro-defendant position 83 percent of the time. This is well outside the mainstream for the other members of the Court during the five-year period. As reported by the study, he took a pro-prosecution posture during that five year period only once since he joined the court.

Mr. President, my opposition to Justice Hurwitz is not because of any misbehavior in his youth, silly antics as a college freshman or immature writings in college. I am not suggesting anything like that is in his record, but such examples were raised in the debate yesterday. It is unfortunate that such arguments would have been raised in this serious debate.

I oppose the confirmation of Justice Hurwitz based on his record as a Justice on the Arizona Supreme Court and because of his published views which reflect a judicial ideology that is outside the mainstream.

Madam President, it seems to me that all the business of the Senate is based upon trust between one Senator and another. When the ranking member of the Judiciary Committee isn't notified of this action—or any other Senator—it seems to me that trust has been violated. I won't be satisfied that that trust has been restored unless there is some action taken to have a rollcall vote on this nomination.

I yield the floor.

Mr. ISAKSON. Mr. President, today the Senate confirmed Executive Calendar No. 607, Andrew David Hurwitz, of Arizona, to be United States Circuit Judge for the Ninth Circuit on a voice vote. I request that the RECORD reflect my opposition to the nominee and that I would have voted ''nay.''

OBJECTION TO FURTHER PROCEEDINGS ON THE NOMINATION OF ANDREW HURWITZ

Mr. GRASSLEY. Mr. President, earlier today, the nomination of Andrew Hurwitz, to be United States Circuit Judge for the Ninth Circuit was agreed to by voice vote. It is unclear whether or not a motion to reconsider was made, whether or not a motion to table a motion to reconsider was offered, and whether or not a request was made to notify the President was part of the order.

I object to any further proceedings, including those listed above, based on the fact that a rollcall vote was expected on this nomination.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, for the record, I want to be recorded as an affirmative on the previous nomination.

The PRESIDING OFFICER. The Senator's vote will so be noted.

Mr. DURBIN. Mr. President, I come to the floor now with my friend and colleague from the State of Oklahoma, Senator COBURN, to discuss an amendment we hope to offer to the farm bill, which I believe is the pending matter before the Senate. I will make a brief statement and then yield to my colleague from Oklahoma.

As I said, I come to the floor to speak about an amendment I intend to offer with Senator COBURN. Our amendment would reduce the level of premium support for crop insurance policies by 15 percentage points for farmers with an adjusted gross income over $750,000 a year.

According to a recent GAO report, the Federal Government pays, on average, 62 percent of crop insurance premiums for farmers. Let me put that in perspective. These farmers are buying insurance so they can protect themselves against the risk of low prices or bad weather, and the premiums that are charged to them are collected to pay to those farmers who collect. At the end of the day, 62 percent of the value of the premiums for the crop insurance are paid by the taxpayers. In other words, there is a 62-percent Federal subsidy on these premium support payments for crop insurance across America.

The amendment which I will offer with Senator COBURN would change that. The reason came out very clearly in the GAO report on crop insurance. Last year the Federal Government—the taxpayers—spent $7.4 billion to cover that 62 percent of crop insurance premiums—$7.4 billion in subsidies for crop insurance for farmers, and the amount spent by taxpayers each year has been growing dramatically. To cover roughly the same amount of acres, the Federal Government paid nearly $2 billion more in 2011 than in 2009 because the value of the crops—the price for the crops—had gone up during that period of time.

A point we would like to make and hope our colleagues would note is that 4 percent of the most profitable farmers in America or farming entities accounted for nearly one-third of all the premium support provided by the Federal Government. This is an indication on this chart of what we are talking about. The premium subsidies for 3.9 percent of farmers across America accounted for a little over 32 percent, almost 33 percent of all the Federal premium support subsidies. These are pretty expensive farmers when it comes to the Federal subsidy. Facing stark realities, we can't justify continuing to provide this level of premium support to the wealthiest farmers.

Net farm income has gone up dramatically—in 2011 reaching a record high of $98.1 billion. The USDA forecasts that income will continue to grow at a slightly higher rate than costs over the life of this farm bill

which is before us. And the net income—much like government payments, agricultural payments are concentrated in our largest farms. Farm size has a direct impact on the profit margin of the farm.

We have many large farms in Illinois, certainly across the country, but we have many smaller farmers too. What is the difference? On a smaller farm with lower income, there is less return, less profit, higher risk. According to the USDA, farms with sales ranging from $100,000 to $175,000 have an average profit margin of 1.2 percent. You can see they are close to the edge. They need crop insurance. In a bad year, they are wiped out. But take a look at the larger farms. With more than $1 million in sales each year, their average profit margin is 26.8 percent. There is an economy of scale. There is money to be made. And that is the basis for Senator COBURN and me drawing the line and saying there will be a reduction in the Federal subsidy for crop insurance premiums for the most profitable farms. These larger and wealthier farms can afford to cover more of their own risk, and they should cover more of their own risk.

The single largest recipient of crop insurance premium support last year received $2.2 million to cover the Federal Government's share of the policy to insure nursery crops across three counties in Florida, at a value of $57.7 million.

In another example, an individual received over $1.6 million in premium subsidies to insure corn, potatoes, sugar beets, and wheat across 24 counties in 6 States. The total value of the crops insured: $23.5 million.

Back home in Illinois, a limited liability corporation received nearly $1 million in premium subsidies from the Federal Government to insure corn and soybeans grown in 17 counties across my State. The total value of the crop: $28.4 million.

We are not describing small farms by definition. Are you telling me that a producer insuring a crop valued at $57.7 million will stop participating in the Crop Insurance Program if the Federal Government only pays on average about 50 percent of the premiums instead of the current 62 percent? I don't think so.

Our amendment is simple and straightforward. If you have an adjusted gross income on your farm at or above $750,000, your premium support will be reduced by 15 percentage points. A provision in the underlying bill increasing premium support for beginning farmers—taking care of the new farmers and those with smaller farms—sets a precedent for differentiating premium support based on need. So it isn't a radical notion by any means. Our amendment takes the same technical approach already accepted in the underlying bill. Further, the agriculture community is already very familiar with the use of adjusted income, as it is already applied to title I programs. We have to draw the line somewhere. Our amendment is a commonsense reform that limits the future cost of crop insurance programs.

Let me reassure producers across America and in my home State of Illinois that this is not an attack on crop insurance. We need crop insurance. Everywhere I go, producers tell me crop insurance is the most important tool the Federal Government offers farmers to manage risk. I hear them, and I recognize the role crop insurance has played in managing the Federal role of providing disaster assistance. So I will be very clear. This amendment does not exclude anyone from participating in crop insurance. The vast majority of farmers will see absolutely no change in the level of premium support provided by the Federal Government. This amendment only impacts farmers' largest farms with the highest income—those most able to cover more of their own risk.

Why are we doing this? Because we have a deficit, and we need to deal with it in an honest fashion. The underlying farm bill saves money in direct payments and other means over a number of years, and I commend Senators STABENOW and ROBERTS for that effort.

What Senator COBURN and I will do over the next 10 years is reduce the deficit by another $1.2 billion with this simple change limiting the Federal subsidy and crop insurance to those wealthiest, largest farmers in America. How can we ask Americans to share in any sacrifice, to cut spending, or reduce the debt if we cannot summon the political will to ask the wealthiest farm operations to take such a modest cut in the Federal subsidy for crop insurance?

Mr. President, I yield the floor.

The PRESIDING OFFICER. The clerk will report the pending business.

The legislative clerk read as follows:

A bill (S. 3240) to reauthorize agriculture programs through 2017, and for other purposes.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. COBURN. Mr. President, I wish to comment very clearly on what this amendment does.

Farm and agricultural production in this country is vital both to the country and to our export markets. We have through the years tried many different approaches to make sure we have the stability and the production power in this country for our needs and also to many beneficial aspects of our foreign policy where we use agricultural products for that.

Imagine if you are a business other than agriculture and you have decided that regardless of the mistakes you might make or the uncontrolled variables that might impact your business or the downturn in the economy, that with 62 percent of government funding you can buy an insurance policy that guarantees you a profit. That is what this new farm bill has moved to. That is going to be our agricultural program as far as the Senate is looking at it. There is a real differential there between the rest of business and commerce in America and our farm program. I understand the need for that, but this bill actually increases our costs for the Crop Insurance Program by $5.2 billion as it is written.

What the Senator from Illinois and I have proposed is a commonsense earnings limit that is associated with every other program in title I that would say: We are going to help you, but we are just not going to help you as much because you therefore, and by your own success, have the means to help yourself.

We are going to spend a lot of money on insurance over the next 10 years in this farm bill. It is $94.6 billion. What Senator DURBIN and I are proposing is $1.2 billion in savings.

A lot of people don't realize the advances that our farmers and the industries that supply them have made. As Senator DURBIN pointed out, farm income has been up the last 5 years and is projected to continue to increase. Input costs for fertilizer are going down. Input costs for seed and other chemicals are going up. We want a viable farm program, but what we don't want is the next generation paying for additional wealth for those who, in fact, can afford to insure themselves.

This is a very modest proposal. We could have had an amendment that said: If you make over $750,000, we shouldn't be subsidizing any of your crop insurance. We would still have a crop insurance program for this very well-off 4 percent had we done that. What we said is that now is the time to start looking at that. We will look at it again with the next farm bill, but certainly those who are so well-positioned to maximize profits from agriculture don't need a 62-percent subsidy to their crop insurance.

This is a controversial amendment. We understand that. We know a lot of people are going to disagree with us. But the point is this: At how much income should the average, hard-working American still be paying taxes to supplement your income? And that is really the question. Should a factory worker making $45,000 a year continue to supplement somebody who is making $10 or $12 or $15 million a year through a crop insurance program?

So we are not taking it away. All we are saying is that this needs to be moderated, and moderated in a manner that won't impact anybody except this top 4 percent. If we do that, what we will do is, as the Senator from Illinois said, start solving some of our budget. It is not a lot compared to what our problems are, but the way you get out of trillion-dollar deficits is a billion dollars at a time.

What we are asking and what all of us are going to be asking over the next 2 to 3 years of anybody in this country is to sacrifice some. So what Senator DURBIN and I are doing is saying to the best, to the most efficient, to those

who make the most money, we want you to start sacrificing now by limiting by 15 percent the subsidy that comes to you for this bill. I think it is common sense. It is also fair. I would have gone further in a lot of areas, but I think we have an agreement that this is something we should do, we can do, and it will have no negative impact in terms of our production of agriculture, in terms of quantity or quality.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. ALEXANDER. Mr. President, over the last several years, first as Governor of Tennessee and later as a U.S. Senator, I have learned that healthier air also means better jobs for Tennesseans. That is why I intend to vote to uphold a clean air rule that requires utilities in other States to install the same pollution control equipment the Tennessee Valley Authority is already installing on coal-fired power plants in the TVA region.

TVA alone can't clean up our air. Tennessee is bordered by more States than any other State. We are literally surrounded by our neighbors' smokestacks. If we in Tennessee want more Nissan and Volkswagen plants, we will have to stop dirty air from blowing into Tennessee, and here is why. Back in 1980, I was Governor and Nissan came to Tennessee. The first thing the Nissan executives did was to go down to the State air quality board and apply for an air quality permit for their paint emissions plant. If the air in the Nashville area had been so dirty that Nissan couldn't have gotten an air quality permit for additional emissions, Nissan would have gone to Georgia and we would not be able to say today that one-third of our manufacturing jobs in Tennessee are auto jobs.

Every one of Tennessee's major metropolitan areas is struggling today to meet the standards that govern whether industries can acquire the air quality permits they need to locate in our State.

I once asked the Sevierville Chamber of Commerce leaders to name their top priority. They said to me: Clean air. Now, Sevierville is not necessarily a hotbed of leftwing radicals. Sevier County is the most Republican county in the State. It is nestled right up against the Great Smoky Mountains National Park. It is where Dolly Parton was born. I live in the next county, right up next to Great Smoky Mountains National Park.

East Tennesseans know that 9 million visitors come each year to see the Great Smoky Mountains, not to see the Great Smoggy Mountains, and we want those tourist dollars and the jobs they bring to keep coming. Despite a lot of progress, the Great Smokies is still one of the most polluted national parks in America. Standing on Clingman's Dome—our highest peak, about 6,643 feet—you should be able to see about 100 miles through the natural blue haze about which the Cherokees used to sing. Yet today, on a smoggy day you can see only 24 miles.

There are 546 Tennesseans who work today in coal mining in our State, according to the Energy Information Administration. Every single one of those jobs is important. This has been an important tradition in a few counties in East Tennessee. At the same time, there are 1,200 Tennesseans who work at the Alstom plants in Knoxville and Chattanooga that will supply the country with most of the pollution-control equipment required by this rule. Every one of those Tennesseans' jobs is important too. Of the top five worst cities for asthma in the United States, according to the Asthma and Allergy Foundation of America, three are in Tennessee. They are Memphis, Chattanooga, and Knoxville. Only last year Nashville dropped out of the top 10 worst U.S. cities for asthma. Because of the high levels of mercury, health advisories warn against eating fish caught in many of Tennessee's streams.

According to the Mount Sinai School of Medicine, nationally mercury causes brain damage in more than 315,000 children each year. It also contributes to mental retardation. Half of the man-made mercury in the United States comes from coal-fired power plants. This new rule requires removing 90 percent of this mercury. The rule also controls 186 other hazardous pollutants, including arsenic, acid gases, and toxic metals.

Utilities have known this was coming since 1990 because these 187 pollutants, including mercury, are specifically identified in the 1990 amendments to the Clean Air Act as air pollutants that need to be controlled by utilities. Now the Federal courts have added their weight and ordered the Environmental Protection Agency to control these pollutants.

An added benefit of the rule is that the equipment installed to control these hazardous pollutants will also capture fine particles, a major source of respiratory disease that is primarily regulated under another part of the Clean Air Act. This new equipment will add a few dollars a month to residential electric bills. The EPA estimates a 3-percent increase nationwide. But because the Tennessee Valley Authority has already made a commitment to install these pollution controls, the customers of TVA will pay this rate increase anyway—with the rule or without the rule. To reduce the costs, the Senator from Arkansas, Senator PRYOR, and I will introduce legislation to allow utilities 6 years to comply with the rule, which is a timeline many utilities have requested. Earlier today the Senator from Oklahoma, who is sponsoring a resolution to overturn the rule, referred to the legislation Senator PRYOR and I offered as a cover amendment and suggested in some way that it wasn't a sincere effort. I greatly respect the Senator from Oklahoma. Sometimes we have different points of view, but I have different points of view with the Senator from Minnesota, the Senator from Arkansas, not to mention Senators from almost everyplace in the country. But I respect those different points of view just as I respect Senator INHOFE's different point of view, and I hope he will respect mine. Here is my point of view: Ever since I have been in the Senate, I have introduced legislation to clean up the air in Tennessee. Why have I done that? Because we don't want the Great Smoggy Mountains, we want the Great Smoky Mountains. We don't want to perpetually have three of the top five asthma cities in the country. We don't like health advisory warnings on our streams so we can't eat our fish.

We especially don't want the Memphis Chamber of Commerce to recruit another big auto plant to the big Memphis megasite and then learn that they can't come here because the Memphis area has dirty air and the auto manufacturer can't get a necessary air permit. It would be even worse if that dirty air is blowing in from another State.

So what this rule is about is requiring our neighbors, and the rest of the country, to do the same thing we are already doing. If they don't do it, we have no chance in the world to ever have clean air in Tennessee. Also, if we don't, we will have worse health and fewer jobs.

Now as far as the 6 years goes, the law gives States the right to add a fourth year to the 3 years the utilities have to comply with the law. Today Federal law gives the President of the United States the right to add 2 more years to that, so that is 6 years. In the law today the President and the States could make sure utilities have 6 years to comply with this rule. I believe that makes sense.

If I were the king and could wave a magic wand, that is what I would do. Why would I do that? Because we will be getting environmental benefits over the 6 years. So what will happen is utilities will assess their coal plants, decide which ones are too old or too expensive to operate, decide within 3 years to close those they will not continue to operate, and then they will have 6 years to spread the costs of implementing the expensive pollution-control equipment—most of it is called SCRs and scrubbers—on their coal-fired powerplants.

Most of the utilities have suggested this 6-year timeline as the single best way to clean the air and to do it in a way that has the least impact on electric bills.

So we will introduce our legislation to give utility executives 6 years to implement the rule, but we will also write President Obama a letter and urge him to grant the 6 years so utility executives can have that certainty. Some are saying this rule is anticoal. I say it is pro-coal in this sense because it guarantees coal a future in our clean energy mix. As I have said, the Tennessee Valley Authority has decided to

put the pollution control equipment it needs to make coal clean on all of the coal plants it continues to operate. That doesn't count carbon; that counts all of the hazardous pollution. It counts sulfur, nitrogen, sulfur, mercury, and those sorts of things.

That means, long term, the TVA will be able to produce more than one-third of its electricity from clean coal. That guarantees its future for the foreseeable future in our region, and this is the largest public utility in the world. The rest of our electricity in the Tennessee Valley will come from even cleaner natural gas and from pollution-free nuclear power and hydropower.

Ever since Tennesseans elected me to the Senate, which was about 10 years ago, I have worked hard to clean up our air. Tennesseans know that. Most of them agree with me. They thank me for it when I go home on weekends. They do that because they know if I do not help clean up our air in Tennessee, and if I don't stop dirty air from blowing into our State from other States who don't have pollution controls on their coal plants, that it jeopardizes our health and it jeopardizes our opportunity to continue to be one of the Nation's leading States in attracting auto jobs and in attracting tourists.

I notice on the Senate floor the Senator from Arkansas, Mr. PRYOR, and I thank him for his leadership on the issue and for his practical attitude. I believe we have the same goals, which are, No. 1, clean the air but keep the electric bills down at the lowest possible cost, and we believe we have the most constructive proposal to do that. We hope President Obama will agree with us.

First, we hope the Senate will agree with us and uphold the rule; second, that the President will agree with us and grant 6 years; and, third, if he does not, that the Congress will agree with us and pass a law giving utilities 6 years to spread out the costs.

I thank the President.

I yield the floor.

The PRESIDING OFFICER (Mr. FRANKEN). The Senator from Arkansas.

Mr. PRYOR. Mr. President, I ask that I be given 10 minutes to speak as in morning business.

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

Mr. PRYOR. Mr. President, I would like to commend my colleague from Tennessee and his leadership when it comes to clean air. He has a long history for fighting for clean air in Tennessee in this country, and we share the common goal of maintaining a safe and reliable source of electricity, but also one that is safe for human health.

Cleaner air means better health for Arkansans, for Tennesseans, and for everyone in the entire country. This all started back in 1990 with some Clean Air Act amendments signed by President George H.W. Bush authorizing EPA to regulate air pollutant emissions from powerplants. These regulations have been two decades in the making.

As I said, it started back in 1990, and a lot has changed since then. But one thing that has improved greatly since then is technology. These clean air rules try to make these coal-fired powerplants 90 percent cleaner. They can now achieve that 90 percent reduction from uncontrolled emissions of mercury and other pollutants because of technology. We have the ability to make this achievable today. I don't know if that was true 20 years ago, but it is certainly true today.

I would like to visit with my colleagues for the next few minutes about the plan Senator ALEXANDER has put forward in which I heartily join him. It is a three-step plan:

First, vote no on Senator INHOFE's resolution that we understand will come up sometime in the next several days.

Second, consider voting for the legislation that we are proposing and that we would like to move to the Senate floor within a reasonable amount of time that would basically say all the utility companies get 6 years to comply with these new rules. Again, these new rules that are now on the books and have been on the books since February have been 20 years in the making.

The third step we are proposing is a letter to the President of the United States to urge him in the interim to give the additional 2 years, which he has the authority to do under the law. He can do 2 years with an Executive order.

Let me just walk through those very quickly. Some of the reasons I am going to vote no on Senator INHOFE's resolution of disapproval is because although I believe the EPA is wrong in their timetable, I think 3 years is too short. I don't think that is enough time. As Senator ALEXANDER said a few moments ago, we can do the math that is in the statute and in the regulations, and it probably adds up to 6 years. Let's go ahead and be up front and give them the 6 years. Six years will do it, and that creates certainty. That means people can plan, that means people can schedule equipment, and skilled laborers can come from the United States and not outsourced from overseas, and most of the equipment will be made in the United States. That gives our utility companies time to do all of this.

I think the EPA is wrong in the sense that they are trying to force this over a 3-year period. I think 4 years is a minimum and 6 years is what we really need. I think that just makes the most sense under the circumstances.

With all due respect to Senator INHOFE, for whom I have a lot of respect, his resolution of disapproval is wrong. I think it is the wrong approach. I think it is over the top. It reverses course and, basically, if I understand it, it allows the utility companies to pollute at will. It actually creates a legal problem that I am not sure we adequately discussed on the Senate floor. I am sure we will as we go through this process and as Senator INHOFE's resolution actually comes to the Senate floor, but it creates a legal problem.

If it were to pass, what does the future hold? The law says if a resolution of disapproval passes, then the agency cannot put forward a substantially similar regulation.

What does that mean in this circumstance? There is no legal precedent for that. Some argue if the resolution of disapproval passes, that is it, Katey bar the door; that this is no holds barred, so to speak, when it comes to oil and coal plants and what they can produce.

I certainly hope that is not the case. I don't know if that is the case, but legal experts disagree, and I don't think that is a chance we should take. There is no doubt that sending plumes of mercury and particulate matters and things such as sulfur dioxide, et cetera, creates serious health hazards for children and adults. One can look at the statistics when it comes to heart attacks or premature deaths, asthma, and all kinds of different ailments that human beings suffer. There is no doubt that these coal-fired plants contribute to that.

As we have seen, when we grandfather these plants, they don't, out of the goodness of their hearts, do the things necessary to stop the polluting. What they do is they keep running them because they are grandfathered. That needs to stop at some point in the future as well. I think our approach helps in that way as well.

I talked about the EPA being wrong and I talked about Senator INHOFE having the wrong approach. The third thing I would say is let's extend it, not end it. I think that by making clear we want the full 6 years—the 3 years in the statute, the 1 year in the State, the 2 years that the President has discretion on—I think that 6 years gives everybody ample time to plan, take care of business as they should, and make sure we have electricity capacity in this country.

I would say we need to stop the scare tactics about job loss and the sky is falling and this is the end of the coal industry in America. I completely disagree with that. I think the United States would be very smart to continue to use coal because we have something like 400 years worth of coal usage. We are kind of like the Saudi Arabia of coal. So I am not trying to hurt the coal industry. I am not trying to kill jobs or do anything like that. But I think if we look at the small cost—we have to understand that these plants are worth billions and billions of dollars and we are talking about adding some costs to that. One estimate I saw is it is going to add about 3 percent. But if we look at the balancing of costs of what we are trying to accomplish here versus the health costs in savings we get, there is really no comparison. I think it is fair to say that what the Alexander approach does is it actually

saves kids' lives. It is good for business. It is good for our environment. It is good for our people.

I think what we see here is a false choice that some people are trying to present. Some people say we have to be either pro coal or pro health. That is a false choice. We can be both. We can be pro coal and have a good, robust coal industry. If we were to open a magazine here in Washington or the Washington Post, oftentimes we will see a full-page ad that talks about clean coal. We turn on the television and watch some of the news shows and the coal industry is advertising clean coal. What are they talking about? This is what they are talking about. They are talking about cleaning up these coal plants so we can still use this precious American resource, but we do it in such a way that we eliminate 90 percent of the pollution and the harmful particulates that are in coal—90 percent. That is clean coal. That is what they are talking about.

So let's do this, but let's do it over a 6-year period, not over a 3- or 4-year period. Let's not force ourselves into a false choice. Let's do the right thing for this generation and the generations to come.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. ALEXANDER. I wish to congratulate the Senator from Arkansas for his very clear explanation of what we are about here. The United States produces 25 percent of all the wealth in the world every year. In order to do that, we use about 20 to 25 percent of all of the electricity in the world. We need low-cost, reliable, large amounts of clean electricity and we need for coal to have a secure part of the future of our clean energy mix.

I have said for years, we know what to do about sulfur, nitrogen, mercury, and the hazardous pollutants. We have the pollution control equipment to capture all of those. We can make the coal clean, except for carbon, so let's put that over here on the side for a minute. We can make the coal clean and we should do it. We should have done it in a law over the last few years. We have had 15 Senators equally divided on both sides of the aisle trying to pass a law. We couldn't get it done so we defaulted to the EPA, so now they have had to do the rule. But the Congress amended the Clean Air Act in 1990 we told EPA to write this rule. In the law, it listed the pollutants that have to be controlled. In 2005, President Bush tried to write this rule but a Federal Court threw it out and in 2008 said to the EPA, you have to do it, the way the law says to do it. So Congress has told them to do it, the courts have told them to do it, and now they have done it according to the law. If we don't like the rule, we have to change the law, which we are not doing with the resolution of disapproval.

The constructive thing we can do is let the rule go forward. Let's have clean coal be a part of our clean energy mix, and then let's allow utilities what they many of them have asked for, 6 years to implement the rule. Hopefully, our legislation will pass. Hopefully, just the mere introduction of it, particularly by those of us who support the rule, will persuade President Obama that it would be a reasonable Executive Order for him to make, to assure people across the country that we will have no interruption in the reliability of our electricity and that we will have no great increase in costs in most parts of the country.

I agree with the Senator from Arkansas when he said that coal needs to be a very important part of our future. This regulation will make coal in our region an important part of our electricity production. If the TVA is the biggest public utility in the country, and it is going to produce a third of its electricity from coal with pollution-control equipment on the plants. That is clean coal.

But the real holy grail of energy for me is the scientist who discovers the way to turn carbon from existing coal plants into something commercially useful. It will probably be in energy. In the Department of Energy right now they have an interesting experiment where they are applying a biologic process—really, bugs—to electrodes, turning it into oil. Imagine what would happen if all the coal plants in our country could turn the carbon they produce into other kinds of energy. Then, suddenly, we would have this 400-year supply of coal, and the carbon, as well as all the other parts, would be clean and we could use even more coal than the one-third it is likely to represent.

I appreciate very much the leadership of the Senator from Arkansas, his advocacy, and his clear statement of opinion. I wish to say to both our Republican and Democratic colleagues, if you are looking for a way to have clean coal, clean air, and do it at the lowest possible cost to the taxpayer, let's do what most of the utilities have asked for and give them a timeline of 6 years to implement the rule. The easiest way to do it would be for the President to introduce the Executive Order, and each State to give the utility one more year, because that authority is already a part of the Federal law.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, I see the Senator from Texas is waiting so let me conclude in the next couple of minutes.

We talked about clean coal and why that is important. Let me tell my colleagues what else is important. Based on the statistics, the health benefits are between $37 billion and $90 billion. That is an estimate for 2016. For every dollar we put in, we get up to $9 back in health benefits. The new rules could prevent up to 11,000 premature deaths, 4,700 heart attacks, 130,000 asthma attacks, 140,000 cases of respiratory symptoms, over 9,000 cases of bronchitis, 5,700 hospital emergency room visits, 540,000 missed work or sick days, and 3.2 million days when people must restrict their activities. Mercury, they say, causes brain damage in more than 315,000 children each year. Half of the U.S. manmade mercury comes from coal-fired powerplants. The new rules require removing 90 percent of that mercury.

So back to the point of Senator ALEXANDER. This approach provides certainty. It ensures grid reliability. It allows sufficient time for utilities to comply under this bad economy. It gives manufacturing and skilled labor jobs to U.S. companies and U.S. workers, and it also reduces health problems and costs associated with the coal industry right now.

With that, I ask my colleagues to consider looking at the Alexander and Pryor approach. I would love to visit with any of my colleagues who are so inclined.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mr. CORNYN. Mr. President, this morning during a hearing in front of the Senate Judiciary Committee, the Attorney General appeared, and in an exchange I had with him, it culminated with my call upon him to resign his position as Attorney General. That is a very serious matter. I wish to take a few minutes to explain why, after long deliberation, I have come to this conclusion. I do believe it is the right decision and it is long overdue.

I served as an attorney general of my State—an elected attorney general, not an appointed attorney general. I believe strongly the American people deserve a chief law enforcement officer who will be independent of political influence, who will be accountable to the law, and who will be transparent, particularly in his dealings with the Congress. Unfortunately, Attorney General Holder has failed on all of these counts.

At his confirmation hearing in 2009 in front of the Judiciary Committee, Eric Holder said his Department of Justice would ''serve justice, not the fleeting interests of any political party.'' He also said he would seek to achieve a ''full partnership with this Committee and with Congress as a whole.'' I wish he had kept his word. Regrettably, he has not.

In the past few weeks I have joined my colleagues on both sides of the aisle in our shock at news articles that have disclosed some of the most sensitive classified programs of our national security apparatus. These were reportedly covert operations aimed at thwarting terrorist attacks as well as defeating Iran's nuclear aspirations. The leaks, according to the chair of the Senate Intelligence Committee, Senator FEINSTEIN—I am paraphrasing here, but I believe she says these are some of the worst she has seen in her tenure on the Intelligence Committee. Others have suggested these are some of the most damaging potential leaks

in our history—certainly recent history.

According to the very stories that reported these programs, the sources come from the highest reaches of the executive branch of our government; namely, the White House. As Democrats and Republicans have both made clear, the unauthorized release of classified information is a crime—it is a crime—because it threatens our national security and puts the lives of those who are sworn to defend our Nation in jeopardy. As many have hastened to point out, it also jeopardizes the cooperation of our allies. Who would be motivated to be a source of classified, highly sensitive information that would be provided to our intelligence community if they knew they were likely to be on the front page of the Washington Post or The New York Times?

The news articles containing the leaked information paint the President in a flattering light. The concern is that they appear just as his reelection campaign is getting into full swing.

Let me be clear. These facts raise legitimate concerns about the motives behind what everyone agrees is criminal conduct. That is why it is so important to have an investigation of these leaks that is independent, nonpartisan, and thorough. Unfortunately, Attorney General Holder has demonstrated, at least to me, that he is incapable of delivering that kind of investigation.

Just hours before Senator MCCAIN and Senator CHAMBLISS called for a special prosecutor or, in the parlance of the statute now, a special counsel, Holder's Deputy Attorney General Jim Cole told me he didn't think an independent investigation was warranted because the leaks didn't come from the White House or this administration. Amazingly, he hadn't, apparently, done an investigation before he reached that conclusion. Attorney General Holder apparently takes the same view. He has already decided who is not to blame, and he has excluded the administration and the White House and the reported sources of the information—although not named, they were named by category—he has already written them off and suggested that they could not possibly be the source of any of these leaks.

I looked into the special counsel law which says that a special prosecutor is called for when an investigation would present a conflict of interest for the Justice Department.

I concede the Attorney General has a very tough job. He is a member of the President's Cabinet, but he has a special and independent responsibility as the chief law enforcement officer of the country and he can't be confused about those roles. There have been some reports that some of these leaks may have even emanated from the Justice Department itself. In fact, this morning, the Attorney General acknowledged that some of the Department of Justice's National Security Division had recused itself from an ongoing leak investigation. We don't know the details of that, but he did concede that his own National Security Division at the Department of Justice—some members of that division had already recused themselves.

These leaks in the New York Times—I am talking specifically about the drone program and about the cyber attacks on Iran's nuclear capability—quoted senior administration officials and quoted members of the President's national security team.

Now, that is not a large number of people to question or to identify. In fact, that is the very source given in these stories that reported the leaks—''senior administration officials'' and ''members of the president's national security team.''

This is the same story that said that on the President's so-called kill list that he personally goes over with his national security team identifying targets of drone attacks, that also David Axelrod, his chief political adviser, sat in, apparently, on at least one, maybe more meetings.

But instead of an independent prosecutor, Attorney General Holder has chosen to appoint two U.S. attorneys who are in his chain of command and who will report to him and who are directly under his personal supervision. One of those is U.S. attorney for the District of Columbia Ronald Machen, who volunteered on the Obama campaign in 2008 and who has given thousands of dollars to the President's political campaigns over the years. I do not have any issue with that. That is his right as an American citizen. But it does raise legitimate questions about his ability to be independent and conduct the kind of investigation I am talking about. Oh, by the way, Mr. Machen also got his start as a Federal prosecutor when he went to work for U.S. Attorney General Eric Holder. That is not an independent investigation—that is the point—and it helps to demonstrate why it is that Attorney General Holder has a conflict of interest himself that requires the appointment of a special counsel, not the appointment of two U.S. attorneys who are directly responsible to him and through whom he can control the flow of information to Congress and others.

Reasonable people will wonder, where does the Attorney General's loyalty lie—to the President of the United States to try to help him get reelected or his duty to enforce the laws of the U.S. Government?

This would be troubling enough to me if this were an isolated event, but what has brought me to this serious conclusion that Attorney General Holder should, in fact, resign goes back much further because this is only a symptom of the Department of Justice's complete lack of accountability, independence, and transparency.

Take the tragedy known as Operation Fast and Furious. And we know, under Attorney General Holder's watch, the Department of Justice ordered the transfer of more than 2,000 high-caliber firearms to some of the most dangerous drug cartels operating in Mexico. The Attorney General disingenuously tried to confuse this with an operation known as Wide Receiver, which was done in consultation with the Mexican Government and where the point was not to let the guns walk without surveillance but to track them. It was ended when it became very difficult to track them and thus gave rise to the operation known as Fast and Furious, which had an altogether different mode of operation.

Instead of tracking these firearms and arresting cartel agents trafficking them, under Operation Fast and Furious, Department of Justice officials ordered law enforcement agents to break off direct surveillance and to allow these guns to ''walk''—apparently under the mistaken belief that they could somehow find them at a later time and, through alternative means of surveillance, discover the nature of the organization and the distribution of these guns and help them bring down some of these cartels. Unfortunately, and quite predictably, the weapons from this flawed operation have been used to commit numerous violent crimes on both sides of the southern border, including the murder of Border Patrol Agent Brian Terry in December 2010.

Far from being apologetic, Attorney General Holder's conduct during the congressional investigation into this flawed program has been nothing short of misleading and obstructionist, having complete disregard for Congress's independent constitutional responsibility to conduct oversight and investigations of the Department of Justice and other Federal agencies.

For example, Attorney General Holder has stonewalled the investigation, turning over less than 10 percent of the documents subpoenaed by a congressional committee.

Attorney General Holder's Department misled Congress in a February 2011 letter where they claimed that Operation Fast and Furious did not even exist—there was no program to allow guns to walk into the hands of the cartels and to lose direct surveillance of them. We now know that is false but only because Lanny Breuer, 9 months later, in November 2011, came before the Senate Judiciary Committee and said: You know, that letter we wrote in February 2011 saying there was not any gun-walking program known as Fast and Furious—that was false. That was not true.

So for all that period of time, Attorney General Holder and his Department misled Congress by claiming falsely that Fast and Furious did not exist.

Then, in addition, Attorney General Holder misled Representative ISSA, who has led the investigation in the House of Representatives, by testifying that he only learned of Operation Fast

and Furious ''over the last few weeks.'' That was in May 2011. He said he only learned about it in ''the last few weeks.'' Brian Terry was murdered in December 2010, yet Eric Holder said he only learned in ''the last few weeks'' about Operation Fast and Furious, and that was in May 2011. We now know that is false.

Attorney General Holder also misled the public at a September 2011 press conference by claiming that Operation Fast and Furious did not reach into the upper levels of the Justice Department. We now know that is false. I personally reviewed some of the wiretaps that were produced as a result of a whistleblower through the House investigating committee, and it makes clear that the rationale for securing a wiretap was because they did not expect to be able to keep track of the weapons directly by direct surveillance, describing, in essence, the tactics of Operation Fast and Furious. Those required the authorization of high-level Department of Justice employees, including those in Lanny Breuer's office. Again, Attorney General Holder and his staff misled the public, claiming Operation Fast and Furious was unknown at the upper reaches of the Justice Department.

Attorney General Holder misled the Senate Judiciary Committee last November by testifying that he did not believe that these wiretap applications approved by senior deputies included detailed discussion of gunwalking. As I said, we know that to be false. I read them with my own eyes yesterday, although they remain under seal. And Attorney General Holder has refused to take any step to ask the court to modify that seal so we can then review those and compare his story with what is revealed in the affidavits. So as long as these documents remain under seal, we are left with the ''he said, she said'' that he could resolve if he would agree to go to the court and ask that they be unsealed for purposes of the congressional investigation.

Then, when there were reports of gunwalking operations in Houston, TX, at a sports dealer known as Carter's Country, I asked Attorney General Holder whether there were gunwalking operations in my State. When you had a legitimate seller of firearms say: Hey, I think there is something suspicious going on, you have people making bulk purchases of firearms, and I am worried they may be going to the cartels or other sources, they were told: Do not do anything about it. Let them go.

But when I asked Attorney General Holder to confirm or deny that there was an Operation Fast and Furious look-alike or that Fast and Furious itself was operating in my State, again, I got no reply.

I have no idea what else the Attorney General and his Department are concealing from the American people or, more importantly, the Brian Terry family, who deserve to know what happened and how this operation went terribly awry.

Perhaps worst of all has been the lack of accountability, starting at the top. In the last 16 months since Operation Fast and Furious was uncovered, Eric Holder has not fired a single person in his Department for supplying 2,000 high-caliber firearms to drug cartels in Mexico. That is really astonishing. I have to ask, if no one has been held accountable, what does it take to get fired at the Holder Justice Department?

Attorney General Holder's litany of failure does not end there, again, putting politics ahead of his job as the chief law enforcement officer of the country and, indeed, putting what appears to be a political agenda ahead of the law.

For example—another example—Attorney General Holder has targeted commonsense voter ID legislation passed by the Texas Legislature and the South Carolina Legislature, which the Supreme Court of the United States has overwhelmingly upheld the constitutionality of since 2008. So here is the Texas Legislature, the South Carolina Legislature—and others perhaps sitting in the wings—trying to take steps to protect the integrity of the vote of qualified voters in their State. And who is the chief obstructionist to that goal? It is the Attorney General and the Department of Justice. So now we find ourselves—my State, South Carolina, and others find themselves in litigation asking the courts to do what the Attorney General will not and acknowledge that the Supreme Court decision in 2008 is the law of the land.

These voter identification laws are designed to require citizens to produce a valid photo identification. If you do not have a valid photo identification, you can get one for free. In my State, you can show up without any ID and vote provisionally as long as you come back within a period of time and produce one. So it is no impediment to participation in votes. You know what. The American people are accustomed to presenting a photo ID because every time you get on an airplane, every time you want to buy a pack of cigarettes or a beer, you have to, if you are of a certain age, produce a photo ID to prove you are of a certain age. But Mr. Holder has been so outrageous as to compare these voter ID laws to Jim Crow poll taxes—it is outrageous—a charge that is defamatory and an insult to the people of my State and anyone with common sense. You know what. You have to show a photo ID to get into Eric Holder's office building in Washington, DC. Yet it is discriminatory somehow? It discourages qualified voters from casting their ballot? It is ridiculous. While Attorney General Holder is blocking State efforts to prevent voter fraud, he neglects the voting rights of the men and women in uniform who serve in our country's Armed Forces.

In 2010—actually before that—on a bipartisan basis, we introduced legislation and passed it overwhelmingly, something called the MOVE Act. It is a military voting act. But after its passage, which was designed to make it easier for troops who are deployed abroad or civilians deployed abroad to cast a ballot in U.S. elections, the Attorney General failed to adequately enforce this legislation, which was designed to guarantee our Active-Duty military and their families the right to vote. If Mr. Holder had spent as much time and effort enforcing this law as he recently spent attempting to get convicted felons and illegal aliens back on the voter rolls in Florida, thousands of military voters might have gotten their ballots on time rather than be disenfranchised in 2010.

These are not the only duly enacted laws the Attorney General has failed to enforce in order to carry out the political agenda that apparently he believes is more important.

The Attorney General has announced he will refuse to defend the bipartisan Defense of Marriage Act that was signed by President Bill Clinton, despite the fact that has been the law of the land for more than 15 years. It is, in fact, the duty of the Department of Justice to defend laws passed by Congress that are lawful and constitutional. Yet he refuses to even do so, and the litany goes on.

In addition to using the Justice Department as a political arm of the Obama campaign, he has also moved the Department in a dangerously ideological direction in the war on terror. Attorney General Holder has failed to grasp the most important lesson of 9/11 and the 9/11 Commission, that there is a difference between criminal law enforcement for violating crimes and the laws of war that are destined to get actionable intelligence and prevent attacks against the American people, not just punish them once they have occurred, which is the function of the criminal law.

His actions have demonstrated that he believes terrorism is a traditional law enforcement problem warranting the same old traditional law enforcement solutions. But they, by definition, occur after the fact, after innocent people have been murdered, rather than designed to prevent those attacks.

For example, Attorney General Holder attempted to hold trials for master minds of the 9/11 attack, such as Khalid Sheikh Mohammed, in civilian court in Manhattan. He wanted to do so in spite of the outcry of local communities and the fact that civilian trials would give terrorists legal protections they are not entitled to under our Constitution and laws and which they do not deserve.

Attorney General Holder attempted to transfer terrorists from Guantanamo Bay Cuba to prisons in the United States over the repeated objection of local communities and the Congress.

What is more, when Federal agents detained, thankfully, the Christmas

Day Bomber in Chicago who was trying to blow up an airplane with a bomb he had smuggled and that was undetectable to law enforcement agents, he insisted that instead of being treated as a terrorist, an enemy combatant, he be read his Miranda rights. That is right. Attorney General Holder insisted this terrorist be told: You have the right to remain silent. You have the right to a lawyer. This is the sort of muddled thinking that I think has created such potential for harm, treating a war and terrorists as if they were conventional criminals who ought to be handled through our civilian courts.

While Attorney General Holder was worrying about the rights of people such as the Christmas Day Bomber, he was targeting some of the very Americans who risked their lives to keep America safe. In fact, he appointed a special prosecutor—he thought this was sufficient to appoint a special prosecutor, not to investigate these classified leaks but to investigate U.S. intelligence officials in conducting their duties—he appointed a special prosecutor to investigate CIA interrogators during the prior administration, men and perhaps women who did what they did based on legal advice from the Department of Justice and based on the belief that what they were doing was important to the safety and security of U.S. citizens, and I think they were right.

Attorney General Holder has also seen fit to release top secret memos detailing interrogation methods, information which, of course, quickly found its way into the hands of America's enemies and which they could use to train to resist our intelligence-gathering efforts.

Attorney General Holder's failure to grasp the most important lesson of the last decade, that we are at war against al-Qaida, demonstrates more than just a willingness to carry a political agenda for this administration. It is a sad result of an ideological blindness to the law. It has moved the Department of Justice, and unfortunately this country, in a dangerous direction.

I would continue on with examples of Eric Holder's litany of failure, but I believe the case is clear-cut. The American people deserve an Attorney General who is independent of politics, who is accountable to the oversight of Congress, and who is transparent. Mr. Holder has proven that he is none of these things. It is with regret, not with anger but with regret and sadness I say it is time for him to resign.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Ms. KLOBUCHAR. Mr. President, I ask unanimous consent to speak as in morning business for up to 10 minutes.

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

Ms. KLOBUCHAR. Mr. President, I rise to stress the critical infrastructure needs across our Nation and to urge the House of Representatives to act quickly and to pass a meaningful transportation bill. On March 14, the Senate passed the Moving Ahead for Progress in the 21st Century Act by a strong bipartisan vote of 74 to 22.

Later that month, I came to the floor of the Senate to highlight the importance of the passage of our surface transportation bill. Since then, the American people have been waiting for the House of Representatives to act on their version of a transportation bill. Three months to the week after the Senate passed our Transportation bill on a 74-to-22 bipartisan vote, with the Nation continuing to wait for action and the June 30 deadline to renew or extend the transportation program coming closer and closer, the leaders of the House of Representatives have announced not a short-term extension but they have announced their interest in a longer term extension to the end of 2012.

I suppose the good news is that means we have some interest in moving forward with transportation. But that is not good enough for the people of this country. In Minnesota, as you know, the construction season has begun, and because of our cold winters, we do not always have a long construction season. This kind of delay, where we have a very good bipartisan bill which includes $700 million in construction projects for our State of Minnesota, this kind of delay can be crippling. We have a much smaller window of time in which we can complete much needed projects for easing congestion and improving safety.

These projects will help get commuters out of traffic and moving in the Twin Cities; projects to help ensure that farmers and food producers across greater Minnesota can transport their supplies at the right time to the right place to ensure that we continue to have a safe and reliable food supply.

Think about the projects in Minnesota that need to be completed: Highway 52 in Rochester. Highway 52, a long-time problem in terms of deaths, in terms of traffic accidents, still an area where people get killed; U.S. Highway 14 in southern Minnesota, continuing to wait for that to be completed; 101 in the western metropolitan area, a little girl was just killed walking her bike, getting on her bike going across that Highway 101—killed; Highway 94 out by Rogers, a bottleneck all the time. I have been in it several times myself; 23 in Marshall needs to get done. There is a major company out there, Schwan's, but we have a highway that is not able to carry the food and the goods to market that it should because that construction has not been done; roads from Moorhead to the Iron Range, to Duluth, all that needs to be completed.

That is why it is not good enough to hear the House of Representatives talk about a simple extension when we have a strong bipartisan transportation bill that came out of the Senate. We also need to be aware of the costs incurred by each additional day of delay. The longer it takes for the Congress to pass a transportation bill, the longer it takes projects to be completed, the more expensive they become to taxpayers. That stands to reason. Anyone who has built an addition on their house understands that—delay, delay, delay.

That is a waste of taxpayers' money. That is why we have to get this bill done. State Departments of Transportation, contractors, construction workers, engineering firms, and other industries need certainty to move forward with the bill. These are private sector jobs, private sector jobs that await the passage of this bill. They should not have to wait any longer for the House of Representatives to act.

Take, for example, Caterpillar. That might not be the first company we would think of when we think about the Transportation bill. Everyone sees the Caterpillar tractors, Caterpillar trucks throughout the rural areas. This business employs 750 people at its road-paving equipment manufacturing facility in Minnesota. I have been there. They gave me a pink Caterpillar hat. I spoke to all their employees. They are people on the frontlines of American industry helping to create the real ''Made in America'' product that keeps jobs in our country and puts dollars in our economy.

They are ready to get to work. They are ready to get to work improving our Nation's roads, our bridges, our tunnels, and our highways. I ask the House of Representatives: Why are we making these workers wait? They are ready to get these paving projects done. They are ready to help the commuters in our State to get to work faster. They want to get going. There is no reason to delay getting this bill done.

For decades, passing a transportation bill was considered one of the most basic noncontroversial duties of the Congress, and we have an opportunity to come together to find commonsense solutions to move America forward. We cannot afford to keep the engine of our economy idling by limiting our talk to yet another extension of the surface transportation program. The Senate Transportation bill is fully paid for and will allow States to move forward to make the critical infrastructure investments in our Nation's roads and our bridges and in our transit systems.

In addition, the bill makes critical reforms to transportation policy. Just last week, the Centers for Disease Control and Prevention released a report announcing that 58 percent of high school seniors had texted or e-mailed while driving in the previous month—58 percent of kids out there on the road while we are all driving—we have to remember that 58 percent—nearly 60 percent of the kids out on the road are doing a text, are doing an e-mail while they are driving. That is not acceptable.

The bipartisan Transportation bill includes provisions that I worked on to

help prevent texting while driving and implement graduated license standards. The bill gives State departments of transportation increased flexibility so they can address these unique needs. The Senate-passed surface transportation bill also reduces the number of highway programs from over 100 down to 30. By saying they are not going to pass this bill in the House, they stop us from getting rid of those kinds of duplication. It defines clear national goals for our transportation policy. It streamlines environmental permitting. Why would they want to stop that? Why would they want to stop us from streamlining environmental permitting? But that is what they are doing by saying they want a simple extension.

The bill expands the Transportation Infrastructure Finance and Innovation Program. The Minnesota Department of Transportation has successfully used the program in the past and it will continue to be a key element of our State's and other State's transportation networks in the future. The fact is, we have neglected the roads and bridges that millions of Americans rely on for too long.

No one knows that better than we know it in our State where that I–35W bridge tragically collapsed in the middle of a summer day, something no one could ever expect would have happened. It is not just a bridge. It is an eight-lane highway 6 blocks from my house. If that can happen there, it can happen anywhere in America.

We simply cannot wait and delay any longer when we have a bipartisan bill with 74 Senators who voted for it. There is absolutely no excuse for the House of Representatives not taking this up. If we want to know if there are other bridges with problems, look at this. The number from the Federal Highway Administration shows that over 25 percent of the Nation's 600,000 bridges are either structurally deficient or functionally obsolete.

For further proof, we need look no further than the 2009 Report Card for America's Infrastructure, released by the American Society of Civil Engineers. It gave our Nation's Infrastructure a near failing grade. But crumbling infrastructure does not just threaten public safety; it also weakens our economy. Congestion and inefficiencies in our transportation network limit our ability to get goods to market. They exacerbate the divide between urban and rural America, they constrain economic development and competitiveness, and they reduce productivity as workers idle in traffic.

Americans spend a collective 4.2 billion hours a year stuck in traffic—4.2 billion hours a year, at the cost to the economy of $78.2 billion or $710 per motorist. So I ask the House of Representatives: How can you look at those numbers and decide not to move forward with a bill that streamlines our programs, that actually makes some smart decisions in terms of reform, and that actually puts the money out there that we need to build our bridges and build our roads? It is simply time to act.

I yield the floor.

The PRESIDING OFFICER (Mrs. SHAHEEN). The Senator from Florida.

Mr. NELSON of Florida. Madam President, I ask unanimous consent that the period for debate only on S. 3240 be extended until 5 p.m., and that the majority leader be recognized at that time.

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

Mr. NELSON of Florida. Madam President, as I was heading to the Capitol today, I could not help but think about the jolting news from my State that the U.S. Department of Justice will have to sue my State of Florida over its purge of the voting rolls.

Being a native Floridian whose family came to Florida 183 years ago, and having the great privilege of serving the people of my State for a number of years, it is simply hard for me to conceive that the State of Florida is trying to deliberately make it more difficult for lawful citizens to vote.

But the Governor did sign a new law that the legislature passed over a year ago to reduce early voting days, to make it more difficult to vote if you move to another county, to blunt registration drives, and to eliminate the Sunday before the Tuesday election in early voting. And then Governor Scott launched his massive purge of the voting rolls, hunting for suspected noncitizens.

In so doing, he is now defying Federal authorities, who point to Federal law and say you cannot conduct a purge of voter rolls so close to an election. We are 2 months away from a primary election in the middle of August. We are a little over 4 months away from the general election. Yet the Governor and his administration end up doing this. What they ought to do is ensure the credibility of our voter rolls, not suppress citizens from voting under the fiction of some perceived fraud.

But above all else, the State of Florida must ensure that every lawful citizen who has the right to vote can do so without hindrance and impediment.

It was quite a while ago, but something Dr. King once said about voting rights seems very appropriate again. Dr. King said:

> The denial of this sacred right is a tragic betrayal of the highest mandates of our democratic traditions. It is democracy turned upside down.

I hope the Governor of Florida will heed those words.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BROWN of Massachusetts. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. BROWN of Massachusetts. Madam President, I ask unanimous consent to speak as in morning business for up to 10 minutes.

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

Mr. BROWN of Massachusetts. Madam President, I rise to speak about the Violence Against Women Act, or VAWA, which is a landmark piece of legislation, one that I believe has saved many lives and brought us together as Americans in standing up for what we believe is right. With this law, we have said that the United States takes domestic violence very seriously and we are taking a moral stance against it now.

In April of this year, I was proud to join a strong bipartisan group of Senators in passing S. 1925, the Leahy-Crapo Violence Against Women Act reauthorization. Sixty-eight Senators from this Chamber supported the bill.

Many of us were moved by the personal stories coming out of our States about the critical impact of VAWA in local communities. In Massachusetts, I was inspired by the work of organizations such as Jane Doe, Inc., the North Shore Rape Crisis Center, the YWCA of Central Massachusetts, and REACH Beyond Abuse, to name a few, and there are many more. In March of this year, I visited service providers in central Massachusetts that receive VAWA funding and learned a great deal more about how VAWA is changing lives for the better.

New problems are plaguing our communities, and as times change government must adapt as well if it is going to make a difference in people's lives. Fortunately, the Senate bill includes many improvements that have been developed over time with various nonprofits in law enforcement agencies and individuals who deal with these challenges each and every day. I am very proud to be a cosponsor of what is clearly a good, thoughtful bill.

Unfortunately, following the bipartisan Senate action, the House passed a dramatically scaled-back version of the VAWA legislation that did not include core provisions that would improve the law. It seems that rather than work through some of these problems, the House was content to pass a bill that didn't address a number of growing problems facing individuals today. That is not how we legislate or how we should be legislating. We need to pass a bipartisan, bicameral bill that the President will sign.

Because the House took up a bill that didn't go far enough, the House bill passed largely along party lines, as compared to the bipartisan Senate bill we passed a short time ago. Now, once again, the House and Senate are at an impasse.

As someone who has personally experienced domestic violence up close and seen its effect on families, including mine, this is completely unacceptable.

The vast majority of the bill is broadly supported by both sides of the aisle. It is beyond frustrating that the House has become distracted by a tiny percentage of the bill that has caused gridlock. Even worse, it seems that some are willing to allow procedural technicalities to block the way forward. I have to tell you that this makes no sense to me, at a time when people's lives are potentially at stake. This bill should be done already. Women in Massachusetts and throughout the country—survivors of violence—deserve better, and we should provide that leadership immediately.

Today I am calling on the House and Senate leadership and the committees of jurisdiction to listen to the calls from millions of Americans and come together and pass a bill that addresses critical needs in our communities and the citizens of those communities. All sides need to come together and work through the small amount of difference they have. As I have said before, in my experience, when people of good will work together and do one good deed, it begets other good deeds, and so on. We can get together in a room and work through these challenges and come up with solutions. I frequently hear from many colleagues that this is the way things used to be done around here. I yearn and work every single day I am here to get back to that way of bipartisanship and spirit of working together. I hope we can get some of that bipartisan, bicameral spirit back and pass the Violence Against Women Act reauthorization.

In closing, we need to start to look out for the people's interests, not our political and personal interests or the parties' interests but the interests of the people. We need bridge builders in this Chamber to get this bill across the finish line and on the President's desk. The challenges we face in reauthorizing the Violence Against Women Act are not insurmountable; far from it. We know that. I am confident if the House and Senate leadership come together and work out our differences, we can pass a bill we can all be proud of and send it to the President's desk and save lives.

Let's put politics aside and focus on solving problems. Remember, we are not just Democrats, Republicans, or Independents, we are Americans first. We need to start to work in that vein to get things done.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. BLUNT. Madam President, I know this week we are talking about, among other things, the Agriculture bill, and I am supportive of moving forward with that bill.

Like so many other things in our economy, the more certainty we can create for farming families, for agribusinesses, the more likely they are to make decisions now and to make decisions that create good results. The more things we know in advance, normally, in decisionmaking, the more things there are to know.

There is plenty people don't know in agriculture. My mom and dad were dairy farmers, and there is a lot that can go wrong on the farm. People don't know how many things there might be—weather and lots of other things that they can't count on. It would be nice to have a farm bill that people could count on.

I know the bill we pass here will only be half of the work of getting that bill passed, but we need to do that and we need to get our economy going again. Like so many others, I disagree with the President's sense that the private sector is fine because the private sector is not fine. The economy is not fine. As I have said on this floor many times in the last 2 years, private sector job creation should be the No. 1 priority domestically of the government today: What can we do to create more private sector jobs.

Two years ago, the administration and the White House kicked off the Recovery Summer. They said the success of the $831 billion stimulus plan had done its job. Secretary Geithner penned an op-ed in the New York Times that said: Welcome to the Recovery. But today we still see unemployment higher than it should be, the unemployment rate at 8.2 percent.

If we were looking at the same workforce we had 30 years ago—and we know the population has gotten bigger, so logically the workforce has gotten bigger too. If we were looking at a workforce that was reflective of the workforce in January 2009, unemployment would be 11.1 percent today. It is 8.2 percent because we are considering a workforce that is smaller. The number of people who are actively out there considering themselves either in the workforce or wanting to be in the workforce is lower than any time in the last 30 years.

Certainly, the Recovery Summer didn't work. The rhetoric was high, but the economy didn't grow as we would have hoped it would. The creation of jobs didn't occur. GDP, the gross domestic product, grew at 1.7 percent in 2011, and it is still below 2 percent—1.9 percent—in 2012. Only 77,000 jobs were created in April, and only 69,000 jobs were created in May.

We are just not doing the job here. The stimulus didn't work. Part of the stimulus was to try to help States offset the shortages they had. But to some extent all that did was postpone for another year or maybe even 2 years States having to make decisions that only States should make. The Federal Government has enough things to run without trying to run everything. The Federal Government shouldn't be responsible for the things States are responsible for, and we should do the things we do at the Federal level the best they can possibly be done, starting with defending the country.

We are looking at some reduction in defense spending that, if it happens, will not only negatively impact our ability to defend the country, if we don't do those reductions exactly right, it will also have real impact on the economy.

The stimulus didn't create the jobs. The labor force participation rates are at a 30-year low. Middle-class incomes have dropped $4,350 in the last 3 years. The private sector is not doing well, nor is the economy doing well. The number of long-term unemployed has doubled to 5.5 million since the President took office. Housing prices continue to decline.

Many of the economic forecasters, including the Congressional Budget Office, project that economic growth downgrades and skepticism toward the recovery will continue. The Congressional Budget Office recently released a dismal long-term budget outlook showing that the country's Federal debt per person is on track to triple in a generation. That track has to stop. We can make the decision: Do we want to be Europe? Do we want to be Greece? Do we want to be Italy? Do we want to be Ireland or Portugal or Spain? All we have to do is pick up a paper any day of the week now to know surely that is not who we want to be. Or do we want to get our government rightsized for our economy? Do we want to get back to where we don't let our economy be overwhelmed by the government?

What has happened in so many of the countries I just mentioned and others in Europe is that they have let the government get bigger than the economy can support.

The CBO talked about what would happen if we don't take this action between now and early next year: If we let taxes go back up, if we let defense spending go in the direction that it appears to be heading, what happens then?

Even President Clinton and former domestic adviser to then-Secretary of the Treasury Summers said we need to continue current tax policies for some time in the future. I remember at the end of 2010, the President said: Now is not the time to discourage jobs. Well, exactly when would be the time to discourage jobs?

The job of the Federal Government domestically should be to figure out what we can do to encourage jobs because with only the rarest of rare occasions the Federal Government, with few exceptions, doesn't create jobs. The Federal Government, however, has a lot to say about the environment in which people make that decision as to whether they are going to create a job. With constant discussion of energy policies that don't make sense and too much regulation and raising taxes and

health care costs that are unknown for every job that is added, people just don't add those jobs.

So whether it is the agriculture economy—which, again, I will say, even though the unemployment there is twice as high as government sector unemployment, the agriculture economy is almost twice as high as the 4.2 percent of government sector unemployment. It is still a bright spot in the current economy. But that economy will be better if we give people more of a chance to plan.

The Recovery Summer didn't work. We will soon know what the court has to say about the affordable health care act. But we only have to talk to a few job creators, and not for very long, to know that the affordable health care act is standing in the way of job creation just as are regulations. The EPA keeps regulating.

The shortest path to more American jobs would be more American energy. We have energy resources in greater abundance than we believe we had just a few years ago, oil shale and gas shale. We should produce more of our own energy that would allow us to make things again. And what we can't produce, if we can buy it from our closest neighbors and our dependable friends, we should do that. There is nothing wrong with buying from people who don't like us. But it is crazy to have to buy from people who don't like us, particularly if we can buy from people who like us.

When we send $1 to our neighbors in Canada, they send almost $1 back every single time. The likelihood that Canadians will decide they don't want to sell us oil or gas is virtually zero. We can't say that about every country we have gotten too dependent on in recent years.

So let's do the right thing. Let's have a true path to recovery. Let's have good energy policy. Let's have good tax policy. Let's have good regulatory policy. And let's see if we can't get the private sector the kind of priority in job creation it needs. Of course, that includes one of the brightest lights in the private sector, which is farming families and the agriculture economy and our ability to compete in a world because of the great job we do in agriculture.

Madam President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. INHOFE. Madam President, I ask unanimous consent that I be recognized out of turn, and I will cease when Senator BLUMENTHAL shows up.

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

Mr. INHOFE. Madam President, I come from the farm State of Oklahoma. The biggest threat to the future of farmers is burdensome and costly regulations.

I have three amendments. The amendments I am proposing will provide significant regulatory relief for farmers struggling in a tough economy.

There is virtually no history of oil-spills from agricultural operations, and farms simply do not pose the risk of the spills other sectors do. Starting next year, farmers who have oil and gas tanks—that is all of them. They all have oil and gas tanks on their farms. They are located in different areas, but if they have a certain aggregate amount, they will be required to hire a certified professional engineer to design a spill prevention control and countermeasure plan just like major oil refineries. They may also be required to purchase new capital equipment to comply with the rule, including dual containment tanks on farm trucks and fuel storage units that will necessarily raise the cost.

My amendment would exempt farmers from these regulations for aboveground oil storage tanks that have an aggregate storage capacity of less than 12,000 gallons.

I know a small wheat farmer in northwest Oklahoma by the name of Keith Kisling. He is one of the only farmers who took the time to actually comply with the SPCC regulation. Those are spill regulations. Most people didn't even try to comply.

First, he had to fill out over 80 pages of paperwork he did not understand. He hired an online service to help him comply, which cost him money and didn't make his job much easier. He must keep a copy of this plan on his property at all times in case he is inspected. If he had older tanks, the rules would require him to purchase new double-walled tanks that are incredibly expensive. In addition, he now has to build a berm around his tanks to hold 18,000 gallons of fuel in case it does leak. This will be very expensive and time consuming. He also must install a liner underneath the tanks and at the bottom of the berm to contain any leaks. He reports that the rules are extremely confusing and the regulations just don't make any sense, given the fact that farmers would not let leaks go unnoticed because diesel fuel is too expensive.

In addition to providing this exemption, it will also allow farmers who are regulated to self-certify instead of going to the expense of hiring engineers to do that for them. I am hoping my colleagues will look at this as a regulation that is not needed and accept my amendment.

I have a second amendment having to do with storm water. One of the biggest threats is the overburdensome and costly regulation. But one of the best ways to stop these rules is to ensure that when an agency states they will collect the best available information before imposing a new regulation, that they do that.

This amendment will ensure that the EPA keeps its word and fully evaluates a current storm water regulatory situation—what practices work and what don't work, what the costs are and what the benefits are—before barreling ahead with new uncertain regulations.

In EPA's current storm water regulations, they committed to complete an evaluation of the current rule. This amendment simply stops the EPA from issuing any new regulations until they comply with the rules. In other words, they have said they would do this. This stops them from invoking a regulation and completing it until they have completed what they have already agreed to.

Rest assured this is nothing new to the EPA. In fact, in the EPA guidance that accompanies the current regulations, they recommended the same thing: that until the evaluation of the current program is completed, no new requirements be imposed, especially for small communities.

So all my amendment does is force the EPA to do what they have already agreed they would do, and that should be a fairly easy one to pass.

Madam President, I see the Senator from Connecticut has arrived, and so I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. BLUMENTHAL. Madam President, I am here today to speak about a bipartisan amendment I have offered to the farm bill. It is an amendment that incorporates a bill I offered, the Animal Fighting Spectator Prohibition Act, and is cosponsored by Senators KIRK, CANTWELL, BROWN of Massachusetts, WYDEN, and LANDRIEU. I ask unanimous consent that Senator KERRY be added as a cosponsor.

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

Mr. BLUMENTHAL. Madam President, commonly in advocating or introducing bills, Senators will have photographs or digital aids, and I thought about doing that today, but then realized that the photographs appropriate for this bill are of mangled, cruelly torn animals that have died in the midst of torture from a blood sport that has no place in any of our American towns or cities or countrysides. This blood sport involves animal fighting. This activity is not only cruel and inhumane, it is also a sport that fosters, promotes, and encourages illegal activity, including drug dealing, gangs, and gambling. It is a source of the worst instincts. It encourages the worst in the human condition and the worst in the individuals who participate and come to watch it.

Congress has recognized this fact in the past, as recently as 2007, by upgrading the Federal law against animal fighting. It is prohibited, and the act of 2007 made the interstate transport of fighting animals, or cockfighting tools, a Federal felony.

In 2008, in the wake of the Michael Vick case, Congress again improved the

law, making possession and training of fighting animals a felony and enhancing the upper limits of jail time for anyone engaged and convicted of it, so the Federal law now is very comprehensive and very powerful. It prohibits exhibiting, buying, possessing, training, and transporting an animal for participation in a fighting activity. It is comprehensive and powerful except for one loophole, and that is the one I propose to cover through this amendment to the farm bill.

This legislation would prohibit knowingly attending an animal fight by setting penalties that include a fine or imprisonment of up to 1 year or both. It would also extend stricter penalties for any individual who knowingly brings a child to an animal fight, and the penalty for engaging in that activity would be a fine and prison sentence of up to 3 years or both. So the loophole here is that spectators are not covered and bringing children to these events is not covered, and that is why this legislation is absolutely essential.

Why spectators? Well, spectators are commonly participants. In fact, the sport would not exist without spectators. They are the ones who gamble, engage in other criminal activity, and who go there simply to engage in that activity. They are there not only to watch but to bring their own animals to fight or to gamble illegally or for drug dealing illegally or gang activity illegally. Spectators are the source of financing, and they make it profitable. They must be subject to Federal law and Federal prohibitions in the same way as anyone who actually engages in already prohibited activity. This type of criminal element—gathering of dogfights or cockfights—ought to be subject to the same kinds of prohibition.

Why children? Well, without stating the obvious, coming to a cockfight or a dogfight, which is a blood sport, leads to other kinds of violence. I don't need to cite the scientific evidence for anyone who is a parent and a Member of this body. Right now there is no law that applies to bringing children to such an event, and we need to close that loophole.

Again, if I had photographs here, one would be of a small girl literally crying at the sight of one of these animals mangled and cruelly torn apart before death.

This bill would in no way apply to innocent bystanders because it would require proof that the person is aware they are at such an animal fight. It would not intrude on States rights. In fact, 49 States already have similar laws. We need a Federal law because many of these activities are in interstate commerce and the power of the Federal Government as an enforcer is irreplaceable. The Federal Government ought to be on record against the crimes involved that are committed by spectators and against bringing children to this kind of event.

When animal fighting involves players from a number of different States, a county sheriff or a local law enforcer simply lacks the power to deal with it and to root out the entire operation—not just to make arrests at the site but to root out the whole operation so that the penalties are more comprehensive and the organized criminal activity is ended. These crimes are a Federal matter and the Federal response ought to be overwhelming. In the Michael Vick case, as an example, the local Commonwealth attorney refused to take action and Federal authorities had to prosecute this case.

This measure has law enforcement endorsements not only from sheriffs but from others who care about this problem, such as the Federal Law Enforcement Officers Association and the Fraternal Order of Police. It is supported as well by the American Veterinary Medical Association and the Humane Society of the United States, which has been a strong partner in this effort and does so much great work to protect animals in this country and around the world. My thanks to the Humane Society for its courageous leadership in this area.

It would be no cost to the Federal Government, to answer a question that is always raised. The Congressional Budget Office has scored this legislation and found it has zero cost to the Federal Government. So let me say the legislation is bipartisan, it is commonsense, it is humane, it is right, and it will cost zero dollars to close this last remaining loophole, this last remaining refuge for a blood sport that has no place in a civilized society. It gives Federal law enforcers the tools they badly need to stop it, and I urge its adoption.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant bill clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. BLUMENTHAL. I ask unanimous consent that the quorum call be rescinded.

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

Mr. BLUMENTHAL. Madam President, I ask unanimous consent that the period for debate only on S. 3240 be extended until 5:30 p.m., and that the majority leader be recognized at that time.

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

Mr. BLUMENTHAL. I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant bill clerk called the roll.

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

The PRESIDING OFFICER (Mrs. HAGAN). Without objection, it is so ordered.

Mr. REID. Madam President, I ask unanimous consent that a Stabenow-Roberts perfecting amendment, which is at the desk, be agreed to; the bill, as amended, be considered original text for the purpose of further amendment; that the following Lee motion to recommit and four amendments be the first amendments and motion to recommit in order to the bill with no other first-degree amendments or motions to recommit in order until these amendments and motion are disposed of: Paul No. 2182, Shaheen No. 2160, Coburn No. 2353, Cantwell No. 2370, and Lee motion to recommit; that there be up to 60 minutes of debate equally divided between the two leaders or their designees on each of these amendments and the Lee motion; that upon the use or yielding back of time on all four amendments and the Lee motion, the Senate proceed to votes in relation to the amendments and motion in the order listed; that there be no amendments or motions in order to the amendments or the Lee motion—which is the motion to recommit—prior to the votes other than motions to waive points of order and motions to table; that upon disposition of these amendments and the Lee motion, I be recognized.

The PRESIDING OFFICER. Is there objection?

The Senator from Kentucky.

Mr. PAUL. Madam President, reserving the right to object, I am very concerned about Dr. Shakil Afridi. He is a doctor in Pakistan who got information that helped us and led to the capture of bin Laden. He is now being held in prison. He has been put in prison in Pakistan for 33 years. I don't think we should continue to send U.S. taxpayer money in the form of foreign aid to Pakistan when they are holding in prison a doctor who simply helped us to get bin Laden.

This issue is of the utmost urgency. His case will be heard for an appeal. It is a political case. It can be influenced by U.S. actions. I think the U.S. taxpayers should not send money to Pakistan when Pakistan is holding this innocent man who helped us get one of the world's most dangerous men, a mass murderer who killed 3,000 Americans. We captured him with help from Dr. Shakil Afridi, and Dr. Afridi deserves our help now.

I have an amendment that is very important. It is not germane. But that does not mean it is not important. It is very important that we send Pakistan a signal that we will not continue to send them a welfare check when they are holding in prison a political prisoner who helped us get bin Laden. This amendment is of the utmost urgency and would only require 15 minutes of the Senate's time. I am not asking for all day. I am asking for 15 minutes to vote on ending aid to Pakistan until they release Dr. Afridi.

I do not think this is too much to ask. The Senate has historically been a body that allowed debate, that allowed amendments, pertinent or not pertinent. This one is very important. Time

is of the essence for Dr. Afridi. It is the least we can do for someone who helped us to get bin Laden. I ask that we allow time for this amendment to occur. I object to the unanimous consent.

The PRESIDING OFFICER. Objection is heard.

Mr. REID. Madam President, I appreciate the good intentions of my friend from Kentucky because they are good intentions. But we are on a bill now that just simply does not allow something like that to come forward. I would like to work with him in the future—I am sure a number of other Senators would—to focus on our relations with Pakistan.

It is not only the problem he outlined, but there are other things—the ability of our vehicles to drive to Afghanistan and lots of other things. It is an issue on which the Foreign Relations Committee has held hearings. It is something on which we need to focus, and I would also indicate to my friend that Senator LEAHY, who has been a protector of human rights for his entire career, is the chairman of the State-Foreign Operations Subcommittee. He is also concerned about this.

So I would say to my friend that he does not stand alone in his concern. But there has to be a time and place for everything. Hopefully, we can have a full debate on our relations with Pakistan in the near future.

AMENDMENT NO. 2389

Mr. REID. Madam President, on behalf of the managers, I call up amendment No. 2389, which is at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Ms. STABENOW and Mr. ROBERTS proposes an amendment numbered 2389.

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

Mr. REID. Madam President, I ask for the yeas and nays on that amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 2390 TO AMENDMENT NO. 2389

Mr. REID. Madam President, I have a second-degree amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID] proposes an amendment numbered 2390 to amendment No. 2389.

The amendment is as follows:

At the end, add the following:

SEC. _____. EFFECTIVE DATE.

This Act shall become effective 5 days after enactment.

MOTION TO RECOMMIT WITH AMENDMENT NO. 2391

Mr. REID. Madam President, I have a motion to recommit the bill with instructions at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID] moves to recommit S. 3240 to the Senate Committee on Agriculture, Nutrition and Forestry with instructions to report back forthwith with an amendment numbered 2391.

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

Mr. REID. Madam President, I ask for the yeas and nays on this motion.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 2392

Mr. REID. Madam President, I now call up amendment No. 2392.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID] proposes an amendment numbered 2392 to the instructions of the motion to recommit S. 3240.

The amendment is as follows:

(Purpose: To empower States with programmatic flexibility and predictability to administer a supplemental nutrition assistance block grant program under which, at the request of a State agency, eligible households within the State may receive an adequate, or more nutritious, diet)

Beginning on page 1, strike line 2 and all that follows through page 31, line 10, and insert the following:

Subtitle A—Supplemental Nutrition Assistance Block Grant Program

SEC. 4001. PURPOSE.

The purpose of this subtitle is to empower States with programmatic flexibility and financial predictability in designing and operating State programs—

(1) to raise the levels of nutrition among low-income households;

(2) to provide supplemental nutrition assistance benefits to households with income and resources that are insufficient to meet the costs of providing adequate nutrition; and

(3) to provide States the flexibility to provide new and innovative means to accomplish paragraphs (1) and (2) based on the population and particular needs of each State.

SEC. 4002. STATE PLANS.

(a) IN GENERAL.—To receive a grant under section 4003, a State shall submit to the Secretary a written plan that describes the manner in which the State intends to conduct a supplemental nutrition assistance program that—

(1) is designed to serve all political subdivisions in the State;

(2) provides supplemental nutrition assistance benefits to low-income households for the sole purpose of purchasing food, as defined by the applicable State agency in the plan; and

(3) limits participation in the supplemental nutrition assistance program to those households the incomes and other financial resources of which, held singly or in joint ownership, are determined by the State to be a substantial limiting factor in permitting the members of the household to obtain a more nutritious diet.

(b) REQUIREMENTS.—Each plan shall include—

(1) specific objective criteria for—

(A) the determination of eligibility for nutritional assistance for low-income households, which may be based on standards relating to income, assets, family composition, beneficiary population, age, work, current participation in other Federal government means-tested programs, and work, student enrollment, or training requirements; and

(B) fair and equitable treatment of recipients and provision of supplemental nutrition assistance benefits to all low-income households in the State; and

(2) a description of—

(A) benefits provided based on the aggregate grant amount; and

(B) the manner in which supplemental nutrition assistance benefits will be provided under the State plan, including the use of State administration organizations, private contractors, or consultants.

(c) CERTIFICATION OF THE ADMINISTRATION OF THE PROGRAM.—

(1) IN GENERAL.—The Governor of each State that receives a grant under section 4003 shall issue a certification to the Secretary in accordance with this subsection.

(2) ADMINISTRATION.—The certification shall specify which 1 or more State agencies will administer and supervise the State plan under this section.

(3) PROVISION OF BENEFITS ONLY TO LOW-INCOME INDIVIDUALS AND HOUSEHOLDS.—

(A) IN GENERAL.—The certification shall certify that the State will—

(i) only provide supplemental nutrition assistance to low-income individuals and households in the State; and

(ii) take such action as is necessary to prohibit any household or member of a household that does not meet the criteria described in subparagraph (B) from receiving supplemental nutrition assistance benefits.

(B) CRITERIA.—A household shall meet the criteria described in this subparagraph if the household is—

(i) a household in which each member receives benefits under the supplemental security income program established under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.);

(ii) a low-income household that does not exceed 100 percentage of the poverty line (as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2), including any revision required by such section)) for a family of the size involved as the State shall establish; or

(iii) a household in which each member receives benefits under a State or Federal general assistance program that complies with income criteria standards comparable to or more restrictive than the standards established under clause (ii).

(4) PROVISION OF BENEFITS ONLY TO CITIZENS AND LAWFUL PERMANENT RESIDENTS OF THE UNITED STATES.—The certification shall certify that the State will—

(A) only provide supplemental nutrition assistance to citizens and lawful permanent residents of the United States; and

(B) take such action as is necessary to prohibit supplemental nutrition assistance benefits from being provided to any individual or household a member of which is not a citizen or lawful permanent resident of the United States.

(5) CERTIFICATION OF STANDARDS AND PROCEDURES TO ENSURE AGAINST PROGRAM FRAUD, WASTE AND ABUSE.—The certification shall certify that the State—

(A) has established and will continue to enforce standards and procedures to ensure against program fraud, waste, and abuse, including standards and procedures concerning nepotism, conflicts of interest among individuals responsible for the administration and supervision of the State program, kickbacks, and the use of political patronage; and

(B) will prohibit from further receipt of benefits under the program any recipient

who attempts to receive benefits fraudulently.

(6) LIMITATION ON SECRETARIAL AUTHORITY.—The Secretary—

(A) may only review a State plan submitted under this section for the purpose of confirming that a State has submitted the required documentation; and

(B) shall not have the authority to approve or deny a State plan submitted under this section or to otherwise inhibit or control the expenditure of grants paid to a State under section 4003, unless a State plan does not comply with the requirements of this section.

SEC. 4003. GRANTS TO STATES.

(a) IN GENERAL.—Beginning 120 days after the date of enactment of this Act, and annually thereafter, each State that has submitted a plan that meets the requirements of section 4002 shall receive from the Secretary a grant in an amount determined under subsection (b).

(b) AMOUNTS OF GRANTS.—

(1) IN GENERAL.—Subject to paragraph (3), a grant received under subsection (a) shall be in an amount equal to the product of—

(A) the amount made available under section 4005 for the applicable fiscal year; and

(B) the proportion that—

(i) the number of individuals residing in the State whose income does not exceed 100 percent of the poverty line described in section 4002(c)(3)(B)(ii) applicable to a family of the size involved; bears to

(ii) the number of such individuals in all States that have submitted a plan under section 4002 for the applicable fiscal year, based on data for the most recent fiscal year for which data is available.

(2) PRO RATA ADJUSTMENTS.—The Secretary shall make pro rata adjustments in the amounts determined for States under paragraph (1) for each fiscal year as necessary to ensure that—

(A) the total amount appropriated for the applicable fiscal year under section 4005 is allotted among all States that submit a plan under section 4002; and

(B) the total amount of all supplemental nutrition assistance grants for States determined for the fiscal year does not exceed the total amount appropriated for the fiscal year.

(3) ADMINISTRATIVE PROVISIONS.—

(A) QUARTERLY PAYMENTS.—The Secretary shall make each supplemental nutrition assistance grant payable to a State for a fiscal year under this section in quarterly installments.

(B) COMPUTATION AND CERTIFICATION OF PAYMENT TO STATES.—

(i) COMPUTATION.—The Secretary shall estimate the amount to be paid to each State for each quarter under this section based on a report filed by the State that shall include—

(I) an estimate by the State of the total amount to be expended by the State during the applicable quarter under the State program funded under this subtitle; and

(II) such other information as the Secretary may require.

(ii) CERTIFICATION.—The Secretary shall certify to the Secretary of the Treasury the amount estimated under clause (i) with respect to each State, adjusted to the extent of any overpayment or underpayment—

(I) that the Secretary determines was made under this subtitle to the State for any prior quarter; and

(II) with respect to which adjustment has not been made under this paragraph.

SEC. 4004. USE OF GRANTS.

(a) IN GENERAL.—Subject to subsection (b), a State that receives a grant under section 4003 may use the grant in any manner that is reasonably demonstrated to accomplish the purposes of this subtitle.

(b) LIMITATION ON USE OF GRANT FOR ADMINISTRATIVE PURPOSES.—A State may not use more than 3 percent of the amount of a grant received for a fiscal year under section 4003 for administrative purposes.

SEC. 4005. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out this subtitle $45,000,000,000 for fiscal year 2013 and each fiscal year thereafter.

SEC. 4006. REPEAL.

(a) IN GENERAL.—Effective 120 days after the date of enactment of this Act, the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) is repealed.

(b) RELATIONSHIP TO OTHER LAW.—Any reference in this Act, an amendment made by this Act, or any other Act to the supplemental nutrition assistance program shall be considered to be a reference to the supplemental nutrition assistance block grant program under this subtitle.

Mr. REID. I ask for the yeas and nays on that amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 2393 TO AMENDMENT NO. 2392

Mr. REID. Madam President, I call up amendment No. 2393, which is a second-degree amendment.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID] proposes an amendment numbered 2393 to amendment No. 2392.

The amendment is as follows:

(Purpose: To phase out the Federal sugar program)

At the end, add the following:

SEC. _____. SHORT TITLE.

This subtitle may be cited as the ''Stop Unfair Giveaways and Restrictions Act of 2012'' or ''SUGAR Act of 2012''.

SEC. _____. SUGAR PROGRAM.

(a) IN GENERAL.—Section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272) is amended—

(1) in subsection (d), by striking paragraph (1) and inserting the following:

''(1) LOANS.—The Secretary shall carry out this section through the use of recourse loans.'';

(2) by redesignating subsection (i) as subsection (j);

(3) by inserting after subsection (h) the following:

''(i) PHASED REDUCTION OF LOAN RATE.—For each of the 2012, 2013, and 2014 crops of sugar beets and sugarcane, the Secretary shall lower the loan rate for each succeeding crop in a manner that progressively and uniformly lowers the loan rate for sugar beets and sugarcane to $0 for the 2015 crop.''; and

(4) in subsection (j) (as redesignated), by striking ''2012'' and inserting ''2014''.

(b) PROSPECTIVE REPEAL.—Effective beginning with the 2015 crop of sugar beets and sugarcane, section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272) is repealed.

SEC. _____. ELIMINATION OF SUGAR PRICE SUPPORT AND PRODUCTION ADJUSTMENT PROGRAMS.

(a) IN GENERAL.—Notwithstanding any other provision of law—

(1) a processor of any of the 2015 or subsequent crops of sugarcane or sugar beets shall not be eligible for a loan under any provision of law with respect to the crop; and

(2) the Secretary may not make price support available, whether in the form of a loan, payment, purchase, or other operation, for any of the 2015 and subsequent crops of sugar beets and sugarcane by using the funds of the Commodity Credit Corporation or other funds available to the Secretary.

(b) TERMINATION OF MARKETING QUOTAS AND ALLOTMENTS.—

(1) IN GENERAL.—Part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa et seq.) is repealed.

(2) CONFORMING AMENDMENT.—Section 344(f)(2) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1344(f)(2)) is amended by striking ''sugar cane for sugar, sugar beets for sugar,''.

(c) GENERAL POWERS.—

(1) SECTION 32 ACTIVITIES.—Section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), is amended in the second sentence of the first paragraph—

(A) in paragraph (1), by inserting ''(other than sugar beets and sugarcane)'' after ''commodities''; and

(B) in paragraph (3), by inserting ''(other than sugar beets and sugarcane)'' after ''commodity''.

(2) POWERS OF COMMODITY CREDIT CORPORATION.—Section 5(a) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(a)) is amended by inserting '', sugar beets, and sugarcane'' after ''tobacco''.

(3) PRICE SUPPORT FOR NONBASIC AGRICULTURAL COMMODITIES.—Section 201(a) of the Agricultural Act of 1949 (7 U.S.C. 1446(a)) is amended by striking ''milk, sugar beets, and sugarcane'' and inserting '', and milk''.

(4) COMMODITY CREDIT CORPORATION STORAGE PAYMENTS.—Section 167 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7287) is repealed.

(5) SUSPENSION AND REPEAL OF PERMANENT PRICE SUPPORT AUTHORITY.—Section 171(a)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301(a)(1)) is amended—

(A) by striking subparagraph (E); and

(B) by redesignating subparagraphs (F) through (I) as subparagraphs (E) through (H), respectively.

(6) STORAGE FACILITY LOANS.—Section 1402(c) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7971) is repealed.

(7) FEEDSTOCK FLEXIBILITY PROGRAM FOR BIOENERGY PRODUCERS.—Effective beginning with the 2013 crop of sugar beets and sugarcane, section 9010 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8110) is repealed.

(d) TRANSITION PROVISIONS.—This section and the amendments made by this section shall not affect the liability of any person under any provision of law as in effect before the application of this section and the amendments made by this section.

SEC. _____. TARIFF-RATE QUOTAS.

(a) ESTABLISHMENT.—Except as provided in subsection (c) and notwithstanding any other provision of law, not later than October 1, 2012, the Secretary shall develop and implement a program to increase the tariff-rate quotas for raw cane sugar and refined sugars for a quota year in a manner that ensures—

(1) a robust and competitive sugar processing industry in the United States; and

(2) an adequate supply of sugar at reasonable prices in the United States.

(b) FACTORS.—In determining the tariff-rate quotas necessary to satisfy the requirements of subsection (a), the Secretary shall consider the following:

(1) The quantity and quality of sugar that will be subject to human consumption in the United States during the quota year.

(2) The quantity and quality of sugar that will be available from domestic processing of

sugarcane, sugar beets, and in-process beet sugar.

(3) The quantity of sugar that would provide for reasonable carryover stocks.

(4) The quantity of sugar that will be available from carryover stocks for human consumption in the United States during the quota year.

(5) Consistency with the obligations of the United States under international agreements.

(c) EXEMPTION.—Subsection (a) shall not include specialty sugar.

(d) DEFINITIONS.—In this section, the terms ''quota year'' and ''human consumption'' have the meaning such terms had under section 359k of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359kk) (as in effect on the day before the date of the enactment of this Act).

SEC. _____. APPLICATION.

Except as otherwise provided in this subtitle, this subtitle and the amendments made by this subtitle shall apply beginning with the 2012 crop of sugar beets and sugarcane.

FLOOD INSURANCE REFORM AND MODERNIZATION ACT—MOTION TO PROCEED

Mr. REID. Madam President, I now move to proceed to Calendar No. 250, S. 1940.

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

The legislative clerk read as follows:

Motion to proceed to Calendar No. 250, S. 1940, a bill to amend the National Flood Insurance Act of 1968, to restore the financial solvency of the flood insurance fund, and for other purposes.

Mr. REID. Madam President, I have managed a few bills during my time here, quite a few bills. It is always so gratifying, after the work that goes into the work you have done on a committee or a subcommittee, to have that matter come to the floor. It is a terrible disappointment to not be able to move forward as you anticipated.

So I say that for Senator STABENOW and Senator ROBERTS. No one has worked harder than they have in bringing the bill to the floor. It is bipartisan. It is important not only for the State of Michigan, the State of Kansas, but it is important for the country.

I wish we could proceed in another way to have amendments heard and voted on. But even though this is something awkward, we are going to move forward with this bill. We are going to bring up some amendments. They are big amendments. They are crucial to Senators being able to issue their opinions on this legislation. One deals with sugar, one deals with food stamps, both very controversial and very important.

We are going to have those amendments, and, hopefully, we will have a good debate on those matters. We can move forward on this bill in other ways. I have not given up hope. I know Senator STABENOW and Senator ROBERTS have not given up hope to have a universal agreement so we can legislate on this bill.

As I have indicated, we do not do this very often in this manner. But it is important because we have an issue that needs to move forward. A lot of times when the tree is filled we just walk away from it. We are not going to walk away from this. This bill is far too important. It affects the lives of millions of people—about 16 million—in America.

The reforms have been made in this bill—I remember when I came from the House of Representatives 26 years ago, we wanted to make the reforms that are in this bill. So they have done remarkably good work. We hear everyone, Democrats and Republicans, talking about: Let's do something about the debt and the deficit. Here we have done it.

What they have done is bring to this body a bill that reduces our debt by $23 billion. We have a long ways we need to go beyond that. But, gee whiz, this is a big deal, $23 billion. So I commend and applaud the two managers of this bill. They are fine Senators. They have done a service to our country by getting us to the point we are now.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Madam President, first I want to thank our leader for his strong support and helping us bring this to the floor. We would not be here without the Senator from Nevada, our leader. Frankly, there are many demands, many things on his plate and our plate in the Senate. He understands 16 million jobs are affected by what happens in agriculture in this country. So I thank Senator REID for his willingness to support us and continue to support us as we move forward to get this bill done.

I also want to thank my partner and my ranking member, the Senator from Kansas, for his continued leadership as we move the bill forward. We would have liked to have begun the unanimous consent agreement to move forward on six different amendments, not the universe of amendments. Certainly, anyone could come down and say: Why isn't my amendment part of the first six?

We wanted to get started as we worked with colleagues to bring up other amendments. So we have put forward something that involves, first of all, a technical amendment we need to do for the bill, a perfecting amendment, and then two Democratic colleagues' amendments and three Republican colleagues' amendments, including the Senator from Kentucky who just entered the objection, an important debate that involves an amendment he is involved in.

So our first step was to try to do this around unanimous consent. But understanding that we do have an objection, Senator REID has offered us another path to do this by creating a way for us to at least have the debate on two of the issues we had put forward in the six amendments before us.

One involves the Sugar Program for our country, and we have a number of Members who have different amendments. We have one that will be in front of us. It is an opportunity for everyone to say their piece. I can tell you as someone who represents a lot of sugar beets that I care very deeply about this issue and certainly support the Sugar Program. But it is an important debate to have, and Members deserve to be heard on all sides.

The other relates to the Supplemental Nutrition Assistance Program. Many Members have feelings on all sides about this, and so we think it is an important debate to have to give people an opportunity to give their opinions.

I certainly, as this goes forward tomorrow, will be doing that myself and certainly feel very strongly that what we have done in the bill on accountability and transparency to make sure every dollar goes for families who need it is very important. But we want Members to have an opportunity to be able to debate what is important policy for our country.

As we are moving forward on both of these amendments tomorrow, we will also be working, our staffs and ourselves, to come together on a larger package, a universe of amendments to offer to the body of the Senate to be able to move forward so we can come up with a finite number of amendments that will allow us to complete the bill.

Many amendments have been offered. We are going to spend our time going through those just as we did in committee where we worked across the aisle. We had 100 amendments and whittled that down to a point where we could come forward with agreed-upon amendments. We are going to do the same thing. We are going to put together a universe of amendments to move forward on the bill.

But while we are doing that, we will have an opportunity—we invite Members who care particularly about either of the issues that will be voted on tomorrow—the leader will move forward with a motion to table on those, but we want everyone to have an opportunity to come to the floor and be able to be heard on both of those issues.

So we are moving forward. We would have liked to have done it with a larger group of amendments that we could have started with while we continue through. Our goal is to allow as much opportunity for discussion and debate as possible. But, frankly, I have to say, before yielding to my friend from Kansas, our goal ultimately is to pass this bill.

I mean we have 16 million people who are counting on moving forward wanting certainty. Our farmers and ranchers want to know what is coming for them as they are in the planting season, going into harvest season in the fall. They need economic certainty. We need to make sure we have a policy going forward that makes sense and is put in place before September 30 of this year when these policies run out and very serious ramifications to the budget take place.

Frankly, I think all of us have said at one time or another that we want to

see deficit reduction. I do not know of another bill that has come before this body with $23 billion in deficit reduction, bipartisan, and a number that was agreed to in the fall with the House and the Senate.

We have an opportunity to tell the people we represent in the country that we meant it when we said deficit reduction. We meant it when we said reform. We meant it when we said we were going to work together to get things done. We have been doing that with a wonderful bipartisan vote in committee, with a very strong vote to proceed to this bill last week, and we know the hard part is getting through it and coming up with the list of amendments we intend to do.

We are asking for our colleagues to work with us on behalf of the people of this country who have the safest, most affordable food supply in the world because of a group of folks called farmers and ranchers who have the biggest risk in the country and go out every day to work hard to make sure we have the national security and the food security we need for our country.

They are looking to us to get this done, along with children and families across this country. We will do that. We will begin that process between now and tomorrow with a debate on two important issues.

I see my distinguished colleague and friend here, the ranking member. I also thank another distinguished colleague, the Senator from Iowa, who has made very significant contributions in this legislation on reforms—reforms he has been fighting for for years. We have stepped up to back him up and support him. We need to get this done—these reforms—and get this bill done. We are going to work hard to make sure we do that.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. ROBERTS. Madam President, this isn't exactly the trail I had hoped we would take to get to a successful conclusion on a farm bill that we need so vitally in farm country, for all the reasons that the distinguished chairwoman has outlined. I need not go over all of those reasons. I will mention that we have a September 30 deadline in which the current farm bill expires. The alternative is to go back to the current farm bill, which we know is outdated, and it has a payment system that is also outdated.

The other alternative, if you don't extend the farm bill, is you go to the 1949 act, which is not sustainable. It is not really an alternative. I had hoped we could start considering this. We had three Republican amendments, two Democratic amendments, and also the perfecting amendment. But that is not the trail we are going to go down.

Basically, I think about the only thing I can add is that we are not giving up. We can't. We will keep working as hard as we can to accommodate all Members. I know there is a lot of talk on both sides of the aisle about a global agreement. That seems to be a little bit of an exaggeration, more especially for this body. At any rate, that agreement would encompass every Members' concern at least, and we would go back to what the Senate used to be and have everybody offer amendments and debate them and then vote and have a conclusion. That is exactly what we did when we marked up the bill with over 100 amendments in 4½ hours. That was a record. That is not what we are going to do as of tomorrow. At least there is some degree of movement.

I know the Senator from Iowa has several amendments that are extremely important to the future of agriculture program policy. I commend him for his leadership in the past and for being such a successful partner in working things out not only for his State but for the country.

We will persevere and we will get this done. I guess we are like John Paul Jones—we have just begun to fight.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Ms. STABENOW. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Ms. STABENOW. Madam President, I know my colleague from New Hampshire wishes to speak, but for the purpose of Members' understanding, I would like to let everyone know what is happening now.

We do have two amendments that will be voted on tomorrow morning. The majority leader has at his disposal the ability to have a motion to table, which he will exercise in the morning. But we want anyone interested in either of these two topics or amendments to come forward with the opportunity to debate tonight. Senator SHAHEEN has an amendment that I know is very important to her and many other Members, and we want everyone to have the opportunity this evening to do that.

There will be a vote. I am not sure of the time exactly, but I would think at this point it will be in the morning. So we want those who are interested in debating the Sugar Program or debating the question of whether to block grant the nutrition program, the Supplemental Nutrition Assistance Program, SNAP, to come forward to discuss and debate that this evening. There may be some time in the morning, but we will be moving forward on both of these amendments. So we want to let them know that if these are topics they are interested in, we would certainly welcome them coming to the floor.

The PRESIDING OFFICER (Mr. BENNET). The Senator from New Hampshire.

Mrs. SHAHEEN. Mr. President, I thank Senator STABENOW, who has done such a great job of chairing the Agriculture Committee. She and Ranking Member ROBERTS really have done amazing work to bring this bill to the floor. It is bipartisan, and it is legislation that makes some significant reforms in the farm programs we have had.

In New Hampshire, many of the programs that are authorized in the farm bill are critical for our farmers and our rural communities, as well as for the protection of our natural resources. I hope we do have some agreement so that we will be able to actually have a full debate on this bill in the remainder of this week and in the upcoming week.

As I said, this legislation makes much needed reforms to our farm programs, and it helps to reduce the deficit. For all of that terrific reform and the work that has been done, Senator STABENOW and Ranking Member ROBERTS deserve real appreciation and thanks from this body.

However, there is one glaring exception to the reforms that have been made in the bill; that is, the bill contains no reform to the Sugar Program. The sugar subsidies we provide to farmers in America are really unique because what the Federal Government does is to artificially restrict supply and provide a subsidy that keeps prices for sugar in the United States at nearly twice the world average. These are high prices that hurt consumers. They hurt businesses. In fact, a recent study found that the program costs Americans $3.5 billion a year.

Let me explain how the subsidy works. First, the Federal Government sets a floor on sugar prices through guarantees. So they guarantee how much is going to be paid for the price of sugar. These price floors ensure that sugar growers and processors will always receive a minimum price for sugar regardless of what happens on the world market. But sugar prices have been far higher than the minimum price for years now, and that is thanks to some additional, very egregious government controls on sugar. Under the sugar subsidy program, the Federal Government tells sugar growers how much they can grow. These restrictions are called marketing allotments, and they limit how much sugar is available on the market and restrict the ability of buyers and sellers to trade sugar freely. So this is not a market enterprise when it comes to sugar in the United States, and no other U.S. crop is subject to these same kinds of government controls. As a result, in the United States we have severe supply shortages which keep sugar prices artificially high.

The last component of the subsidy program for sugar is trade restrictions. The Federal Government severely restricts the amount of sugar companies can import into the United States. So only about 15 percent of sugar in the United States is imported at those lower world average prices.

Again, no other crop is subject to the kinds of restrictions and price controls I have just described. The result is a

subsidy that hurts hundreds of thousands of businesses and consumers and only benefits about 4,700 sugar growers. Unfortunately, the farm bill before the Senate, while it contains a lot of reforms, contains no reforms to this subsidy program.

I have introduced several amendments, but the one we are going to be voting on tomorrow is one that would repeal the subsidy so that prices are determined by the market instead of government controls.

For the past 1½ years, I have been working with our colleague, Senator MARK KIRK of Illinois, on bipartisan legislation—the SUGAR Act—which would phase out the Sugar Program over several years and eliminate government control of sugar prices. Unfortunately, Senator KIRK can't be here tomorrow for this vote because he is continuing his recovery, but I am pleased there is a bipartisan group of our colleagues who have joined in support of this sugar reform. In particular, Senators LUGAR, MCCAIN, DURBIN, TOOMEY, LAUTENBERG, COATS, PORTMAN, FEINSTEIN, and my colleague from New Hampshire, Senator AYOTTE, have all joined me in calling for elimination or significant reform of the Sugar Program.

This is a big concern for us in New Hampshire and other States around the country that actually make candy or other products that rely on sugar. In New Hampshire, we are the American home of Lindt chocolates. We also have a number of other small candy companies. As this chart shows, American manufacturing companies such as Lindt pay almost twice the world average price for their sugar. In fact, prices have gone up considerably since Congress passed the last farm bill in 2008.

We can see that this blue line at the bottom is the world price of raw sugar. This red line is the U.S. price of raw sugar. This green line at the top is the U.S. wholesale refined sugar price. So while we can see how much higher that raw sugar price is, we can also see what it does to the refined sugar price, and we can see how significantly it has increased since the last farm bill. Again, the sugar subsidy program is able to keep these prices so high because it distorts the market.

In addition to the minimum prices guaranteed by the government, the Federal Government drastically restricts the supply of sugar in the United States, with only about 15 percent of sugar sold coming from abroad—thanks to those import restrictions. The government controls how much each individual sugar processor can sell, and that further restricts supply on the market. Again, the result of these government controls is to keep the artificially high prices for sugar that are reflected on this graph.

These high sugar prices hurt job creation. According to the Department of Commerce, for every one job protected in the sugar industry through this program, we are sacrificing three jobs in American manufacturing. A recent study by an agricultural research firm called Promar suggests that the program—the sugar subsidy, that is—costs 20,000 American jobs each year. In addition, a recent analysis that I referred to earlier found that the program also costs consumers $3.5 billion every year in the form of artificially high sugar prices. These really are pretty startling numbers, but I wish to talk about how this subsidy program affects just one of the small businesses in New Hampshire.

We have a company called Granite State Candy Shoppe. It is a small family-owned candy manufacturing company in Concord, NH, the capital of New Hampshire. Sugar is that company's most important ingredient. Jeff Bart, who is the owner, tells me that the artificially high cost of sugar has forced the company to raise prices on their goods but, more importantly, the subsidy has also prevented the company from hiring new workers as quickly as it would like to. So while Granite State Candy Shoppe would like to grow and expand, the sugar subsidy is really slowing down that expansion because of the high price of sugar. Granite State Candy Shoppe is just one of many companies that want to grow but are forced to slow down their expansion due to an outdated, unnecessary government program that benefits relatively few sugar cane and sugar beet growers nationwide.

High sugar prices also put American companies at a competitive disadvantage with foreign manufacturers. Since foreign companies can get sugar so much cheaper, it is tempting for American companies to look elsewhere to manufacture their candy. In fact, low sugar prices are a major selling point for foreign governments encouraging candy companies to relocate.

We just copied this cover of a brochure from Canada. It says:

Canada—North America's Location of Choice for Confectionary Manufacturers.

Consider these hard facts. Sugar refiners import the vast majority of their raw materials at world prices. Canadian sugar users enjoy a significant advantage—the average price of refined sugar is usually 30 to 40 percent lower in Canada than in the United States. Most manufactured products containing sugar are freely traded in the NAFTA region. So we are losing these jobs to Canada and to other places—20,000 jobs a year—in businesses that need sugar as a major ingredient.

This outdated program puts American companies at a competitive disadvantage, and it should go. That is why I hope our colleagues, as they are considering this amendment tomorrow morning to repeal the Sugar Program, will decide to support it. I hope we will not have opposition to voting on the amendment from any of our colleagues in the Senate.

We have had consumer and business groups calling for the repeal of the Sugar Program for years now. The Consumer Federation of America and the National Consumers League have joined business groups such as the U.S. Chamber of Commerce and the National Association of Manufacturers in support of this amendment. These groups support reforming this program because they recognize that these special interests are hurting consumers and they are hurting American businesses.

So I hope all of my colleagues will support this amendment tomorrow. Help us grow small businesses and create those American jobs. Let's reform the Sugar Program. It is long overdue.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Ms. STABENOW. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

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

Ms. STABENOW. Mr. President, I will take a few moments to speak about the two amendments we will be voting on with motions to table tomorrow and urge that my colleagues, in fact, do vote to table these amendments. I appreciate we have colleagues on both sides of the aisle who care about both of them, but I ask, in the interest of a strong agricultural policy and nutrition policy, that we not support the amendments that are in front of us. But I do appreciate the fact that we are beginning to talk about issues and amendments. This is very important.

We have many amendments and ideas that Members want to bring up. We are going to do our level best, within the framework we have to deal with in terms of procedure, to be able to bring up as many different topics and have as much opportunity for people to debate as possible because we want to move forward on this very important bill that we all know would reduce the deficit by over $23 billion. It has major reforms. Yet it will strengthen agricultural policy—nutrition policy, conservation policy—and maintain and support 16 million jobs. That is why we are here.

I wish to take a moment to talk about our American sugar policy. We grow a lot of sugar beets in Michigan. Our first sugar policy goes back to 1789 in this country. I don't think either one of us was here. The Presiding Officer certainly was not here. Nobody was here. But in 1789 we began the first sugar policy. Our modern policy can be traced back to the Sugar Acts of 1934, 1937, and 1948. Sugar is not similar to other commodities. Both sugarcane and sugar beets must be processed soon after harvest—which is a key factor for them—using costly processing machinery.

If farmers need to scale back production because of a sudden drop in price,

the processing plant shuts down and may never reopen. Because this processing is so capital intensive, it is imperative we give producers a stable marketplace so they do not experience a constant boom and bust, which is what we would see without the stability of the program we have today.

The current U.S. sugar policy has been run at zero cost to taxpayers for the last 10 years. Let me just say this again—zero; zero cost to the American taxpayer for the last 10 years. This policy helps defend 142,000 American jobs and $20 billion in economic activity every year: zero cost, 142,000 jobs, $20 billion in economic activity every year.

Two things come to mind. Even with our sugar policy, the United States interestingly is the second largest net importer of sugar behind only Russia. This is important because our policy has been viewed as a protectionist policy. Yet we are still an importer. We import sugar, the second highest only to Russia. What we are talking about is allowing a stable marketplace for American producers.

The price of sugar for consumers is among the lowest in the developed world. Despite many debates to the contrary, in the European Union prices are 30 percent higher than in the United States. When we look at the retail prices for countries such as France, Finland, Japan, Norway, and so on, U.S. sugar prices are actually very low. Again, zero cost to the taxpayer, and we are maintaining a stable price for our sugar beet growers and protection for our sugar beet and sugarcane growers. We are creating jobs and, at the same time, this is where we fall, with the blue line being the USA.

I know there are colleagues on both sides of the aisle who care about this. I argue our sugar policy is one that makes sense. It has made sense for the last 10 years at zero cost. I hope we will vote to continue to support this policy, which is a very important part to many regions of the country, an important part of the bill that is in front of us. This policy is supported by a host of corporations, including the American Sugar Alliance, the International Sugar Trade Coalition. We have the support of our country's two largest agricultural trade organizations—the American Farm Bureau Federation and the National Farmers Union. It has made sense. It has zero cost, and I am hopeful colleagues tomorrow will support continuing this program.

Let me talk about another amendment now that goes to a lot of discussion on the floor and that goes to the nutrition parts, which is the majority of the bill that is in front of us.

All across the country the recession has devastated families. Certainly, I can speak for Michigan, where we have people who paid taxes all their lives, they have worked very hard, they continue to work very hard, and never thought in their wildest dreams they would need help putting food on their tables for their children. They have had to do that during this recession, in a temporary way, to help them get through what, for them, has been an incredibly difficult time.

We know the No. 1 way to address that is jobs. We want to make sure, in fact, we are creating jobs, supporting the private sector entrepreneurial spirit to bring back manufacturing, making things, growing things, creating jobs. But we also know, as this has been slow to turn around for many families, that we have Americans who have needed some temporary help. That is what SNAP, the Supplemental Nutrition Assistance Program, is all about.

The amendment tomorrow that we will be voting on would turn this program into an entire block grant, making it much less effective in responding to needs—frankly, block granting and then cutting over half the current levels of support and funding needed to maintain help for those who are currently receiving SNAP benefits. Reductions at that level could exceed the total amount of supplemental nutrition help projected to go to families in 29 of our smallest States and territories over the next 10 years. It is extremely dramatic and makes absolutely no sense. I hope we will join together in rejecting this approach.

One of the strongest features of the Supplemental Nutrition Assistance Program is that, in fact, it can respond quickly when we have a recession or economic conditions that warrant it, when we have a nationwide recession, when we have a plant closure in a community. We have seen way too many of those, although we are now celebrating the fact that we have plants opening and retooling and expanding. But we have gone through some very tough times with plant closures where families have needed some temporary help. The important thing about the Supplemental Nutrition Assistance Program is that it is timely, it is targeted, and it is temporary. Approximately half of all of those new families who have needed help are getting help for 10 months or less, so this is actually a temporary program.

We have seen over the years that families receiving supplemental nutrition assistance are much more likely to be working families. This is important. We are talking about working families who are working one job or one, two, or three part-time jobs and trying to hold it together for their families while working for minimum wage. By about the second or third week of the month, there is no food on the table for the children. So being able to help families who are working hard every day to be able to have that temporary help has been life and death, I would suggest, for many families. This is actually a great American value to have something like this for families who need it.

According to the CBO—the Congressional Budget Office—we know the number of families receiving supplemental nutrition assistance is actually going to go down over the next 10 years. It is going to go down because we are seeing the unemployment rate go down, and it tracks the same. In fact, in this bill we build in savings over the life of the farm bill because it is projected that the costs are going to go down—not by some arbitrary cuts but by actually having it go down because the costs go down. When people go back to work, they don't need the temporary help anymore. There are savings in this bill by the fact that the costs are going down because the unemployment rate is going down, and that is the most significant thing.

Turning supplemental nutrition assistance into a block grant won't make the program more efficient or more effective. Instead, we are likely to see States shifting dollars out of SNAP to look at other budget priorities in very tough times. If it is a block grant, they are not required to use it for food to help families. We all know that States are under tremendous pressure on all sides, so it is not even clear—it wouldn't be accountable in terms of where those dollars are going in terms of food assistance.

It is also harder to fight fraud and abuse across State lines with this kind of approach. The Department of Agriculture has been working hard to accomplish this. We have already reduced trafficking by three-quarters, 75 percent, over the last 15 years, and we want to be able to continue to do that as well.

So we know that nutrition assistance is a lifeline to the families who need it, but let me conclude by saying that I also want to make sure every single dollar goes to the families who need it. That is why this reform bill, this bill that cuts $23 billion on the deficit, also focuses on waste, fraud, and abuse in the nutrition title because we want to make sure every dollar goes to those families. It is to ensure that every family and every child who needs help receives help, and we want to make sure that not one dollar is abused in that process.

So what do we have in the underlying bill? Well, we have had at least two cases in Michigan where we have had lottery winners who, amazingly, continue to get food assistance, which is outrageous. We stopped that, period. Lottery winners would immediately lose assistance. And hopefully we wouldn't have to say that, but the way it has been set up, we have to make that very clear. It would end misuse by college students who are actually able to afford food and are living at home with their parents. Students going to school are not those who would be the focus of getting food assistance help, so we would end the misuse by college students. We would cut down on trafficking. We don't want folks taking their food assistance card and getting cash or doing something else with it that is illegal. We prevent liquor and

tobacco stores from becoming retailers because we want people going into the grocery store or farmers market and being able to get healthy food with their dollars. We also deal with a gap in standards that has resulted in overpayment of benefits as it relates to States. So we deal with what has been an effort by some States to go beyond legislative intent, and we address that in a very strategic way.

The bottom line is that we are making sure we increase the integrity in the food assistance program. We increase the integrity and the accountability because we want every single dollar to go for help for those families who worked all their lives, paid taxes, and now find themselves in a place where the plant closed or where they lost their jobs and need some help on a temporary basis to put food on the table.

Let me just share one more time where the dollars go in terms of children and adults. Nearly half of those who are getting help right now are children; 47 percent of those who get food help are children. Then we have those who live with children, who are another 24 percent, senior citizens are 8 percent, and disabled people are another 9 percent. So the vast majority we are talking about are children, families, parents caring for children, the disabled, or seniors.

The amendment we will be voting on tomorrow is an extreme amendment that would take away temporary help for families and children who need it. Rather than taking that approach, we take the approach of accountability. So as we look one more time at accountability, we can see we are tightening all of the areas where there has been abuse. We want every dollar to go where it should go, but at the same time we don't want to forget the children or the families of this country who are counting on us.

We have several different kinds of programs that relate to disasters in the farm bill. We have one called crop insurance where if there is a weather disaster or price disaster, we want to be there. We don't want any farmer to lose the farm because there are a few days of bad weather or some other kind of disaster beyond their control. It is called crop insurance, and we strengthened risk management tools in this bill.

Well, there is another kind of disaster assistance in this bill, and that is for families across this country. It is for children, it is for seniors, and it is for the disabled. It is called the nutrition title, and that is why it is there in case of a family disaster. We have too many middle-class families who are asking for help now. They are grateful, didn't want to ask, and mortified they have to ask, but they are in a situation where they need temporary help, and that is why it is here.

The good news is that with the unemployment rate going down, the assistance is going down. The budget will be going down through the life of this farm bill and the costs will be going down because people are going back to work. That is the way it should be.

I would urge tomorrow that we vote against what I consider to be a very extreme amendment that would cut and block grant the nutrition program and vote instead to support what we have done to increase the accountability and integrity of our food assistance programs.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. UDALL of Colorado). Without objection, it is so ordered.

Mr. BENNET. Mr. President, it is a great privilege to be here tonight with the senior Senator from Colorado because the topic I come to the floor to talk about tonight is the West. Similar to the Presiding Officer, I have been thinking a lot about our home State of Colorado because we currently have a terrible wildfire burning just west of Fort Collins. Susan and I and the girls went up to Jamestown this weekend—I think I told the Presiding Officer this earlier—and dropped them off at camp, and that is far away from where this fire is. It is on the other side of Estes Park. But even from there, we could see an incredible plume of smoke, and in the 45 minutes or so we were there, I would say the volume of that plume of smoke increased by three-or fourfold and we could tell something terrible was going on.

As the Presiding Officer knows better than anybody in this Chamber, this devastating fire has destroyed over 100 structures and has tragically claimed one life and endangered many others. In fact, as we stand in this Chamber tonight, there are many endangered by this fire. At over 43,000 acres and growing, it is the third largest fire in Colorado's history.

Today, I think I can say for both of us, our thoughts go out to the family who lost a loved one and to the hundreds of firefighters who are bravely working on the ground as we are here tonight. We wish them well and we wish them success in battling this blaze.

As the Presiding Officer knows, wildfires are simply part of life in the West. Managing our land to improve resiliency needs to be a focus of ours in this Congress. That is why I am pleased, as a member of the Committee on Agriculture, to say the farm bill reauthorizes stewardship contracting, which allows our Federal land management agencies to implement high priority forest management and restoration projects. Much of the Presiding Officer's career has had to do with these programs. I thank him for his support, and I have been pleased to be able to carry on his work as a member of the Agriculture Committee. This is a critical tool for initiatives that restore and maintain healthy forest ecosystems and provide local employment. The Presiding Officer, I think, was on the floor maybe yesterday talking about the importance of this to our timber industry in Colorado and across this country.

Another truly western aspect of this bill I would like to focus on tonight is conservation and specifically the stewardship of our western landscape. In my travels around Colorado, I have been heartened to see over and over farmers and ranchers arm in arm with conservation groups and with sportsmen, all in the name of proper stewardship of the land, of protecting our open spaces. They all share the recognition that keeping these landscapes in their historical, undeveloped state is an economic driver—as family farms, as working cattle ranches; for tourism, for wildlife habitat, and to preserve our rural way of life and our rural economies.

Every citizen knows the American West is a destination for those seeking wide-open spaces—a ''home on the range,'' as they say, a way of life that is focused on working the land and the wise stewardship of our natural resources. We also know that as we have grown as a country, there has been increasing development pressure on this way of life and on the landscape. That pressure is exactly why the farm bill's conservation title is so vital to people in the West.

I serve as chairman of the Conservation Subcommittee of the Senate Agriculture Committee, and through the dozens—literally dozens—of farm bill listening sessions I have held over the last 18 months, farmers and ranchers were always talking about the importance of conservation; conservation of their way of life and conservation of their land, particularly the use of conservation easements which help landowners voluntarily conserve the farming and ranching heritage of their land, a heritage that is so important to our State and to the entire West.

So I wished to spend a few minutes sharing some of the stories Coloradans have shared with me and, maybe more important than that, showing our colleagues what this looks like. Of course, we live in the most beautiful State of all 50 States, in Colorado. This photo is from the Music Meadows Ranch outside Westcliffe, CO, elevation 9,000 feet. On these beautiful 4,000 acres, Elin Ganschow raises some of the finest grass-fed beef in the country. Thanks to the Grassland Reserve Program, Elin's ranch now has a permanent conservation easement. So this beautiful land will likely always have someone running cattle on it.

This photo I have in the Chamber is from the San Luis Valley, where my predecessor, Ken Salazar, is from. Fifteen different conservation easements—finalized by the Colorado

Cattlemen's Agricultural Land Trust—protect nearly all of the private land over a 20-mile stretch in the valley.

The great work of the Cattlemen's Agricultural Land Trust, aided by the programs in the farm bill conservation title before us, is protecting our western way of life in Colorado.

This beautiful picture is also from the valley. This is not a movie set, by the way. This is how we live our lives in the great State of Colorado and why these programs have been so important.

Finally, I want to share one more Colorado story about preserving our State's fruit orchards. Most people do not know this, as I have traveled the country—and I imagine Senators ISAKSON and CHAMBLISS from Georgia might even be surprised to hear—Colorado is a national leader in the production of peaches. This picture is of a peach orchard in Palisade.

My friends from California might also be interested to know that Colorado has a burgeoning wine industry as well. In Colorado's Grand Valley, pictured here, conservation programs have been efficiently employed to protect 14 family farms growing peaches and wine grapes among other things.

The Federal investments made available to protect these lands have not only ensured they will stay in agricultural production, but the resources provided from the Natural Resource Conservation Service, NRCS, help these family farms acquire new land to plant and new equipment to plant it.

Mr. President, as you can see—and as you already know—conservation is an integral part of what we are all about in the West. It helps define who we are. Sometimes people only focus on conserving public land in its undeveloped state, and that is an important endeavor in Colorado and across the West. But private land conservation—the type aided by the farm bill—is critical for so many reasons: to protect the agricultural heritage of the land, and for wildlife habitat: elk, bighorn sheep, pheasant, Colorado cutthroat trout—the list goes on and on—so many of the prized species that are important to our Nation's sportsmen and nature lovers.

Finding open landscapes and the species that inhabit them are a fundamental part of what it is to be in the West. We need to preserve these open spaces. That is what this title does. I strongly support this new conservation title as reported out of the committee on a bipartisan vote.

I know some would look to amend this bipartisan consensus, to cut conservation resources in the name of deficit reduction or to apply it to some other purpose. I am the first to say we need to cut our deficit. We need to put the entire budget under a microscope—including agriculture—to cut waste and eliminate redundancies. And, by the way, we have.

This committee—the Senate Agriculture Committee—under the leadership of the chairwoman and the ranking member, is the only committee I am aware of in this entire Congress—the House or the Senate—that has actually come up with a bipartisan consensus on deficit reduction. I thank the ranking member and the chairwoman for their leadership, for setting a model, an example for the other committees that are working—or should be working—to get our deficit under control.

I might say, $6.4 billion of those cuts do come from conservation, not all of which I like. But we made difficult compromises at the committee level. We have a more efficient conservation title that won support from both sides of the aisle, and we ought to move this bill forward.

I know there has been a little bit of the usual back-and-forth about amendments that are not necessarily related to the topic at hand, and we have a habit of doing that in the Senate. I hope there can be an agreement reached by the leadership so we can move this critically important bill forward.

Again, at a time when so much partisan bickering is going on around this place, to have seen the fine work that was done by this committee—Republicans and Democrats working together—to strengthen this commodity title, create real deficit reduction, and actually end direct payments to producers—one of the most significant reforms in agricultural policy that we have had around this place in decades—it would be a shame—worse than a shame; it would be terrible—to let that work go to waste.

With that, Mr. President, the hour is late. I am going to stop so we can close. I thank the Presiding Officer very much and say again what a privilege it was to be able to talk about our home with him in the chair.

So with that, I yield the floor and 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. BENNET. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

MORNING BUSINESS

Mr. BENNET. Mr. President, I ask unanimous consent that the Senate proceed to a period of morning business, with Senators permitted to speak therein for up to 10 minutes each.

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

TRIBUTE TO DELFORD McKNIGHT

Mr. McCONNELL. Mr. President, today I wish to recognize Mr. Delford McKnight of Laurel County, KY, for his lifetime of contributions in business as well as his many years of public service to the State of Kentucky. Delford McKnight is the founder of McKnight & Associates, a successful industrial construction company that built and renovated numerous structures in Laurel and surrounding counties.

Born in 1946, Mr. McKnight grew up on a small family farm 6 miles from London, KY. He attended Bush Elementary School and Bush High School, where he gained an interest in agriculture and construction. Taking classes in agriculture and woodworking, as well as other college prep classes, he earned the title ''Boy Most Likely to Succeed'' from his senior class.

After graduating high school, Delford went on to attend the University of Kentucky for 1 year before leaving to pursue a career in construction. In 1964, he married his first wife, Helen Owens McKnight. The couple moved to Lexington, where they ran a local Laundromat and managed an apartment complex. On the side, Delford also worked for a construction company. In 1965, the two moved back to their hometown, where Mr. McKnight took a job with the Hacker Brothers construction firm.

Three years later, Delford opened his first construction business, McKnight Construction and Blueprint Company, in London, KY, today known as McKnight & Associates. This construction firm is responsible for building and renovating many of the buildings in the community, including the Clay County Vocational School, the Board of Education building in Manchester, and the first building of the Laurel Campus of Somerset Community College. Along with these, Mr. McKnight also built North Laurel Middle School, as well as Hunter Hills Elementary School and the new Bush Elementary School. In the early 1970s, McKnight & Associates got the contract for the Kentucky Fried Chicken building in London, and later renovated Sanders Cafe and the Corbin KFC.

Aside from his construction work, Mr. McKnight also became involved with several other business ventures. He was the first to bring the idea of self-storage units to southeastern Kentucky, opening the first self-storage facility there in 1976. He also founded Lee-Mart Rent-to-Own Stores, which later sold to Aaron's, Inc., and he cofounded Cumberland Valley Office Suppliers, Inc., a retail office supply store. After becoming involved with the London-Laurel County Tourist Commission, Delford developed the idea of the ''World Chicken Festival'' in 1989 to highlight Colonel Sanders's cooking worldwide, a festival that is still joyously celebrated to this day.

Mr. McKnight has held many leadership positions throughout Kentucky. He is a past secretary of the Laurel County Chamber of Commerce, the first president of the Southeastern Kentucky Home Builders Association—from which he received the Time Award, and the current director of First National Bank & Trust in London, Kentucky. He also served as a

member of the Cumberland Private Industry Council, the Cumberland Valley ADD Board, and the London-Laurel County Tourist Commission. Mr. McKnight serves as a member and chairman of the 13th Regional Vocational Advisory Council and was a 25-year member on the Corbin Tri-County Joint Industrial Development Authority. He was also honored by the Laurel County Homecoming Festival for his service to the community in 2007.

In 1989, Delford completed construction on his ''dream executive home'' in London, Kentucky, and he recently completed the construction and landscaping on his second home in Venice, Florida. He has recently quietly retired, although he still helps with management decisions regarding his investments and business interest. Delford has been married to Lottie Gail since January 2001 after his first wife, Helen, died of cancer. Delford and Lottie Gail have a combined family of 5 children and 12 grandchildren.

Delford is still an active member of the Laurel community today, serving as a deacon and Sunday school teacher at United Baptist Church, a member of the Laurel County Chamber of Commerce, a member of the Laurel County Vocational Advisory Council, and a member of the London-Laurel County Tourist Commission.

At this time I ask my U.S. Senate colleagues to join me in recognizing Mr. Delford McKnight for his many contributions to the Laurel County community and the Commonwealth of Kentucky. An article from the Laurel County-area publication the Sentinel-Echo recently highlighted Mr. McKnight's success and accomplishments. I ask unanimous consent that said article be printed in the RECORD.

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

[From the Sentinel-Echo, Apr. 30, 2012]

TAKING CHANCES PAID OFF FOR MCKNIGHT

(By Nita Johnson)

Variety and challenges could well describe the life of Laurel native Delford McKnight.

''I always like a challenge,'' McKnight said, ''and I like variety.''

While his office is testimony to a variety of collectibles and what-nots, so is his life's work.

With his roots in carpentry and farming, McKnight graduated from Bush High School and attended the University of Kentucky.

''I went for a year, quit, and got married,'' he said.

He and his wife, Helen Owens McKnight, who died from cancer in 2000, ran a Laundromat and managed a rental apartment in Lexington while Delford also worked for a commercial construction company.

In 1965, the McKnights returned to their hometown, where Delford landed a job with Hacker Brothers construction firm. Four years later, McKnight and partner Harold McPhetridge launched McKnight and Associates, which has constructed and/or renovated many of the buildings in the county.

His first ''big'' job came with the construction of the Clay County Vocational School, then getting the contract to build the Board of Education building in Manchester. He has since overseen the renovation of the first building of the Laurel campus of Somerset Community College, the former Interstate Coal offices on the property now known as College Park. His company built the former administration building, now known as the McDaniel Learning Center. He built North Laurel Middle School, Hunter Hills and the new Bush elementary schools as well as having his hand in school construction in Clay and Perry counties. McKnight and Associates landed the contract for the Eastern Kentucky University site in Clay County and the University of Kentucky site in Harlan.

Though he credits his family background of carpentry and farming for sparking his interest in the construction business, he said the shop and vocational agriculture classes in high school solidified his choice of careers.

''I was raised on a farm and I think I could have been a farmer just as easily as I could do construction,'' he said. ''But I knew more about commercial construction than about building houses, so that's what I pursued. I took college prep classes in high school but I've utilized the skills in agriculture and shop classes more than any college prep class I had.''

A big believer in education, McKnight encourages students to pursue a field they enjoy and to bask in the opportunities they receive through their education and training courses.

''Get as much education as you possibly can, whether it's job training or vocational training or whatever you're interested in,'' he continued. ''You always need to continue to learn. Find something you like to do and pursue it.''

McKnight's career choice also led to his involvement with community activities. In the early 1970s, his firm landed the contract for the Kentucky Fried Chicken building in London. Later on, he was involved in the renovation of Harland Sanders's first restaurant—Sanders Cafe and the Corbin KFC. He also built the London-Laurel County Tourism office and became familiar with board members for that organization. When he kept hearing about increasing tourism in Kentucky through festivals, it was he who approached then-tourism director Ken Harvey and long-time board member Caner Cornett with the idea of the World Chicken Festival that highlighted Sanders's achievements worldwide.

But being one of the ''firsts'' involved in the highly ranked fall festival is just one more of McKnight's ''firsts.''

While a student at UK in 1963, McKnight was one of those freshmen who challenged the football team to a snowball fight that has now become a tradition. Though he does not to this day recommend anyone challenge a UK football player in any form of physical challenge, he still laughs about the experience.

He was the sole sixth-grade student at the one-room Langnau School before having to attend Bush Elementary the following year as one of 20 other seventh-grade students.

He was the first to bring the idea of storage buildings to London—a challenge for both his crews as well as a business venture.

''I kept seeing these storage buildings in bigger towns and wondered if there would be a need for that in London,'' he explained. ''Self-storage actually began in California. The ones I built were used as an experiment here, mostly to keep my men working. We had a lull after building the (McKnight) apartments and I mainly just wanted to keep the men working so we built the storage units. It was one of the first ones east of the Mississippi and was unheard of in small towns, but now look around and see how many storage buildings there are around here.''

McKnight's love of variety also earned him a spot in the March/April 1991 edition of Kentucky Builder for his uniquely styled home in London. He has carried that variable interest into the design of his home in Florida that he shares with wife of more than 11 years, Lottie Gail.

''I've had a good life but I've always been lucky to have great employees, most of whom have worked all their lives in this business. It's the people who keep you in business—not just the customers, but the people who work with you.''

AMENDMENTS TO REGULATIONS ADOPTED BY THE COMMITTEE ON RULES AND ADMINISTRATION

Mr. SCHUMER. Mr. President, I wish to inform all Senators that on Friday, May 25, 2012, the Committee on Rules and Administration adopted amendments to the following regulations:

Senate Office Building Regulations; and

Smoking Policy—Rules X, Rules for Regulation of Senate Wing.

These regulations as amended are effective immediately.

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

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

RULE X

Smoking is prohibited in all public places and unassigned space within the Senate Wing of the Capitol, the Senate Office Buildings, and within twenty five feet from the entrances thereto. Smoking is also prohibited under the carriage entrance and the East Portico connected to the Senate Wing of the Capitol. Each Senator, Chairman of a Committee (after consultation with the Ranking Member), the Secretary of the Senate, the Sergeant at Arms, the Architect of the Capitol, the Chaplain, and heads of support organizations assigned space in the Senate Wing of the Capitol or the Senate Office Buildings may establish individual smoking policies for office space assigned to them.

SENATE OFFICE BUILDING REGULATIONS

The members of the Committee on Rules and Administration hereby issue the following regulations:

ARTICLE I—DEFINITIONS

Sec. 101. As used in these regulations, the term—

(1) ''Senate Office Buildings'' means the Richard Brevard Russell Office Building, the Everett McKinley Dirksen Office Building, the Philip A. Hart Office Building, the garages used in connection with such Buildings, all buildings and other structures (other than the Capitol Building or any part thereof) under the jurisdiction and control of the United States Senate, and all subways and enclosed passages connecting two or more such buildings or structures and the United States Capitol Building;

(2) ''Authorized person'' means—

a. Any Member of Congress; or

b. Any officer or employee of the Senate or of any Member thereof, any officer or employee of the Congress, or any officer or employee of any committee or subcommittee of the Senate or of the Congress;

(3) ''Credentialed Member of the Press or Media of News Dissemination'' means any reporter for a newspaper or periodical, reporter of news or press association requiring telegraph service to his/her membership, or a reporter for news dissemination through radio,

wire, wireless, and similar media of transmission, who is authorized to use the reporter's galleries in the House of Representatives or the Senate, or any other adjoining rooms or facilities made available for the use of the media of news dissemination.

(4) ''Auxiliary Personnel'' means any employee of a daily newspaper or periodical, news or press association, or of any radio, wire, wireless or similar media, whose services are necessary in connection with any ''Credentialed Member of the Press or Media of News Dissemination'' carrying out his duties as such.

(5) ''Contract Employee'' means any individual who is an officer or employee of any corporation or other entity, pursuant to any contract or other agreement entered into between such corporation or entity and an officer or employee of the United States Senate, or the Congress, or any committee or subcommittee thereof.

ARTICLE II—CLOSING TIME FOR THE SENATE OFFICE BUILDINGS

Sec. 201. On and after the effective date of these regulations, the Senate Office Buildings shall be closed to any individual other than an Authorized person, Credentialed Member of the Press or Media of News Dissemination, or Contract Employee or an individual within the purview of section 301, 302, 303, 304, 305, 306, 307, 401, 402, 403, or 404 of these regulations as follows:

(1) The Senate Office Buildings shall be closed Monday through Friday from 8:00 p.m. until 7:00 a.m. on the next business day, except during published recess hours when such buildings are closed at 7:00 p.m.

(2) The Senate Office Buildings shall be closed for all National holidays from 8:00 p.m. on the day preceding such holiday until 7:00 a.m. on the next business day following such holiday unless such buildings are otherwise closed in accordance with clause (1) of this section.

(3) Notwithstanding the provisions of paragraphs (1), and (2), of this section, the Senate Office Buildings shall be open to the public all times during which the Senate is in session, except that the Senate Office Buildings shall be closed to the public after the expiration of the thirty minute period following the termination of such session unless such session is terminated during the period that such Buildings are not otherwise closed to the general public in accordance with paragraphs (1), or (2), of this section.

(4) Notwithstanding the provisions of paragraphs (1), (2), and (3) of this section, the Rules Committee may alter these hours for any purpose in consultation with the U.S. Capitol Police and the Sergeant at Arms.

ARTICLE III—INDIVIDUALS ENTITLED TO ADMISSION TO THE SENATE OFFICE BUILDINGS

Sec. 301. Any individual shall be permitted to enter or remain in the Senate Office Buildings during any period that such Buildings are closed, if such individual is accompanied by a Member of Congress or other authorized person.

Sec. 302. Any individual shall be permitted to enter or remain in the Senate Office Buildings during any period that such Buildings are closed, if such individual has a prior appointment to meet with any Senator or authorized person. In no case shall such individual be permitted by reason of this section to remain in the Senate Office Buildings following the termination of appointment.

Sec. 303. Any individual shall be permitted to enter or remain in the Senate Office Buildings during any period that such Buildings are closed, for the purpose of attending any hearing before, or any deliberations of, any committee or subcommittee of the Senate or the Congress, or special event authorized by the Senate which is open to the public. In no case shall such individual be authorized by reason of this section to remain in any part of the Senate Office Buildings other than such part within which such hearing or deliberations or special event authorized by the Senate are being conducted or carried out, or to remain in the Senate Office Buildings following the adjournment or recess of such hearing or deliberations.

Sec. 304. (a) Any individual shall be permitted to enter or remain in the Senate Office Buildings during any period that such buildings are closed, for the purpose of attending any hearing before, or any deliberations of, any committee or subcommittee of the Senate or of the Congress, which is being conducted within such Buildings, and which is not open to the public, if the presence of such individual at such hearing or deliberations is authorized or required by the Chairman of such committee or subcommittee. In no case shall such individual be authorized by reason of this section to enter or remain in any part of the Senate Office Buildings other than such part within which such hearing or deliberations are being conducted or carried out, or to remain in the Senate Office Buildings following the adjournment or recess of such hearing or deliberations.

(b) Nothing in these regulations shall be construed as prohibiting any Credentialed Member of the Press or Media of News Dissemination or Auxiliary Personnel approved by the Superintendent of the House or Senate Press Gallery, Press Photographers Gallery, Radio-Television Gallery, or Periodical Press Gallery, from entering or remaining in the Senate Office Buildings within which such hearings or deliberations are being conducted, but such member or personnel shall not be authorized, by reason of this subsection to attend any such hearing or deliberation which is not open to the public.

Sec. 305. Nothing in these regulations shall be construed as prohibiting any Credentialed Member of the Press or Media of News Dissemination or Auxiliary Personnel approved by the Superintendent of the House or Senate Press Gallery, Press Photographers Gallery, Radio-Television Gallery, or Periodical Press Gallery, from entering or remaining in the Senate Office Buildings during any period that such Buildings are closed, for the purpose of carrying out his duties as such, or utilizing any rooms or facilities set aside for the use of such member.

Sec. 306. Nothing in these regulations shall be construed as prohibiting any employee of a Member of the House of Representatives, or any officer or employee of the House of Representatives, or of any committee or subcommittee of the House of Representatives, or any individual in the company of any such officer or employee, from entering the Senate Office Buildings during periods that such Buildings are closed, solely for the purpose of utilizing such Buildings as a passageway, except that such officer or employee and individual shall be required to comply with the provisions of section 404 (a).

Sec. 307. A Contract Employee who is authorized to perform services or other duties within the Senate Office Buildings, shall be permitted to enter or remain within the Senate Office Buildings, during any period that such Buildings are closed, if such individual's entry or remaining therein is necessary in connection with the performance of such services or the discharge of such duties as provided for under the aforementioned contract or agreement. All Contract Employees are required to obtain and display a valid Congressional Identification Badge. No Contract Employees shall be authorized by reason of this section to enter or remain in any part of the Senate Office Buildings other than such part within which such services are to be performed or such duties discharged, or to remain in such Buildings following the completion of such services or duties.

ARTICLE IV—MISCELLANEOUS PROVISIONS

Sec. 401. Nothing in these regulations shall be construed as prohibiting any individual from entering or remaining in the Senate Office Buildings during any period that such Buildings or part thereof are closed, if such individual's entering or remaining therein is necessary in connection with the health or safety of any other individuals therein, the protection of life or property therein, or any other emergency requiring the entering or remaining of such individual within the Senate Office Buildings or such part.

Sec. 402. In any case in which a function or other activity is held by any authorized person in any office or other room assigned to such person and located in the Senate Office Buildings or in which a function or other activity is held by any Member of the Senate in a room located in such Buildings and which is made available to such Member for that purpose by the Senate Committee on Rules and Administration, any individual shall be permitted to enter or remain in such Buildings during any period that such Buildings are closed for the purpose of attending such function or activity, if such individual is there by reason of an invitation extended by such authorized person. In no case shall such individual be permitted by reason of this section to enter or remain in any part of the Senate Office Buildings other than such part within which such function or activity is being carried out, or to remain in such Buildings following the termination of such function or activity.

Sec. 403. (a) The Sergeant at Arms of the Senate, or designee, or the United States Capitol Police is authorized, at any time, to issue an order temporarily closing the Senate Office Buildings or any part or area thereof, or temporarily cordoning off any part or area of the Senate Office Buildings, if he/she or designee determines that such closing or cordoning off is necessary in order to assure the security or safety of any Member of Congress, the President of the United States, the Vice President of the United States, or any other person, the preservation of the peace or good order, the securing of the Senate Office Buildings from defacement, or the protection of the public property therein.

(b) No individual (other than an authorized person or an individual within the purview of Section 401 of these regulations) shall be permitted to enter or remain in the Senate Office Buildings, or any part or other area of any such Buildings, during any period that such Buildings, part, or area are closed pursuant to subsection (a); except that nothing in this section shall be construed as prohibiting any individual accompanied by a Member of the Senate from accompanying such Member to an office or other room assigned to that Member notwithstanding the fact that such office or room is located within any such Buildings, part, or area closed pursuant to this section, but such individual shall not be authorized to remain in any part of such Buildings other than that part within which such office or room is located.

Sec. 404. (a) Except to the extent otherwise provided in subsection (b) of this section, any individual, including an authorized person (other than a Member of Congress) authorized pursuant to these regulations to enter or remain in the Senate Office Buildings during the period that such Buildings are closed pursuant to these regulations, shall be required to present a valid Congressional Identification Badge, or in the case of visitors, a valid government-issued ID, and to sign in or out, or both (as the case may be).

(b) (1) The provisions of subsection (a) of this section shall not be applicable with respect to any individual or individuals who are accompanied by a Member of Congress, except that the Officer on duty at the affected entrance shall record on the sign-in or sign-out record, or both (as the case may be), the name of the Member of Congress, the number of such individuals whom the Member is accompanying, the time such Member and individual or individuals were checked-in, or checked-out, or both (as the case may be), and their destination within the Senate Office Buildings following their entry.

(2) The provisions of subsection (a) of this section will not be applicable with respect to any individual within the purview of section 401 of this regulation who is entering or leaving the Senate Office Buildings under circumstances involving an emergency, or to any authorized person during the period of 8:00 p.m. to 7:00 a.m. each calendar day, if such person is otherwise identified by the officer at the affected entrance.

Sec. 405. (a) In recognition of the obligation imposed on the Senate Committee on Rules and Administration for the control and supervision of the Senate Office Buildings, on and after the effective date of these regulations, no individual shall:

(1) Act in a manner so as to cause a disturbance unreasonably interfering with the preservation of peace and good therein; or

(2) Congregate with another individual or individuals in any corridor, hallway, passageway, rotunda, or other public space in the Senate Office Buildings in a manner so as to:

a. Unreasonably interfere with the passing or movement of any other individual through such corridor, hallway, passageway, rotunda or other public space; or

b. Create any unreasonable risk to such works of art or other public property therein;

(b) And in no case shall any individual, at any time, sit, lie, or crouch down upon the floor or any other area of such corridor, hallway, passageway, rotunda, or other public space (including sitting, lying or crouching on any chair, bench, cot, stool, or other device) except that nothing in this section shall be construed as prohibiting any individual (not otherwise in violation of this section) from sitting on any chair, bench, cot, stool, or other device authorized for such purposes by the Congress, the Senate, or any committee or subcommittee thereof, or any officers of the Congress, or the Senate.

(c) If any individual engaging in any conduct prohibited by this section, when ordered by any officer of the U.S. Capitol Police to cease and desist in such conduct, refuses or fails to do so, such individual shall, when ordered by the Sergeant-at-Arms of the Senate, or designee immediately leave the Senate Office Buildings by means of the closest available exit. The refusal or failure of such individual to immediately so leave such Buildings after being ordered to do so by the Sergeant-at-Arms of the Senate or designee shall constitute an unlawful remaining in the Senate Office Buildings subject to the criminal penalty provision in 22 D.C. Code §3302.

(d) In any case in which an individual enters or remains in the Senate Office Buildings in violation of these regulations, such individual, when ordered by the Sergeant-at-Arms of the Senate or designee to leave such Buildings, shall immediately leave the Senate Office Buildings by means of the closest available exit. The refusal or failure of such individual to leave after being so ordered shall constitute an unlawful remaining in Senate Office Buildings subject to the criminal penalty provisions in 22 D.C. Code §3302.

ARTICLE V—PACKAGE INSPECTION

Sec. 501 (a) On and after the effective date of these regulations, any individual entering the Senate Office Buildings carrying or having any briefcase, attaché case, luggage, tote bag, shopping bag, or other container or item the contents of which are not readily visible to the officer or member of the Capitol Police on duty, shall be required to submit such item to the officer on duty for security screening.

(b) On and after the effective date of these regulations, the provisions of subsection (a) of this section shall not be applicable with respect to any individual entering the Senate Office Buildings carrying or having a briefcase, attaché case, or other container or item referred to in subsection (a) of this section which, as reported by such individual, contains classified documents or materials under Presidential Seal, delivered by credentialed U.S. Government carriers. Such items will be subjected to electronic inspection or X-ray but shall not be opened.

(c) No sealed packages or envelopes shall be delivered directly into any Senate Office Building. Any sealed envelopes or packages must be delivered to the Congressional Acceptance Site (CAS) for inspection, testing and retention. Once cleared, the items will be delivered to the office of the addressee by Senate Post Office employees who will obtain a signature from the recipient.

(d) If any individual subject to the requirement of subsections (a), (b), or (c) of this section, when ordered by an officer of the U.S. Capitol Police to comply refuses or fails to do so, such individual shall, when ordered by the Sergeant-at-Arms of the Senate, or designee immediately leave the Senate Office Buildings by means of the closest available exit. The refusal or failure of such individual to immediately so leave such Buildings after being so ordered shall constitute an unlawful remaining in the Senate Office Buildings subject to the criminal penalty provisions in 22 D.C. Code §3302.

(e) The provisions of this section shall not be applicable with respect to any Member of Congress.

ARTICLE VI—EFFECTIVE DATE

Sec. 601. These regulations shall take effect as of the date of their approval.

ADDITIONAL STATEMENTS

TRIBUTE TO ANDREW LIEPMAN

• Mrs. FEINSTEIN. Mr. President, Today I wish to recognize an unsung hero of the U.S. intelligence community and upstanding San Franciscan, Mr. Andrew Liepman, who is retiring from the U.S. Government after 30 years of service.

I came to know Andy when he joined the National Counterterrorism Center, or NCTC, as the Deputy Director of Intelligence in 2006. He has served in that position and as Principal Deputy Director for the past 6 years. Andy has been a friend to the Senate Intelligence Committee and a dedicated leader of our Nation's counterterrorism efforts. I am sorry to see him leave the NCTC and the government but wish him the very best as he plots his future course.

Andy has had a distinguished career in the intelligence community since he joined the CIA in 1982. He served in multiple positions at the CIA, at the Office of Near East and South Asian Analysis, the Office of Iraq Analysis, and the Office of Terrorism Analysis in the Counterterrorism Center. He also worked in a variety of assignments outside the CIA before coming to the NCTC, including time at the Department of State, the Nonproliferation Center, and the National Intelligence Council.

But it was during his time at the NCTC that Andy came to be one of the Nation's top counterterrorism officials and a true leader of the intelligence community. He has worked closely with the NCTC's three Directors: ADM Scott Redd, Michael Leiter, and now Matt Olsen. And he has diligently kept the Senate Intelligence Committee informed on the terrorist threat—as a hearing witness and as a briefer to Senators and staff and also on the phone to describe imminent or breaking counterterrorism operations.

When the committee has had to resolve a problem in the counterterrorism arena, whether getting information or fixing processes that weren't working, Andy was usually the person to solve it.

He has served with a direct, frank professional manner, although Andy has quite the reputation for being a lively and fun boss as well.

Mr. Liepman's legacy is the strength and reputation of the National Counterterrorism Center and particularly its Directorate of Intelligence. Since its creation in 2005, the NCTC has developed into a world-class analytic organization. It produces thousands of reports a year, from hour-to-hour situational reports when terrorist threats are unfolding, to daily analyses, to detailed, comprehensive products. The NCTC leads interagency reviews and speaks for the intelligence community on key intelligence questions. It produces tailored reports to answer policy questions—I recently requested one myself, on whether the Haqqani Network in Pakistan meets the criteria to be named a foreign terrorist organization.

Under Andy's leadership, along with the Directors with whom he has worked, the National Counterterrorism Center has also grown to fill the role for which it was created. Among other things, the NCTC now includes Pursuit Groups, formed after the Christmas Day 2009 attempted airline bombing, to make sure that no terrorism lead goes unchecked. The center is the single repository of the government's definitive terrorism databases, which supports the various watchlists that keep suspected terrorists from boarding a plane or crossing the border. The NCTC plays a key role in coordinating the government's preparation and response to terrorist events, enhancing border and transportation security, and sharing terrorism-related intelligence with other intelligence agencies, the rest of the Federal Government, and with State, local, and tribal partners.

A lasting reflection of Andy's work is the NCTC workforce itself. Many of its

analysts and operators are detailed from around the intelligence community, and these positions have become valued assignments. With the large growth of intelligence personnel working on counterterrorism since September 11, 2001, Andy has been a teacher, mentor, and supervisor for a generation of analysts. People across the intelligence community would seek out positions working for Andy and at the NCTC, and his efforts to develop them into expert professionals is a key reason that the NCTC is capable of the work it does today.

I understand that after 30 years in government service and 6 years in the grueling environment of the NCTC, it is time for Andy to move on. I am pleased that he will have some time with his family, his mother Marianne, and his two brothers, who all live in California. It has been a long time since Andy graduated from the University of California at Berkeley—with a degree in forestry, no less—and I wish him well as he heads back to California and wherever else his future may lead.

Mr. President, the intelligence community is filled with men and women who serve this Nation with dedication and skill and who are never properly recognized for their efforts and their contribution. I am pleased to be able to honor one of them today and give thanks on behalf of the committee for his career of service.●

TRIBUTE TO DAVE COTE

● Mr. KERRY. Mr. President, I want to take a moment of the Senate's time to extend a 60th birthday greeting to a friend of mine, and a friend of the Senate as an institution, a voice in the private sector who has been a terrific public citizen, and a visionary in the business community who has always kept his eye on the future of his industry even when the present is extraordinarily challenging: Honeywell International CEO Dave Cote.

On July 19, Dave will reach a milestone—he will be 60 years old. Zero to 60—and anyone who knows him can attest that as he enters his sixties, Dave is just getting started.

Mr. President, Dave Cote exemplifies the best of what can be accomplished in corporate America—a one-man innovative force pushing us ahead in the global economy and, along the way and at the same time, proof positive that improving the health of our planet can be a job creator and a generator of economic activity.

Under Dave's leadership, Honeywell has become a world leader in developing and producing technologies and products that save energy and strengthen the environment. From pioneering green jet fuels to reengineering wind turbines, from advanced energy metering to home solar panels, Honeywell is leading the way to the clean energy economy—an economy that could generate 4.5 million jobs over the course of a decade and save us tens of billions of dollars in energy costs.

Long before many other corporate leaders recognized that profit and environmental protection can go hand-in-hand, Dave was pushing for alternatives to hydrofluorocarbons—HFCs—potent greenhouse gases. Now, the rest of the world is catching up. Just recently, Secretary Clinton announced she was making HFC reduction a priority through the Climate and Clean Energy Air Coalition to Reduce Short-Lived Climate Pollutants, and Honeywell is there, ready to race ahead with the alternatives we need. For Dave Cote, that is typical—because Dave is always one step ahead.

I say this having had the chance to work unbelievably closely with him over the last couple of years. The sheer number of emails and phone calls we've exchanged, not to mention his regular presence in the Foreign Relations Committee's room in the Capitol, reflect his energy and his interest in trying to get Washington to deal in facts and respond to reality. They also exemplify why I love working with him—he is a roll-up-your-sleeves, no drama, get-it-done kind of guy. It also doesn't hurt that he is also a big Red Sox fan—he has Boston jerseys adorning his office at Honeywell—and he loves riding motorcycles—you can find him tooling around the Jersey suburbs on his Harley most weekends.

In 2009 and 2010, Dave, JOE LIEBERMAN, LINDSEY GRAHAM, and I spent long hours working together on an effort around a comprehensive climate change bill. And when we needed someone to help convey to some of our more skeptical colleagues the importance of acting quickly on this issue, we knew that Dave was one of the best, if not the best, in the business community to do exactly that. When we convened a group of CEOs to meet with other Senators in June of 2010, as part of the lead-up to designing the climate change bill, Dave stepped forward as a leading business voice in the discussion. And when we finally introduced the American Power Act, Dave was right by our side.

I turned to Dave again last fall when I was serving on the Select Committee on Deficit Reduction. He was proud of his own service as one of the Republican members of the bipartisan Simpson-Bowles Commission, which had put together a bold blueprint of its own to wrestle with the tough choices of the deficit and our national debt. I agreed completely with Dave's view that we needed to act rather than put off doing something about our deficit. He said—and I quote—''The faster we act, the less painful it will be for everyone.'' But more than any specific policy, what I admired most was Dave's sincerity about the issue—his frequent, encouraging text messages and emails during the long hard slog of the so-called Super Committee, always exhorting me and the Democratic and Republican members of the Committee to go the extra mile, put ideology aside, and do what was right for our country. Rather than a ''moment of politics'' for the Congress, Dave urged us to act responsibly and reach a ''moment of truth.''

Mr. President, 60 is an age where many feel it's appropriate to start slowing down. But anybody who has ever met Dave knows that is not going to happen—he is anything but predictable or conventional, and he is not about to slow down, and that is good news for our country when it comes to this always thoughtful, always earnest public citizen.

My hope—and my belief—is that Dave Cote will spend his sixties the same way he has spent his last decades: proving every day that doing the right thing can also be good business and good for our country.

I wish Dave a very happy birthday, and I look forward to working with him for many years to come.●

TRIBUTE TO FLOYD WILLIAMS

● Mr. PRYOR. Mr. President, the end of May marked the end of an era at the Internal Revenue Service. Floyd Williams, a fellow Arkansan, has served as the Director of Legislative Affairs at the IRS for the last 16 years. On May 31, 2012, Floyd served his last day with the IRS, and I rise today to thank him for his many years of service to our Nation.

Floyd began his government service many years ago serving as a congressional page for the late, great Senator from Arkansas, J. William Fulbright. Captivated by the energy of Washington, Floyd spent most of his adult life and professional career in the District of Columbia. During breaks from his undergraduate education at the University of Virginia, Floyd worked as a member of the grounds crew for the Architect of the Capitol, as a document clerk in the Senate Document Room, and as a Senate doorkeeper. After earning his juris doctor from the University of Arkansas, he returned to Washington, where he worked as a Capitol police officer while obtaining an LLM from Georgetown University.

Floyd began his professional career in 1972 at the IRS as a tax law specialist in the Individual Income Tax Branch before working as a legislative attorney for the Congressional Joint Committee on Taxation. He spent several years in the private sector as senior tax manager at Coopers and Lybrand, vice president and legislative counsel for the National Association of Home Builders, and senior tax counsel for the Tax Foundation. Floyd returned to government service at the Treasury Department, where he served as Deputy Assistant Secretary for Legislative Affairs and Public Liaison (Tax and Budget) and previously as Senior Tax Advisor for Public and Legislative Affairs. After his tenure with the Treasury Department, he returned to the IRS as Director of Legislative Affairs, a role he has held for the last 16 years.

As someone who continues to claim Fayetteville, AR, as his hometown, Floyd Williams has been a great asset to me, my staff, and Arkansas over the years. I will certainly miss his insight and depth of knowledge, and I wish him all the best in his retirement. Thank you, again, Floyd, for your many years of service.●

125TH ANNIVERSARY OF UNITED WAY

● Mr. UDALL of Colorado. Mr. President, I would like to recognize the 125th anniversary of United Way and honor their extraordinary achievements since their founding 125 years ago in Denver, CO.

In 1887, a Denver woman, along with local religious leaders, recognized the need for community-based action in order to address the city's growing problem with poverty. In Denver they established the first of what would become a worldwide network of organizations called United Way. Their goal was simple: create a community-based organization that would raise funds in order to provide economic relief and counseling services to neighbors in need. During their first campaign in 1888, this remarkable organization raised today's equivalent of $650,000.

Now, 125 years after its founding, United Way has become a celebrated, worldwide organization committed to improving communities from the bottom up, through cooperative action and community support in 41 countries across the globe. United Way forges public-private partnerships with local businesses, labor organizations, and 120 national and global corporations through the Global Corporate Leadership Program and brings an impressive $5 billion to local communities each year. United Way effectively leverages private donations in order to finance innovative programs and initiatives that profoundly impact communities throughout Colorado, the United States, and the world to advance education, income, and health.

The success and strength of the partnerships between United Way and America's workers cannot be overstated. Nearly two-thirds of the funds for United Way come from voluntary worker payroll contributions and the Labor Letters of Endorsement Program championed by the AFL–CIO encourages affiliates and their members to give their time and resources to United Way campaigns. Just one powerful illustration of this partnership is the National Association of Letter Carriers' National Food Drive, a cooperative effort with the U.S. Postal Service, AFL–CIO, and United Way, which has become the world's largest 1-day food drive.

United Way has strengthened bonds and built a foundation of collaboration and partnership in our communities. Its founders could never have imagined the ultimate breadth and reach of this group, growing from a local support organization to a globally recognized force for good. United Way is an indispensable part of Colorado's social fabric, and I am proud to recognize and honor this historic anniversary.

There are 14 local United Way organizations leaving an indelible mark throughout Colorado. I want to take a moment to recognize each of them for their tremendous role as cornerstones of their communities: Foothills United Way, Boulder; Pikes Peak United Way, Colorado Springs; Moffat County United Way, Craig; Mile High United Way, Inc., Denver; United Way of Southwest Colorado, Durango; United Way of Eagle River Valley, Eagle; United Way of Morgan County, Inc., Fort Morgan; United Way of Mesa County, Grand Junction; United Way of Weld County, Greeley; United Way of Larimer County, Inc., Fort Collins and Loveland; Pueblo County United Way, Inc., Pueblo; United Way of Garfield County, Rifle; Routt County United Way, Steamboat Springs; and Logan County United Way, Sterling.

To all of the employees and partners of United Way, I join my Senate colleagues in recognizing and applauding your legacy of inspirational service. This 125th anniversary is a milestone deserving of celebration, and I commend your tireless pursuit to advance the common good.●

MESSAGE FROM THE HOUSE

ENROLLED BILL SIGNED

At 10:17 a.m., a message from the House of Representatives, delivered by Mrs. Cole, one of its reading clerks, announced that the Speaker had signed the following enrolled bill:

S. 3261. An act to allow the Chief of the Forest Services to award certain contracts for large air tankers.

The enrolled bill was subsequently signed by the President pro tempore (Mr. INOUYE).

MEASURES PLACED ON THE CALENDAR

The following bill was read the second time, and placed on the calendar:

H.R. 436. An act to amend the Internal Revenue Code of 1986 to repeal the excise tax on medical devices.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, June 12, 2012, she had presented to the President of the United States the following enrolled bill:

S. 3261. An act to allow the Chief of the Forest Service to award certain contracts for large air tankers.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, and were referred as indicated:

EC–6418. A communication from the Director of the Regulatory Management Division, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Killed, nonviable Streptomyces acidiscabies strain RL–110T; Exemption from the Requirement of a Tolerance'' (FRL No. 9348–7) received in the Office of the President of the Senate on June 7, 2012; to the Committee on Agriculture, Nutrition, and Forestry.

EC–6419. A communication from the Deputy General Counsel, Federal Energy Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled ''Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities'' (Docket No. RM10–23–001) received in the Office of the President of the Senate on June 4, 2012; to the Committee on Energy and Natural Resources.

EC–6420. A communication from the Assistant General Counsel for Legislation, Regulation and Energy Efficiency, Department of Energy, transmitting, pursuant to law, the report of a rule entitled ''Energy Conservation Program: Energy Conservation Standards for Residential Dishwashers'' (RIN1904–AC64) received during adjournment of the Senate in the Office of the President of the Senate on May 31, 2012; to the Committee on Energy and Natural Resources.

EC–6421. A communication from the Director of the Regulatory Management Division, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Control of Air Pollution From Aircraft and Aircraft Engines; Emission Standards and Test Procedures'' (FRL No. 9678–1) received in the Office of the President of the Senate on June 7, 2012; to the Committee on Environment and Public Works.

EC–6422. A communication from the Director of the Regulatory Management Division, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Air Quality Implementation Plans; Virginia; Regional Haze State Implementation Plan'' (FRL No. 9685–2) received in the Office of the President of the Senate on June 7, 2012; to the Committee on Environment and Public Works.

EC–6423. A communication from the Director of the Regulatory Management Division, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Determination of Failure to Attain by 2005 and Determination of Current Attainment of the 1-Hour Ozone National Ambient Air Quality Standards in the Baltimore Nonattainment Area in Maryland'' (FRL No. 9685–5) received in the Office of the President of the Senate on June 7, 2012; to the Committee on Environment and Public Works.

EC–6424. A communication from the Director of the Regulatory Management Division, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Implementation Plans; New Mexico; Minor New Source Review (NSR) Preconstruction Permitting Rule for Cotton Gins'' (FRL No. 9684–5) received in the Office of the President of the Senate on June 7, 2012; to the Committee on Environment and Public Works.

EC–6425. A communication from the Director of the Regulatory Management Division, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Air Quality Implementation Plans; Indiana; Regional Haze'' (FRL No. 9683–3) received in the Office of the President of the Senate on June 7, 2012; to the Committee on Environment and Public Works.

EC–6426. A communication from the Director of the Regulatory Management Division,

Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Implementation Plans and Designation of Areas for Air Quality Planning Purposes; Illinois; Redesignation of the Illinois Portion of the St. Louis, MO–IL Area to Attainment for the 1997 8-hour Ozone Standard'' (FRL No. 9683–7) received in the Office of the President of the Senate on June 7, 2012; to the Committee on Environment and Public Works.

EC–6427. A communication from the Director of the Regulatory Management Division, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Air Quality Implementation Plans; Minnesota; Regional Haze'' (FRL No. 9683–5) received in the Office of the President of the Senate on June 7, 2012; to the Committee on Environment and Public Works.

EC–6428. A communication from the Director of the Regulatory Management Division, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval of Air Quality Implementation Plan; Arizona; Attainment Plan for 1997 8-hour Ozone Standard'' (FRL No. 9682–5) received in the Office of the President of the Senate on June 7, 2012; to the Committee on Environment and Public Works.

EC–6429. A communication from the Director of the Regulatory Management Division, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Implementation Plans; Arizona; Update to Stage II Gasoline Vapor Recovery Program; Change in the Definition of 'Gasoline' to Exclude 'E85' '' (FRL No. 9661–3) received in the Office of the President of the Senate on June 7, 2012; to the Committee on Environment and Public Works.

EC–6430. A communication from the Director of the Regulatory Management Division, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Air Quality Implementation Plans; Maryland; Permit to Construct Exemptions'' (FRL No. 9684–9) received in the Office of the President of the Senate on June 7, 2012; to the Committee on Environment and Public Works.

EC–6431. A communication from the Director of the Regulatory Management Division, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Revisions to Federal Implementation Plans to Reduce Interstate Transport of Fine Particulate Matter and Ozone'' (FRL No. 9672–4) received in the Office of the President of the Senate on June 7, 2012; to the Committee on Environment and Public Works.

EC–6432. A communication from the Director of Congressional Affairs, Office of Nuclear Regulatory Research, Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled ''Monitoring the Effectiveness of Maintenance at Nuclear Power Plants'' (Regulatory Guide 1.160, Revision 3) received during adjournment of the Senate in the Office of the President of the Senate on May 30, 2012; to the Committee on Environment and Public Works.

EC–6433. A communication from the Assistant Secretary of Land and Minerals Management, Bureau of Safety and Environmental Enforcement, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Production Measurement Documents Incorporated by Reference; Correction'' (RIN1014–AA01) received during adjournment of the Senate in the Office of the President of the Senate on May 30, 2012; to the Committee on Environment and Public Works.

EC–6434. A communication from the Assistant Secretary, Bureau of Political-Military Affairs, Department of State, transmitting, pursuant to law, an addendum to a certification, transmittal number: DDTC 12–052, of the proposed sale or export of defense articles and/or defense services to a Middle East country regarding any possible affects such a sale might have relating to Israel's Qualitative Military Edge over military threats to Israel; to the Committee on Foreign Relations.

EC–6435. A communication from the Assistant Secretary, Bureau of Political-Military Affairs, Department of State, transmitting, pursuant to law, an addendum to a certification, transmittal number: DDTC 12–064, of the proposed sale or export of defense articles and/or defense services to a Middle East country regarding any possible affects such a sale might have relating to Israel's Qualitative Military Edge over military threats to Israel; to the Committee on Foreign Relations.

EC–6436. A communication from the Assistant Secretary, Bureau of Political-Military Affairs, Department of State, transmitting, pursuant to law, an addendum to a certification, transmittal number: DDTC 12–073, of the proposed sale or export of defense articles and/or defense services to a Middle East country regarding any possible affects such a sale might have relating to Israel's Qualitative Military Edge over military threats to Israel; to the Committee on Foreign Relations.

EC–6437. A communication from the Assistant Secretary, Bureau of Political-Military Affairs, Department of State, transmitting, pursuant to law, an addendum to a certification, transmittal number: DDTC 12–057, of the proposed sale or export of defense articles and/or defense services to a Middle East country regarding any possible affects such a sale might have relating to Israel's Qualitative Military Edge over military threats to Israel; to the Committee on Foreign Relations.

EC–6438. A communication from the Assistant Secretary, Bureau of Political-Military Affairs, Department of State, transmitting, pursuant to law, an addendum to a certification, transmittal number: DDTC 12–059, of the proposed sale or export of defense articles and/or defense services to a Middle East country regarding any possible affects such a sale might have relating to Israel's Qualitative Military Edge over military threats to Israel; to the Committee on Foreign Relations.

EC–6439. A communication from the Assistant Secretary, Bureau of Political-Military Affairs, Department of State, transmitting, pursuant to law, an addendum to a certification, transmittal number: DDTC 12–034, of the proposed sale or export of defense articles and/or defense services to a Middle East country regarding any possible affects such a sale might have relating to Israel's Qualitative Military Edge over military threats to Israel; to the Committee on Foreign Relations.

EC–6440. A communication from the Assistant Secretary, Bureau of Political-Military Affairs, Department of State, transmitting, pursuant to law, an addendum to a certification, transmittal number: DDTC 12–026, of the proposed sale or export of defense articles and/or defense services to a Middle East country regarding any possible affects such a sale might have relating to Israel's Qualitative Military Edge over military threats to Israel; to the Committee on Foreign Relations.

EC–6441. A communication from the Assistant Secretary, Bureau of Political-Military Affairs, Department of State, transmitting, pursuant to law, an addendum to a certification, transmittal number: DDTC 12–035, of the proposed sale or export of defense articles and/or defense services to a Middle East country regarding any possible affects such a sale might have relating to Israel's Qualitative Military Edge over military threats to Israel; to the Committee on Foreign Relations.

EC–6442. A communication from the Assistant Secretary, Bureau of Political-Military Affairs, Department of State, transmitting, pursuant to law, an addendum to a certification, transmittal number: DDTC 12–020, of the proposed sale or export of defense articles and/or defense services to a Middle East country regarding any possible affects such a sale might have relating to Israel's Qualitative Military Edge over military threats to Israel; to the Committee on Foreign Relations.

EC–6443. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, a report relative to groups designated by the Secretary of State as Foreign Terrorist Organizations (DCN OSS 2012–0837); to the Committee on Foreign Relations.

EC–6444. A communication from the Chairman, Foreign Claims Settlement Commission of the United States, Department of Justice, transmitting the Commission's annual report for 2011; to the Committee on Foreign Relations.

EC–6445. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to the Case-Zablocki Act, 1 U.S.C. 112b, as amended, the report of the texts and background statements of international agreements, other than treaties (List 2012–0046—2012–0053); to the Committee on Foreign Relations.

EC–6446. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, a report relative to proposed amendments to parts 120, 123, 124, 126, 127, and 129 of the International Traffic in Arms Regulations (ITAR); to the Committee on Foreign Relations.

EC–6447. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to the Case-Zablocki Act, 1 U.S.C. 112b, as amended, the report of the texts and background statements of international agreements, other than treaties (List 2012–0054—2012–0063); to the Committee on Foreign Relations.

EC–6448. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to section 36(c) of the Arms Export Control Act (Transmittal No. DDTC 12–060); to the Committee on Foreign Relations.

EC–6449. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to section 36(c) of the Arms Export Control Act (Transmittal No. DDTC 12–030); to the Committee on Foreign Relations.

EC–6450. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to section 36(c) of the Arms Export Control Act (Transmittal No. DDTC 12–022); to the Committee on Foreign Relations.

EC–6451. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to section 36(c) of the Arms Export Control Act (Transmittal No. DDTC 12–025); to the Committee on Foreign Relations.

EC–6452. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to section 36(c) of the Arms Export Control Act (Transmittal No. DDTC 12–009); to the Committee on Foreign Relations.

EC–6453. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to section 36(c) of the Arms Export Control Act (Transmittal No. DDTC 12–010); to the Committee on Foreign Relations.

EC–6454. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to section 36(c) of the Arms Export Control Act (Transmittal No. DDTC 11–143); to the Committee on Foreign Relations.

EC–6455. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to section 36(c) of the Arms Export Control Act (Transmittal No. DDTC 12–033); to the Committee on Foreign Relations.

EC–6456. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to section 36(c) of the Arms Export Control Act (Transmittal No. DDTC 12–028); to the Committee on Foreign Relations.

EC–6457. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to section 36(c) of the Arms Export Control Act (Transmittal No. DDTC 12–006); to the Committee on Foreign Relations.

EC–6458. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to section 36(c) of the Arms Export Control Act (Transmittal No. DDTC 12–019); to the Committee on Foreign Relations.

EC–6459. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to section 36(c) of the Arms Export Control Act (Transmittal No. DDTC 12–018); to the Committee on Foreign Relations.

EC–6460. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to section 36(c) of the Arms Export Control Act (Transmittal No. DDTC 12–029); to the Committee on Foreign Relations.

EC–6461. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to section 36(c) of the Arms Export Control Act (Transmittal No. DDTC 12–056); to the Committee on Foreign Relations.

EC–6462. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to section 36(c) of the Arms Export Control Act (Transmittal No. DDTC 12–044); to the Committee on Foreign Relations.

EC–6463. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to section 36(d) of the Arms Export Control Act (Transmittal No. DDTC 12–015); to the Committee on Foreign Relations.

EC–6464. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to section 3(d) of the Arms Export Control Act (Transmittal No. DDTC 12–027); to the Committee on Foreign Relations.

EC–6465. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to section 36(d) of the Arms Export Control Act (Transmittal No. DDTC 12–012); to the Committee on Foreign Relations.

EC–6466. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to section 36(d) of the Arms Export Control Act (Transmittal No. DDTC 12–005); to the Committee on Foreign Relations.

EC–6467. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to sections 36(c) and 36(d) of the Arms Export Control Act (Transmittal No. DDTC 12–014); to the Committee on Foreign Relations.

EC–6468. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to sections 36(c) and 36(d) of the Arms Export Control Act (Transmittal No. DDTC 12–004); to the Committee on Foreign Relations.

EC–6469. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to sections 36(c) and 36(d) of the Arms Export Control Act (Transmittal No. DDTC 12–023); to the Committee on Foreign Relations.

EC–6470. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to sections 36(c) and 36(d) of the Arms Export Control Act (Transmittal No. DDTC 09–087); to the Committee on Foreign Relations.

EC–6471. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to sections 36(c) and 36(d) of the Arms Export Control Act (Transmittal No. DDTC 12–053); to the Committee on Foreign Relations.

EC–6472. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, certification of proposed issuance of an export license pursuant to section 36(c) of the Arms Export Control Act (Transmittal No. DDTC 12–031); to the Committee on Foreign Relations.

EC–6473. A communication from the Director, Office of Personnel Management, transmitting, pursuant to law, the Semiannual Report of the Inspector General for the period from October 1, 2011 through March 31, 2012 and the Management Response for the period ending March 31, 2012; to the Committee on Homeland Security and Governmental Affairs.

EC–6474. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the Semi-Annual Report of the Inspector General for the period from October 1, 2011 through March 31, 2012 and the Compendium of Unimplemented Recommendations for the period from October 1, 2011 through March 31, 2012; to the Committee on Homeland Security and Governmental Affairs.

EC–6475. A communication from the Secretary of Transportation, transmitting, pursuant to law, the Department of Transportation's Semiannual Report of the Inspector General for the period from October 1, 2011 through March 31, 2012; to the Committee on Homeland Security and Governmental Affairs.

EC–6476. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled, ''District of Columbia Agencies' Compliance with Fiscal Year 2011 Small Business Enterprise Expenditure Goals''; to the Committee on Homeland Security and Governmental Affairs.

EC–6477. A communication from the Director, Office of Personnel Management, transmitting, pursuant to law, the report of a rule entitled ''Political Activity—Federal Employees Residing in Designated Localities'' (RIN3206–AM44) received in the Office of the President of the Senate on June 7, 2012; to the Committee on Homeland Security and Governmental Affairs.

EC–6478. A communication from the Director, Office of Personnel Management, transmitting, pursuant to law, the report of a rule entitled ''Prevailing Rate Systems; Abolishment of Montgomery, Pennsylvania, as a Nonappropriated Fund Federal Wage System Wage Area'' (RIN3206–AM62) received in the Office of the President of the Senate on June 7, 2012; to the Committee on Homeland Security and Governmental Affairs.

EC–6479. A communication from the Director, Office of Personnel Management, transmitting, pursuant to law, the report of a rule entitled ''Excepted Service, Career and Career-Conditional Employment; and Pathways Programs'' (RIN3206–AM34) received in the Office of the President of the Senate on June 7, 2012; to the Committee on Homeland Security and Governmental Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. INOUYE, from the Committee on Appropriations:

Special Report entitled ''Further Revised Allocations to Subcommittees of Budget Totals for Fiscal Year 2013'' (Rept. No. 112–175).

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. BAUCUS (for himself, Mr. THUNE, Mr. KERRY, and Mr. MCCAIN):

S. 3285. A bill to authorize the extension of nondiscriminatory treatment (normal trade relations treatment) to products of the Russian Federation; to the Committee on Finance.

By Mrs. MCCASKILL (for herself, Mr. WEBB, Mr. LIEBERMAN, Ms. COLLINS, Mr. FRANKEN, Mr. BLUMENTHAL, and Mr. SANDERS):

S. 3286. A bill to enhance security, increase accountability, and improve the contracting of the Federal Government for overseas contingency operations, and for other purposes; to the Committee on Homeland Security and Governmental Affairs.

By Mr. PAUL:

S. 3287. A bill to protect individual privacy against unwarranted governmental intrusion through the use of the unmanned aerial vehicles commonly called drones, and for other purposes; to the Committee on the Judiciary.

By Mr. MCCONNELL (for himself, Mrs. FEINSTEIN, Mr. MCCAIN, Mr. DURBIN, and Ms. COLLINS):

S.J. Res. 43. A joint resolution approving the renewal of import restrictions contained in the Burmese Freedom and Democracy Act of 2003, and for other purposes; to the Committee on Foreign Relations.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MCCAIN (for himself, Mr. INHOFE, Mr. WICKER, Mr. BROWN of Massachusetts, Ms. AYOTTE, Mr. PORTMAN, Ms. COLLINS, Mr. GRAHAM, Mr. CORNYN, Mr. BURR, Mr. ROBERTS, Mr. BLUNT, Mr. COBURN, Mr. PAUL, Mr. BOOZMAN, Mr. ISAKSON, Mr. GRASSLEY, Mr. KIRK, Mr. CHAMBLISS, Mr. RUBIO, and Mr. HOEVEN):

S. Res. 489. A resolution expressing the sense of the Senate on the appointment by the Attorney General of an outside special counsel to investigate certain recent leaks of apparently classified and highly sensitive information on United States military and intelligence plans, programs, and operations; to the Committee on the Judiciary.

By Mrs. BOXER:

S. Res. 490. A resolution designating the week of September 16, 2012, as ''Mitochondrial Disease Awareness Week'', reaffirming the importance of an enhanced and coordinated research effort on mitochondrial diseases, and commending the National Institutes of Health for its efforts to improve the understanding of mitochondrial diseases; to the Committee on Health, Education, Labor, and Pensions.

By Mr. COONS (for himself, Mr. BOOZMAN, Ms. MIKULSKI, Mr. ALEXANDER, and Ms. MURKOWSKI):

S. Res. 491. A resolution commending the participants in the 44th International Chemistry Olympiad and recognizing the importance of education in the fields of science, technology, engineering, and mathematics to the future of the United States; considered and agreed to.

By Mr. BLUMENTHAL (for himself, Mr. KIRK, Mr. DURBIN, and Mr. NELSON of Florida):

S. Res. 492. A resolution designating June 15, 2012, as ''World Elder Abuse Awareness Day''; considered and agreed to.

By Mr. LEAHY (for himself and Mr. GRAHAM):

S. Con. Res. 48. A concurrent resolution recognizing 375 years of service of the National Guard and affirming congressional support for a permanent Operational Reserve as a component of the Armed Forces; to the Committee on Armed Services.

ADDITIONAL COSPONSORS

S. 557

At the request of Ms. SNOWE, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 557, a bill to amend the Internal Revenue Code of 1986 to expand tax-free distributions from individual retirement accounts for charitable purposes.

S. 722

At the request of Mr. WYDEN, the name of the Senator from Pennsylvania (Mr. CASEY) was added as a cosponsor of S. 722, a bill to strengthen and protect Medicare hospice programs.

S. 866

At the request of Mr. TESTER, the name of the Senator from Alaska (Ms. MURKOWSKI) was added as a cosponsor of S. 866, a bill to amend title 10, United States Code, to modify the perfiscal year calculation of days of certain active duty or active service used to reduce the minimum age at which a member of a reserve component of the uniformed services may retire for nonregular service.

S. 996

At the request of Mr. ROCKEFELLER, the name of the Senator from New Mexico (Mr. UDALL) was added as a cosponsor of S. 996, a bill to amend the Internal Revenue Code of 1986 to extend the new markets tax credit through 2016, and for other purposes.

S. 1039

At the request of Mr. THUNE, his name was added as a cosponsor of S. 1039, a bill to impose sanctions on persons responsible for the detention, abuse, or death of Sergei Magnitsky, for the conspiracy to defraud the Russian Federation of taxes on corporate profits through fraudulent transactions and lawsuits against Hermitage, and for other gross violations of human rights in the Russian Federation, and for other purposes.

S. 1221

At the request of Mrs. SHAHEEN, the name of the Senator from Alaska (Mr. BEGICH) was added as a cosponsor of S. 1221, a bill to provide grants to better understand and reduce gestational diabetes, and for other purposes.

S. 1381

At the request of Mr. BLUMENTHAL, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 1381, a bill to provide for the expansion of Federal efforts concerning the prevention, education, treatment, and research activities related to Lyme and other tick-borne disease, including the establishment of a Tick-Borne Diseases Advisory Committee.

S. 1461

At the request of Mr. NELSON of Florida, the name of the Senator from West Virginia (Mr. MANCHIN) was added as a cosponsor of S. 1461, a bill to amend the Federal Food, Drug, and Cosmetic Act to clarify the Food and Drug Administration's jurisdiction over certain tobacco products, and to protect jobs and small businesses involved in the sale, manufacturing and distribution of traditional and premium cigars.

S. 1494

At the request of Mrs. BOXER, the name of the Senator from Michigan (Ms. STABENOW) was added as a cosponsor of S. 1494, a bill to reauthorize and amend the National Fish and Wildlife Foundation Establishment Act.

S. 1591

At the request of Mrs. GILLIBRAND, the name of the Senator from Rhode Island (Mr. WHITEHOUSE) was added as a cosponsor of S. 1591, a bill to award a Congressional Gold Medal to Raoul Wallenberg, in recognition of his achievements and heroic actions during the Holocaust.

S. 1770

At the request of Mrs. GILLIBRAND, the name of the Senator from Maryland (Mr. CARDIN) was added as a cosponsor of S. 1770, a bill to prohibit discrimination in adoption or foster case placements based on the sexual orientation, gender identity, or marital status of any prospective adoptive or foster parent, or the sexual orientation or gender identity of the child involved.

S. 1843

At the request of Mr. ISAKSON, the name of the Senator from Kansas (Mr. MORAN) was added as a cosponsor of S. 1843, a bill to amend the National Labor Relations Act to provide for appropriate designation of collective bargaining units.

S. 1908

At the request of Mr. NELSON of Florida, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 1908, a bill to amend the Internal Revenue Code of 1986 to clarify the employment tax treatment and reporting of wages paid by professional employer organization, and for other purposes.

S. 1935

At the request of Mrs. HAGAN, the name of the Senator from North Dakota (Mr. CONRAD) was added as a cosponsor of S. 1935, a bill to require the Secretary of the Treasury to mint coins in recognition and celebration of the 75th anniversary of the establishment of the March of Dimes Foundation.

S. 1956

At the request of Mr. THUNE, the name of the Senator from Missouri (Mr. BLUNT) was added as a cosponsor of S. 1956, a bill to prohibit operators of civil aircraft of the United States from participating in the European Union's emissions trading scheme, and for other purposes.

S. 2036

At the request of Mrs. GILLIBRAND, the name of the Senator from Massachusetts (Mr. BROWN) was added as a cosponsor of S. 2036, a bill to require the Secretary of the Treasury to mint coins in recognition and celebration of the National Baseball Hall of Fame.

S. 2074

At the request of Ms. SNOWE, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 2074, a bill to amend the Internal Revenue Code of 1986 to expand the rehabilitation credit, and for other purposes.

S. 2112

At the request of Mr. BEGICH, the name of the Senator from Oklahoma (Mr. COBURN) was added as a cosponsor of S. 2112, a bill to amend title 10, United States Code, to authorize space-available travel on military aircraft for members of the reserve components, a member or former member of a reserve component who is eligible for retired pay but for age, widows and widowers of retired members, and dependents.

S. 2165

At the request of Mrs. BOXER, the name of the Senator from Washington

(Ms. CANTWELL) was added as a cosponsor of S. 2165, a bill to enhance strategic cooperation between the United States and Israel, and for other purposes.

S. 2250

At the request of Ms. STABENOW, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 2250, a bill to prevent homeowners from being forced to pay taxes on forgiven mortgage loan debt.

S. 2374

At the request of Mr. BINGAMAN, the name of the Senator from Idaho (Mr. RISCH) was added as a cosponsor of S. 2374, a bill to amend the Helium Act to ensure the expedient and responsible draw-down of the Federal Helium Reserve in a manner that protects the interests of private industry, the scientific, medical, and industrial communities, commercial users, and Federal agencies, and for other purposes.

S. 2884

At the request of Ms. STABENOW, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 2884, a bill to provide an incentive for businesses to bring jobs back to America.

S. 3049

At the request of Mr. BEGICH, the name of the Senator from Pennsylvania (Mr. CASEY) was added as a cosponsor of S. 3049, a bill to amend title 39, United States Code, to expand the definition of homeless veteran for purposes of benefits under the laws administered by the Secretary of Veterans Affairs.

S. 3078

At the request of Mr. PORTMAN, the names of the Senator from Maine (Ms. COLLINS), the Senator from Alaska (Ms. MURKOWSKI) and the Senator from Wyoming (Mr. ENZI) were added as cosponsors of S. 3078, a bill to direct the Secretary of the Interior to install in the area of the World War II Memorial in the District of Columbia a suitable plaque or an inscription with the words that President Franklin D. Roosevelt prayed with the United States on June 6, 1944, the morning of D-Day.

S. 3084

At the request of Mr. BURR, the name of the Senator from Oklahoma (Mr. COBURN) was added as a cosponsor of S. 3084, a bill to require the Secretary of Veterans Affairs to reorganize the Veterans Integrated Service Networks of the Veterans Health Administration, and for other purposes.

S. 3204

At the request of Mr. JOHANNS, the name of the Senator from Florida (Mr. RUBIO) was added as a cosponsor of S. 3204, a bill to address fee disclosure requirements under the Electronic Fund Transfer Act, and for other purposes.

S. 3223

At the request of Mr. CARDIN, the name of the Senator from Louisiana (Mr. VITTER) was added as a cosponsor of S. 3223, a bill to amend the Internal Revenue Code of 1986 to permanently extend the reduction in the recognition period for built-in gains for S corporations.

S. 3231

At the request of Mr. KERRY, the name of the Senator from Alaska (Mr. BEGICH) was added as a cosponsor of S. 3231, a bill to provide for the issuance and sale of a semipostal by the United States Postal Service to support effective programs targeted at improving permanency outcomes for youth in foster care.

S. 3252

At the request of Mr. PORTMAN, the name of the Senator from Maryland (Mr. CARDIN) was added as a cosponsor of S. 3252, a bill to provide for the award of a gold medal on behalf of Congress to Jack Nicklaus, in recognition of his service to the Nation in promoting excellence, good sportsmanship, and philanthropy.

S. 3269

At the request of Mr. JOHANNS, his name was added as a cosponsor of S. 3269, a bill to provide that no United States assistance may be provided to Pakistan until Dr. Shakil Afridi is freed.

S. RES. 457

At the request of Mr. LUGAR, the name of the Senator from Idaho (Mr. RISCH) was added as a cosponsor of S. Res. 457, a resolution expressing the sense of Congress that the Republic of Argentina's membership in the G20 should be conditioned on its adherence to international norms of economic relations and commitment to the rule of law.

S. RES. 473

At the request of Mr. DURBIN, the name of the Senator from Alaska (Mr. BEGICH) was added as a cosponsor of S. Res. 473, a resolution commending Rotary International and others for their efforts to prevent and eradicate polio.

AMENDMENT NO. 2156

At the request of Mrs. GILLIBRAND, the names of the Senator from Connecticut (Mr. LIEBERMAN) and the Senator from Vermont (Mr. SANDERS) were added as cosponsors of amendment No. 2156 intended to be proposed to S. 3240, an original bill to reauthorize agricultural programs through 2017, and for other purposes.

AMENDMENT NO. 2159

At the request of Mrs. SHAHEEN, the names of the Senator from Ohio (Mr. PORTMAN) and the Senator from New Hampshire (Ms. AYOTTE) were added as cosponsors of amendment No. 2159 intended to be proposed to S. 3240, an original bill to reauthorize agricultural programs through 2017, and for other purposes.

AMENDMENT NO. 2167

At the request of Mr. GRASSLEY, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of amendment No. 2167 intended to be proposed to S. 3240, an original bill to reauthorize agricultural programs through 2017, and for other purposes.

AMENDMENT NO. 2170

At the request of Mr. GRASSLEY, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of amendment No. 2170 intended to be proposed to S. 3240, an original bill to reauthorize agricultural programs through 2017, and for other purposes.

AMENDMENT NO. 2183

At the request of Mr. JOHANNS, his name was added as a cosponsor of amendment No. 2183 intended to be proposed to S. 3240, an original bill to reauthorize agricultural programs through 2017, and for other purposes.

AMENDMENT NO. 2199

At the request of Mr. MCCAIN, the names of the Senator from New Hampshire (Ms. AYOTTE), the Senator from Wyoming (Mr. ENZI), the Senator from Idaho (Mr. RISCH), the Senator from Washington (Ms. CANTWELL) and the Senator from Illinois (Mr. KIRK) were added as cosponsors of amendment No. 2199 intended to be proposed to S. 3240, an original bill to reauthorize agricultural programs through 2017, and for other purposes.

AMENDMENT NO. 2202

At the request of Mr. BENNET, the names of the Senator from Wyoming (Mr. ENZI) and the Senator from Montana (Mr. TESTER) were added as cosponsors of amendment No. 2202 intended to be proposed to S. 3240, an original bill to reauthorize agricultural programs through 2017, and for other purposes.

AMENDMENT NO. 2203

At the request of Mr. BENNET, the name of the Senator from Montana (Mr. TESTER) was added as a cosponsor of amendment No. 2203 intended to be proposed to S. 3240, an original bill to reauthorize agricultural programs through 2017, and for other purposes.

AMENDMENT NO. 2212

At the request of Mrs. MCCASKILL, her name was added as a cosponsor of amendment No. 2212 intended to be proposed to S. 3240, an original bill to reauthorize agricultural programs through 2017, and for other purposes.

AMENDMENT NO. 2224

At the request of Mrs. MCCASKILL, her name was added as a cosponsor of amendment No. 2224 intended to be proposed to S. 3240, an original bill to reauthorize agricultural programs through 2017, and for other purposes.

AMENDMENT NO. 2228

At the request of Ms. CANTWELL, the name of the Senator from North Dakota (Mr. CONRAD) was added as a cosponsor of amendment No. 2228 intended to be proposed to S. 3240, an original bill to reauthorize agricultural programs through 2017, and for other purposes.

AMENDMENT NO. 2229

At the request of Mr. BEGICH, the name of the Senator from Alaska (Ms. MURKOWSKI) was added as a cosponsor

of amendment No. 2229 intended to be proposed to S. 3240, an original bill to reauthorize agricultural programs through 2017, and for other purposes.

AMENDMENT NO. 2232

At the request of Mr. TESTER, the names of the Senator from Alaska (Mr. BEGICH), the Senator from Montana (Mr. BAUCUS) and the Senator from North Carolina (Mrs. HAGAN) were added as cosponsors of amendment No. 2232 intended to be proposed to S. 3240, an original bill to reauthorize agricultural programs through 2017, and for other purposes.

AMENDMENT NO. 2295

At the request of Mr. UDALL of Colorado, the names of the Senator from Alaska (Mr. BEGICH) and the Senator from South Dakota (Mr. JOHNSON) were added as cosponsors of amendment No. 2295 intended to be proposed to S. 3240, an original bill to reauthorize agricultural programs through 2017, and for other purposes.

AMENDMENT NO. 2306

At the request of Ms. MURKOWSKI, the names of the Senator from Alaska (Mr. BEGICH) and the Senator from North Carolina (Mrs. HAGAN) were added as cosponsors of amendment No. 2306 intended to be proposed to S. 3240, an original bill to reauthorize agricultural programs through 2017, and for other purposes.

AMENDMENT NO. 2308

At the request of Mrs. MCCASKILL, the name of the Senator from Montana (Mr. TESTER) was added as a cosponsor of amendment No. 2308 intended to be proposed to S. 3240, an original bill to reauthorize agricultural programs through 2017, and for other purposes.

AMENDMENT NO. 2311

At the request of Mr. BLUMENTHAL, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of amendment No. 2311 intended to be proposed to S. 3240, an original bill to reauthorize agricultural programs through 2017, and for other purposes.

AMENDMENT NO. 2316

At the request of Mr. LEE, the name of the Senator from South Carolina (Mr. DEMINT) was added as a cosponsor of amendment No. 2316 intended to be proposed to S. 3240, an original bill to reauthorize agricultural programs through 2017, and for other purposes.

AMENDMENT NO. 2318

At the request of Ms. LANDRIEU, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of amendment No. 2318 intended to be proposed to S. 3240, an original bill to reauthorize agricultural programs through 2017, and for other purposes.

AMENDMENT NO. 2319

At the request of Ms. LANDRIEU, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of amendment No. 2319 intended to be proposed to S. 3240, an original bill to reauthorize agricultural programs through 2017, and for other purposes.

AMENDMENT NO. 2323

At the request of Ms. LANDRIEU, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of amendment No. 2323 intended to be proposed to S. 3240, an original bill to reauthorize agricultural programs through 2017, and for other purposes.

AMENDMENT NO. 2325

At the request of Mr. CHAMBLISS, the names of the Senator from Louisiana (Mr. VITTER) and the Senator from Mississippi (Mr. WICKER) were added as cosponsors of amendment No. 2325 intended to be proposed to S. 3240, an original bill to reauthorize agricultural programs through 2017, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MCCONNELL (for himself, Mrs. FEINSTEIN, Mr. MCCAIN, Mr. DURBIN, and Ms. COLLINS):

S.J. Res. 43. A joint resolution approving the renewal of import restrictions contained in the Burmese Freedom and Democracy Act of 2003, and for other purposes; to the Committee on Foreign Relations.

Mr. MCCONNELL. Mr. President, today I rise to discuss events in the country of Burma. Every year since 2003, I have come to the floor of the U.S. Senate to introduce the Burmese Freedom and Democracy Act, and every year introduction of this bill has been accompanied by a somber message to the Senate: that reform in Burma is nowhere in sight. That is what I have said every year going back to 2003.

This year, I am pleased to say that though the bill's language is the same, the message is far different, as is the legal effect of the legislation. In a remarkable turnabout of events over the past 18 months, Burma has made dramatic changes for the better. In response to these developments, the administration recently decided it will ease many of the economic sanctions against Burma through exercise of its waiver authority. As a result, this year's Burmese Freedom and Democracy Act would effectively renew only a handful of the sanctions against the regime and would preserve the administration's flexibility to use its waiver authority.

In 2008, the Burmese junta put in place a new Constitution—a very flawed document. It does not ensure civilian control of the military. In fact, the charter may only be amended if over 75 percent of the Parliament vote in favor of such changes and one-fourth of the seats in Parliament are reserved for the military.

In November 2010, Burma held an election under this new charter, which was universally derided as being neither free nor fair. The party of Nobel Peace Prize laureate Daw Aung San Suu Kyi—the National League for Democracy—refused to participate due to the unfairness of the electoral process.

Restrictions on freedom of speech and assembly were manifest, and there was a prohibition against political prisoners, such as Suu Kyi, running for office. Not surprisingly, the junta-supported party won over three-quarters of the nonappointed parliamentary seats. The new government took office on April 1, 2011.

Shortly after this seemingly unpromising election, some signs of change began to appear. Suu Kyi was freed after years under house arrest. By July 2011 she was permitted to leave Rangoon for the first time since her release. In August she visited the new capital, Naypyitaw, and met with the new President, Thein Sein.

In September 2011 the government lifted its prohibition against major news Web sites and dropped anti-Western slogans from state publications. That same month the regime announced it would suspend action on a controversial dam to be constructed by China in Kachin State. The project was strongly opposed by democracy advocates and ethnic leaders.

As part of its reforms, the legislature enacted a bill that permitted Suu Kyi to participate in the April 1, 2012, by-election and made it possible for her party to reregister, after having technically lost its party status for boycotting the November 2010 balloting.

In January of 2012 a score of political prisoners were released and a preliminary cease-fire agreement was reached with the Karen, appearing to end one of the longest running ethnic disputes in the world.

In April 2012 Burma held a by-election to replace lawmakers who had assumed Cabinet roles. For the first time since 1990, the NLD participated in the election. Of the 45 seats that were open, the NLD contested 44 and won 43.

Suu Kyi herself won a seat in what was clearly a dramatic victory for the opposition. This spring, for the first time in a quarter of a century, Suu Kyi was granted a passport and traveled outside Burma. Thus, in a mere 18 months, Suu Kyi has gone from political prisoner to Member of Parliament. That in and of itself is a remarkable change, and it reflects more broadly the wide-ranging reforms that have occurred in the country.

In response to the Burmese Government's efforts, on May 17 the State Department announced that it would undertake a number of administrative steps to ease sanctions against Burma. These include removing both the investment ban and the financial services ban against Burma, except in transactions involving bad actors. In addition to suspending certain economic sanctions, the administration announced that it would exchange full Ambassadors with Naypyitaw.

Mr. President, I support each of these steps taken by the State Department.

What caused the Burmese Government to initiate these democratic reforms? It is hard to know for certain, but sanctions seem to have played an important part in bringing the government around. No country likes being

viewed as a pariah, and the Burmese regime seems no different.

When I visited Burma back in January, the one thing I heard from all the government officials with whom I met—the President, the Foreign Minister, the Speaker of the Lower House—they all said: We want the sanctions removed.

Suu Kyi herself publicly stated a few months ago that ''to those who ask whether or not sanctions have been effective, I would say yes, very, very confidently, because this government is always asking for sanctions to be removed. . . . So, sanctions have been effective. If sanctions had not been effective this would not be such an important issue for them.'' All of that is from Suu Kyi herself.

So some Senators may reasonably ask why are we moving this sanctions bill again if Burma has made such dramatically positive steps. Well, there are several reasons. Let me lay them out.

First, the Burmese Government still has not met all the necessary conditions to justify a complete—a complete—repeal of all existing sanctions. Despite the unmistakable progress made by the Burmese Government, now is not the time to end our ability either to encourage further government reform or to revisit sanctions if that became necessary. As Suu Kyi herself has cautioned, the situation in Burma is ''not irreversible.'' Serious challenges need to be addressed.

Violence in Kachin State remains a serious problem. Numerous political prisoners remain behind bars. The constitution is still completely undemocratic. And the regime's relationship with North Korea, especially when it comes to arms sales with Pyongyang, remains an issue of grave concern.

As I noted, renewing the Burmese Freedom and Democracy Act would leave intact the import ban against Burmese goods, thus maintaining leverage the executive branch can utilize to help prompt further reform. Reauthorizing this measure would permit the executive branch, in consultation with Congress, to calibrate sanctions as necessary, thus preserving its flexibility.

Second, the renewal of this sanctions bill will not affect—will not affect—the administration's current efforts to ease sanctions as announced on May 17. Let me repeat that renewing the Burmese Freedom and Democracy Act will leave undisturbed the process for suspending sanctions announced 3 weeks ago. In part for this reason, the State Department supports renewal of this measure. In fact, a vote for reauthorization of the Burmese Freedom and Democracy Act should be seen as a vote in support of the administration's easing of sanctions and a vote to support reform efforts in Burma.

As a practical matter, renewal of the Burmese Freedom and Democracy Act would entail, No. 1, extending for another year the ban against Burmese imports; No. 2, continuing authority for financial services sanctions but leaving in place the authority the administration needs to proceed with the easing—the easing—of such restrictions; and No. 3, leaving untouched the administration's ability to ease the investment ban, which is part of a separate bill.

Finally, renewal of the Burmese Freedom and Democracy Act has continued bipartisan support in Congress and the support of Suu Kyi and the democratic opposition in Burma.

There are, unfortunately, too few issues where the administration has sought to work with Congress in a bipartisan manner—mighty few, in fact—but on the issue of sanctions reauthorization, the State Department and I are in full agreement. I also know that my longstanding partner on Burma on the other side of the aisle, Senator FEINSTEIN, shares my sentiments about reauthorizing this measure. As for Burma's democratic opposition, I spoke with Suu Kyi just a few days ago. She told me she believes the Burmese Freedom and Democracy Act should be renewed.

If Burma stays on the path it seems to be on to reform, it will require significant help in reforming its economy and in developing business practices that encourage enduring foreign direct investment and corporate responsibility. A great deal of work must be done as Burma looks ahead to hosting the Association of Southeast Asian Nations in 2014. For the first time in a half a century, Burma seems—seems—to be on the right path to reform, and reauthorization of the Burmese Freedom and Democracy Act places the United States squarely on the side of reform and of reformers.

For the reasons I have laid out, I believe a renewal of this measure is the right step to take. Burma has made great strides over the past 18 months, and Congress should recognize those strides. At the same time, Congress should not be fully satisfied with recent reforms, as much more work remains to be done.

In closing, I am introducing the renewal of the Freedom and Democracy Act, originally passed in 2003, for myself; Senator FEINSTEIN, with whom I have worked on this over the years and referred to in my remarks; Senator JOHN MCCAIN, who has been very active in this area and met with Suu Kyi this past year; Senator DURBIN; and Senator COLLINS, who had the opportunity to meet with Suu Kyi just the week before last—all of whom are active and interested in this issue.

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

Mr. REID. Mr. President, before my friend leaves the floor, I express my appreciation—really from our country—for his tireless efforts in focusing attention on what has been going on in Burma. He has come to the floor and given numerous statements to focus attention on this issue. It took a while to get some traction, but finally he got some traction, and that is why progress was made in Burma.

I appreciate his mentioning Senator FEINSTEIN. She has also been very focused on this. But no one has been to the floor more than Senator MCCONNELL talking about this issue. As a result of that, we have made progress. It has been slow, but it has been deliberate, and I think we can see a new day for that country.

Mr. MCCONNELL. Mr. President, I thank my good friend from Nevada.

I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

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

S.J. RES. 43

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENT TO BURMESE FREEDOM AND DEMOCRACY ACT OF 2003.

Section 9(b)(3) of the Burmese Freedom and Democracy Act of 2003 (Public Law 108–61; 50 U.S.C. 1701 note) is amended by striking ''nine years'' and inserting ''twelve years''.

SEC. 2. RENEWAL OF IMPORT RESTRICTIONS UNDER BURMESE FREEDOM AND DEMOCRACY ACT OF 2003.

(a) IN GENERAL.—Congress approves the renewal of the import restrictions contained in section 3(a)(1) and section 3A (b)(1) and (c)(1) of the Burmese Freedom and Democracy Act of 2003.

(b) RULE OF CONSTRUCTION.—This joint resolution shall be deemed to be a ''renewal resolution'' for purposes of section 9 of the Burmese Freedom and Democracy Act of 2003.

SEC. 3. EFFECTIVE DATE.

This joint resolution and the amendment made by this joint resolution shall take effect on the date of the enactment of this joint resolution or July 26, 2012, whichever occurs first.

Mrs. FEINSTEIN. Mr. President, I rise today once again with my friend and colleague from Kentucky, Senator MCCONNELL, to introduce a joint resolution to renew the import ban on Burma for another year. We are proud to be joined by Senators MCCAIN and DURBIN in this important effort.

Congressman JOE CROWLEY and Congressman PETER KING have introduced this resolution in the House and I thank them for their leadership and support.

Over the past year, we have seen some remarkable changes in Burma after years of violence and repression.

But the government of Burma still has a lot of work to do to demonstrate to us, the international community, and, above all, the people of Burma that it is truly committed to reform, democratization, and national reconciliation.

We should renew this ban for another year as an incentive to the government of Burma to continue on the path it has undertaken and take additional actions.

I have been involved in the struggle for freedom and democracy in Burma for 15 years.

In 1997, former Senator William Cohen and I authored legislation requiring the President to ban new U.S. investment in Burma if he determined that the government of Burma had physically harmed, re-arrested or exiled Aung San Suu Kyi or committed large-scale repression or violence against the democratic opposition.

President Clinton issued the ban in a 1997 Executive Order.

In 2003, after the regime attempted to assassinate Aung San Suu Kyi, Senator MCCONNELL and I introduced the Burmese Freedom and Democracy Act of 2003, which placed a complete ban on imports from Burma. It allowed that ban to be renewed one year at a time.

It was signed into law and has been renewed annually since then. It is set to expire on July 26, which is why a renewal of that ban is now before us today.

But unlike past years, we have some good news to report.

Burma has begun to take some significant steps towards embracing democracy, human rights, and the rule of law.

This is welcome news after so many years of inaction coupled with despotic military rule.

How did we get to this point?

Recall that in 1990 Suu Kyi and her National League for Democracy overwhelmingly won the last free parliamentary elections in Burma, but those results were annulled by the military junta, then named the State Law and Order Restoration Council or SLORC.

These events marked the beginning of more than two decades of violence, oppression, and human rights abuses.

In 2008, the ruling military junta, renamed the State Peace and Development Council, pushed through the ratification of a new constitution, which was drafted without the input of the democratic opposition, led by Aung San Suu Kyi.

Elections for the new parliament were held in November 2010, but Suu Kyi and her National League for Democracy were prohibited from participating.

The Union Solidarity and Development Party, comprised of ex-military officials, won approximately 80 percent of the seats. The new parliament elected former General and Prime Minister, Thein Sein, as President.

Following the elections, Suu Kyi was finally released from house arrest, after being in prison or house arrest for the better part of 20 years.

While I was pleased that Suu Kyi was free, I was deeply concerned that nothing had really changed for the people of Burma.

Suu Kyi and her party were blocked from participating in the political process. The military maintained its grip on the government and the economy. Democracy advocates and human rights activists remained in prison. Violence against ethnic minority groups continued unabated.

Yet, in the past year we have seen more positive change than we had in the past 20 years.

Indeed, Burma's new government has taken a number of significant actions in an effort to rejoin the international community.

Hundreds of political prisoners were released.

New legislation broadening the rights of political and civic associations has been enacted; and negotiations with ethnic minority groups have begun and some cease-fires have taken effect.

In addition, Suu Kyi and her National League for Democracy, NLD, were allowed to compete in by-elections for 45 open seats in parliament in April 2012.

Suu Kyi and the NLD won 43 of the 44 seats they contested.

For those of us who have been inspired by her courage, her dedication to peace and her tireless efforts for freedom and democracy, it was a thrilling and deeply moving event. Years of sacrifice and hard work had shown results the people of Burma had spoken with a clear voice in support of freedom and democracy.

The U.S. has responded to this reform process in a number of ways.

Secretary Clinton traveled to Burma last December and announced the two countries would resume full diplomatic relations.

Following the April parliamentary elections, the administration announced that it would nominate Derek Mitchell to be the first U.S. ambassador to Burma in 22 years and suspend sanctions on investment and financial services.

I supported these actions. It is entirely appropriate to acknowledge the steps Burma has already taken and encourage additional reforms.

Some may ask then: why stop there? Given the reforms, why not let the ban on imports simply expire?

The fact of the matter is, the reforms are not irreversible and the government of Burma still needs to do more to respond to the legitimate concerns of the people of Burma and the international community.

First, it must address the dominant role of the military in Burma under the new constitution.

The military is guaranteed 25 percent of the seats without elections and remains independent of any civilian oversight.

In addition, the Commander-in-Chief of the military has the authority to dismiss the government and rule the country under Martial Law.

It goes without saying that such powers are incompatible with a truly democratic government.

Second, Burma must stop all violence against ethnic minorities. I am particularly concerned about reports that the Burmese military is continuing attacks in Kachin State, displacing thousands of civilians and killing others.

Third, the government must release all political prisoners.

I applaud the decision of the Government of Burma to release hundreds of political prisoners, including a number of high-profile democracy and human rights activists.

Yet, according to the State Department, hundreds more remain in detention.

Unfortunately, the government of Burma maintains there are no more political prisoners. We must keep the pressure on Burma until all democracy and human rights activists are free and able to resume their lives and careers.

As we debate renewing the import ban, it is important to consider the advice and counsel of Aung San Suu Kyi and the democratic opposition.

For her part, Suu Kyi has said that while she does not oppose suspending sanctions, the international community must be cautious. Speaking via Skype to an event in Washington D.C. last month she said:

> I sometimes feel that people are too optimistic about the scene in Burma. You have to remember that the democratization process in Burma is not irreversible. I have said openly that we can never look upon it as irreversible until such time that the military commits itself to democratization solidly and efficiently.

I understand that Suu Kyi has spoken to Senator MCCONNELL directly about this matter and she supports renewing the import ban for another year.

I believe that renewing this ban will help keep Burma on the path to full democratization and national reconciliation and support the work of Suu Kyi, the democratic opposition, and the reformists in the ruling government.

It will give the administration additional leverage to convince the Burma to stay on the right path.

The administration will still have the authority to waive or suspend the import ban as it has suspended sanctions on investment and financial services if the Government of Burma took the appropriate actions.

If we let the import ban expire, however, and Burma backslides on reform and democratization, we would have to pass a new law to re-impose the ban.

By passing this joint resolution, we ensure that the administration has the flexibility it needs to respond to events in Burma has it as done so with financial services and investment.

Suu Kyi herself has argued that ''sanctions have been effective in persuading the government to go for change.'' I think renewing the import ban will push it to go further.

I urge my colleagues to support this joint resolution.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 489—EXPRESSING THE SENSE OF THE SENATE ON THE APPOINTMENT BY THE ATTORNEY GENERAL OF AN OUTSIDE SPECIAL COUNSEL TO INVESTIGATE CERTAIN RECENT LEAKS OF APPARENTLY CLASSIFIED AND HIGHLY SENSITIVE INFORMATION ON UNITED STATES MILITARY AND INTELLIGENCE PLANS, PROGRAMS, AND OPERATIONS

Mr. MCCAIN (for himself, Mr. INHOFE, Mr. WICKER, Mr. BROWN of Massachusetts, Ms. AYOTTE, Mr. PORTMAN, Ms. COLLINS, Mr. GRAHAM, Mr. CORNYN, Mr. BURR, Mr. ROBERTS, Mr. BLUNT, Mr. COBURN, Mr. PAUL, Mr. BOOZMAN, Mr. ISAKSON, Mr. GRASSLEY, Mr. KIRK, Mr. CHAMBLISS, Mr. RUBIO, and Mr. HOEVEN) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 489

Whereas over the past few weeks, several publications have been released that cite several highly sensitive United States military and intelligence counterterrorism plans, programs, and operations;

Whereas these publications appear to be based in substantial part on unauthorized disclosures of classified information;

Whereas the unauthorized disclosure of classified information is a felony under Federal law;

Whereas the identity of the sources in these publications include senior administration officials, participants in these reported plans, programs, and operations, and current American officials who spoke anonymously about these reported plans, programs, and operations because they remain classified, parts of them are ongoing, or both;

Whereas such unauthorized disclosures may inhibit the ability of the United States to employ the same or similar plans, programs, or operations in the future; put at risk the national security of the United States and the safety of the men and women sworn to protect it; and dismay our allies;

Whereas under Federal law, the Attorney General may appoint an outside special counsel when an investigation or prosecution would present a conflict of interest or other extraordinary circumstances and when doing so would serve the public interest;

Whereas investigations of unauthorized disclosures of classified information are ordinarily conducted by the Federal Bureau of Investigation with assistance from prosecutors in the National Security Division of the Department of Justice;

Whereas there is precedent for officials in the National Security Division of the Department of Justice to recuse itself from such investigations to avoid even the appearance of impropriety or undue influence, and it appears that there have been such recusals with respect to the investigation of at least one of these unauthorized disclosures;

Whereas such recusals are indicative of the serious complications already facing the Department of Justice in investigating these matters;

Whereas the severity of the national security implications of these disclosures; the imperative for investigations of these disclosures to be conducted independently so as to avoid even the appearance of impropriety or undue influence; and the need to conduct these investigations expeditiously to ensure timely mitigation constitute extraordinary circumstances; and

Whereas, for the foregoing reasons, the appointment of an outside special counsel would serve the public interest: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the Attorney General should—

(A) delegate to an outside special counsel all of the authority of the Attorney General with respect to investigations by the Department of Justice of any and all unauthorized disclosures of classified and highly sensitive information related to various United States military and intelligence plans, programs, and operations reported in recent publications; and

(B) direct an outside special counsel to exercise that authority independently of the supervision or control of any officer of the Department of Justice;

(2) under such authority, the outside special counsel should investigate any and all unauthorized disclosures of classified and highly sensitive information on which such recent publications were based and, where appropriate, prosecute those responsible; and

(3) the President should assess—

(A) whether any such unauthorized disclosures of classified and highly sensitive information damaged the national security of the United States; and

(B) how such damage can be mitigated.

SENATE RESOLUTION 490—DESIGNATING THE WEEK OF SEPTEMBER 16, 2012, AS ''MITOCHONDRIAL DISEASE AWARENESS WEEK'', REAFFIRMING THE IMPORTANCE OF AN ENHANCED AND COORDINATED RESEARCH EFFORT ON MITOCHONDRIAL DISEASES, AND COMMENDING THE NATIONAL INSTITUTES OF HEALTH FOR ITS EFFORTS TO IMPROVE THE UNDERSTANDING OF MITOCHONDRIAL DISEASES

Mrs. BOXER submitted the following resolution; which was referred to the Committee on Health, Education, Labor, and Pensions:

S. RES. 490

Whereas Brittany Wilkinson, the first Youth Ambassador of the United Mitochondrial Disease Foundation, joined other Youth Ambassadors of the United Mitochondrial Disease Foundation in working tirelessly to raise awareness about mitochondrial diseases;

Whereas mitochondrial diseases result from a defect that reduces the ability of the mitochondria in a cell to produce energy;

Whereas, as mitochondria fail to produce enough energy, cells cease to function properly and eventually die, leading to the failure of organ systems and possibly the death of the affected individuals;

Whereas mitochondrial diseases can present themselves at any age, and mortality rates vary depending upon the particular disease;

Whereas the most severe mitochondrial diseases result in the progressive loss of function in multiple organs, including the loss of neurological and muscle function, and death within several years;

Whereas mitochondrial diseases are a relatively newly identified group of diseases, first recognized in the late 1960s, and diagnosis of mitochondrial diseases is extremely difficult;

Whereas there are more than 100 identified primary mitochondrial diseases, but researchers believe there are several hundred other types of unidentified mitochondrial diseases and further research is necessary to help identify those diseases;

Whereas mitochondrial dysfunction is associated with many diseases, such as Parkinson's disease, Alzheimer's disease, amyotrophic lateral sclerosis, autism, diabetes, cancer, and many other diseases associated with aging;

Whereas research into primary mitochondrial diseases can provide applications to biomedical research and a window into our understanding of many other diseases, including possible treatments and cures for diseases such as Parkinson's disease, Alzheimer's disease, amyotrophic lateral sclerosis, autism, diabetes, cancer, and many other diseases associated with aging;

Whereas researchers estimate that one in 4,000 children will develop a mitochondrial disease related to an inherited mutation by 10 years of age, and recent studies of umbilical cord blood samples show that one in 200 people could develop a mitochondrial disease in their lifetime;

Whereas researchers also believe that those numbers could be much higher, given the difficulty associated with diagnosing mitochondrial disease and the many cases that are either misdiagnosed or never diagnosed;

Whereas there are no cures for mitochondrial diseases, nor are there specific treatments for any of those diseases;

Whereas human energy production involves multiple organ systems, and therefore primary mitochondrial diseases research involves many Institutes at the National Institutes of Health;

Whereas, according to the National Institutes of Health, more than $600,000,000 is being spent on research related to mitochondrial functions, of which $18,000,000 is being spent on actual primary mitochondrial diseases research;

Whereas the National Institutes of Health has taken an increased interest in primary mitochondrial diseases and has sponsored a number of activities in recent years aimed at advancing mitochondrial medicine, including incorporating research into functional variations in mitochondria in the Transformative Research Awards Initiative;

Whereas, in March 2012, the National Institutes of Health convened a 2-day symposium entitled ''Translational Research in Primary Mitochondrial Diseases: Obstacles and Opportunities'', which brought together leading government and private sector researchers and drug developers to share information related to primary mitochondrial diseases, develop systems to facilitate future collaboration, survey obstacles, needs, and priorities of primary mitochondrial diseases research, and develop mechanisms to enhance translation of basic science discoveries to diagnostics and therapeutics; and

Whereas, as a consequence of the symposium, a white paper has been developed that identifies current research challenges and impediments and a suggested course of action to address those challenges: Now, therefore, be it

Resolved, That the Senate—

(1) designates the week of September 16, 2012, as ''Mitochondrial Disease Awareness Week'';

(2) reaffirms the importance of an enhanced and coordinated research effort aimed at improving the understanding of primary mitochondrial diseases and the development of treatments and cures;

(3) commends the National Institutes of Health for its efforts to organize the symposium entitled ''Translational Research in

Primary Mitochondrial Disease: Obstacles and Opportunities'' to improve the understanding of mitochondrial diseases and to enhance collaboration and chart a course for the future with respect to research on mitochondrial diseases;

(4) encourages the National Institutes of Health to place a greater priority on research into primary mitochondrial diseases, to continue to explore the connections between mitochondrial dysfunction and other systemic diseases, and to promote collaboration and coordination among the Institutes of the National Institutes of Health and with other organizations; and

(5) encourages the National Institutes of Health to consider the recommendations and address research directions identified in the white paper developed from the symposium described in paragraph (3), including—

(A) enhanced emphasis on research regarding basic mitochondrial physiology, variations in mitochondrial function in different body tissues, and improvements in the manipulation of mitochondrial DNA;

(B) supporting research that will provide the basis for drug development, including improved mouse models, efforts to achieve breakthroughs in in vivo research capability, consensus development around assays, and next generation sequencing;

(C) expansion and support of stable, long-term patient registries and biospecimen repositories in collaboration with patient advocacy groups to promote enrollment and ultimately pave the way for natural history trials; and

(D) the establishment of a working group to develop a system for the continued interaction among the Institutes within the National Institutes of Health and with other organizations and the establishment of a website on research on primary mitochondrial diseases.

SENATE RESOLUTION 491—COMMENDING THE PARTICIPANTS IN THE 44TH INTERNATIONAL CHEMISTRY OLYMPIAD AND RECOGNIZING THE IMPORTANCE OF EDUCATION IN THE FIELDS OF SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS TO THE FUTURE OF THE UNITED STATES

Mr. COONS (for himself, Mr. BOOZMAN, Ms. MIKULSKI, Mr. ALEXANDER, and Ms. MURKOWSKI) submitted the following resolution; which was considered and agreed to:

S. RES. 491

Whereas the global economy of the future will require a workforce that is educated in the fields of science, technology, engineering, and mathematics (referred to in this preamble as ''STEM'');

Whereas the science of chemistry is vital to the improvement of human life because chemistry has the power to transform;

Whereas chemistry improves human lives by providing critical solutions to global challenges involving safe food, water, transportation, and products, alternate sources of energy, improved health, and a healthy and sustainable environment;

Whereas the International Chemistry Olympiad is an annual competition for the most talented secondary school chemistry students in the world that seeks to stimulate interest in chemistry through creative problem solving;

Whereas the 44th International Chemistry Olympiad will be held at the University of Maryland, College Park from July 21 through 30, 2012;

Whereas more than 70 countries and nearly 300 students will compete in the 44th International Chemistry Olympiad in theoretical and practical examinations covering analytical chemistry, biochemistry, inorganic chemistry, organic chemistry, physical chemistry, and spectroscopy;

Whereas the objective of the International Chemistry Olympiad is to promote international relationships in STEM education (particularly in chemistry), cooperation among students, and the exchange of pedagogical and scientific experience in STEM education;

Whereas STEM education at the secondary school level is critically important to the future of the United States; and

Whereas the students who will compete in the International Chemistry Olympiad deserve recognition and support for their efforts: Now, therefore, be it

Resolved, That the Senate—

(1) welcomes the 44th International Chemistry Olympiad to the United States;

(2) recognizes the need to encourage young people to pursue careers in the fields of science (including chemistry), technology, engineering, and mathematics; and

(3) commends the University of Maryland, College Park for hosting and the American Chemical Society for organizing the 44th International Chemistry Olympiad.

SENATE RESOLUTION 492—DESIGNATING JUNE 15, 2012, AS ''WORLD ELDER ABUSE AWARENESS DAY''

Mr. BLUMENTHAL (for himself, Mr. KIRK, Mr. DURBIN, and Mr. NELSON of Florida) submitted the following resolution; which was considered and agreed to:

S. RES. 492

Whereas at least 2,000,000 older adults are maltreated each year in the United States;

Whereas the vast majority of the abuse, neglect, and exploitation of older adults in the United States goes unidentified and unreported;

Whereas only 1 in 44 cases of financial abuse of older adults is reported;

Whereas at least $2,900,000,000 is taken from older adults each year due to financial abuse and exploitation;

Whereas elder abuse, neglect, and exploitation have no boundaries and cross all racial, social, class, gender, and geographic lines;

Whereas older adults who are abused are 3 times more likely to die earlier than older adults of the same age who are not abused;

Whereas the percentage of individuals in the United States who are 60 years of age or older will nearly double by 2020;

Whereas, although all 50 States have laws against elder abuse, incidents of elder abuse have increased by 150 percent over the last 10 years;

Whereas public awareness has the potential to increase the identification and reporting of elder abuse by the public, professionals, and victims, and can act as a catalyst to promote issue-based education and long-term prevention; and

Whereas private individuals and public agencies must work to combat crime and violence against older adults and vulnerable adults, particularly in light of continued reductions in funding for vital services: Now, therefore, be it

Resolved, That the Senate—

(1) designates June 15, 2012 as ''World Elder Abuse Awareness Day'';

(2) recognizes judges, lawyers, adult protective services professionals, law enforcement officers, social workers, health care providers, victims' advocates, and other professionals and agencies for their efforts to advance awareness of elder abuse; and

(3) encourages members of the public and professionals who work with older adults to act as catalysts to promote awareness and long-term prevention of elder abuse by reaching out to local adult protective services agencies and by learning to recognize, report, and respond to elder abuse.

SENATE CONCURRENT RESOLUTION 48—RECOGNIZING 375 YEARS OF SERVICE OF THE NATIONAL GUARD AND AFFIRMING CONGRESSIONAL SUPPORT FOR A PERMANENT OPERATIONAL RESERVE AS A COMPONENT OF THE ARMED FORCES

Mr. LEAHY (for himself and Mr. GRAHAM) submitted the following concurrent resolution; which was referred to the Committee on Armed Services:

S. CON. RES. 48

Whereas the first volunteer militia unit in America was formed in 1636 in Massachusetts Bay, followed by other units in the colonies of Virginia and Connecticut;

Whereas from the opening salvos at Lexington and Concord, to the conclusion of the American Revolutionary War in 1783, the volunteer patriots and minutemen of the American militia helped create the United States of America;

Whereas the American founding fathers wrote Article I, Section 8, of the United States Constitution to keep the militia model, authorizing only a small standing military force that could organize, train, and equip militia volunteers when needed;

Whereas the American militia answered the call during the second war with Britain in 1812;

Whereas in the 19th Century, during the Mexican-American War, the United States Civil War, and the Spanish-American War, State militia volunteers mustered when called and more than 300,000 gave their lives in service of the United States of America;

Whereas in World War I, nearly all National Guardsmen were mobilized into Federal service, and while they represented only 15 percent of the total United States Army, they comprised 40 percent of the American divisions sent to France and sustained 43 percent of the casualties in combat;

Whereas in World War II, the National Guard comprised 19 Army divisions and 29 observation squadrons with aircraft assigned to the United States Army Air Forces;

Whereas the National Defense Act of 1947 formed the Air National Guard, created a minimum of one flying unit in each State, with the result of more than 44,000 Air Guard troops serving in Korea and 4,000 Air Guard troops in Vietnam;

Whereas the Air National Guard flew 30,000 sorties and 50,000 combat hours during Operation Desert Storm over 37 days and were some of the first units into the fight;

Whereas on September 11, 2001, the first fighter jets over New York City and Washington, DC, were Air National Guard F–15 and F–16 aircraft from Massachusetts and North Dakota, with over 400 more Air National Guard fighter aircraft on alert by that afternoon;

Whereas 456,974 Air and Army National Guard soldiers and airmen have deployed in the many campaigns since 9/11;

Whereas Air and Army National Guard soldiers and airmen have been involved in

countless domestic response missions, including missions in response to hurricanes, tornadoes, floods, and forest fires;

Whereas during the Cold War, the National Guard was regarded as a Strategic Reserve to be held in case of a Soviet invasion of Europe, yet, since 9/11, the National Guard and the Federal Reserves have made the transition to an Operational Reserve, in constant use and rotation for missions at home and abroad;

Whereas the Operational Reserve has time and again demonstrated its readiness to meet operational requirements, and its mission- and cost-effectiveness and volunteerism are the heart of modern United States military service;

Whereas the Operational Reserve must be sustained by a fully-manned and fully-funded National Guard in the spirit intended by the Framers and enshrined in Article I of the Constitution; and

Whereas the Air Force, in its fiscal year 2013 budget, has advanced a proposal to convert the Air National Guard from the Operational Reserve to the Strategic Reserve of yesteryear: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress—

(1) recognizes the critical importance of the Operational Reserve as a component of the Armed Forces, particularly as a means of preserving combat power during a time of budget austerity;

(2) supports making permanent the Operational Reserve as the cornerstone of military manpower in the decades to come;

(3) repudiates proposals to return the Reserve Components to a diminished or purely strategic role in United States national security;

(4) affirms the growth of the Operational Reserve as circumstances warrant; and

(5) recognizes the dual-status, State-Federal National Guard as the foundation of the Operational Reserve and of military manpower now and in the future.

AMENDMENTS SUBMITTED AND PROPOSED

SA 2344. Mr. MENENDEZ submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table.

SA 2345. Mr. MANCHIN (for himself and Ms. AYOTTE) submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2346. Mr. GRAHAM submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2347. Mr. NELSON of Nebraska submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2348. Mr. NELSON of Nebraska submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2349. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2350. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2351. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2352. Mr. COBURN submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2353. Mr. COBURN submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2354. Mr. KYL submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2355. Mr. BOOZMAN submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2356. Mr. BOOZMAN submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2357. Mr. BOOZMAN submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2358. Mr. BOOZMAN submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2359. Mr. BOOZMAN submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2360. Mr. BOOZMAN (for himself and Mr. JOHANNS) submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2361. Mr. BOOZMAN submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2362. Mr. BROWN of Ohio (for himself, Mr. NELSON of Nebraska, Mr. FRANKEN, Mr. SANDERS, Mr. BINGAMAN, Mr. JOHNSON of South Dakota, Mr. HARKIN, Mr. LEAHY, Mr. TESTER, Mr. MERKLEY, and Mr. KERRY) submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2363. Mr. VITTER submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2364. Mr. BINGAMAN (for himself and Mrs. HUTCHISON) submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2365. Mr. BEGICH (for himself and Mr. MCCAIN) submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2366. Mrs. HAGAN submitted an amendment intended to be proposed by her to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2367. Mrs. HAGAN (for herself, Mr. CRAPO, Mrs. MCCASKILL, Mr. RISCH, Mr. PRYOR, Mr. CHAMBLISS, Ms. LANDRIEU, and Mr. VITTER) submitted an amendment intended to be proposed by her to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2368. Mrs. GILLIBRAND submitted an amendment intended to be proposed by her to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2369. Ms. CANTWELL submitted an amendment intended to be proposed by her to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2370. Ms. CANTWELL submitted an amendment intended to be proposed by her to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2371. Mr. MERKLEY (for himself and Ms. COLLINS) submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2372. Mr. JOHANNS submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2373. Mr. WICKER (for himself, Mr. CONRAD, Mr. INHOFE, Ms. LANDRIEU, Mr. COCHRAN, and Mr. TESTER) submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2374. Mr. DEMINT submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2375. Mr. MENENDEZ submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2376. Mr. TOOMEY submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2377. Mr. TOOMEY submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2378. Mr. TOOMEY submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2379. Mr. TOOMEY submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2380. Mr. CRAPO submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2381. Mr. MERKLEY submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2382. Mr. MERKLEY (for himself, Mrs. FEINSTEIN, Mr. SANDERS, and Mr. KERRY) submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2383. Mr. COCHRAN submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2384. Mr. CARDIN (for himself, Mr. CARPER, Mr. CASEY, Mr. COONS, Ms. MIKULSKI, Mr. ROCKEFELLER, Mr. WARNER, and Mr. WEBB) submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2385. Mr. TESTER submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2386. Mr. SANDERS (for himself and Mr. LEAHY) submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2387. Mr. BOOZMAN submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2388. Mr. WYDEN submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2389. Mr. REID (for Ms. STABENOW (for herself and Mr. ROBERTS)) proposed an amendment to the bill S. 3240, supra.

SA 2390. Mr. REID proposed an amendment to amendment SA 2389 proposed by Mr. REID (for Ms. STABENOW (for herself and Mr. ROBERTS)) to the bill S. 3240, supra.

SA 2391. Mr. REID proposed an amendment to the bill S. 3240, supra.

SA 2392. Mr. REID proposed an amendment to amendment SA 2391 proposed by Mr. REID to the bill S. 3240, supra.

SA 2393. Mr. REID proposed an amendment to amendment SA 2392 proposed by Mr. REID

to the amendment SA 2391 proposed by Mr. REID to the bill S. 3240, supra.

SA 2394. Mr. DEMINT (for himself and Mr. LEE) submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2395. Mr. AKAKA submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2396. Mr. AKAKA submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2397. Mr. AKAKA submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2398. Mr. AKAKA submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2399. Mr. LEAHY submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2400. Mr. LEAHY submitted an amendment intended to be proposed to amendment SA 2343 submitted by Mr. CHAMBLISS (for himself and Mr. ISAKSON) and intended to be proposed to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2401. Mr. UDALL of Colorado submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2402. Mr. MORAN submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

SA 2403. Mr. MORAN submitted an amendment intended to be proposed by him to the bill S. 3240, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 2344. Mr. MENENDEZ submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 361, between lines 8 and 9, insert the following:

SEC. 4208. LEAN FINELY TEXTURED BEEF.

(a) SCHOOL MEAL PROGRAMS.—Section 14 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1762a) is amended by adding at the end the following:

''(i) LEAN FINELY TEXTURED BEEF.—The Secretary shall give States and school food authorities the option to purchase and receive meat and meat food products that do not contain low-temperature rendered product, also known as lean finely textured beef (as defined by the Secretary), for use in school meal programs under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).''.

(b) LABELING.—Section 1(n) of the Federal Meat Inspection Act (21 U.S.C. 601(n)) is amended—

(1) in paragraph (11), by striking ''or'' at the end;

(2) in paragraph (12), by striking the period at the end and inserting ''; or'' and

(3) by adding at the end the following:

''(13) if in a package or other container and at the final point of sale the meat or meat food product contains low-temperature rendered product, also known as lean finely textured beef (as defined by the Secretary), unless the package or other container bears a label stating that the meat or meat food product contains the low-temperature rendered product.''.

SA 2345. Mr. MANCHIN (for himself and Ms. AYOTTE) submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 361, between lines 8 and 9, insert the following:

SEC. 4208. DIETARY GUIDELINES FOR AMERICANS.

Section 301(a) of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341(a)) is amended by adding at the end the following:

''(3) PREGNANT WOMEN AND YOUNG CHILDREN.—Not later than the 2020 report and in each report thereafter, the Secretaries shall include national nutritional and dietary information and guidelines for pregnant women and children from birth until the age of 2.''.

SA 2346. Mr. GRAHAM submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle C of title XII, add the following:

SEC. 12205. SENSE OF CONGRESS ON NUCLEAR PROGRAM OF IRAN.

(a) FINDINGS.—Congress makes the following findings:

(1) Since at least the late 1980s, the Government of the Islamic Republic of Iran has engaged in a sustained and well-documented pattern of illicit and deceptive activities to acquire nuclear capability.

(2) The United Nations Security Council has adopted multiple resolutions since 2006 demanding the full and sustained suspension of all uranium enrichment-related and reprocessing activities by the Government of the Islamic Republic of Iran and its full cooperation with the International Atomic Energy Agency (IAEA) on all outstanding issues related to its nuclear activities, particularly those concerning the possible military dimensions of its nuclear program.

(3) On November 8, 2011, the IAEA issued an extensive report that—

(A) documents ''serious concerns regarding possible military dimensions to Iran's nuclear programme'';

(B) states that ''Iran has carried out activities relevant to the development of a nuclear device''; and

(C) states that the efforts described in subparagraphs (A) and (B) may be ongoing.

(4) As of November 2008, Iran had produced, according to the IAEA—

(A) approximately 630 kilograms of uranium hexaflouride enriched up to 3.5 percent uranium-235; and

(B) no uranium hexaflouride enriched up to 20 percent uranium-235.

(5) As of November 2011, Iran had produced, according to the IAEA—

(A) nearly 5,000 kilograms of uranium hexaflouride enriched up to 3.5 percent uranium-235; and

(B) 79.7 kilograms of uranium hexaflouride enriched up to 20 percent uranium-235.

(6) On January 9, 2012, IAEA inspectors confirmed that the Government of the Islamic Republic of Iran had begun enrichment activities at the Fordow site, including possibly enrichment of uranium hexaflouride up to 20 percent uranium-235.

(7) Section 2(2) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (Public Law 111–195) states, ''The United States and other responsible countries have a vital interest in working together to prevent the Government of Iran from acquiring a nuclear weapons capability.''

(8) If the Government of the Islamic Republic of Iran were successful in acquiring a nuclear weapon capability, it would likely spur other countries in the region to consider developing their own nuclear weapons capabilities.

(9) On December 6, 2011, Prince Turki al-Faisal of Saudi Arabia stated that if international efforts to prevent Iran from obtaining nuclear weapons fail, ''we must, as a duty to our country and people, look into all options we are given, including obtaining these weapons ourselves''.

(10) Top leaders of the Government of the Islamic Republic of Iran have repeatedly threatened the existence of the State of Israel, pledging to ''wipe Israel off the map''.

(11) The Department of State has designated Iran as a state sponsor of terrorism since 1984 and characterized Iran as the ''most active state sponsor of terrorism''.

(12) The Government of the Islamic Republic of Iran has provided weapons, training, funding, and direction to terrorist groups, including Hamas, Hezbollah, and Shiite militias in Iraq that are responsible for the murders of hundreds of United States forces and innocent civilians.

(13) On July 28, 2011, the Department of the Treasury charged that the Government of Iran had forged a ''secret deal'' with al Qaeda to facilitate the movement of al Qaeda fighters and funding through Iranian territory.

(14) In October 2011, senior leaders of Iran's Islamic Revolutionary Guard Corps (IRGC) Quds Force were implicated in a terrorist plot to assassinate Saudi Arabia's Ambassador to the United States on United States soil.

(15) On December 26, 2011, the United Nations General Assembly passed a resolution denouncing the serious human rights abuses occurring in the Islamic Republic of Iran, including torture, cruel and degrading treatment in detention, the targeting of human rights defenders, violence against women, and ''the systematic and serious restrictions on freedom of peaceful assembly'' as well as severe restrictions on the rights to ''freedom of thought, conscience, religion or belief''.

(16) President Barack Obama, through the P5+1 process, has made repeated efforts to engage the Government of the Islamic Republic of Iran in dialogue about Iran's nuclear program and its international commitments under the Treaty on the Non-Proliferation of Nuclear Weapons, done at Washington, London, and Moscow July 1, 1968, and entered into force March 5, 1970 (commonly known as the ''Nuclear Non-Proliferation Treaty'').

(17) Representatives of the P5+1 countries (the United States, France, Germany, the People's Republic of China, the Russian Federation, and the United Kingdom) and representatives of the Islamic Republic of Iran held negotiations on Iran's nuclear program in Istanbul, Turkey on April 14, 2012, and these discussions are set to resume in Baghdad, Iraq on May 23, 2012.

(18) On March 31, 2010, President Obama stated that the ''consequences of a nuclear-armed Iran are unacceptable''.

(19) In his State of the Union Address on January 24, 2012, President Obama stated, ''Let there be no doubt: America is determined to prevent Iran from getting a nuclear weapon, and I will take no options off the table to achieve that goal.''

(20) On March 4, 2012, President Obama stated ''Iran's leaders should understand that I do not have a policy of containment; I have a policy to prevent Iran from obtaining a nuclear weapon''.

(21) Secretary of Defense Leon Panetta stated, in December 2011, that it was unacceptable for Iran to acquire nuclear weapons, reaffirmed that all options were on the table to thwart Iran's nuclear weapons efforts, and vowed that if the United States gets ''intelligence that they are proceeding with developing a nuclear weapon then we will take whatever steps necessary to stop it''.

(22) The Department of Defense's January 2012 Strategic Guidance stated that United States defense efforts in the Middle East would be aimed ''to prevent Iran's development of a nuclear weapons capability and counter its destabilizing policies''.

(23) On April 2, 2012, President Obama stated, ''All the evidence indicates that the Iranians are trying to develop the capacity to develop nuclear weapons. They might decide that, once they have that capacity that they'd hold off right at the edge in order not to incur more sanctions. But, if they've got nuclear weapons-building capacity and they are flouting international resolutions, that creates huge destabilizing effects in the region and will trigger an arms race in the Middle East that is bad for U.S. national security but is also bad for the entire world.''

(b) SENSE OF CONGRESS.—Congress—

(1) reaffirms that the United States Government and the governments of other responsible countries have a vital interest in working together to prevent the Government of Iran from acquiring a nuclear weapons capability;

(2) warns that time is limited to prevent the Government of the Islamic Republic of Iran from acquiring a nuclear weapons capability;

(3) urges continued and increasing economic and diplomatic pressure on the Islamic Republic of Iran until the Government of the Islamic Republic of Iran agrees to and implements—

(A) the full and sustained suspension of all uranium enrichment-related and reprocessing activities and compliance with United Nations Security Council resolutions;

(B) complete cooperation with the IAEA on all outstanding questions related to the nuclear activities of the Government of the Islamic Republic of Iran, including the implementation of the additional protocol to Iran's Safeguards Agreement with the IAEA; and

(C) a permanent agreement that verifiably assures that Iran's nuclear program is entirely peaceful;

(4) expresses the desire that the P5+1 process successfully and swiftly leads to the objectives identified in paragraph (3), but warns that, as President Obama has said, the window for diplomacy is closing;

(5) expresses support for the universal rights and democratic aspirations of the people of Iran;

(6) strongly supports United States policy to prevent the Government of the Islamic Republic of Iran from acquiring a nuclear weapons capability;

(7) rejects any United States policy that would rely on efforts to contain a nuclear weapons-capable Iran; and

(8) joins the President in ruling out any policy that would rely on containment as an option in response to the Iranian nuclear threat.

(c) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as an authorization for the use of force or a declaration of war.

SA 2347. Mr. NELSON of Nebraska submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 998, between lines 7 and 8, insert the following:

SEC. 12106. GRAZING ON PUBLIC RANGELANDS.

Section 6 of the Public Rangelands Improvement Act of 1978 (43 U.S.C. 1905) is amended—

(1) by striking the section heading and all that follows through ''(a) For the'' and inserting the following:

''SEC. 6. GRAZING FEES.

''(a) ESTABLISHMENT OF FEES.—

''(1) IN GENERAL.—For the''; and

(2) in subsection (a), by adding at the end the following:

''(2) GRAZING ON PUBLIC RANGELANDS.—When establishing fees for grazing private livestock on public rangelands, the Secretary (with respect to land managed by the Bureau of Land Management) and the Secretary of Agriculture (with respect to National Forest System land) shall set the rate at a level that is comparable to the current private grazing land lease rate in the area or region, as determined by the applicable Secretary.''.

SA 2348. Mr. NELSON of Nebraska submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 998, between lines 7 and 8, insert the following:

SEC. 12106. GRAZING ON NATIONAL FOREST SYSTEM LAND.

Section 6 of the Public Rangelands Improvement Act of 1978 (43 U.S.C. 1905) is amended—

(1) by striking the section heading and all that follows through ''(a) For the'' and inserting the following:

''SEC. 6. GRAZING FEES.

''(a) ESTABLISHMENT OF FEES.—

''(1) IN GENERAL.—For the''; and

(2) in subsection (a), by adding at the end the following:

''(2) GRAZING ON NATIONAL FOREST SYSTEM LAND.—When establishing fees for grazing private livestock on public rangelands that is National Forest System land, the Secretary of Agriculture shall set the rate at a level that is comparable to the current private grazing land lease rate in the area or region, as determined by the Secretary of Agriculture.''.

SA 2349. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 140, strike line 1 and insert the following:

(b) LIMITATION ON MARKETING LOAN GAINS AND LOAN DEFICIENCY PAYMENTS FOR PEANUTS AND OTHER COVERED COMMODITIES.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking subsection (d) and inserting the following:

''(d) LIMITATION ON MARKETING LOAN GAINS AND LOAN DEFICIENCY PAYMENTS FOR PEANUTS AND OTHER COVERED COMMODITIES.—The total amount of marketing loan gains and loan deficiency payments received, directly or indirectly, by a person or legal entity (except a joint venture or general partnership) for any crop year under subtitle B of the Agriculture Reform, Food, and Jobs Act of 2012 (or a successor provision) for 1 or more covered commodities may not exceed $75,000.''.

(c) CONFORMING AMENDMENTS.—

On page 143, line 9, strike ''(c)'' and insert ''(d)''.

SA 2350. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 58, strike line 14 and all that follows through page 59, line 23 and insert the following:

As soon as practicable after the date of enactment of this Act, and on each October 1 thereafter, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary—

(1) to be used to award grants under section 3601(b) of the Consolidated Farm and Rural Development Act—

(A) $10,250,000 for fiscal year 2013; and

(B) $13,750,000 for each of fiscal years 2014 through 2017; and

(2) to carry out the emergency food assistance program established under the Emergency Food Assistance Act of 1983 (7 U.S.C. 7501 et seq.)—

(A) $10,250,000 for fiscal year 2013; and

(B) $13,750,000 for each of fiscal years 2014 through 2017.

SA 2351. Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 34, strike line 4 and all that follows through page 36, line 9.

SA 2352. Mr. COBURN submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. STUDY; REPORT.

(a) DEFINITION OF COMPTROLLER.—In this section, the term ''Comptroller'' means the Comptroller of the United States.

(b) STUDY.—Not later than 1 year after the date of enactment of this Act, the Comptroller shall conduct an independent study of domestic Federal nutrition programs—

(1) to identify—

(A) areas of duplication and inefficiencies after April 1, 2010; and

(B) programs that share the same goals, specific functions, or features; and

(2) determine whether the express goals of the programs are being accomplished in the most efficient way possible.

(c) RECOMMENDATIONS.—The Comptroller shall make specific recommendations to consolidate or eliminate any duplicative program or significantly inefficient program described in subsection (b).

(d) REPORT.—Not later than 2 years after the date of enactment of this Act, the Comptroller shall submit to Congress a report that includes—

(1) the results of the study required under subsection (b); and

(2) the recommendations described in subsection (c).

SA 2353. Mr. COBURN submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. ELIMINATION OF CERTAIN WORKING LANDS CONSERVATION PROGRAMS.

(a) CONSERVATION STEWARDSHIP PROGRAM.—Subchapter B of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838d et seq.) is repealed.

(b) ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.—Chapter 4 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839aa et seq.) is repealed.

SA 2354. Mr. KYL submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle A of title III, add the following:

SEC. 3015. PROHIBITION ON ASSISTANCE FOR NORTH KOREA.

No amounts may be obligated or expended to provide assistance under title II of the Food for Peace Act (7 U.S.C. 1721 et seq.) to the Democratic People's Republic of Korea.

SA 2355. Mr. BOOZMAN submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 860, between lines 15 and 16, insert the following:

SEC. 7602. OBJECTIVE AND SCHOLARLY AGRICULTURAL AND FOOD LAW RESEARCH AND INFORMATION.

(a) FINDINGS.—Congress finds that—

(1) the farms, ranches, and forests of the United States are impacted by a complex and rapidly evolving web of international, Federal, State, and local laws (including regulations);

(2) objective, scholarly, and authoritative agricultural and food law research and information helps the farm, ranch, and forestry community contribute to the strength of the United States through improved conservation, environmental protection, job creation, economic development, renewable energy production, outdoor recreational opportunities, and increased local and regional supplies of food, fiber, and fuel; and

(3) the vast agricultural community of the United States, including farmers, ranchers, foresters, attorneys, policymakers, and extension personnel, need access to agricultural and food law research and information provided by an objective, scholarly, and neutral source.

(b) PARTNERSHIPS.—The Secretary, acting through the National Agricultural Library, shall support the dissemination of objective, scholarly, and authoritative agricultural and food law research and information by entering into partnerships with institutions of higher education that have expertise in agricultural and food law research and information.

(c) RESTRICTION.—For each fiscal year, the Secretary shall use not more than $1,000,000 of the amounts made available to the National Agricultural Library to carry out this section.

SA 2356. Mr. BOOZMAN submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 1009, after line 11, add the following:

SEC. 12207. EXEMPTION OF RURAL WATER PROJECTS FROM CERTAIN RENTAL FEES.

Section 504(g) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1764(g)) is amended in the eighth sentence by inserting ''and for any rural water project that is federally financed (including a project that receives Federal funds under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) or from a State drinking water treatment revolving loan fund established under section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j–12))'' after ''such facilities''.

SA 2357. Mr. BOOZMAN submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title XII, add the following:

Subtitle D—Congressional Review of Agency Rulemaking in Cases of Negative Effect on Access to Affordable Food

SEC. 12301. CONGRESSIONAL REVIEW OF AGENCY RULEMAKING IN CASES OF NEGATIVE EFFECT ON ACCESS TO AFFORDABLE FOOD.

Effective beginning on the date of enactment of this Act, if the Secretary determines that a rule promulgated by any Federal agency could have a negative effect on access by any individual to affordable food, the procedures described in this subtitle shall take effect.

SEC. 12302. CONGRESSIONAL REVIEW.

(a)(1)(A) Before a rule may take effect, the Federal agency promulgating such rule shall submit to each House of the Congress and to the Comptroller General a report containing—

(i) a copy of the rule;

(ii) a concise general statement relating to the rule;

(iii) a classification of the rule as a major or nonmajor rule, including an explanation of the classification specifically addressing each criteria for a major rule contained within subparagraphs (A) through (C) of section 12305(2);

(iv) a list of any other related regulatory actions intended to implement the same statutory provision or regulatory objective as well as the individual and aggregate economic effects of those actions; and

(v) the proposed effective date of the rule.

(B) On the date of the submission of the report under subparagraph (A), the Federal agency promulgating the rule shall submit to the Comptroller General and make available to each House of Congress—

(i) a complete copy of the cost-benefit analysis of the rule, if any, including an analysis of any jobs added or lost, differentiating between public and private sector jobs;

(ii) the agency's actions pursuant to sections 603, 604, 605, 607, and 609 of title 5, United States Code;

(iii) the agency's actions pursuant to sections 202, 203, 204, and 205 of the Unfunded Mandates Reform Act of 1995; and

(iv) any other relevant information or requirements under any other Act and any relevant Executive orders.

(C) Upon receipt of a report submitted under subparagraph (A), each House shall provide copies of the report to the chairman and ranking member of each standing committee with jurisdiction under the rules of the House of Representatives or the Senate to report a bill to amend the provision of law under which the rule is issued.

(2)(A) The Comptroller General shall provide a report on each major rule to the committees of jurisdiction by the end of 15 calendar days after the submission or publication date as provided in section 12303(b)(2). The report of the Comptroller General shall include an assessment of the agency's compliance with procedural steps required by paragraph (1)(B).

(B) Federal agencies shall cooperate with the Comptroller General by providing information relevant to the Comptroller General's report under subparagraph (A).

(3) A major rule relating to a report submitted under paragraph (1) shall take effect upon enactment of a joint resolution of approval described in section 12303 or as provided for in the rule following enactment of a joint resolution of approval described in section 12303, whichever is later.

(4) A nonmajor rule shall take effect as provided by section 12304 after submission to Congress under paragraph (1).

(5) If a joint resolution of approval relating to a major rule is not enacted within the period provided in subsection (b)(2), then a joint resolution of approval relating to the same rule may not be considered under this subtitle in the same Congress by either the House of Representatives or the Senate.

(b)(1) A major rule shall not take effect unless the Congress enacts a joint resolution of approval described under section 12303.

(2) If a joint resolution described in subsection (a) is not enacted into law by the end of 70 session days or legislative days, as applicable, beginning on the date on which the report referred to in subsection (a)(1)(A) is received by Congress (excluding days either House of Congress is adjourned for more than 3 days during a session of Congress), then the rule described in that resolution shall be deemed not to be approved and such rule shall not take effect.

(c)(1) Notwithstanding any other provision of this section (except subject to paragraph (3)), a major rule may take effect for one 90-calendar-day period if the President makes a determination under paragraph (2) and submits written notice of such determination to the Congress.

(2) Paragraph (1) applies to a determination made by the President by Executive order that the major rule should take effect because such rule is—

(A) necessary because of an imminent threat to health or safety or other emergency;

(B) necessary for the enforcement of criminal laws;

(C) necessary for national security; or

(D) issued pursuant to any statute implementing an international trade agreement.

(3) An exercise by the President of the authority under this subsection shall have no effect on the procedures under section 12303.

(d)(1) In addition to the opportunity for review otherwise provided under this subtitle, in the case of any rule for which a report was submitted in accordance with subsection (a)(1)(A) during the period beginning on the date occurring—

(A) in the case of the Senate, 60 session days, or

(B) in the case of the House of Representatives, 60 legislative days,

before the date the Congress is scheduled to adjourn a session of Congress through the date on which the same or succeeding Congress first convenes its next session, sections 12303 and 12304 shall apply to such rule in the succeeding session of Congress.

(2)(A) In applying sections 12303 and 12304 for purposes of such additional review, a rule described under paragraph (1) shall be treated as though—

(i) such rule were published in the Federal Register on—

(I) in the case of the Senate, the 15th session day, or

(II) in the case of the House of Representatives, the 15th legislative day,

after the succeeding session of Congress first convenes; and

(ii) a report on such rule were submitted to Congress under subsection (a)(1) on such date.

(B) Nothing in this paragraph shall be construed to affect the requirement under subsection (a)(1) that a report shall be submitted to Congress before a rule can take effect.

(3) A rule described under paragraph (1) shall take effect as otherwise provided by law (including other subsections of this section).

SEC. 12303. CONGRESSIONAL APPROVAL PROCEDURE FOR MAJOR RULES.

(a)(1) For purposes of this section, the term ''joint resolution'' means only a joint resolution addressing a report classifying a rule as major pursuant to section 12302(a)(1)(A)(iii) that—

(A) bears no preamble;

(B) bears the following title (with blanks filled as appropriate): ''Approving the rule submitted by _____ relating to _____.'';

(C) includes after its resolving clause only the following (with blanks filled as appropriate): ''That Congress approves the rule submitted by _____ relating to _____.''; and

(D) is introduced pursuant to paragraph (2).

(2) After a House of Congress receives a report classifying a rule as major pursuant to section 12302(a)(1)(A)(iii), the majority leader of that House (or his or her respective designee) shall introduce (by request, if appropriate) a joint resolution described in paragraph (1)—

(A) in the case of the House of Representatives, within three legislative days; and

(B) in the case of the Senate, within three session days.

(3) A joint resolution described in paragraph (1) shall not be subject to amendment at any stage of proceeding.

(b) A joint resolution described in subsection (a) shall be referred in each House of Congress to the committees having jurisdiction over the provision of law under which the rule is issued.

(c) In the Senate, if the committee or committees to which a joint resolution described in subsection (a) has been referred have not reported it at the end of 15 session days after its introduction, such committee or committees shall be automatically discharged from further consideration of the resolution and it shall be placed on the calendar. A vote on final passage of the resolution shall be taken on or before the close of the 15th session day after the resolution is reported by the committee or committees to which it was referred, or after such committee or committees have been discharged from further consideration of the resolution.

(d)(1) In the Senate, when the committee or committees to which a joint resolution is referred have reported, or when a committee or committees are discharged (under subsection (c)) from further consideration of a joint resolution described in subsection (a), it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for a motion to proceed to the consideration of the joint resolution, and all points of order against the joint resolution (and against consideration of the joint resolution) are waived. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the joint resolution is agreed to, the joint resolution shall remain the unfinished business of the Senate until disposed of.

(2) In the Senate, debate on the joint resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 2 hours, which shall be divided equally between those favoring and those opposing the joint resolution. A motion to further limit debate is in order and not debatable. An amendment to, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the joint resolution is not in order.

(3) In the Senate, immediately following the conclusion of the debate on a joint resolution described in subsection (a), and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the Senate, the vote on final passage of the joint resolution shall occur.

(4) Appeals from the decisions of the Chair relating to the application of the rules of the Senate to the procedure relating to a joint resolution described in subsection (a) shall be decided without debate.

(e) In the House of Representatives, if any committee to which a joint resolution described in subsection (a) has been referred has not reported it to the House at the end of 15 legislative days after its introduction, such committee shall be discharged from further consideration of the joint resolution, and it shall be placed on the appropriate calendar. On the second and fourth Thursdays of each month it shall be in order at any time for the Speaker to recognize a Member who favors passage of a joint resolution that has appeared on the calendar for at least 5 legislative days to call up that joint resolution for immediate consideration in the House without intervention of any point of order. When so called up a joint resolution shall be considered as read and shall be debatable for 1 hour equally divided and controlled by the proponent and an opponent, and the previous question shall be considered as ordered to its passage without intervening motion. It shall not be in order to reconsider the vote on passage. If a vote on final passage of the joint resolution has not been taken by the third Thursday on which the Speaker may recognize a Member under this subsection, such vote shall be taken on that day.

(f)(1) If, before passing a joint resolution described in subsection (a), one House receives from the other a joint resolution having the same text, then—

(A) the joint resolution of the other House shall not be referred to a committee; and

(B) the procedure in the receiving House shall be the same as if no joint resolution had been received from the other House until the vote on passage, when the joint resolution received from the other House shall supplant the joint resolution of the receiving House.

(2) This subsection shall not apply to the House of Representatives if the joint resolution received from the Senate is a revenue measure.

(g) If either House has not taken a vote on final passage of the joint resolution by the last day of the period described in section 12302(b)(2), then such vote shall be taken on that day.

(h) This section and section 12304 are enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such is deemed to be part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a joint resolution described in subsection (a) and superseding other rules only where explicitly so; and

(2) with full recognition of the Constitutional right of either House to change the rules (so far as they relate to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

SEC. 12304. CONGRESSIONAL DISAPPROVAL PROCEDURE FOR NONMAJOR RULES.

(a) For purposes of this section, the term ''joint resolution'' means only a joint resolution introduced in the period beginning on the date on which the report referred to in section 12302(a)(1)(A) is received by Congress and ending 60 days thereafter (excluding days either House of Congress is adjourned for more than 3 days during a session of Congress), the matter after the resolving clause of which is as follows: ''That Congress disapproves the nonmajor rule submitted by the _____ relating to _____, and such rule shall have no force or effect.'' (The blank spaces being appropriately filled in).

(b)(1) A joint resolution described in subsection (a) shall be referred to the committees in each House of Congress with jurisdiction.

(2) For purposes of this section, the term submission or publication date means the later of the date on which—

(A) the Congress receives the report submitted under section 12302(a)(1); or

(B) the nonmajor rule is published in the Federal Register, if so published.

(c) In the Senate, if the committee to which is referred a joint resolution described in subsection (a) has not reported such joint resolution (or an identical joint resolution) at the end of 15 session days after the date of introduction of the joint resolution, such committee may be discharged from further consideration of such joint resolution upon a petition supported in writing by 30 Members of the Senate, and such joint resolution shall be placed on the calendar.

(d)(1) In the Senate, when the committee to which a joint resolution is referred has reported, or when a committee is discharged (under subsection (c)) from further consideration of a joint resolution described in subsection (a), it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for a motion to proceed to the consideration of the joint resolution, and all points of order against the joint resolution (and against consideration of the joint resolution) are waived. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the joint resolution is agreed to, the joint resolution shall remain the unfinished business of the Senate until disposed of.

(2) In the Senate, debate on the joint resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the joint resolution. A motion to further limit debate is in order and not debatable. An amendment to, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the joint resolution is not in order.

(3) In the Senate, immediately following the conclusion of the debate on a joint resolution described in subsection (a), and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the Senate, the vote on final passage of the joint resolution shall occur.

(4) Appeals from the decisions of the Chair relating to the application of the rules of the Senate to the procedure relating to a joint resolution described in subsection (a) shall be decided without debate.

(e) In the Senate the procedure specified in subsection (c) or (d) shall not apply to the consideration of a joint resolution respecting a nonmajor rule—

(1) after the expiration of the 60 session days beginning with the applicable submission or publication date, or

(2) if the report under section 12302(a)(1)(A) was submitted during the period referred to in section 12302(d)(1), after the expiration of the 60 session days beginning on the 15th session day after the succeeding session of Congress first convenes.

(f) If, before the passage by one House of a joint resolution of that House described in subsection (a), that House receives from the other House a joint resolution described in subsection (a), then the following procedures shall apply:

(1) The joint resolution of the other House shall not be referred to a committee.

(2) With respect to a joint resolution described in subsection (a) of the House receiving the joint resolution—

(A) the procedure in that House shall be the same as if no joint resolution had been received from the other House; but

(B) the vote on final passage shall be on the joint resolution of the other House.

SEC. 12305. DEFINITIONS.

In this subtitle:

(1) The term ''Federal agency'' means any agency as that term is defined in section 551(1) of title 5, United States Code.

(2) The term ''major rule'' means any rule, including an interim final rule, that the Administrator of the Office of Information and Regulatory Affairs of the Office of Management and Budget finds has resulted in or is likely to result in—

(A) an annual effect on the economy of $100,000,000 or more;

(B) a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; or

(C) significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets.

(3) The term ''nonmajor rule'' means any rule that is not a major rule.

(4) The term ''rule'' has the meaning given such term in section 551 of title 5, United States Code, except that such term does not include—

(A) any rule of particular applicability, including a rule that approves or prescribes for the future rates, wages, prices, services, or allowances therefore, corporate or financial structures, reorganizations, mergers, or acquisitions thereof, or accounting practices or disclosures bearing on any of the foregoing;

(B) any rule relating to agency management or personnel; or

(C) any rule of agency organization, procedure, or practice that does not substantially affect the rights or obligations of non-agency parties.

SEC. 12306. JUDICIAL REVIEW.

(a) No determination, finding, action, or omission under this subtitle shall be subject to judicial review.

(b) Notwithstanding subsection (a), a court may determine whether a Federal agency has completed the necessary requirements under this subtitle for a rule to take effect.

(c) The enactment of a joint resolution of approval under section 12303 shall not be interpreted to serve as a grant or modification of statutory authority by Congress for the promulgation of a rule, shall not extinguish or affect any claim, whether substantive or procedural, against any alleged defect in a rule, and shall not form part of the record before the court in any judicial proceeding concerning a rule except for purposes of determining whether or not the rule is in effect.

SEC. 12307. EXEMPTION FOR MONETARY POLICY.

Nothing in this subtitle shall apply to rules that concern monetary policy proposed or implemented by the Board of Governors of the Federal Reserve System or the Federal Open Market Committee.

SEC. 12308. EFFECTIVE DATE OF CERTAIN RULES.

Notwithstanding section 12302—

(1) any rule that establishes, modifies, opens, closes, or conducts a regulatory program for a commercial, recreational, or subsistence activity related to hunting, fishing, or camping; or

(2) any rule other than a major rule which an agency for good cause finds (and incorporates the finding and a brief statement of reasons therefore in the rule issued) that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest,

shall take effect at such time as the Federal agency promulgating the rule determines.

SA 2358. Mr. BOOZMAN submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 1009, after line 11, add the following:

SEC. 12207. ATTORNEY FEE PAYMENT TRACKING.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary shall—

(1) in cooperation with the Attorney General and the Secretary of Treasury, develop a system to track and report attorney fee payment information in accordance with subsections (b) and (c); and

(2) submit to the Committee on Agriculture and the Committee on the Judiciary of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry and the Committee on the Judiciary of the Senate a report describing the status of the implementation of the system.

(b) REQUIREMENTS.—The system described in subsection (a)(1) shall track for each case or administrative adjudication in which the Secretary or Department of Agriculture is a party—

(1) the case name;

(2) the party name;

(3) the amount of the claim;

(4) the date and amount of the award or payment of attorney fees; and

(5) the law (including regulations) under which the case was brought.

(c) ANNUAL REPORTS.—Each year, the Secretary shall submit to the Committees described in subsection (a)(2) a report containing the information described in subsection (b).

SA 2359. Mr. BOOZMAN submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

TITLE ____—FARM, RANCH, AND FOREST LAND PRIVATE PROPERTY PROTECTION ACT

SEC. __01. SHORT TITLE.

This title may be cited as the ''Farm, Ranch, and Forest Land Private Property Protection Act''.

SEC. __02. FINDINGS.

(a) FINDINGS.—Congress finds the following:

(1) The founders realized the fundamental importance of property rights when they codified the Takings Clause of the Fifth Amendment to the Constitution, which requires that private property shall not be taken `for public use, without just compensation.

(2) Rural lands are unique in that they are not traditionally considered high tax revenue-generating properties for State and local governments. In addition, farm, ranch, and forest land owners need to have long-term certainty regarding their property rights in order to make the investment decisions to commit land to these uses.

(3) Ownership rights in rural land are fundamental building blocks for our Nation's agriculture industry, which continues to be one of the most important economic sectors of our economy.

(4) In the wake of the Supreme Court's decision in Kelo v. City of New London, abuse of eminent domain is a threat to the property rights of all private property owners, including rural land owners.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the use of eminent domain for the purpose of economic development is a threat to agricultural and other property in rural America and that the Congress should protect the property rights of Americans, including those who reside in rural areas. Property rights are central to liberty in this country and to our economy. The use of eminent domain to take farmland and other rural property for economic development threatens liberty, rural economies, and the economy of the United States. The taking of farmland and rural property will have a direct impact on existing irrigation and reclamation projects. Furthermore, the use of eminent domain to take rural private property for private commercial uses will force increasing numbers of activities from private property onto this Nation's public lands, including its National forests, National parks and wildlife refuges. This increase can overburden the infrastructure of these lands, reducing the enjoyment of such lands for all citizens. Americans should not have to fear the government's taking their homes, farms, or businesses to give to other persons. Governments should not abuse the power of eminent domain to force rural property owners from their land in order to develop rural land into industrial and commercial property. Congress has a duty to protect the property rights of rural Americans in the face of eminent domain abuse.

SEC. __03. PROHIBITION ON EMINENT DOMAIN ABUSE BY STATES TO CONFISCATE FARM, RANCH, OR FOREST LAND.

(a) IN GENERAL.—No State or political subdivision of a State shall exercise its power of eminent domain over farm, ranch, or forest land, or allow the exercise of such power by any person or entity to which such power has been delegated, over property to be used for economic development or over property that is used for economic development within 7 years after that exercise, if that State or political subdivision receives Federal economic development funds during any fiscal year in which the property is so used or intended to be used.

(b) INELIGIBILITY FOR FEDERAL FUNDS.—A violation of subsection (a) by a State or political subdivision shall render such State or political subdivision ineligible for any Federal economic development funds for a period of 2 fiscal years following a final judgment on the merits by a court of competent jurisdiction that such subsection has been violated, and any Federal agency charged with distributing those funds shall withhold them for such 2-year period, and any such funds distributed to such State or political subdivision shall be returned or reimbursed

by such State or political subdivision to the appropriate Federal agency or authority of the Federal Government, or component thereof.

(c) OPPORTUNITY TO CURE VIOLATION.—A State or political subdivision shall not be ineligible for any Federal economic development funds under subsection (b) if such State or political subdivision returns all real property the taking of which was found by a court of competent jurisdiction to have constituted a violation of subsection (a) and replaces any other property destroyed and repairs any other property damaged as a result of such violation. In addition, the State must pay applicable penalties and interest to reattain eligibility.

SEC. __04. PROHIBITION ON EMINENT DOMAIN ABUSE BY THE FEDERAL GOVERNMENT TO CONFISCATE FARM, RANCH, OR FOREST LAND.

The Federal Government or any authority of the Federal Government shall not exercise its power of eminent domain over farm, ranch, or forest land to be used for economic development.

SEC. __05. PRIVATE RIGHT OF ACTION.

(a) CAUSE OF ACTION.—Any (1) owner of private farm, ranch, or forest land whose property is subject to eminent domain who suffers injury as a result of a violation of any provision of this title with respect to that property, or (2) any tenant of property that is subject to eminent domain who suffers injury as a result of a violation of any provision of this title with respect to that property, may bring an action to enforce any provision of this title in the appropriate Federal or State court. A State shall not be immune under the 11th Amendment to the Constitution of the United States from any such action in a Federal or State court of competent jurisdiction. In such action, the defendant has the burden to show by clear and convincing evidence that the taking is not for economic development. Any such property owner or tenant may also seek an appropriate relief through a preliminary injunction or a temporary restraining order.

(b) LIMITATION ON BRINGING ACTION.—An action brought by a property owner or tenant under this title may be brought if the property is used for economic development following the conclusion of any condemnation proceedings condemning the property of such property owner or tenant, but shall not be brought later than seven years following the conclusion of any such proceedings.

(c) ATTORNEYS' FEE AND OTHER COSTS.—In any action or proceeding under this title, the court shall allow a prevailing plaintiff a reasonable attorneys' fee as part of the costs, and include expert fees as part of the attorneys' fee.

SEC. __06. REPORTING OF VIOLATIONS TO ATTORNEY GENERAL OR THE SECRETARY OF AGRICULTURE.

(a) SUBMISSION OF REPORT TO ATTORNEY GENERAL.—Any (1) owner of private farm, ranch, or forest land whose property is subject to eminent domain who suffers injury as a result of a violation of any provision of this title with respect to that property, or (2) any tenant of farm, ranch, or forest land that is subject to eminent domain who suffers injury as a result of a violation of any provision of this title with respect to that property, may report a violation by the Federal Government, any authority of the Federal Government, State, or political subdivision of a State to the Attorney General or the Secretary of Agriculture.

(b) INVESTIGATION BY ATTORNEY GENERAL.—Upon receiving a report of an alleged violation, the Secretary of Agriculture shall transmit the report to the Attorney General. Upon receiving a report of an alleged violation from either a property owner, tenant, or the Secretary of Agriculture, the Attorney General shall conduct an investigation, in cooperation with the Secretary of Agriculture, to determine whether a violation exists.

(c) NOTIFICATION OF VIOLATION.—If the Attorney General concludes that a violation does exist, then the Attorney General shall notify the Federal Government, authority of the Federal Government, State, or political subdivision of a State that the Attorney General has determined that it is in violation of the title. The notification shall further provide that the Federal Government, State, or political subdivision of a State has 90 days from the date of the notification to demonstrate to the Attorney General either that (1) it is not in violation of the title or (2) that it has cured its violation by returning all real property the taking of which the Attorney General finds to have constituted a violation of the title and replacing any other property destroyed and repairing any other property damaged as a result of such violation.

(d) ATTORNEY GENERAL'S BRINGING OF ACTION TO ENFORCE TITLE.—If, at the end of the 90-day period described in subsection (c), the Attorney General determines that the Federal Government, authority of the Federal Government, State, or political subdivision of a State is still violating the title or has not cured its violation as described in subsection (c), then the Attorney General will bring an action to enforce the title unless the property owner or tenant who reported the violation has already brought an action to enforce the title. In such a case, the Attorney General shall intervene if it determines that intervention is necessary in order to enforce the title. The Attorney General may file its lawsuit to enforce the title in the appropriate Federal or State court. A State shall not be immune under the 11th Amendment to the Constitution of the United States from any such action in a Federal or State court of competent jurisdiction. In such action, the defendant has the burden to show by clear and convincing evidence that the taking is not for economic development. The Attorney General may seek any appropriate relief through a preliminary injunction or a temporary restraining order.

(e) LIMITATION ON BRINGING ACTION.—An action brought by the Attorney General under this title may be brought if the property is used for economic development following the conclusion of any condemnation proceedings condemning the property of an owner or tenant who reports a violation of the title to the Attorney General, but shall not be brought later than seven years following the conclusion of any such proceedings.

(f) ATTORNEYS' FEE AND OTHER COSTS.—In any action or proceeding under this title brought by the Attorney General, the court shall, if the Attorney General is a prevailing plaintiff, award the Attorney General a reasonable attorneys' fee as part of the costs, and include expert fees as part of the attorneys' fee.

SEC. __07. NOTIFICATION BY ATTORNEY GENERAL.

(a) NOTIFICATION TO STATES AND POLITICAL SUBDIVISIONS.—

(1) Not later than 30 days after the enactment of this title, the Attorney General shall provide to the chief executive officer of each State the text of this title and a description of the rights of property owners and tenants under this title.

(2) Not later than 120 days after the enactment of this title, the Attorney General shall compile a list of the Federal laws under which Federal economic development funds are distributed. The Attorney General shall compile annual revisions of such list as necessary. Such list and any successive revisions of such list shall be communicated by the Attorney General to the chief executive officer of each State and also made available on the Internet website maintained by the United States Department of Justice for use by the public and by the authorities in each State and political subdivisions of each State empowered to take private property and convert it to public use subject to just compensation for the taking.

(b) NOTIFICATION TO PROPERTY OWNERS AND TENANTS.—Not later than 30 days after the enactment of this title, the Attorney General shall publish in the Federal Register and make available on the Internet website maintained by the United States Department of Justice a notice containing the text of this title and a description of the rights of property owners and tenants under this title.

SEC. __08. NOTIFICATION BY SECRETARY OF AGRICULTURE.

(a) NOTIFICATION TO PROPERTY OWNERS AND TENANTS.—Not later than 60 days after the enactment of this title, the Secretary of Agriculture shall publish in the Federal Register and make available on the Internet website maintained by the United States Department of Agriculture a notice containing the text of this title and a description of the rights of property owners and tenants under this title.

SEC. __09. REPORTS.

(a) BY ATTORNEY GENERAL.—Not later than 1 year after the date of enactment of this title, and every subsequent year thereafter, the Attorney General shall transmit a report identifying States or political subdivisions that have used eminent domain in violation of this title to the Chairman and Ranking Member of the Committee on the Judiciary of the House of Representatives, to the Chairman and Ranking Member of the Committee on the Judiciary of the Senate, to the Chairman and Ranking Member of the Committee on Agriculture, Nutrition, and Forestry of the Senate, and to the Chairman and Ranking Member of the Committee of Agriculture of the House. The report shall—

(1) be developed in cooperation with the Secretary of Agriculture;

(2) identify all private rights of action brought as a result of a State's or political subdivision's violation of this title;

(3) identify all violations reported by property owners and tenants under section 5(c) of this title;

(4) identify the percentage of minority residents compared to the surrounding nonminority residents and the median incomes of those impacted by a violation of this title;

(5) identify all lawsuits brought by the Attorney General under section 5(d) of this title;

(6) identify all States or political subdivisions that have lost Federal economic development funds as a result of a violation of this title, as well as describe the type and amount of Federal economic development funds lost in each State or political subdivision and the Agency that is responsible for withholding such funds; and

(7) discuss all instances in which a State or political subdivision has cured a violation as described in section 2(c) of this title.

(b) DUTY OF STATES.—Each State and local authority that is subject to a private right of action under this title shall have the duty to report to the Attorney General such information with respect to such State and local authorities as the Attorney General needs to make the report required under subsection (a).

SEC. __10. DEFINITIONS.

In this title the following definitions apply:

(1) ECONOMIC DEVELOPMENT.—

(A) The term ''economic development'' means taking private property, without the consent of the owner, and conveying or leasing such property from one private person or entity to another private person or entity for commercial enterprise carried on for profit, or to increase tax revenue, tax base, employment, or general economic health, except that such term shall not include—

(i) conveying private property—

(I) to public ownership, such as for a road, hospital, airport, or military base;

(II) to an entity, such as a common carrier, that makes the property available to the general public as of right, such as a railroad or public facility;

(III) for use as a road or other right of way or means, open to the public for transportation, whether free or by toll; and

(IV) for use as an aqueduct, flood control facility, pipeline, or similar use;

(ii) removing harmful uses of land provided such uses constitute an immediate threat to public health and safety;

(iii) leasing property to a private person or entity that occupies an incidental part of public property or a public facility, such as a retail establishment on the ground floor of a public building;

(iv) acquiring abandoned property;

(v) clearing defective chains of title;

(vi) taking private property for use by a public utility, including a utility providing electric, natural gas, telecommunications, water, and wastewater services, either directly to the public or indirectly through provision of such services at the wholesale level for resale to the public; and

(vii) redeveloping of a brownfield site as defined in the Small Business Liability Relief and Brownfields Revitalization Act (42 U.S.C. 9601(39)).

(B) ABANDONED PROPERTY.—In subparagraph (A)(iv), the term ''abandoned property'' means property —

(i) that has been substantially unoccupied or unused for any commercial, agricultural, residential, or conservation-oriented purpose for at least 1 year by a person with a legal or equitable right to occupy the property;

(ii) that has not been maintained; and

(iii) for which property taxes have not been paid for at least 2 years.

(2) FEDERAL ECONOMIC DEVELOPMENT FUNDS.—The term ''Federal economic development funds'' means any Federal funds distributed to or through States or political subdivisions of States under Federal laws designed to improve or increase the size of the economies of States or political subdivisions of States.

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

SEC. __11. SEVERABILITY AND EFFECTIVE DATE.

(a) SEVERABILITY.—The provisions of this title are severable. If any provision of this title, or any application thereof, is found unconstitutional, that finding shall not affect any provision or application of the title not so adjudicated.

(b) EFFECTIVE DATE.—This title shall take effect upon the first day of the first fiscal year that begins after the date of the enactment of this title, but shall not apply to any project for which condemnation proceedings have been initiated prior to the date of enactment.

SEC. __12. SENSE OF CONGRESS.

It is the policy of the United States to encourage, support, and promote the private ownership of property and to ensure that the constitutional and other legal rights of private property owners are protected by the Federal Government.

SEC. __13. BROAD CONSTRUCTION.

This title shall be construed in favor of a broad protection of private property rights, to the maximum extent permitted by the terms of this title and the Constitution.

SEC. __14. LIMITATION ON STATUTORY CONSTRUCTION.

Nothing in this title may be construed to supersede, limit, or otherwise affect any provision of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601 et seq.).

SEC. __15. REPORT BY FEDERAL AGENCIES ON REGULATIONS AND PROCEDURES RELATING TO EMINENT DOMAIN.

Not later than 180 days after the date of the enactment of this title, the head of each Executive department and agency shall review all rules, regulations, and procedures and report to the Attorney General on the activities of that department or agency to bring its rules, regulations and procedures into compliance with this title.

SEC. __16. DISPROPORTIONATE IMPACT ON MINORITIES.

If the court determines that a violation of this title has occurred, and that the violation has a disproportionately high impact on the poor or minorities, the Attorney General shall use reasonable efforts to locate and inform former owners and tenants of the violation and any remedies they may have.

SA 2360. Mr. BOOZMAN (for himself and Mr. JOHANNS) submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

Strike subsection (a) of section 4012 and, at the appropriate place in title IV, insert the following:

SEC. 4_____. QUALITY CONTROL BONUSES.

(a) IN GENERAL.—Section 16 of the Food and Nutrition Act of 2008 (7 U.S.C. 2025) is amended by striking subsection (d).

(b) CONFORMING AMENDMENTS.—Section 16 of the Food and Nutrition Act of 2008 (7 U.S.C. 2025) is amended—

(1) in subsection (c)—

(A) in the first sentence of paragraph (4), by striking ''payment error rate'' and all that follows through ''subsection (d)'' and inserting ''liability amount or new investment amount under paragraph (1) or payment error rate''; and

(B) in the first sentence of paragraph (5), by striking ''payment error rate'' and all that follows through ''subsection (d)'' and inserting ''liability amount or new investment amount under paragraph (1) or payment error rate''; and

(2) in subsection (i)(1), by striking ''subsection (d)(1)'' and inserting ''subsection (c)(2)''.

SEC. 4_____. EMERGENCY FOOD ASSISTANCE.

(a) PURCHASE OF COMMODITIES.—Section 27(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2036(a)) is amended—

(1) in paragraph (1), by striking ''2008 through 2012'' and inserting ''2012 through 2017''; and

(2) in paragraph (2)—

(A) by striking subparagraphs (A) and (B) and inserting the following:

''(A) for fiscal year 2012, $260,000,000;

''(B) for fiscal year 2013, the dollar amount of commodities specified in subparagraph (A) adjusted by the percentage by which the thrifty food plan has been adjusted under section 3(u)(4) between June 30, 2011 and June 30, 2012, and subsequently increased by $43,000,000; and''; and

(B) in subparagraph (C)—

(i) by striking ''2010 through 2012, the dollar amount of commodities specified in'' and inserting ''2014 through 2017, the total amount of commodities under''; and

(ii) by striking ''2008'' and inserting ''2012''.

SA 2361. Mr. BOOZMAN submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 652, between lines 3 and 4, insert the following:

''(c) BLENDER PUMPS.—None of funds made available for rural economic area partnership zones may be used to promote the construction or use of blender pumps.

SA 2362. Mr. BROWN of Ohio (for himself, Mr. NELSON of Nebraska, Mr. FRANKEN, Mr. SANDERS, Mr. BINGAMAN, Mr. JOHNSON of South Dakota, Mr. HARKIN, Mr. LEAHY, Mr. TESTER, Mr. MERKLEY, and Mr. KERRY) submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 574, between lines 11 and 12, insert the following:

''(C) MANDATORY FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this subsection $10,000,000 for each of fiscal years 2013 through 2017, to remain available until expended.

On page 606, between lines 4 and 5, insert the following:

''(E) MANDATORY FUNDING FOR FISCAL YEARS 2013 THROUGH 2017.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this paragraph $4,000,000 for each of fiscal years 2013 through 2017, to remain available until expended.

On page 782, strike line 14 and insert the following:

through promulgation of an interim rule.

''(j) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section $10,000,000 for each of fiscal years 2013 through 2017, to remain available until expended.''.

SEC. 6203. FUNDING OF PENDING RURAL DEVELOPMENT LOAN AND GRANT APPLICATIONS.

(a) IN GENERAL.—The Secretary shall use funds made available under subsection (b) to provide funds for applications that are pending on the date of enactment of this Act in accordance with the terms and conditions of section 6029 of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 1955).

(b) FUNDING.—Notwithstanding any other provision of law, of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section $100,000,000, to remain available until expended.

On page 832, line 6, strike ''$50,000,000'' and insert ''$100,000,000''.

On page 989, line 9, strike ''$5,000,000'' and insert ''$15,000,000''.

SA 2363. Mr. VITTER submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 1009, after line 11, add the following:

SEC. 12207. ANIMAL WELFARE.

Section 2(h) of the Animal Welfare Act (7 U.S.C. 2132(h)) is amended by adding ''an

owner of a common, domesticated household pet who derives less than a substantial portion of income from a nonprimary source (as determined by the Secretary) for exhibiting an animal that exclusively resides at the residence of the pet owner,'' after ''stores,''.

SA 2364. Mr. BINGAMAN (for himself and Mrs. HUTCHISON) submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 195, strike line 25 and all that follows through page 196, line 16, and insert the following:

''life habitat under subsection (g).

''(3) WATER QUANTITY IMPROVEMENT.—For each of fiscal years 2013 through 2017, at least 10 percent of the funds made available for payments under the program shall be used to provide payments to producers to conserve surface water and groundwater in accordance with subsection (h).'';

(5) by striking subsection (g) and inserting the following:

''(g) WILDLIFE HABITAT INCENTIVE PRACTICE.—The Secretary shall provide payments under the program for conservation practices that support the restoration, development, and improvement of wildlife habitat on eligible land, including—

''(1) upland wildlife habitat;

''(2) wetland wildlife habitat;

''(3) habitat for threatened and endangered species;

''(4) fish habitat;

''(5) habitat on pivot corners and other irregular areas of a field; and

''(6) other types of wildlife habitat, as determined by the Secretary.''; and

(6) in subsection (h), by adding at the end the following:

''(3) USE OF FUNDS.—

''(A) PRACTICES.—The Secretary shall promote surface water and groundwater conservation by providing assistance in the form of cost-share payments, incentive payments, and loans to producers to carry out eligible water conservation practices with respect to the agricultural operations of producers—

''(i) to improve irrigation systems;

''(ii) to enhance irrigation efficiencies;

''(iii) to convert to—

''(I) the production of less water-intensive crops;

''(II) dryland farming; or

''(III) long-term grassland rotation;

''(iv) to improve the storage of water through measures such as water banking and groundwater recharge;

''(v) to mitigate the effects of drought; and

''(vi) to carry out other measures that improve surface water and groundwater conservation, as determined by the Secretary, in the agricultural operations of the producers.

''(B) ALLOCATION.—

''(i) IN GENERAL.—Subject to clause (ii), in allocating funds under this paragraph, the Secretary shall ensure that not less than 50 percent shall be directed to groundwater conservation in multistate aquifers based on the magnitude of withdrawals from the multistate aquifers for irrigation during the prior year and the historic groundwater level reductions.

''(ii) REQUIREMENT.—In carrying out clause (i), the Secretary shall provide assistance to producers to carry out groundwater conservation practices in areas overlying those portions of multistate aquifers that have experienced the highest historic groundwater level reductions.''.

SA 2365. Mr. BEGICH (for himself and Mr. MCCAIN) submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 980, between lines 12 and 13, insert the following:

SEC. 11024. DISCLOSURE IN THE PUBLIC INTEREST.

Section 502(c) of the Federal Crop Insurance Act (7 U.S.C. 1502(c)) is amended by striking paragraph (2) and inserting the following:

''(2) DISCLOSURE IN THE PUBLIC INTEREST.—

''(A) IN GENERAL.—Notwithstanding paragraph (1) or any other provision of law, except as provided in subparagraph (B), the Secretary shall on an annual basis make available to the public—

''(i)(I) the name of each individual or entity who obtained a federally subsidized crop insurance, livestock, or forage policy or plan of insurance during the previous fiscal year;

''(II) the amount of premium subsidy received by the individual or entity from the Corporation; and

''(III) the amount of any Federal portion of indemnities paid in the event of a loss during that fiscal year for each policy associated with that individual or entity; and

''(ii) for each private insurance provider, by name—

''(I) the underwriting gains earned through participation in the federally subsidized crop insurance program; and

''(II) the amount paid under this subtitle for—

''(aa) administrative and operating expenses;

''(bb) any Federal portion of indemnities and reinsurance; and

''(cc) any other purpose.

''(B) LIMITATION.—The Secretary shall not disclose information pertaining to individuals and entities covered by a catastrophic risk protection plan offered under section 508(b).''.

SA 2366. Mrs. HAGAN submitted an amendment intended to be proposed by her to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title XI, add the following:

SEC. 110____. GREATER ACCESSIBILITY FOR CROP INSURANCE.

(a) FINDINGS.—Congress finds that—

(1) due to changes in commodity and other agricultural programs made by the Agriculture Reform, Food, and Jobs Act of 2012, it is more important than ever that agricultural producers be able to fully understand the terms of plans and policies of crop insurance offered under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.); and

(2) proposed reductions by the Secretary in the number of State and local offices of the Farm Service Agency will reduce the services available to assist agricultural producers in understanding crop insurance.

(b) REQUIREMENT FOR USE OF PLAIN LANGUAGE.—

(1) IN GENERAL.—In issuing regulations and guidance relating to plans and policies of crop insurance, the Risk Management Agency and the Federal Crop Insurance Corporation shall, to the greatest extent practicable, use plain language, as required under Executive Orders 12866 (5 U.S.C. 601 note; relating to regulatory planning and review) and 12988 (28 U.S.C. 519 note; relating to civil justice reform).

(2) REPORT.—Not later than 180 days after the date of enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the efforts of the Secretary to accelerate compliance with the Executive Orders described in paragraph (1).

(c) WEBSITE.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary, in consultation with the approved insurance providers (as defined in section 502(b) of the Federal Crop Insurance Act (7 U.S.C. 1502(b)), shall improve the existing Internet website through which agricultural producers in any State may identify crop insurance options in that State.

(2) REQUIREMENTS.—The website described in paragraph (1) shall—

(A) provide answers in an easily accessible format to frequently asked questions; and

(B) include published materials of the Department of Agriculture that relate to plans and policies of crop insurance offered under that Act.

(d) ADMINISTRATION.—Nothing in this section authorizes the Risk Management Agency to sell a crop insurance policy or plan of insurance.

SA 2367. Mrs. HAGAN (for herself, Mr. CRAPO, Mrs. MCCASKILL, Mr. RISCH, Mr. PRYOR, Mr. CHAMBLISS, Ms. LANDRIEU, and Mr. VITTER) submitted an amendment intended to be proposed by her to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 1009, after line 11, add the following:

SEC. 12207. USE OF AUTHORIZED PESTICIDES; DISCHARGES OF PESTICIDES; REPORT.

(a) USE OF AUTHORIZED PESTICIDES.—Section 3(f) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a(f)) is amended by adding at the end the following:

''(5) USE OF AUTHORIZED PESTICIDES.—Except as provided in section 402(s) of the Federal Water Pollution Control Act (33 U.S.C. 1342), the Administrator or a State shall not require a permit under that Act for a discharge from a point source into navigable waters of—

''(A) a pesticide authorized for sale, distribution, or use under this Act; or

''(B) the residue of the pesticide, resulting from the application of the pesticide.''.

(b) DISCHARGES OF PESTICIDES.—Section 402 of the Federal Water Pollution Control Act (33 U.S.C. 1342) is amended by adding at the end the following:

''(s) DISCHARGES OF PESTICIDES.—

''(1) NO PERMIT REQUIREMENT.—Except as provided in paragraph (2), a permit shall not be required by the Administrator or a State under this Act for a discharge from a point source into navigable waters of—

''(A) a pesticide authorized for sale, distribution, or use under the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.); or

''(B) the residue of the pesticide, resulting from the application of the pesticide.

''(2) EXCEPTIONS.—Paragraph (1) shall not apply to the following discharges of a pesticide or pesticide residue:

''(A) A discharge resulting from the application of a pesticide in violation of a provision of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.) relevant to protecting water quality if—

''(i) the discharge would not have occurred without the violation; or

''(ii) the amount of pesticide or pesticide residue in the discharge is greater than would have occurred without the violation.

''(B) Stormwater discharges subject to regulation under subsection (p).

''(C) The following discharges subject to regulation under this section:

''(i) Manufacturing or industrial effluent.

''(ii) Treatment works effluent.

''(iii) Discharges incidental to the normal operation of a vessel, including a discharge resulting from ballasting operations or vessel biofouling prevention.''.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Administrator of the Environmental Protection Agency, in consultation with the Secretary of Agriculture, shall submit a report to the Committee on Environment and Public Works and the Committee on Agriculture of the Senate and the Committee on Transportation and Infrastructure and the Committee on Agriculture of the House of Representatives that includes—

(1) the status of intra-agency coordination between the Office of Water and the Office of Pesticide Programs of the Environmental Protection Agency regarding streamlining information collection, standards of review, and data use relating to water quality impacts from the registration and use of pesticides;

(2) an analysis of the effectiveness of current regulatory actions relating to pesticide registration and use aimed at protecting water quality; and

(3) any recommendations on how the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.) can be modified to better protect water quality and human health.

SA 2368. Mrs. GILLIBRAND submitted an amendment intended to be proposed by her to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 953, lines 6 through 8, strike ''for programs administered or managed by the Risk Management Agency'' and insert ''to increase the amount of the annual supplemental nutrition assistance program consolidated block grants for Puerto Rico and American Samoa under section 19 of the Food and Nutrition Act of 2008 (7 U.S.C. 2028), in an amount not to exceed an increase of 25 percent each fiscal year until expended''.

SA 2369. Ms. CANTWELL submitted an amendment intended to be proposed by her to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle C of title XII, add the following:

SEC. 12207. PULSE CROP PRODUCTS.

(a) PURPOSE.—The purpose of this section is to encourage greater awareness and interest in the number and variety of pulse crop products available to schoolchildren, as recommended by the most recent Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341).

(b) DEFINITIONS.—In this section:

(1) ELIGIBLE PULSE CROP.—The term ''eligible pulse crop'' means dry beans, dry peas, lentils, and chickpeas.

(2) PULSE CROP PRODUCT.—The term ''pulse crop product'' means a food product derived in whole or in part from an eligible pulse crop.

(c) PURCHASE OF PULSE CROPS AND PULSE CROP PRODUCTS.—In addition to the commodities delivered under section 6 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1755), the Secretary shall purchase eligible pulse crops and pulse crop products for use in—

(1) the school lunch program established under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.); and

(2) the school breakfast program established by section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773).

(d) EVALUATION.—Not later than September 30, 2016, the Secretary shall conduct an evaluation of the activities conducted under subsection (c), including—

(1) an evaluation of whether children participating in the school lunch and breakfast programs described in subsection (c) increased overall consumption of eligible pulse crops as a result of the activities;

(2) an evaluation of which eligible pulse crops and pulse crop products are most acceptable for use in the school lunch and breakfast programs;

(3) any recommendations of the Secretary regarding the integration of the use of pulse crop products in carrying out the school lunch and breakfast programs;

(4) an evaluation of any change in the nutrient composition in the school lunch and breakfast programs due to the activities; and

(5) an evaluation of any other outcomes determined to be appropriate by the Secretary.

(e) REPORT.—As soon as practicable after the completion of the evaluation under subsection (d), the Secretary shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Education and the Workforce of the House of Representative a report describing the results of the evaluation.

(f) FUNDING.—

(1) IN GENERAL.—On October 1, 2013, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this section $5,000,000.

(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.

SA 2370. Ms. CANTWELL submitted an amendment intended to be proposed by her to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 361, between lines 8 and 9, insert the following:

SEC. 4208. PULSE CROP PRODUCTS.

(a) PURPOSE.—The purpose of this section is to encourage greater awareness and interest in the number and variety of pulse crop products available to schoolchildren, as recommended by the most recent Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341).

(b) DEFINITIONS.—In this section:

(1) ELIGIBLE PULSE CROP.—The term ''eligible pulse crop'' means dry beans, dry peas, lentils, and chickpeas.

(2) PULSE CROP PRODUCT.—The term ''pulse crop product'' means a food product derived in whole or in part from an eligible pulse crop.

(c) PURCHASE OF PULSE CROPS AND PULSE CROP PRODUCTS.—In addition to the commodities delivered under section 6 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1755), the Secretary shall purchase eligible pulse crops and pulse crop products for use in—

(1) the school lunch program established under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.); and

(2) the school breakfast program established by section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773).

(d) EVALUATION.—Not later than September 30, 2016, the Secretary shall conduct an evaluation of the activities conducted under subsection (c), including—

(1) an evaluation of whether children participating in the school lunch and breakfast programs described in subsection (c) increased overall consumption of eligible pulse crops as a result of the activities;

(2) an evaluation of which eligible pulse crops and pulse crop products are most acceptable for use in the school lunch and breakfast programs;

(3) any recommendations of the Secretary regarding the integration of the use of pulse crop products in carrying out the school lunch and breakfast programs;

(4) an evaluation of any change in the nutrient composition in the school lunch and breakfast programs due to the activities; and

(5) an evaluation of any other outcomes determined to be appropriate by the Secretary.

(e) REPORT.—As soon as practicable after the completion of the evaluation under subsection (d), the Secretary shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Education and the Workforce of the House of Representative a report describing the results of the evaluation.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000, to remain available until expended.

SA 2371. Mr. MERKLEY (for himself and Ms. COLLINS) submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

In section 8103, strike ''Section 7'' and all that follows through ''inserting the following:'' and insert the following:

Section 7 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103c) is amended—

(1) in subsection (*l*), by adding at the end the following:

''(4) STATE AUTHORIZATION.—

''(A) DEFINITION OF QUALIFIED ORGANIZATION.—In this paragraph, a 'qualified organization' means an organization—

''(i) defined in section 170(h)(3) of the Internal Revenue Code of 1986; and

''(ii) organized for 1 or more of the purposes described in section 170(h)(4)(A) of that Code.

''(B) AUTHORIZATION.—The Secretary shall, at the request of a State acting through the State lead agency, authorize the State to allow qualified organizations to acquire, hold, and manage conservation easements, using funds provided through grants to the State under this subsection, for purposes of the Forest Legacy Program in the State.

''(C) ELIGIBILITY.—To be eligible to acquire and manage conservation easements under this paragraph, a qualified organization shall demonstrate to the Secretary the abilities necessary to acquire, monitor, and enforce interests in forest land consistent with the Forest Legacy Program and the assessment of need for the State.

''(D) REVERSION.—

''(i) IN GENERAL.—If the Secretary, or a State acting through the State lead agency, makes any of the determinations described in clause (ii) with respect to a conservation easement acquired by a qualified organization under subparagraph (B)—

''(I) all right, title, and interest of the qualified organization in and to the conservation easement shall terminate; and

''(II) all right, title, and interest in and to the conservation easement shall revert to the State or other qualified designee approved by the State.

''(ii) DETERMINATIONS.—The determinations referred to in clause (i) are that—

''(I) the qualified organization is unable to carry out the responsibilities of the qualified organization under the Forest Legacy Program in the State with respect to the conservation easement;

''(II) the conservation easement has been modified or is being administered in a way that is inconsistent with the purposes of the Forest Legacy Program or the assessment of need for the State; or

''(III) the conservation easement has been conveyed to another person (other than a qualified organization approved by the State and the Secretary).''; and

(2) by striking subsection (m) and inserting the following:

SA 2372. Mr. JOHANNS submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 1009, after line 11, add the following:

SEC. 122____. PROHIBITION ON AERIAL SURVEILLANCE OF AGRICULTURAL OPERATIONS.

The Administrator of the Environmental Protection Agency shall not conduct aerial surveillance to inspect agricultural operations or to record images of agricultural operations.

SA 2373. Mr. WICKER (for himself, Mr. CONRAD, Mr. INHOFE, Ms. LANDRIEU, Mr. COCHRAN, and Mr. TESTER) submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 1009, after line 11, add the following:

SECTION 12207. GRASSROOTS RURAL AND SMALL COMMUNITY WATER SYSTEMS ASSISTANCE.

(a) SHORT TITLE.—This Section may be cited as the ''Grassroots Rural and Small Community Water Systems Assistance Act''.

(b) FINDINGS.—Congress finds that—

(1) the Safe Drinking Water Act Amendments of 1996 (Public Law 104–182) authorized technical assistance for small and rural communities to assist those communities in complying with regulations promulgated pursuant to the Safe Drinking Water Act (42 U.S.C. 300f et seq.);

(2) technical assistance and compliance training—

(A) ensures that Federal regulations do not overwhelm the resources of small and rural communities; and

(B) provides small and rural communities lacking technical resources with the necessary skills to improve and protect water resources;

(3) across the United States, more than 90 percent of the community water systems serve a population of less than 10,000 individuals;

(4) small and rural communities have the greatest difficulty providing safe, affordable public drinking water and wastewater services due to limited economies of scale and lack of technical expertise; and

(5) in addition to being the main source of compliance assistance, small and rural water technical assistance has been the main source of emergency response assistance in small and rural communities.

(c) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) to most effectively assist small and rural communities, the Environmental Protection Agency should prioritize the types of technical assistance that are most beneficial to those communities, based on input from those communities; and

(2) local support is the key to making Federal assistance initiatives work in small and rural communities to the maximum benefit.

(d) FUNDING PRIORITIES.—Section 1442(e) of the Safe Drinking Water Act (42 U.S.C. 300j–1(e)) is amended—

(1) by designating the first through seventh sentences as paragraphs (1) through (7), respectively;

(2) in paragraph (5) (as so designated), by striking ''1997 through 2003'' and inserting ''2012 through 2017''; and

(3) by adding at the end the following:

''(8) NONPROFIT ORGANIZATIONS.—

''(A) IN GENERAL.—The Administrator may use amounts made available to carry out this section to provide technical assistance to nonprofit organizations that provide to small public water systems onsite technical assistance, circuit-rider technical assistance programs, onsite and regional training, assistance with implementing source water protection plans, and assistance with implementation monitoring plans, rules, regulations, and water security enhancements.

''(B) PREFERENCE.—To ensure that technical assistance funding is used in a manner that is most beneficial to the small and rural communities of a State, the Administrator shall give preference under this paragraph to nonprofit organizations that, as determined by the Administrator, are the most qualified and experienced and that the small community water systems in that State find to be the most beneficial and effective.

''(9) CONSULTATION.—In carrying out paragraphs (1) through (3), the Administrator may consult or coordinate with the Secretary of Agriculture, acting through the Under Secretary of Rural Development.''.

SA 2374. Mr. DEMINT submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ____. REPEAL OF DODD-FRANK ACT.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111–203) is repealed, and the provisions of law amended by such Act are revived or restored as if such Act had not been enacted.

SA 2375. Mr. MENENDEZ submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 361, between lines 8 and 9, insert the following:

SEC. 4208. LEAN FINELY TEXTURED BEEF.

Section 14 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1762a) is amended by adding at the end the following:

''(i) LEAN FINELY TEXTURED BEEF.—The Secretary shall give States and school food authorities the option to purchase and receive meat and meat food products that do not contain low-temperature rendered product, also known as lean finely textured beef (as defined by the Secretary), for use in school meal programs under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).''.

SA 2376. Mr. TOOMEY submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 312, strike line 9 and all that follows through page 339, line 15, and insert the following:

SEC. 4002. LIMITATION ON CATEGORICAL ELIGIBILITY.

(a) IN GENERAL.—Section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) is amended—

(1) in the second sentence of subsection (a), by striking ''households in which each member receives benefits'' and inserting ''households in which each member receives cash assistance''; and

(2) in subsection (j), by striking ''or who receives benefits under a State program'' and inserting ''or who receives cash assistance under a State program''.

(b) EFFECTIVE DATE.—The amendments made by this section shall—

(1) take effect on the date of enactment of this Act; and

(2) only apply to certification periods that begin on or after that date.

SEC. 4003. STANDARD UTILITY ALLOWANCE.

(a) STANDARD UTILITY ALLOWANCE.—Section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) is amended—

(1) in subsection (e)(6)(C), by striking clause (iv); and

(2) in subsection (k), by striking paragraph (4) and inserting the following:

''(4) THIRD PARTY ENERGY ASSISTANCE PAYMENTS.—For purposes of subsection (d)(1), a payment made under a State law (other than a law referred to in paragraph (2)(G)) to provide energy assistance to a household shall be considered money payable directly to the household.''.

(b) CONFORMING AMENDMENTS.—Section 2605(f)(2) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(f)(2)) is amended—

(1) in the matter preceding subparagraph (A), by striking ''and for purposes of determining any excess shelter expense deduction under section 5(e) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(e))''; and

(2) in subparagraph (A), by inserting before the semicolon the following: '', except that such payments or allowances shall not be considered to be expended for purposes of determining any excess shelter expense deduction under section 5(e)(6) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(e)(6))''.

(c) EFFECTIVE DATE.—The amendments made by this section shall—

(1) take effect on the date of enactment of this Act; and

(2) only apply to certification periods that begin on or after that date.

SEC. 4004. ELIGIBILITY DISQUALIFICATIONS.

Section 6(e)(3)(B) of Food and Nutrition Act of 2008 (7 U.S.C. 2015(e)(3)(B)) is amended by striking ''section'' and inserting the following: ''section, subject to the condition that the course or program of study—

''(i) is part of a program of career and technical education (as defined in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302)) that may be completed in not more than 4 years at an institution of higher education (as defined in section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)); or

''(ii) is limited to remedial courses, basic adult education, literacy, or English as a second language;''.

SEC. 4005. ENDING SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS FOR LOTTERY OR GAMBLING WINNERS.

(a) IN GENERAL.—Section 6 of the Food and Nutrition Act of 2008 (7 U.S.C. 2015) is amended by adding at the end the following:

''(r) INELIGIBILITY FOR BENEFITS DUE TO RECEIPT OF SUBSTANTIAL LOTTERY OR GAMBLING WINNINGS.—

''(1) IN GENERAL.—Any household in which a member receives substantial lottery or gambling winnings, as determined by the Secretary, shall lose eligibility for benefits immediately upon receipt of the winnings.

''(2) DURATION OF INELIGIBILITY.—A household described in paragraph (1) shall remain ineligible for participation until the household meets the allowable financial resources and income eligibility requirements under subsections (c), (d), (e), (f), (g), (i), (k), (l), (m), and (n) of section 5.

''(3) AGREEMENTS.—As determined by the Secretary, each State agency, to the maximum extent practicable, shall establish agreements with entities responsible for the regulation or sponsorship of gaming in the State to determine whether individuals participating in the supplemental nutrition assistance program have received substantial lottery or gambling winnings.''.

(b) CONFORMING AMENDMENTS.—Section 5(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(a)) is amended in the second sentence by striking ''sections 6(b), 6(d)(2), and 6(g)'' and inserting ''subsections (b), (d)(2), (g), and (r) of section 6''.

SEC. 4006. RETAIL FOOD STORES.

(a) DEFINITION OF RETAIL FOOD STORE.—Subsection (o)(1)(A) of section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012) (as redesignated by section 4020(a)(4)) is amended by striking ''at least 2'' and inserting ''at least 3''.

(b) ALTERNATIVE BENEFIT DELIVERY.—Section 7(f) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(f)) is amended—

(1) by striking paragraph (2) and inserting the following:

''(2) IMPOSITION OF COSTS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall require participating retail food stores (including restaurants participating in a State option restaurant program intended to serve the elderly, disabled, and homeless) to pay 100 percent of the costs of acquiring, and arrange for the implementation of, electronic benefit transfer point-of-sale equipment and supplies, including related services.

''(B) EXEMPTIONS.—The Secretary may exempt from subparagraph (A)—

''(i) farmers' markets, military commissaries, nonprofit food buying cooperatives, and establishments, organizations, programs, or group living arrangements described in paragraphs (5), (7), and (8) of section 3(k); and

''(ii) establishments described in paragraphs (3), (4), and (9) of section 3(k), other than restaurants participating in a State option restaurant program.''; and

(2) by adding at the end the following:

''(4) TERMINATION OF MANUAL VOUCHERS.—

''(A) IN GENERAL.—Effective beginning on the date of enactment of this paragraph, except as provided in subparagraph (B), no State shall issue manual vouchers to a household that receives supplemental nutrition assistance under this Act or allow retail food stores to accept manual vouchers as payment, unless the Secretary determines that the manual vouchers are necessary, such as in the event of an electronic benefit transfer system failure or a disaster situation.

''(B) EXEMPTIONS.—The Secretary may exempt categories of retail food stores or individual retail food stores from subparagraph (A) based on criteria established by the Secretary.

''(5) UNIQUE IDENTIFICATION NUMBER REQUIRED.—The Secretary shall require all parties providing electronic benefit transfer services to provide for and maintain unique terminal identification number information through the supplemental nutrition assistance program electronic benefit transfer transaction routing system.''.

(c) ELECTRONIC BENEFIT TRANSFERS.—Section 7(h)(3)(B) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)(3)(B)) is amended by striking ''is operational—'' and all that follows through ''(ii) in the case of other participating stores,'' and inserting ''is operational''.

(d) APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.—Section 9 of the Food and Nutrition Act of 2008 (7 U.S.C. 2018) is amended—

(1) in subsection (a)—

(A) in the second sentence of paragraph (a)(1), by striking ''; and (C)'' and inserting ''; (C) whether the applicant is located in an area with significantly limited access to food; and (D)''; and

(2) by adding at the end the following:

''(4) RETAIL FOOD STORES WITH SIGNIFICANT SALES OF EXCEPTED ITEMS.—

''(A) IN GENERAL.—No retail food store for which at least 45 percent of the total sales of the retail food store is from the sale of excepted items described in section 3(k)(1) may be authorized to accept and redeem benefits unless the Secretary determines that the participation of the retail food store is required for the effective and efficient operation of the supplemental nutrition assistance program.

''(B) APPLICATION.—Subparagraph (A) shall be effective—

''(i) in the case of retail food stores applying to be authorized for the first time, beginning on the date that is 1 year after the date of enactment of this paragraph; and

''(ii) in the case of retail food stores participating in the program on the date of enactment of this paragraph, during periodic reauthorization in accordance with paragraph (2)(A).''; and

(3) by adding at the end the following:

''(g) EBT SERVICE REQUIREMENT.—An approved retail food store shall provide adequate EBT service as described in section 7(h)(3)(B).''.

SEC. 4007. IMPROVING SECURITY OF FOOD ASSISTANCE.

Section 7(h)(8) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)(8)) is amended—

(1) by striking the paragraph heading and inserting ''REPLACEMENT OF CARDS.—'';

(2) by striking ''A State'' and inserting the following:

''(A) FEES.—A State''; and

(3) by adding after subparagraph (A) (as so designated by paragraph (2)) the following:

''(B) PURPOSEFUL LOSS OF CARDS.—

''(i) IN GENERAL.—Subject to terms and conditions established by the Secretary in accordance with clause (ii), if a household makes excessive requests for replacement of the electronic benefit transfer card of the household, the Secretary may require a State agency to decline to issue a replacement card to the household unless the household, upon request of the State agency, provides an explanation for the loss of the card.

''(ii) REQUIREMENTS.—The terms and conditions established by the Secretary shall provide that—

''(I) the household be given the opportunity to provide the requested explanation and meet the requirements under this paragraph promptly;

''(II) after an excessive number of lost cards, the head of the household shall be required to review program rights and responsibilities with State agency personnel authorized to make determinations under section 5(a); and

''(III) any action taken, including actions required under section 6(b)(2), other than the withholding of the electronic benefit transfer card until an explanation described in subclause (I) is provided, shall be consistent with the due process protections under section 6(b) or 11(e)(10), as appropriate.

''(C) PROTECTING VULNERABLE PERSONS.—In implementing this paragraph, a State agency shall act to protect homeless persons, persons with disabilities, victims of crimes, and other vulnerable persons who lose electronic benefit transfer cards but are not intentionally committing fraud.

''(D) EFFECT ON ELIGIBILITY.—While a State may decline to issue an electronic benefits transfer card until a household satisfies the requirements under this paragraph, nothing in this paragraph shall be considered a denial of, or limitation on, the eligibility for benefits under section 5.''.

SEC. 4008. TECHNOLOGY MODERNIZATION FOR RETAIL FOOD STORES.

(a) MOBILE TECHNOLOGIES.—Section 7(h) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)) (as amended by section 4020(e)) is amended by adding at the end the following:

''(14) MOBILE TECHNOLOGIES.—

''(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall approve retail food stores to redeem benefits through electronic means other than wired point of sale devices for electronic benefit transfer transactions, if the retail food stores—

''(i) establish recipient protections regarding privacy, ease of use, access, and support similar to the protections provided for transactions made in retail food stores;

''(ii) bear the costs of obtaining, installing, and maintaining mobile technologies, including mechanisms needed to process EBT cards and transaction fees;

''(iii) demonstrate the foods purchased with benefits issued under this section through mobile technologies are purchased at a price not higher than the price of the same food purchased by other methods used by the retail food store, as determined by the Secretary;

''(iv) provide adequate documentation for each authorized transaction, as determined by the Secretary; and

''(v) meet other criteria as established by the Secretary.

''(B) DEMONSTRATION PROJECT ON ACCEPTANCE OF BENEFITS OF MOBILE TRANSACTIONS.—

''(i) IN GENERAL.—Before authorizing implementation of subparagraph (A) in all States, the Secretary shall pilot the use of mobile technologies determined by the Secretary to be appropriate to test the feasibility and implications for program integrity, by allowing retail food stores to accept benefits from recipients of supplemental nutrition assistance through mobile transactions.

''(ii) DEMONSTRATION PROJECTS.—To be eligible to participate in a demonstration project under clause (i), a retail food store shall submit to the Secretary for approval a plan that includes—

''(I) a description of the technology;

''(II) the manner by which the retail food store will provide proof of the transaction to households;

''(III) the provision of data to the Secretary, consistent with requirements established by the Secretary, in a manner that allows the Secretary to evaluate the impact of the demonstration on participant access, ease of use, and program integrity; and

''(IV) such other criteria as the Secretary may require.

''(iii) DATE OF COMPLETION.—The demonstration projects under this subparagraph shall be completed and final reports submitted to the Secretary by not later than July 1, 2015.

''(C) REPORT TO CONGRESS.—The Secretary shall—

''(i) by not later than January 1, 2016, authorize implementation of subparagraph (A) in all States, unless the Secretary makes a finding, based on the data provided under subparagraph (B), that implementation in all States is not in the best interest of the supplemental nutrition assistance program; and

''(ii) if the determination made in clause (i) is not to implement subparagraph (A) in all States, submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that includes the basis of the finding.''.

(b) ACCEPTANCE OF BENEFITS THROUGH ON-LINE TRANSACTIONS.—

(1) IN GENERAL.—Section 7 of the Food and Nutrition Act of 2008 (7 U.S.C. 2016) is amended by adding at the end the following:

''(k) OPTION TO ACCEPT PROGRAM BENEFITS THROUGH ON-LINE TRANSACTIONS.—

''(1) IN GENERAL.—Subject to paragraph (4), the Secretary shall approve retail food stores to accept benefits from recipients of supplemental nutrition assistance through on-line transactions.

''(2) REQUIREMENTS TO ACCEPT BENEFITS.—A retail food store seeking to accept benefits from recipients of supplemental nutrition assistance through on-line transactions shall—

''(A) establish recipient protections regarding privacy, ease of use, access, and support similar to the protections provided for transactions made in retail food stores;

''(B) ensure benefits are not used to pay delivery, ordering, convenience, or other fees or charges;

''(C) clearly notify participating households at the time a food order is placed—

''(i) of any delivery, ordering, convenience, or other fee or charge associated with the food purchase; and

''(ii) that any such fee cannot be paid with benefits provided under this Act;

''(D) ensure the security of on-line transactions by using the most effective technology available that the Secretary considers appropriate and cost-effective and that is comparable to the security of transactions at retail food stores; and

''(E) meet other criteria as established by the Secretary.

''(3) STATE AGENCY ACTION.—Each State agency shall ensure that recipients of supplemental nutrition assistance can use benefits on-line as described in this subsection as appropriate.

''(4) DEMONSTRATION PROJECT ON ACCEPTANCE OF BENEFITS THROUGH ON-LINE TRANSACTIONS.—

''(A) IN GENERAL.—Before the Secretary authorizes implementation of paragraph (1) in all States, the Secretary shall carry out a number of demonstration projects as determined by the Secretary to test the feasibility of allowing retail food stores to accept benefits through on-line transactions.

''(B) DEMONSTRATION PROJECTS.—To be eligible to participate in a demonstration project under subparagraph (A), a retail food store shall submit to the Secretary for approval a plan that includes—

''(i) a method of ensuring that benefits may be used to purchase only eligible items under this Act;

''(ii) a description of the method of educating participant households about the availability and operation of on-line purchasing;

''(iii) adequate testing of the on-line purchasing option prior to implementation;

''(iv) the provision of data as requested by the Secretary for purposes of analyzing the impact of the project on participant access, ease of use, and program integrity;

''(v) reports on progress, challenges, and results, as determined by the Secretary; and

''(vi) such other criteria, including security criteria, as established by the Secretary.

''(C) DATE OF COMPLETION.—The demonstration projects under this paragraph shall be completed and final reports submitted to the Secretary by not later than July 1, 2015.

''(5) REPORT TO CONGRESS.—The Secretary shall—

''(A) by not later than January 1, 2016, authorize implementation of paragraph (1) in all States, unless the Secretary makes a finding, based on the data provided under paragraph (4), that implementation in all States is not in the best interest of the supplemental nutrition assistance program; and

''(B) if the determination made in subparagraph (A) is not to implement in all States, submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that includes the basis of the finding.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 7(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(b)) is amended by striking ''purchase food in retail food stores'' and inserting ''purchase food from retail food stores''.

(B) Section 10 of the Food and Nutrition Act of 2008 (7 U.S.C. 2019) is amended in the first sentence by inserting ''retail food stores authorized to accept and redeem benefits through on-line transactions shall be authorized to accept benefits prior to the delivery of food if the delivery occurs within a reasonable time of the purchase, as determined by the Secretary,'' after ''food so purchased,''.

(c) SAVINGS CLAUSE.—Nothing in this section or an amendment made by this section alter any requirements of the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) unless specifically authorized in this section or an amendment made by this section.

SEC. 4009. USE OF BENEFITS FOR PURCHASE OF COMMUNITY-SUPPORTED AGRICULTURE SHARE.

Section 10 of the Food and Nutrition Act of 2008 (7 U.S.C. 2019) (as amended by section 4008(b)(2)(B)) is amended in the first sentence by inserting ''agricultural producers who market agricultural products directly to consumers shall be authorized to redeem benefits for the initial cost of the purchase of a community-supported agriculture share for an appropriate time in advance of food delivery as determined by the Secretary,'' after ''as determined by the Secretary,''.

SEC. 4010. RESTAURANT MEALS PROGRAM.

(a) IN GENERAL.—Section 11(e) of the Food and Nutrition Act of 2008 (7 U.S.C. 2020(e)) is amended—

(1) in paragraph (22), by striking ''and'' at the end;

(2) in paragraph (23), by striking the period at the end of subparagraph (C) and inserting ''; and''; and

(3) by adding at the end the following:

''(24) if the State elects to carry out a program to contract with private establishments to offer meals at concessional prices, as described in paragraphs 3, 4, and 9 of section 3(k)—

''(A) the plans of the State agency for operating the program, including—

''(i) documentation of a need that eligible homeless, elderly, and disabled clients are underserved in a particular geographic area;

''(ii) the manner by which the State agency will limit participation to only those private establishments that the State determines necessary to meet the need identified in clause (i); and

''(iii) any other conditions the Secretary may prescribe, such as the level of security necessary to ensure that only eligible recipients participate in the program; and

''(B) a report by the State agency to the Secretary annually, the schedule of which shall be established by the Secretary, that includes—

''(i) the number of households and individual recipients authorized to participate in the program, including any information on whether the individual recipient is elderly, disabled, or homeless; and

''(ii) an assessment of whether the program is meeting an established need, as documented under subparagraph (A)(i).''.

(b) APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.—Section 9 of the Food and Nutrition Act of 2008 (7 U.S.C. 2018) (as amended by section 4006(d)(3)) is amended by adding at the end the following:

''(h) PRIVATE ESTABLISHMENTS.—

''(1) IN GENERAL.—Subject to paragraph (2), no private establishment that contracts with a State agency to offer meals at concessional prices as described in paragraphs 3, 4, and 9 of section 3(k) may be authorized to accept and redeem benefits unless the Secretary determines that the participation of the private establishment is required to meet a documented need in accordance with section 11(e)(24).

''(2) EXISTING CONTRACTS.—

''(A) IN GENERAL.—If, on the day before the date of enactment of this subsection, a State has entered into a contract with a private establishment described in paragraph (1) and the Secretary has not determined that the participation of the private establishment is necessary to meet a documented need in accordance with section 11(e)(24), the Secretary shall allow the operation of the private establishment to continue without that determination of need for a period not to exceed 180 days from the date on which the Secretary establishes determination criteria, by regulation, under section 11(e)(24).

''(B) JUSTIFICATION.—If the Secretary makes a determination to terminate a contract with a private establishment that is in effect on the date of enactment of this subsection, the Secretary shall provide justification to the State in which the private establishment is located for that termination.

''(3) REPORT TO CONGRESS.—Not later than 90 days after September 30, 2013, and 90 days after the last day of each fiscal year thereafter, the Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the effectiveness of a program under this subsection using any information received from States under section 11(e)(24) as well as any other information the Secretary may have relating to the manner in which benefits are used.''.

(c) CONFORMING AMENDMENTS.—Section 3(k) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(k)) is amended by inserting ''subject to section 9(h)'' after ''concessional prices'' each place it appears.

SEC. 4011. EMPLOYMENT AND TRAINING.

(a) ADMINISTRATIVE COSTS.—Section 16(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(a)) is amended in the matter preceding paragraph (1) by inserting ''(other than a program carried out under section 6(d)(4) or 20)'' after ''supplemental nutrition assistance program''.

(b) FUNDING OF EMPLOYMENT AND TRAINING PROGRAMS.—

(1) IN GENERAL.—Section 16(h) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(h)) is amended—

(A) in paragraph (1)(A), by striking ''for each fiscal year under section 18(a)(1), $90,000,000 for each fiscal year.'' and inserting the following:

''under section 18(a)(1)—

''(B) for fiscal year 2013, $79,000,000; and

''(C) for each subsequent fiscal year, $90,000,000.'';

(B) by striking paragraphs (2) and (3); and

(C) by redesignating paragraphs (4) and (5) as paragraphs (2) and (3), respectively.

(2) CONFORMING AMENDMENTS.—

(A) Section 17(b)(1)(B)(iv)(III)(hh) of the Food and Nutrition Act of 2008 (7 U.S.C. 2026(b)(1)(B)(iv)(III)(hh)) is amended by striking '', (g), (h)(2), or (h)(3)'' and inserting ''or (g)''.

(B) Section 22(d)(1)(B)(ii) of the Food and Nutrition Act of 2008 (7 U.S.C. 2031(d)(1)(B)(ii)) is amended by striking '', (g), (h)(2), and (h)(3)'' and inserting ''and (g)''.

(c) WORKFARE.—Section 20 of the Food and Nutrition Act of 2008 (7 U.S.C. 2029) is amended by striking subsection (g).

(d) EFFECTIVE DATE.—The amendments made by this section shall—

(1) take effect on October 1, 2012; and

(2) apply only to certification periods that begin on or after that date.

SEC. 4012. QUALITY CONTROL ERROR RATE DETERMINATION.

Section 16(c) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(c)) is amended by adding at the end the following:

''(10) TOLERANCE LEVEL.—For the purposes of this subsection, the Secretary shall set the tolerance level for excluding small errors at $25.''.

SEC. 4013. REPEAL OF STATE BONUS PAYMENTS.

(a) IN GENERAL.—Section 16 of the Food and Nutrition Act of 2008 (7 U.S.C. 2025) is amended by striking subsection (d).

(b) EFFECTIVE DATE.—The amendment made by this section shall—

(1) take effect on October 1, 2012; and

(2) apply only to certification periods that begin on or after that date.

SEC. 4014. AUTHORIZATION OF APPROPRIATIONS.

Section 18(a)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2027(a)(1)) is amended in the first sentence by striking ''2012'' and inserting ''2013''.

SEC. 4015. ASSISTANCE FOR COMMUNITY FOOD PROJECTS.

Section 25 of the Food and Nutrition Act of 2008 (7 U.S.C. 2034) is amended—

(1) in subsection (a)(1)(B)(ii)—

(A) by striking subclause (I); and

(B) by redesignating subclauses (II) and (III) as subclauses (I) and (II), respectively; and

(2) in subsection (b), by adding at the end the following:

''(3) FUNDING.—

''(A) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this section not less than $5,000,000 for fiscal year 2013 and each fiscal year thereafter.

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

''(C) MAINTENANCE OF FUNDING.—The funding provided under subparagraph (A) shall supplement (and not supplant) other Federal funding made available to the Secretary to carry out this section.''.

SEC. 4016. EMERGENCY FOOD ASSISTANCE.

(a) PURCHASE OF COMMODITIES.—Section 27(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2036(a)) is amended—

(1) in paragraph (1), by striking ''2008 through 2012'' and inserting ''2012 through 2017'';

(2) by striking paragraph (2) and inserting the following:

''(2) AMOUNTS.—The Secretary shall use to carry out paragraph (1)—

''(A) for fiscal year 2012, $260,000,000; and

''(B) for each subsequent fiscal year, the dollar amount of commodities specified in subparagraph (A) adjusted by the percentage by which the thrifty food plan has been adjusted under section 3(u)(4) between June 30, 2012, and June 30 of the immediately preceding fiscal year, and subsequently increased by—

''(i) for fiscal year 2013, $28,000,000;

''(ii) for fiscal year 2014, $24,000,000;

''(iii) for fiscal year 2015, $20,000,000;

''(iv) for fiscal year 2016, $18,000,000; and

''(v) for fiscal year 2017 and each fiscal year thereafter, $10,000,000.''; and

(3) by adding at the end the following:

''(3) FUNDS AVAILABILITY.—For purposes of the funds described in this subsection, the Secretary shall—

''(A) make the funds available for 2 fiscal years; and

''(B) allow States to carry over unexpended balances to the next fiscal year pursuant to such terms and conditions as are determined by the Secretary.''.

(b) EMERGENCY FOOD PROGRAM INFRASTRUCTURE GRANTS.—Section 209(d) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7511a(d)) is amended by striking ''2012'' and inserting ''2017''.

SEC. 4017. NUTRITION EDUCATION.

Section 28(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2036a(b)) is amended by inserting ''and physical activity'' after ''healthy food choices''.

SEC. 4018. NUTRITION EDUCATION AND OBESITY INDEXING.

(a) IN GENERAL.—Section 28(d)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2036a(d)(1)) is amended by striking ''years—'' and all that follows through the period at the end, and inserting ''years, $375,000,000.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall—

(1) take effect on the date of enactment of this Act; and

(2) only apply to certification periods that begin on or after that date.

SEC. 4019. RETAIL FOOD STORE AND RECIPIENT TRAFFICKING.

The Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

''SEC. 29. RETAIL FOOD STORE AND RECIPIENT TRAFFICKING.

''(a) PURPOSE.—The purpose of this section is to provide the Department of Agriculture with additional resources to prevent trafficking in violation of this Act by strengthening recipient and retail food store program integrity.

''(b) USE OF FUNDS.—Additional funds are provided under this section to supplement the retail food store and recipient integrity activities of the Department.

''(c) FUNDING.—

''(1) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this section not less than $18,500,000 for fiscal year 2013 and each fiscal year thereafter.

''(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.

''(3) MAINTENANCE OF FUNDING.—The funding provided under paragraph (1) shall supplement (and not supplant) other Federal funding for programs carried out under this Act.''.

SEC. 4020. TECHNICAL AND CONFORMING AMENDMENTS.

SA 2377. Mr. TOOMEY submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 312, strike line 9 and all that follows through page 313, line 25, and insert the following:

SEC. 4002. LIMITATION ON CATEGORICAL ELIGIBILITY.

(a) IN GENERAL.—Section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) is amended—

(1) in the second sentence of subsection (a), by striking ''households in which each member receives benefits'' and inserting ''households in which each member receives cash assistance''; and

(2) in subsection (j), by striking ''or who receives benefits under a State program'' and inserting ''or who receives cash assistance under a State program''.

(b) EFFECTIVE DATE.—The amendments made by this section shall—

(1) take effect on the date of enactment of this Act; and

(2) only apply to certification periods that begin on or after that date.

SEC. 4003. STANDARD UTILITY ALLOWANCE.

(a) STANDARD UTILITY ALLOWANCE.—Section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) is amended—

(1) in subsection (e)(6)(C), by striking clause (iv); and

(2) in subsection (k), by striking paragraph (4) and inserting the following:

''(4) THIRD PARTY ENERGY ASSISTANCE PAYMENTS.—For purposes of subsection (d)(1), a payment made under a State law (other than a law referred to in paragraph (2)(G)) to provide energy assistance to a household shall be considered money payable directly to the household.''.

(b) CONFORMING AMENDMENTS.—Section 2605(f)(2) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(f)(2)) is amended—

(1) in the matter preceding subparagraph (A), by striking ''and for purposes of determining any excess shelter expense deduction under section 5(e) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(e))''; and

(2) in subparagraph (A), by inserting before the semicolon the following: '', except that such payments or allowances shall not be considered to be expended for purposes of determining any excess shelter expense deduction under section 5(e)(6) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(e)(6))''.

(c) EFFECTIVE DATE.—The amendments made by this section shall—

(1) take effect on the date of enactment of this Act; and

(2) only apply to certification periods that begin on or after that date.

On page 334, after line 22, insert the following:

SEC. 4010. EMPLOYMENT AND TRAINING.

(a) ADMINISTRATIVE COSTS.—Section 16(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(a)) is amended in the matter preceding paragraph (1) by inserting ''(other than a program carried out under section 6(d)(4) or 20)'' after ''supplemental nutrition assistance program''.

(b) FUNDING OF EMPLOYMENT AND TRAINING PROGRAMS.—

(1) IN GENERAL.—Section 16(h) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(h)) is amended—

(A) in paragraph (1)(A), by striking ''for each fiscal year under section 18(a)(1), $90,000,000 for each fiscal year.'' and inserting the following:

''under section 18(a)(1)—

''(B) for fiscal year 2013, $79,000,000; and

''(C) for each subsequent fiscal year, $90,000,000.'';

(B) by striking paragraphs (2) and (3); and

(C) by redesignating paragraphs (4) and (5) as paragraphs (2) and (3), respectively.

(2) CONFORMING AMENDMENTS.—

(A) Section 17(b)(1)(B)(iv)(III)(hh) of the Food and Nutrition Act of 2008 (7 U.S.C. 2026(b)(1)(B)(iv)(III)(hh)) is amended by striking '', (g), (h)(2), or (h)(3)'' and inserting ''or (g)''.

(B) Section 22(d)(1)(B)(ii) of the Food and Nutrition Act of 2008 (7 U.S.C. 2031(d)(1)(B)(ii)) is amended by striking '', (g), (h)(2), and (h)(3)'' and inserting ''and (g)''.

(c) WORKFARE.—Section 20 of the Food and Nutrition Act of 2008 (7 U.S.C. 2029) is amended by striking subsection (g).

(d) EFFECTIVE DATE.—The amendments made by this section shall—

(1) take effect on October 1, 2012; and

(2) apply only to certification periods that begin on or after that date.

On page 335, between lines 8 and 9, insert the following:

SEC. 4011. REPEAL OF STATE BONUS PAYMENTS.

(a) IN GENERAL.—Section 16 of the Food and Nutrition Act of 2008 (7 U.S.C. 2025) is amended by striking subsection (d).

(b) EFFECTIVE DATE.—The amendment made by this section shall—

(1) take effect on October 1, 2012; and

(2) apply only to certification periods that begin on or after that date.

On page 335, line 12, strike ''2017'' and insert ''2013''.

On page 338, between lines 10 and 11, insert the following:

SEC. 4015. NUTRITION EDUCATION AND OBESITY INDEXING.

(a) IN GENERAL.—Section 28(d)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2036a(d)(1)) is amended by striking ''years—'' and all that follows through the period at the end, and inserting ''years, $375,000,000.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall—

(1) take effect on the date of enactment of this Act; and

(2) only apply to certification periods that begin on or after that date.

On page 1009, after line 11, add the following:

SEC. 122_____. AMERICAN REINVESTMENT AND RECOVERY ACT OF 2009 SUNSET.

(a) IN GENERAL.—Section 101(a)(2) of title I of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5; 123 Stat. 120; 124 Stat. 2394; 124 Stat. 3265) is amended by striking ''October 31, 2013'' and inserting ''June 30, 2012''.

(b) EFFECTIVE DATE.—The amendment made by this section shall—

(1) take effect on the date of enactment of this Act; and

(2) only apply to certification periods that begin on or after that date.

SA 2378. Mr. TOOMEY submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 1009, after line 11, add the following:

SEC. 122_____. AMERICAN REINVESTMENT AND RECOVERY ACT OF 2009 SUNSET.

(a) IN GENERAL.—Section 101(a)(2) of title I of division A of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5; 123 Stat. 120; 124 Stat. 2394; 124 Stat. 3265) is amended by striking ''October 31, 2013'' and inserting ''June 30, 2012''.

(b) EFFECTIVE DATE.—The amendment made by this section shall—

(1) take effect on the date of enactment of this Act; and

(2) only apply to certification periods that begin on or after that date.

SA 2379. Mr. TOOMEY submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

Strike section 1602 and insert the following:

SEC. 1602. REPEAL OF PERMANENT PRICE SUPPORT AUTHORITY.

(a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—The following provisions of the Agricultural Adjustment Act of 1938 are repealed:

(1) Parts II through V of subtitle B of title III (7 U.S.C. 1326 et seq.).

(2) Section 377 (7 U.S.C. 1377).

(3) Subtitle D of title III (7 U.S.C. 1379a et seq.).

(4) Title IV (7 U.S.C. 1401 et seq.).

(b) AGRICULTURAL ACT OF 1949.—The following provisions of the Agricultural Act of 1949 are repealed:

(1) Section 101 (7 U.S.C. 1441).

(2) Section 103(a) (7 U.S.C. 1444(a)).

(3) Section 105 (7 U.S.C. 1444b).

(4) Section 107 (7 U.S.C. 1445a).

(5) Section 110 (7 U.S.C. 1445e).

(6) Section 112 (7 U.S.C. 1445g).

(7) Section 115 (7 U.S.C. 1445k).

(8) Section 201 (7 U.S.C. 1446).

(9) Title III (7 U.S.C. 1447 et seq.).

(10) Title IV (7 U.S.C. 1421 et seq.), other than sections 404, 412, and 416 (7 U.S.C. 1424, 1429, and 1431).

(11) Title V (7 U.S.C. 1461 et seq.).

(12) Title VI (7 U.S.C. 1471 et seq.).

(c) CERTAIN QUOTA PROVISIONS.—The joint resolution entitled ''A joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended'', approved May 26, 1941 (7 U.S.C. 1330 and 1340), is repealed.

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

SA 2380. Mr. CRAPO submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title VIII, insert the following:

SEC. 83____. EXEMPTION FROM PERMITTING REQUIREMENTS FOR SILVICULTURAL ROADS.

Notwithstanding any other provision of law, the Administrator of the Environmental Protection Agency shall not require a permit under section 402 of the Federal Water Pollution Control Act (33 U.S.C. 1342) or, either directly or indirectly, require any State to require a permit for discharges of stormwater runoff from—

(1) roads, the construction, use, or maintenance of which are associated with silvicultural activities; or

(2) other silvicultural activities, including nursery operations, site preparation, reforestation and subsequent cultural treatment, thinning, prescribed burning, pest and fire control, harvesting operations, or surface drainage.

SA 2381. Mr. MERKLEY submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 1009, after line 11, insert the following:

SEC. 122____. ASSISTANCE FOR FARMERS IMPACTED BY CANADA GEESE.

(a) ASSISTANCE FOR LANDOWNERS WITH CROPLAND DAMAGED BY CANADA GEESE.—

(1) IN GENERAL.—Not later than 60 days after the date of enactment of this Act, the Secretary, acting through the Administrator of the Animal and Plant Health Inspection Service, shall prepare and submit a report to Congress that contains an assessment of the resources needed to direct adequate personnel and equipment to assist landowners whose cropland is damaged by Canada geese.

(2) EARLY ACTION.—The Secretary, acting through the Administrator of the Animal and Plant Health Inspection Service and the Director of Wildlife Services, as applicable, shall, to the extent practicable, direct more personnel and equipment to respond to landowner requests for assistance with respect to cropland that is being damaged by Canada geese.

(b) STUDY ON THE ECONOMIC IMPACTS OF CANADA GEESE.—

(1) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, the Administrator of the National Agricultural Statistics Service (referred to in this section as ''the Administrator'') shall begin development of a study to gather data and determine the economic impact of migratory geese on farms located in significantly impacted States, as determined by the Administrator.

(2) INITIATION AND DURATION.—The Administrator shall—

(A) initiate the migratory geese study described in paragraph (1) not later than 180 days after the date of enactment of this Act; and

(B) complete the study not later than 18 months after the date of enactment of this Act.

(3) CONSIDERATIONS.—The study conducted under this section shall consider—

(A) the effects migratory geese have on crop yields in any significantly impacted States, including the annual estimated loss for those States;

(B) which commodities are most affected by goose depredation;

(C) which areas within the impacted States are most affected by goose depredation; and

(D) the overall economic impact on Federal, State, and local income as a result of goose depredation.

(4) REPORT.—

(A) IN GENERAL.—After completion of the migratory geese study conducted under this section, the Administrator shall prepare and submit a report on the findings of the study to—

(i) the Director of the United States Fish and Wildlife Service; and

(ii) Congress.

(B) AVAILABILITY.—The Administrator shall make the report described in paragraph (1) available to the public.

SA 2382. Mr. MERKLEY (for himself, Mrs. FEINSTEIN, Mr. SANDERS, and Mr. KERRY) submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 970, between lines 5 and 6, insert the following:

SEC. 11019. CROP INSURANCE FOR ORGANIC CROPS.

(a) IN GENERAL.—Section 508(c)(6) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)(6)) is amended by adding at the end the following:

''(D) ORGANIC CROPS.—

''(i) IN GENERAL.—As soon as possible, but not later than the 2015 reinsurance year, the Corporation shall offer producers of organic crops price elections for all organic crops produced in compliance with standards issued by the Department of Agriculture under the national organic program established under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.) that reflect the actual retail or wholesale prices, as appropriate, received by producers for organic crops, as determined by the Secretary using all relevant sources of information.

''(ii) ANNUAL REPORT.—The Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report on progress made in developing and improving Federal crop insurance for organic crops, including—

''(I) the numbers and varieties of organic crops insured;

''(II) the progress of implementing the price elections required under this subparagraph, including the rate at which additional price elections are adopted for organic crops;

''(III) the development of new insurance approaches relevant to organic producers; and

''(IV) any recommendations the Corporation considers appropriate to improve Federal crop insurance coverage for organic crops.''.

(b) CONFORMING AMENDMENT.—Section 522(c) of the Federal Crop Insurance Act (7 U.S.C. 1522(c)) (as amended by section 11018) is amended—

(1) by striking paragraph (10); and

(2) by redesignating paragraphs (11) through (20) as paragraphs (10) through (19), respectively.

SA 2383. Mr. COCHRAN submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, add the following:

SEC. 122_____. AUTHORIZATION OF CONVEYANCE OF CERTAIN LAND TO THE VICKSBURG NATIONAL MILITARY PARK.

(a) ACQUISITION OF LAND.—

(1) IN GENERAL.—The Secretary of the Interior (referred to in this Act as the ''Secretary'') may acquire the land or any interests in land within the area identified as ''Modified Core Battlefield'' for the Port Gibson Unit, the Champion Hill Unit, and the Raymond Unit as generally depicted on the map entitled ''Vicksburg National Military Park–Proposed Battlefield Additions'', numbered 306/100986, and dated October 2010.

(2) METHODS OF ACQUISITION.—Land and interests in land may be acquired under paragraph (1) by donation, purchase from a willing seller with donated or appropriated funds, or exchange, except that land owned by the State of Mississippi or any political subdivision of the State may be acquired only by donation.

(b) AVAILABILITY OF MAP.—The map described in subsection (a)(1) shall be on file and available for public inspection in the appropriate offices of the National Park Service.

(c) BOUNDARY ADJUSTMENT.—On the acquisition of land by the Secretary under this section—

(1) the acquired land shall be added to the Vicksburg National Military Park;

(2) the boundary of the Vicksburg National Military Park shall be adjusted to reflect the acquisition of the land; and

(3) the acquired land shall be administered as part of the Vicksburg National Military Park in accordance with applicable laws (including regulations).

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

SA 2384. Mr. CARDIN (for himself, Mr. CARPER, Mr. CASEY, Mr. COONS, Ms. MIKULSKI, Mr. ROCKEFELLER, Mr. WARNER, and Mr. WEBB) submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 246, strike line 7, and insert the following:

''quantity strategies.

''(d) FUNDING.—The Secretary shall ensure that the total amounts made available under this subtitle to geographical areas designated under this section are not less than the amounts those geographical areas would have received under title XII of the Food Security Act of 1985 (as in effect on the day before the date of enactment of this Act).''.

SA 2385. Mr. TESTER submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 880, between lines 3 and 4, insert the following:

Subtitle E—Cabin Fee Act

SEC. 8401. SHORT TITLE.

This subtitle may be cited as the ''Cabin Fee Act of 2012''.

SEC. 8402. DEFINITIONS.

In this subtitle:

(1) AUTHORIZATION; AUTHORIZE.—The terms ''authorization'' and ''authorize'' mean the issuance of a special use permit for the use and occupancy of National Forest System land by a cabin owner under the Recreation Residence Program.

(2) CABIN.—The term ''cabin'' means a privately built and owned recreation residence and related improvements on National Forest System land that—

(A) is authorized for private use and occupancy; and

(B) may be sold or transferred between private parties.

(3) CABIN OWNER.—The term ''cabin owner'' means—

(A) a person authorized by the Secretary to use and to occupy a cabin; and

(B) a trust, heir, or assign of a person described in subparagraph (A).

(4) CABIN TRANSFER FEE.—The term ''cabin transfer fee'' means a fee that is paid to the United States on the transfer of a cabin between private parties for money or other consideration that results in the issuance of a new permit.

(5) CABIN USER FEE.—The term ''cabin user fee'' means an annual fee paid to the United States by a cabin owner in accordance with an authorization for the use and occupancy of a cabin.

(6) CURRENT APPRAISAL CYCLE.—The term ''current appraisal cycle'' means the completion of Forest Service review and acceptance of—

(A) initial typical lot appraisals; or

(B) second appraisals, if ordered by cabin owners and approved by the Forest Service.

(7) CURRENT CABIN USER FEE.—The term ''current cabin user fee'' means the most recent cabin user fee, as adjusted under section 8403(c).

(8) LOT.—The term ''lot'' means a parcel of National Forest System land on which a person is authorized to build, use, occupy, and maintain a cabin.

(9) NATIONAL FOREST SYSTEM LAND.—The term ''National Forest System land'' means National Forest System land derived from the public domain.

(10) RECREATION RESIDENCE PROGRAM.—The term ''Recreation Residence Program'' means the Recreation Residence Program established under the last paragraph under the heading ''FOREST SERVICE'' in the Act of March 4, 1915 (16 U.S.C. 497).

(11) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture, acting through the Chief of the Forest Service.

(12) TYPICAL LOT.—The term ''typical lot'' means a cabin lot, or group of cabin lots, in a tract that is selected for use in an appraisal as being representative of, and that has similar value characteristics as, other lots or groups of lots within the tract.

SEC. 8403. CABIN USER FEES.

(a) PAYMENT OF CABIN USER FEES.—Cabin owners shall pay an annual cabin user fee established by the Secretary in accordance with this section.

(b) INITIAL CABIN USER FEES.—

(1) ESTABLISHMENT.—The Secretary shall establish initial cabin user fees in accordance with this subsection.

(2) ASSIGNMENT TO VALUE TIERS.—On completion of the current appraisal cycle, as required by paragraph (4), the Secretary shall assign each permitted lot on National Forest System land to 1 of 9 tiers based on the following considerations:

(A) Before assigning the lots to tiers, all appraised lot values shall be adjusted, or normalized, for price changes occurring after the appraisal, in accordance with the National Association of Homebuilders/Wells Fargo Housing Opportunity Index.

(B) Second appraisal values that are not rejected by the Forest Service shall supersede initial lot appraisal values for the normalization and ranking process under subparagraph (A).

(C) The tiers shall be established, on a national basis, according to relative lot value, with lots having the lowest adjusted appraised value assigned to tier 1 and lots having the highest adjusted appraised value assigned to tier 9.

(D) The number of lots (by percentage) assigned to each tier is contained in the table set forth in paragraph (3).

(E) Data from incomplete appraisals may not be used to establish the fee tiers under this subsection.

(F) Until assigned to a tier under this subsection, the Secretary shall assess an interim fee for permitted cabin lots (including lots with incomplete appraisals), which shall be an amount equal to the lesser of—

(i) $4,500; or

(ii) the amount of the current cabin user fee, increased by 25 percent.

(3) AMOUNT OF INITIAL CABIN USER FEES.—The initial cabin user fees, based on the assignments under paragraph (2), are as follows:

Fee Tier	Approximate Percent of Permits Nationally	Fee Amount
Tier 1	8 percent	$500
Tier 2	12 percent	$1,000

Fee Tier	Approximate Percent of Permits Nationally	Fee Amount
Tier 3	12 percent	$1,500
Tier 4	14 percent	$2,000
Tier 5	14 percent	$2,500
Tier 6	14 percent	$3,000
Tier 7	11 percent	$3,500
Tier 8	8 percent	$4,000
Tier 9	7 percent	$4,500.

(4) DEADLINE FOR COMPLETION OF CURRENT APPRAISAL CYCLE.—Not later than 3 years after the date of enactment of this Act, the Secretary shall complete the current appraisal cycle.

(5) EFFECTIVE DATE.—The initial cabin user fees required by this subsection shall take effect beginning with the first calendar year beginning after the completion of the current appraisal cycle.

(c) ANNUAL ADJUSTMENTS OF CABIN USER FEE.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall use changes in the Implicit Price Deflator for the Gross Domestic Product published by the Bureau of Economic Analysis of the Department of Commerce, applied on a 5-year rolling average, to assess an annual adjustment to cabin user fees.

(2) LIMITATIONS.—Notwithstanding paragraph (1), cabin user fees established under this section shall be increased by not more than 25 percent in an annual adjustment under paragraph (a).

(d) EFFECT OF DESTRUCTION, SUBSTANTIAL DAMAGE, OR LOSS OF ACCESS.—

(1) IN GENERAL.—The Secretary shall reduce the cabin user fee to $100 per year for a cabin if—

(A) the cabin is destroyed or suffers substantial damage in an amount that is greater than 50 percent of replacement cost of the cabin; or

(B) access to the cabin is significantly impaired, whether by catastrophic events, natural causes, or governmental actions, which results in the cabin being rendered unsafe or unable to be occupied.

(2) TERM OF REDUCED FEE.—The reduced fee under paragraph (1) shall be in effect until the later of—

(A) the last day of the year in which the destruction or impairment occurs; or

(B) the date on which the cabin may be lawfully reoccupied and normal access has been restored.

SEC. 8404. CABIN TRANSFER FEES.

(a) PAYMENT OF CABIN TRANSFER FEES.—In conjunction with the transfer of ownership of any cabin and the issuance of a new permit, the cabin owner transferring the cabin shall file with the Secretary a sworn statement declaring the amount of money or other value received, if any, for the transfer of the cabin.

(b) AMOUNT.—As a condition of the issuance by the Secretary of a new authorization for the use and occupancy of the cabin, the cabin owner transferring the cabin shall pay to the Secretary a cabin transfer fee in an amount determined as follows:

Consideration Received by Transfer	Transfer Fee Amount
$0 to $250,000	$1,000
$250,000.01 to $500,000.00	$1,000 plus 5 percent of consideration in excess of $250,000 up to $500,000
$500,000.01 and above	$1,000 plus 5 percent of consideration in excess of $250,000 up to $500,000 plus 10 percent of consideration in excess of $500,000.

(c) INDEX.—The Secretary shall use changes in the Implicit Price Deflator for the Gross Domestic Product published by the Bureau of Economic Analysis of the Department of Commerce, applied on a 5-year rolling average, to determine and apply an annual adjustment to the cabin transfer fee threshold amounts set forth in the table contained in subsection (b).

SEC. 8405. RIGHT OF APPEAL AND JUDICIAL REVIEW.

(a) RIGHT OF APPEAL.—

(1) IN GENERAL.—Notwithstanding any action of a cabin owner to exercise rights in accordance with section 8406, the Secretary shall by regulation grant to the cabin owner the right to an administrative appeal of the determination of a new cabin user fee, fee tier, cabin transfer fee, or whether or not to reduce a cabin user fee under section 8403(d).

(2) APPLICABLE LAW.—An appeal under paragraph (1) shall be pursuant to the appeal process provided under subpart C of part 251 of title 36, Code of Federal Regulations (or a successor regulation).

(b) JUDICIAL REVIEW.—

(1) IN GENERAL.—A cabin owner that contests a final decision of the Secretary under this subtitle may bring a civil action in United States district court.

(2) VENUE.—The venue for an action brought before the United States district court under this subsection shall be in the Federal judicial district in which the cabin is located or the permit holder resides.

(3) EFFECT ON MEDIATION.—Nothing in this subtitle precludes a person from seeking mediation for an action under this subtitle.

SEC. 8406. EFFECT.

(a) IN GENERAL.—Nothing in this subtitle limits or restricts any right, title, or interest of the United States in or to any land or resource.

(b) SPECIAL RULE FOR ALASKA.—In determining a cabin user fee in the State of Alaska, the Secretary shall not establish or impose a cabin user fee or a condition affecting a cabin user fee that is inconsistent with 1303(d) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3193(d)).

SEC. 8407. REGULATIONS.

Not later than December 31, 2012, the Secretary shall issue regulations to carry out this subtitle.

SA 2386. Mr. SANDERS (for himself and Mr. LEAHY) submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 361, between lines 8 and 9, insert the following:

SEC. 4208. DEPARTMENT OF DEFENSE FRESH PROGRAM.

Section 10603(b) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 612c–4(b)) (as amended by section 4201) is amended—

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

''(1) IN GENERAL.—The Secretary''; and

(2) by adding at the end the following:

''(2) LOCAL AND REGIONAL PURCHASE.—In purchasing fresh fruits and vegetables under paragraph (1), the Secretary shall, to the maximum extent practicable, provide locally and regionally grown produce to schools and service institutions.

''(3) DATA TRACKING.—The Secretary of Agriculture, in conjunction with the Secretary of Defense in carrying out the fresh fruit and vegetable program of the Department of Defense, shall—

''(A) track annual data on—

''(i) each State and county from which fresh fruits and vegetables are purchased; and

''(ii) each State and county in which is located a school or service institution to which the purchased commodities and products are distributed; and

''(B) prepare an annual report that describes the volume, types of fruits and vegetables, purchase price, minimal processing, and percent of total purchases of commodities and products that are procured by the Department of Defense and provided to schools and service institutions locally and regionally.

''(4) DEPARTMENT OF DEFENSE PROGRAM OPERATION.—A school or service institution described in paragraph (1) may carry out this section by—

''(A) electing to participate in the fresh fruit and vegetable program of the Department of Defense;

''(B) under such terms and conditions as the Secretary shall establish, purchasing unprocessed or minimally processed locally and regionally produced fruits and vegetables with amounts that would have been used by the school or service institution to participate in the fresh fruit and vegetable program of the Department of Defense; or

''(C) carrying out a combination of the activities described in subparagraphs (A) and (B).

''(5) REPORT TO CONGRESS.—The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing—

''(A) the information and report described in paragraph (3); and

''(B) annual information on the number of schools and service institutions described in paragraph (4).''.

SA 2387. Mr. BOOZMAN submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

In section 9007(a)(1)—

(1) redesignate subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively; and

(2) before subparagraph (B) (as so redesignated), insert the following:

(A) in subsection (a), by inserting ''(other than to construct, fund, install, or operate an ethanol blender pump)'' after ''businesses'';

SA 2388. Mr. WYDEN submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 360, after line 24, add the following:

SEC. 4207. PURCHASES OF LOCALLY PRODUCED FOODS.

Section 9(j) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(j)) is amended—

(1) by redesignating paragraphs (1) through (3) as subparagraphs (A) through (C), respectively, and indenting the subparagraphs appropriately;

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

''(1) IN GENERAL.—The Secretary'';

(3) in paragraph (1) (as so redesignated)—

(A) in subparagraph (B)—

(i) by striking ''paragraph (1) of the policy described in that paragraph and paragraph (3)'' and inserting ''subparagraph (A) of the policy described in that subparagraph and subparagraph (C)''; and

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

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

(C) by adding at the end the following:

''(D) not later than 1 year after the date of enactment of this subparagraph, in accordance with paragraphs (2) and (3), conduct not fewer than 5 demonstration projects through school food authorities receiving funds under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) to facilitate the purchase of unprocessed and minimally processed locally grown and locally raised agricultural products.''; and

(4) by adding at the end the following:

''(2) SELECTION.—In conducting demonstration projects under paragraph (1)(D), the Secretary shall ensure that at least 1 project is located in a State in each of—

''(A) the Pacific Northwest Region;

''(B) the Northeast Region;

''(C) the Western Region;

''(D) the Midwest Region; and

''(E) the Southern Region.

''(3) PRIORITY.—In selecting States for participation in the demonstration projects under paragraph (2), the Secretary shall prioritize applications based on—

''(A) the quantity and variety of growers of local fruits and vegetables in the State;

''(B) the demonstrated commitment of the State to farm-to-school efforts, as evidenced by prior efforts to increase and promote farm-to- school programs in the State; and

''(C) whether the State contains a sufficient quantity of school districts of varying population sizes and geographical locations.''.

SA 2389. Mr. REID (for Ms. STABENOW (for herself and Mr. ROBERTS)) proposed an amendment to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; as follows:

Beginning on page 14, strike line 10 and all that follows through page 1000, line 2, and insert the following:

(7) ELIGIBLE ACRES.—

(A) IN GENERAL.—Except as provided in subparagraphs (B) through (D), the term ''eligible acres'' means all acres planted or prevented from being planted to all covered commodities on a farm in any crop year.

(B) MAXIMUM.—Except as provided in (C), the total quantity of eligible acres on a farm determined under subparagraph (A) shall not exceed the average total acres planted or prevented from being planted to covered commodities and upland cotton on the farm for the 2009 through 2012 crop years, as determined by the Secretary.

(C) ADJUSTMENT.—The Secretary shall provide for an adjustment, as appropriate, in the eligible acres for covered commodities for a farm if any of the following circumstances occurs:

(i) If a conservation reserve contract for a farm in a county entered into under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) expires or is voluntarily terminated or cropland is released from coverage under a conservation reserve contract, the Secretary shall provide for an adjustment, as appropriate, in the eligible acres for the farm to a total quantity that is the higher of—

(I) the total base acreage for the farm, less any upland cotton base acreage, that was suspended during the conservation reserve contract; or

(II) the product obtained by multiplying—

(aa) the average proportion that—

(AA) the total number of acres planted to covered commodities and upland cotton in the county for crop years 2009 through 2012; bears to

(BB) the total number of all acres of covered commodities, grassland, and upland cotton acres in the county for the same crop years; by

(bb) the total acres for which coverage has expired, voluntarily terminated, or been released under the conservation reserve contract.

(ii) The producer has eligible oilseed acreage as the result of the Secretary designating additional oilseeds, which shall be determined in the same manner as eligible oilseed acreage under section 1101(a)(1)(D) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8711(a)(1)(D)).

(iii) The producer has any acreage not cropped during the 2009 through 2012 crop years, but placed into an established rotation practice for the purposes of enriching land or conserving moisture for subsequent crop years, including summer fallow, as determined by the Secretary.

(D) EXCLUSION.—The term ''eligible acres'' does not include any crop subsequently planted during the same crop year on the same land for which the first crop is eligible for payments under this subtitle, unless the crop was planted in an area approved for double cropping, as determined by the Secretary.

(8) EXTRA LONG STAPLE COTTON.—The term ''extra long staple cotton'' means cotton that—

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

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

(9) INDIVIDUAL COVERAGE.—For purposes of agriculture risk coverage under section 1105, the term ''individual coverage'' means coverage determined using the total quantity of all acreage in a county of the covered commodity that is planted or prevented from being planted for harvest by a producer with the yield determined by the average individual yield of the producer described in subsection (c) of that section.

(10) MEDIUM GRAIN RICE.—The term ''medium grain rice'' includes short grain rice.

(11) MIDSEASON PRICE.—The term ''midseason price'' means the applicable national average market price received by producers for the first 5 months of the applicable marketing year, as determined by the Secretary.

(12) OTHER OILSEED.—The term ''other oilseed'' means a crop of sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe, sesame seed, or any oilseed designated by the Secretary.

(13) PRODUCER.—

(A) IN GENERAL.—The term ''producer'' means an owner, operator, landlord, tenant, or sharecropper that shares in the risk of producing a crop and is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced.

(B) HYBRID SEED.—In determining whether a grower of hybrid seed is a producer, the Secretary shall—

(i) not take into consideration the existence of a hybrid seed contract; and

(ii) ensure that program requirements do not adversely affect the ability of the grower to receive a payment under this title.

(14) PULSE CROP.—The term ''pulse crop'' means dry peas, lentils, small chickpeas, and large chickpeas.

(15) STATE.—The term ''State'' means—

(A) a State;

(B) the District of Columbia;

(C) the Commonwealth of Puerto Rico; and

(D) any other territory or possession of the United States.

(16) TRANSITIONAL YIELD.—The term ''transitional yield'' has the meaning given the term in section 502(b) of the Federal Crop Insurance Act (7 U.S.C. 1502(b)).

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

(18) UNITED STATES PREMIUM FACTOR.—The term ''United States Premium Factor'' means the percentage by which the difference in the United States loan schedule premiums for Strict Middling (SM) 1⅛-inch upland cotton and for Middling (M) 1 3/32-inch upland cotton exceeds the difference in the applicable premiums for comparable international qualities.

SEC. 1105. AGRICULTURE RISK COVERAGE.

(a) PAYMENTS REQUIRED.—If the Secretary determines that payments are required under subsection (c), the Secretary shall make payments for each covered commodity available to producers in accordance with this section.

(b) COVERAGE ELECTION.—

(1) IN GENERAL.—For the period of crop years 2013 through 2017, the producers shall make a 1-time, irrevocable election to receive—

(A) individual coverage under this section, as determined by the Secretary; or

(B) in the case of a county with sufficient data (as determined by the Secretary), county coverage under this section.

(2) EFFECT OF ELECTION.—The election made under paragraph (1) shall be binding on the producers making the election, regardless of covered commodities planted, and applicable to all acres under the operational control of the producers, in a manner that—

(A) acres brought under the operational control of the producers after the election are included; and

(B) acres no longer under the operational control of the producers after the election are no longer subject to the election of the producers but become subject to the election of the subsequent producers.

(3) DUTIES OF THE SECRETARY.—The Secretary shall ensure that producers are precluded from taking any action, including reconstitution, transfer, or other similar action, that would have the effect of altering or reversing the election made under paragraph (1).

(c) AGRICULTURE RISK COVERAGE.—

(1) PAYMENTS.—The Secretary shall make agriculture risk coverage payments available under this subsection for each of the 2013 through 2017 crop years if the Secretary determines that—

(A) the actual crop revenue for the crop year for the covered commodity; is less than

(B) the agriculture risk coverage guarantee for the crop year for the covered commodity.

(2) TIME FOR PAYMENTS.—If the Secretary determines under this subsection that agriculture risk coverage payments are required to be made for the covered commodity, the agriculture risk coverage payments shall be made as soon as practicable thereafter.

(3) ACTUAL CROP REVENUE.—The amount of the actual crop revenue for a crop year of a covered commodity shall be equal to the product obtained by multiplying—

(A)(i) in the case of individual coverage, the actual average individual yield for the covered commodity, as determined by the Secretary; or

(ii) in the case of county coverage, the actual average yield for the county for the covered commodity, as determined by the Secretary; and

(B) the higher of—

(i) the midseason price; or

(ii) if applicable, the national marketing assistance loan rate for the covered commodity under subtitle B.

(4) AGRICULTURE RISK COVERAGE GUARANTEE.—

(A) IN GENERAL.—The agriculture risk coverage guarantee for a crop year for a covered commodity shall equal 89 percent of the benchmark revenue.

(B) BENCHMARK REVENUE.—

(i) IN GENERAL.—The benchmark revenue shall be the product obtained by multiplying—

(I)(aa) in the case of individual coverage, subject to clause (ii), the average individual yield, as determined by the Secretary, for the most recent 5 crop years, excluding each of the crop years with the highest and lowest yields; or

(bb) in the case of county coverage, the average county yield, as determined by the Secretary, for the most recent 5 crop years, excluding each of the crop years with the highest and lowest yields; and

(II) subject to clause (iii), the average national marketing year average price for the most recent 5 crop years, excluding each of the crop years with the highest and lowest prices.

(ii) USE OF TRANSITIONAL YIELDS.—If the yield determined under clause (i)(I)(aa)—

(I) for the 2012 crop year or any prior crop year, is less than 60 percent of the applicable transitional yield, the Secretary shall use 60 percent of the applicable transitional yield for that crop year; and

(II) for the 2013 crop year and any subsequent crop year, is less than 70 percent of the applicable transitional yield, the Secretary shall use 70 percent of the applicable transitional yield for that crop year.

(iii) SPECIAL RULE FOR RICE AND PEANUTS.—If the national marketing year average price under clause (i)(II) for any of the applicable crop years is lower than the price for the covered commodity listed below, the Secretary shall use the following price for that crop year:

(I) For long grain rice, $13.00 per hundredweight.

(II) For medium grain rice, $13.00 per hundredweight.

(III) For peanuts, $530.00 per ton.

(5) PAYMENT RATE.—The payment rate for each covered commodity shall be equal to the lesser of—

(A) the amount that—

(i) the agriculture risk coverage guarantee for the covered commodity; exceeds

(ii) the actual crop revenue for the crop year of the covered commodity; or

(B) 10 percent of the benchmark revenue for the crop year of the covered commodity.

(6) PAYMENT AMOUNT.—If agriculture risk coverage payments under this subsection are required to be paid for any of the 2013 through 2017 crop years of a covered commodity, the amount of the agriculture risk coverage payment for the crop year shall be equal to the product obtained by multiplying—

(A) the payment rate under paragraph (5); and

(B)(i) in the case of individual coverage the sum of—

(I) 65 percent of the planted eligible acres of the covered commodity; and

(II) 45 percent of the eligible acres that were prevented from being planted to the covered commodity; or

(ii) in the case of county coverage—

(I) 80 percent of the planted eligible acres of the covered commodity; and

(II) 45 percent of the eligible acres that were prevented from being planted to the covered commodity.

(7) DUTIES OF THE SECRETARY.—In carrying out the program under this subsection, the Secretary shall—

(A) to the maximum extent practicable, use all available information and analysis to check for anomalies in the determination of payments under the program;

(B) to the maximum extent practicable, calculate a separate actual crop revenue and agriculture risk coverage guarantee for irrigated and nonirrigated covered commodities;

(C) differentiate by type or class the national average price of—

(i) sunflower seeds;

(ii) barley, using malting barley values; and

(iii) wheat; and

(D) assign a yield for each acre planted or prevented from being planted for the crop year for the covered commodity on the basis of the yield history of representative farms in the State, region, or crop reporting district, as determined by the Secretary, if the Secretary cannot establish the yield as determined under paragraph (3)(A)(ii) or (4)(B)(i) or if the yield determined under paragraph (3)(A)(ii) or (4) is an unrepresentative average yield for the covered commodity as determined by the Secretary.

SEC. 1106. PRODUCER AGREEMENT REQUIRED AS CONDITION OF PROVISION OF PAYMENTS.

(a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

(1) REQUIREMENTS.—Before the producers on a farm may receive agriculture risk coverage payments, the producers shall agree, during the crop year for which the payments are made and in exchange for the payments—

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

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

(C) to use the land on the farm for an agricultural or conserving use in a quantity equal to the attributable eligible acres of the farm, and not for a nonagricultural commercial, industrial, or residential use, as determined by the Secretary; and

(D) to effectively control noxious weeds and otherwise maintain the land in accordance with sound agricultural practices, as determined by the Secretary, if the agricultural or conserving use involves the noncultivation of any portion of the land referred to in subparagraph (C).

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

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

(b) TRANSFER OR CHANGE OF INTEREST IN FARM.—

(1) TERMINATION.—

(A) IN GENERAL.—Except as provided in paragraph (2), a transfer of (or change in) the interest of the producers on a farm for which agriculture risk coverage payments are made shall result in the termination of the agriculture risk coverage payments, unless the transferee or owner of the acreage agrees to assume all obligations under subsection (a).

(B) EFFECTIVE DATE.—The termination shall take effect on the date determined by the Secretary.

(2) EXCEPTION.—If a producer entitled to an agriculture risk coverage payment dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment, in accordance with rules issued by the Secretary.

(c) REPORTS.—

(1) ACREAGE REPORTS.—As a condition on the receipt of any benefits under this subtitle or subtitle B, the Secretary shall require producers on a farm to submit to the Secretary annual acreage reports with respect to all cropland on the farm.

(2) PRODUCTION REPORTS.—As a condition on the receipt of any benefits under section 1105, the Secretary shall require producers on a farm to submit to the Secretary annual production reports with respect to all covered commodities produced on the farm.

(3) PENALTIES.—No penalty with respect to benefits under this subtitle or subtitle B shall be assessed against the producers on a farm for an inaccurate acreage or production report unless the producers on the farm knowingly and willfully falsified the acreage or production report.

(4) DATA REPORTING.—To the maximum extent practicable, the Secretary shall use data reported by the producer pursuant to requirements under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) to meet the obligations described in paragraphs (1) and (2), without additional submissions to the Department.

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

SEC. 1107. PERIOD OF EFFECTIVENESS.

Sections 1104 through 1106 shall be effective beginning with the 2013 crop year of each covered commodity through the 2017 crop year.

Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments

SEC. 1201. AVAILABILITY OF NONRECOURSE MARKETING ASSISTANCE LOANS FOR LOAN COMMODITIES.

(a) DEFINITION OF LOAN COMMODITY.—In this subtitle, the term ''loan commodity'' means wheat, corn, grain sorghum, barley, oats, upland cotton, extra long staple cotton, long grain rice, medium grain rice, peanuts, soybeans, other oilseeds, graded wool, nongraded wool, mohair, honey, dry peas, lentils, small chickpeas, and large chickpeas.

(b) NONRECOURSE LOANS AVAILABLE.—

(1) IN GENERAL.—For each of the 2013 through 2017 crops of each loan commodity, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for loan commodities produced on the farm.

(2) TERMS AND CONDITIONS.—The marketing assistance loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under section 1202 for the loan commodity.

(c) ELIGIBLE PRODUCTION.—The producers on a farm shall be eligible for a marketing assistance loan under subsection (b) for any quantity of a loan commodity produced on the farm.

(d) COMPLIANCE WITH CONSERVATION AND WETLANDS REQUIREMENTS.—

(1) REQUIREMENTS.—Before the producers on a farm may receive a marketing assistance loan or any other payment or benefit under this subtitle, the producers shall agree, for the crop year for which the payments are made and in exchange for the payments—

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

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

(C) to use the land on the farm for an agricultural or conserving use in a quantity equal to the attributable eligible acres of the farm, and not for a nonagricultural commercial, industrial, or residential use, as determined by the Secretary; and

(D) to effectively control noxious weeds and otherwise maintain the land in accordance with sound agricultural practices, as determined by the Secretary, if the agricultural or conserving use involves the noncultivation of any portion of the land referred to in subparagraph (C).

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

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

(e) SPECIAL RULES FOR PEANUTS.—

(1) IN GENERAL.—This subsection shall apply only to producers of peanuts.

(2) OPTIONS FOR OBTAINING LOAN.—A marketing assistance loan under this section, and loan deficiency payments under section 1205, may be obtained at the option of the producers on a farm through—

(A) a designated marketing association or marketing cooperative of producers that is approved by the Secretary; or

(B) the Farm Service Agency.

(3) STORAGE OF LOAN PEANUTS.—As a condition on the approval by the Secretary of an individual or entity to provide storage for peanuts for which a marketing assistance loan is made under this section, the individual or entity shall agree—

(A) to provide the storage on a nondiscriminatory basis; and

(B) to comply with such additional requirements as the Secretary considers appropriate to accomplish the purposes of this section and promote fairness in the administration of the benefits of this section.

(4) STORAGE, HANDLING, AND ASSOCIATED COSTS.—

(A) IN GENERAL.—To ensure proper storage of peanuts for which a loan is made under this section, the Secretary shall pay handling and other associated costs (other than storage costs) incurred at the time at which the peanuts are placed under loan, as determined by the Secretary.

(B) REDEMPTION AND FORFEITURE.—The Secretary shall—

(i) require the repayment of handling and other associated costs paid under subparagraph (A) for all peanuts pledged as collateral for a loan that is redeemed under this section; and

(ii) pay storage, handling, and other associated costs for all peanuts pledged as collateral that are forfeited under this section.

(5) MARKETING.—A marketing association or cooperative may market peanuts for which a loan is made under this section in any manner that conforms to consumer needs, including the separation of peanuts by type and quality.

(6) REIMBURSABLE AGREEMENTS AND PAYMENT OF ADMINISTRATIVE EXPENSES.—The Secretary may implement any reimbursable agreements or provide for the payment of administrative expenses under this subsection only in a manner that is consistent with those activities in regard to other loan commodities.

SEC. 1202. LOAN RATES FOR NONRECOURSE MARKETING ASSISTANCE LOANS.

(a) IN GENERAL.—For purposes of each of the 2013 through 2017 crop years, the loan rate for a marketing assistance loan under section 1201 for a loan commodity shall be equal to the following:

(1) In the case of wheat, $2.94 per bushel.

(2) In the case of corn, $1.95 per bushel.

(3) In the case of grain sorghum, $1.95 per bushel.

(4) In the case of barley, $1.95 per bushel.

(5) In the case of oats, $1.39 per bushel.

(6) In the case of base quality of upland cotton, for the 2013 and each subsequent crop year, the simple average of the adjusted prevailing world price for the 2 immediately preceding marketing years, as determined by the Secretary and announced October 1 preceding the next domestic plantings, but in no case less than $0.47 per pound or more than $0.52 per pound.

(7) In the case of extra long staple cotton, $0.7977 per pound.

(8) In the case of long grain rice, $6.50 per hundredweight.

(9) In the case of medium grain rice, $6.50 per hundredweight.

(10) In the case of soybeans, $5.00 per bushel.

(11) In the case of other oilseeds, $10.09 per hundredweight for each of the following kinds of oilseeds:

(A) Sunflower seed.

(B) Rapeseed.

(C) Canola.

(D) Safflower.

(E) Flaxseed.

(F) Mustard seed.

(G) Crambe.

(H) Sesame seed.

(I) Other oilseeds designated by the Secretary.

(12) In the case of dry peas, $5.40 per hundredweight.

(13) In the case of lentils, $11.28 per hundredweight.

(14) In the case of small chickpeas, $7.43 per hundredweight.

(15) In the case of large chickpeas, $11.28 per hundredweight.

(16) In the case of graded wool, $1.15 per pound.

(17) In the case of nongraded wool, $0.40 per pound.

(18) In the case of mohair, $4.20 per pound.

(19) In the case of honey, $0.69 per pound.

(20) In the case of peanuts, $355 per ton.

(b) SINGLE COUNTY LOAN RATE FOR OTHER OILSEEDS.—The Secretary shall establish a single loan rate in each county for each kind of other oilseeds described in subsection (a)(11).

SEC. 1203. TERM OF LOANS.

(a) TERM OF LOAN.—In the case of each loan commodity, a marketing assistance loan under section 1201 shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made.

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

SEC. 1204. REPAYMENT OF LOANS.

(a) GENERAL RULE.—The Secretary shall permit the producers on a farm to repay a marketing assistance loan under section 1201 for a loan commodity (other than upland cotton, long grain rice, medium grain rice, extra long staple cotton, peanuts and confectionery and each other kind of sunflower seed (other than oil sunflower seed)) at a rate that is the lesser of—

(1) the loan rate established for the commodity under section 1202, plus interest (determined in accordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283));

(2) a rate (as determined by the Secretary) that—

(A) is calculated based on average market prices for the loan commodity during the preceding 30-day period; and

(B) will minimize discrepancies in marketing loan benefits across State boundaries and across county boundaries; or

(3) a rate that the Secretary may develop using alternative methods for calculating a repayment rate for a loan commodity that the Secretary determines will—

(A) minimize potential loan forfeitures;

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

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

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

(E) minimize discrepancies in marketing loan benefits across State boundaries and across county boundaries.

(b) REPAYMENT RATES FOR UPLAND COTTON, LONG GRAIN RICE, AND MEDIUM GRAIN RICE.—The Secretary shall permit producers to repay a marketing assistance loan under section 1201 for upland cotton, long grain rice, and medium grain rice at a rate that is the lesser of—

(1) the loan rate established for the commodity under section 1202, plus interest (determined in accordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283)); or

(2) the prevailing world market price for the commodity, as determined and adjusted by the Secretary in accordance with this section.

(c) REPAYMENT RATES FOR EXTRA LONG STAPLE COTTON.—Repayment of a marketing assistance loan for extra long staple cotton shall be at the loan rate established for the commodity under section 1202, plus interest (determined in accordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283)).

(d) PREVAILING WORLD MARKET PRICE.—For purposes of this section and section 1207, the Secretary shall prescribe by regulation—

(1) a formula to determine the prevailing world market price for each of upland cotton, long grain rice, and medium grain rice; and

(2) a mechanism by which the Secretary shall announce periodically those prevailing world market prices.

(e) ADJUSTMENT OF PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON, LONG GRAIN RICE, AND MEDIUM GRAIN RICE.—

(1) RICE.—The prevailing world market price for long grain rice and medium grain rice determined under subsection (d) shall be adjusted to United States quality and location.

(2) COTTON.—The prevailing world market price for upland cotton determined under subsection (d)—

(A) shall be adjusted to United States quality and location, with the adjustment to include—

(i) a reduction equal to any United States Premium Factor for upland cotton of a quality higher than Middling (M) 1 3/32-inch; and

(ii) the average costs to market the commodity, including average transportation costs, as determined by the Secretary; and

(B) may be further adjusted, during the period beginning on the date of enactment of this Act and ending on July 31, 2018, if the Secretary determines the adjustment is necessary—

(i) to minimize potential loan forfeitures;

(ii) to minimize the accumulation of stocks of upland cotton by the Federal Government;

(iii) to ensure that upland cotton produced in the United States can be marketed freely and competitively, both domestically and internationally; and

(iv) to ensure an appropriate transition between current-crop and forward-crop price quotations, except that the Secretary may use forward-crop price quotations prior to July 31 of a marketing year only if—

(I) there are insufficient current-crop price quotations; and

(II) the forward-crop price quotation is the lowest such quotation available.

(3) GUIDELINES FOR ADDITIONAL ADJUSTMENTS.—In making adjustments under this subsection, the Secretary shall establish a mechanism for determining and announcing the adjustments in order to avoid undue disruption in the United States market.

(f) REPAYMENT RATES FOR CONFECTIONERY AND OTHER KINDS OF SUNFLOWER SEEDS.—The Secretary shall permit the producers on a farm to repay a marketing assistance loan under section 1201 for confectionery and each other kind of sunflower seed (other than oil sunflower seed) at a rate that is the lesser of—

(1) the loan rate established for the commodity under section 1202, plus interest (determined in accordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283)); or

(2) the repayment rate established for oil sunflower seed.

(g) PAYMENT OF COTTON STORAGE COSTS.—Effective for each of the 2013 through 2017 crop years, the Secretary shall make cotton storage payments available in the same manner, and at the same rates as the Secretary provided storage payments for the 2006 crop of cotton, except that the rates shall be reduced by 20 percent.

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

(1) the loan rate established for peanuts under subsection (b), plus interest (determined in accordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283)); or

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

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

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

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

(i) AUTHORITY TO TEMPORARILY ADJUST REPAYMENT RATES.—

(1) ADJUSTMENT AUTHORITY.—In the event of a severe disruption to marketing, transportation, or related infrastructure, the Secretary may modify the repayment rate otherwise applicable under this section for marketing assistance loans under section 1201 for a loan commodity.

(2) DURATION.—Any adjustment made under paragraph (1) in the repayment rate for marketing assistance loans for a loan commodity shall be in effect on a short-term and temporary basis, as determined by the Secretary.

SEC. 1205. LOAN DEFICIENCY PAYMENTS.

(a) AVAILABILITY OF LOAN DEFICIENCY PAYMENTS.—

(1) IN GENERAL.—Except as provided in subsection (d), the Secretary may make loan deficiency payments available to producers on a farm that, although eligible to obtain a marketing assistance loan under section 1201 with respect to a loan commodity, agree to forgo obtaining the loan for the commodity in return for loan deficiency payments under this section.

(2) UNSHORN PELTS, HAY, AND SILAGE.—

(A) MARKETING ASSISTANCE LOANS.—Subject to subparagraph (B), nongraded wool in the form of unshorn pelts and hay and silage derived from a loan commodity are not eligible for a marketing assistance loan under section 1201.

(B) LOAN DEFICIENCY PAYMENT.—Effective for the 2013 through 2017 crop years, the Secretary may make loan deficiency payments available under this section to producers on a farm that produce unshorn pelts or hay and silage derived from a loan commodity.

(b) COMPUTATION.—A loan deficiency payment for a loan commodity or commodity referred to in subsection (a)(2) shall be equal to the product obtained by multiplying—

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

(2) the quantity of the commodity produced by the eligible producers, excluding any quantity for which the producers obtain a marketing assistance loan under section 1201.

(c) PAYMENT RATE.—

(1) IN GENERAL.—In the case of a loan commodity, the payment rate shall be the amount by which—

(A) the loan rate established under section 1202 for the loan commodity; exceeds

(B) the rate at which a marketing assistance loan for the loan commodity may be repaid under section 1204.

(2) UNSHORN PELTS.—In the case of unshorn pelts, the payment rate shall be the amount by which—

(A) the loan rate established under section 1202 for ungraded wool; exceeds

(B) the rate at which a marketing assistance loan for ungraded wool may be repaid under section 1204.

(3) HAY AND SILAGE.—In the case of hay or silage derived from a loan commodity, the payment rate shall be the amount by which—

(A) the loan rate established under section 1202 for the loan commodity from which the hay or silage is derived; exceeds

(B) the rate at which a marketing assistance loan for the loan commodity may be repaid under section 1204.

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

(e) EFFECTIVE DATE FOR PAYMENT RATE DETERMINATION.—The Secretary shall determine the amount of the loan deficiency payment to be made under this section to the producers on a farm with respect to a quantity of a loan commodity or commodity referred to in subsection (a)(2) using the payment rate in effect under subsection (c) as of the date the producers request the payment.

SEC. 1206. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.

(a) ELIGIBLE PRODUCERS.—

(1) IN GENERAL.—Effective for the 2013 through 2017 crop years, in the case of a producer that would be eligible for a loan deficiency payment under section 1205 for wheat, barley, or oats, but that elects to use acreage planted to the wheat, barley, or oats for the grazing of livestock, the Secretary shall make a payment to the producer under this section if the producer enters into an agreement with the Secretary to forgo any other harvesting of the wheat, barley, or oats on that acreage.

(2) GRAZING OF TRITICALE ACREAGE.—Effective for the 2013 through 2017 crop years, with respect to a producer on a farm that uses acreage planted to triticale for the grazing of livestock, the Secretary shall make a payment to the producer under this section if the producer enters into an agreement with the Secretary to forgo any other harvesting of triticale on that acreage.

(b) PAYMENT AMOUNT.—

(1) IN GENERAL.—The amount of a payment made under this section to a producer on a farm described in subsection (a)(1) shall be equal to the amount determined by multiplying—

(A) the loan deficiency payment rate determined under section 1205(c) in effect, as of the date of the agreement, for the county in which the farm is located; by

(B) the payment quantity determined by multiplying—

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

(ii)(I) the yield in effect for the calculation of agriculture risk coverage payments under subtitle A with respect to that loan commodity on the farm; or

(II) in the case of a farm without a payment yield for that loan commodity, an appropriate yield established by the Secretary.

(2) GRAZING OF TRITICALE ACREAGE.—The amount of a payment made under this section to a producer on a farm described in subsection (a)(2) shall be equal to the amount determined by multiplying—

(A) the loan deficiency payment rate determined under section 1205(c) in effect for wheat, as of the date of the agreement, for the county in which the farm is located; by

(B) the payment quantity determined by multiplying—

(i) the quantity of the grazed acreage on the farm with respect to which the producer elects to forgo harvesting of triticale; and

(ii)(I) the yield in effect for the calculation of agriculture risk coverage payments under subtitle A with respect to wheat on the farm; or

(II) in the case of a farm without a payment yield for wheat, an appropriate yield established by the Secretary in a manner consistent with section 1102 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8712).

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

(1) TIME AND MANNER.—A payment under this section shall be made at the same time and in the same manner as loan deficiency payments are made under section 1205.

(2) AVAILABILITY.—

(A) IN GENERAL.—The Secretary shall establish an availability period for the payments authorized by this section.

(B) CERTAIN COMMODITIES.—In the case of wheat, barley, and oats, the availability period shall be consistent with the availability period for the commodity established by the Secretary for marketing assistance loans authorized by this subtitle.

(d) PROHIBITION ON CROP INSURANCE INDEMNITY OR NONINSURED CROP ASSISTANCE.—A 2013 through 2017 crop of wheat, barley, oats, or triticale planted on acreage that a producer elects, in the agreement required by subsection (a), to use for the grazing of livestock in lieu of any other harvesting of the crop shall not be eligible for an indemnity under a policy or plan of insurance authorized under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) or noninsured crop assistance under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333).

SEC. 1207. SPECIAL MARKETING LOAN PROVISIONS FOR UPLAND COTTON.

(a) SPECIAL IMPORT QUOTA.—

(1) DEFINITION OF SPECIAL IMPORT QUOTA.—In this subsection, the term ''special import quota'' means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(2) ESTABLISHMENT.—

(A) IN GENERAL.—The President shall carry out an import quota program during the period beginning on August 1, 2013, and ending on July 31, 2018, as provided in this subsection.

(B) PROGRAM REQUIREMENTS.—Whenever the Secretary determines and announces that for any consecutive 4-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1 3/32-inch cotton, delivered to a definable and significant international market, as determined by the Secretary, exceeds the prevailing world market price, there shall immediately be in effect a special import quota.

(3) QUANTITY.—The quota shall be equal to the consumption during a 1-week period of cotton by domestic mills at the seasonally adjusted average rate of the most recent 3 months for which official data of the Department of Agriculture or other data are available.

(4) APPLICATION.—The quota shall apply to upland cotton purchased not later than 90 days after the date of the Secretary's announcement under paragraph (2) and entered into the United States not later than 180 days after that date.

(5) OVERLAP.—A special quota period may be established that overlaps any existing quota period if required by paragraph (2), except that a special quota period may not be established under this subsection if a quota period has been established under subsection (b).

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

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

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

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

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

(7) LIMITATION.—The quantity of cotton entered into the United States during any marketing year under the special import quota established under this subsection may not exceed the equivalent of 10 week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the 3 months immediately preceding the first special import quota established in any marketing year.

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

(1) DEFINITIONS.—In this subsection:

(A) DEMAND.—The term ''demand'' means—

(i) the average seasonally adjusted annual rate of domestic mill consumption of cotton during the most recent 3 months for which official data of the Department of Agriculture (as determined by the Secretary) are available; and

(ii) the larger of—

(I) average exports of upland cotton during the preceding 6 marketing years; or

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

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

(C) SUPPLY.—The term ''supply'' means, using the latest official data of the Department of Agriculture—

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

(ii) production of the current crop; and

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

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

(A) QUANTITY.—The quantity of the quota shall be equal to 21 days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent 3 months for which official data of the Department of Agriculture are available or as estimated by the Secretary.

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

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

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

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

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

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

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

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

(c) ECONOMIC ADJUSTMENT ASSISTANCE TO USERS OF UPLAND COTTON.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall, on a monthly basis, make economic adjustment assistance available to domestic users of upland cotton in the form of payments for all documented use of that upland cotton during the previous monthly period regardless of the origin of the upland cotton.

(2) VALUE OF ASSISTANCE.—Effective beginning on August 1, 2012, the value of the assistance provided under paragraph (1) shall be 3 cents per pound.

(3) ALLOWABLE PURPOSES.—Economic adjustment assistance under this subsection shall be made available only to domestic users of upland cotton that certify that the assistance shall be used only to acquire, construct, install, modernize, develop, convert, or expand land, plant, buildings, equipment, facilities, or machinery.

(4) REVIEW OR AUDIT.—The Secretary may conduct such review or audit of the records of a domestic user under this subsection as the Secretary determines necessary to carry out this subsection.

(5) IMPROPER USE OF ASSISTANCE.—If the Secretary determines, after a review or audit of the records of the domestic user, that economic adjustment assistance under this subsection was not used for the purposes specified in paragraph (3), the domestic user shall be—

(A) liable for the repayment of the assistance to the Secretary, plus interest, as determined by the Secretary; and

(B) ineligible to receive assistance under this subsection for a period of 1 year following the determination of the Secretary.

SEC. 1208. SPECIAL COMPETITIVE PROVISIONS FOR EXTRA LONG STAPLE COTTON.

(a) COMPETITIVENESS PROGRAM.—Notwithstanding any other provision of law, during the period beginning on the date of enactment of this Act through July 31, 2018, the Secretary shall carry out a program—

(1) to maintain and expand the domestic use of extra long staple cotton produced in the United States;

(2) to increase exports of extra long staple cotton produced in the United States; and

(3) to ensure that extra long staple cotton produced in the United States remains competitive in world markets.

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

(1) for a consecutive 4-week period, the world market price for the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location and for other factors affecting the competitiveness of such cotton), as determined by the Secretary, is below the prevailing United States price for a competing growth of extra long staple cotton; and

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

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

(d) PAYMENT AMOUNT.—Payments under this section shall be based on the amount of the difference in the prices referred to in subsection (b)(1) during the fourth week of the consecutive 4-week period multiplied by the amount of documented purchases by domestic users and sales for export by exporters made in the week following such a consecutive 4-week period.

SEC. 1209. AVAILABILITY OF RECOURSE LOANS FOR HIGH MOISTURE FEED GRAINS AND SEED COTTON.

(a) HIGH MOISTURE FEED GRAINS.—

(1) DEFINITION OF HIGH MOISTURE STATE.—In this subsection, the term ''high moisture state'' means corn or grain sorghum having a moisture content in excess of Commodity Credit Corporation standards for marketing assistance loans made by the Secretary under section 1201.

(2) RECOURSE LOANS AVAILABLE.—For each of the 2013 through 2017 crops of corn and grain sorghum, the Secretary shall make available recourse loans, as determined by the Secretary, to producers on a farm that—

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

(B) present—

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

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

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

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

(3) ELIGIBILITY OF ACQUIRED FEED GRAINS.—A loan under this subsection shall be made on a quantity of corn or grain sorghum of the same crop acquired by the producer equivalent to a quantity determined by multiplying—

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

(B) the lower of the actual average yield used to make payments under subtitle A or the actual yield on a field, as determined by the Secretary, that is similar to the field from which the corn or grain sorghum was obtained.

(b) RECOURSE LOANS AVAILABLE FOR SEED COTTON.—For each of the 2013 through 2017 crops of upland cotton and extra long staple cotton, the Secretary shall make available recourse seed cotton loans, as determined by the Secretary, on any production.

(c) REPAYMENT RATES.—Repayment of a recourse loan made under this section shall be at the loan rate established for the commodity by the Secretary, plus interest (determined in accordance with section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283)).

SEC. 1210. ADJUSTMENTS OF LOANS.

(a) ADJUSTMENT AUTHORITY.—Subject to subsection (e), the Secretary may make appropriate adjustments in the loan rates for any loan commodity (other than cotton) for differences in grade, type, quality, location, and other factors.

(b) MANNER OF ADJUSTMENT.—The adjustments under subsection (a) shall, to the maximum extent practicable, be made in such a manner that the average loan level for the commodity will, on the basis of the anticipated incidence of the factors, be equal to the level of support determined in accordance with this subtitle and subtitles C through E.

(c) ADJUSTMENT ON COUNTY BASIS.—

(1) IN GENERAL.—The Secretary may establish loan rates for a crop for producers in individual counties in a manner that results in the lowest loan rate being 95 percent of the national average loan rate, if those loan rates do not result in an increase in outlays.

(2) PROHIBITION.—Adjustments under this subsection shall not result in an increase in the national average loan rate for any year.

(d) ADJUSTMENT IN LOAN RATE FOR COTTON.—

(1) IN GENERAL.—The Secretary may make appropriate adjustments in the loan rate for cotton for differences in quality factors.

(2) REVISIONS TO QUALITY ADJUSTMENTS FOR UPLAND COTTON.—

(A) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary shall implement revisions in the administration of the marketing assistance loan program for upland cotton to more accurately and efficiently reflect market values for upland cotton.

(B) MANDATORY REVISIONS.—Revisions under subparagraph (A) shall include—

(i) the elimination of warehouse location differentials;

(ii) the establishment of differentials for the various quality factors and staple lengths of cotton based on a 3-year, weighted moving average of the weighted designated spot market regions, as determined by regional production;

(iii) the elimination of any artificial split in the premium or discount between upland cotton with a 32 or 33 staple length due to micronaire; and

(iv) a mechanism to ensure that no premium or discount is established that exceeds the premium or discount associated with a leaf grade that is 1 better than the applicable color grade.

(C) DISCRETIONARY REVISIONS.—Revisions under subparagraph (A) may include—

(i) the use of non-spot market price data, in addition to spot market price data, that would enhance the accuracy of the price information used in determining quality adjustments under this subsection;

(ii) adjustments in the premiums or discounts associated with upland cotton with a staple length of 33 or above due to micronaire with the goal of eliminating any unnecessary artificial splits in the calculations of the premiums or discounts; and

(iii) such other adjustments as the Secretary determines appropriate, after consultations conducted in accordance with paragraph (3).

(3) CONSULTATION WITH PRIVATE SECTOR.—

(A) PRIOR TO REVISION.—In making adjustments to the loan rate for cotton (including any review of the adjustments) as provided in this subsection, the Secretary shall consult with representatives of the United States cotton industry.

(B) INAPPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to consultations under this subsection.

(4) REVIEW OF ADJUSTMENTS.—The Secretary may review the operation of the upland cotton quality adjustments implemented pursuant to this subsection and may make further revisions to the administration of the loan program for upland cotton, by—

(A) revoking or revising any actions taken under paragraph (2)(B); or

(B) revoking or revising any actions taken or authorized to be taken under paragraph (2)(C).

(e) RICE.—The Secretary shall not make adjustments in the loan rates for long grain rice and medium grain rice, except for differences in grade and quality (including milling yields).

Subtitle C—Sugar

SEC. 1301. SUGAR PROGRAM.

(a) CONTINUATION OF CURRENT PROGRAM AND LOAN RATES.—

(1) SUGARCANE.—Section 156(a)(5) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272(a)(5)) is amended by striking ''the 2012 crop year'' and inserting ''each of the 2012 through 2017 crop years''.

(2) SUGAR BEETS.—Section 156(b)(2) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272(b)(2)) is amended by striking ''2012'' and inserting ''2017''.

(3) EFFECTIVE PERIOD.—Section 156(i) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272(i)) is amended by striking ''2012'' and inserting ''2017''.

(b) FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR.—

(1) SUGAR ESTIMATES.—Section 359b(a)(1) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359bb(a)(1)) is amended by striking ''2012'' and inserting ''2017''.

(2) EFFECTIVE PERIOD.—Section 359l(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ll(a)) is amended by striking ''2012'' and inserting ''2017''.

Subtitle D—Dairy

PART I—DAIRY PRODUCTION MARGIN PROTECTION AND DAIRY MARKET STABILIZATION PROGRAMS

SEC. 1401. DEFINITIONS.

In this part:

(1) ACTUAL DAIRY PRODUCTION MARGIN.—The term ''actual dairy production margin'' means the difference between the all-milk price and the average feed cost, as calculated under section 1402.

(2) ALL-MILK PRICE.—The term ''all-milk price'' means the average price received, per hundredweight of milk, by dairy operations for all milk sold to plants and dealers in the United States, as determined by the Secretary.

(3) ANNUAL PRODUCTION HISTORY.—The term ''annual production history'' means the production history determined for a participating dairy operation under section 1413(b) whenever the participating dairy operation purchases supplemental production margin protection.

(4) AVERAGE FEED COST.—The term ''average feed cost'' means the average cost of feed used by a dairy operation to produce a hundredweight of milk, determined under section 1402 using the sum of the following:

(A) The product determined by multiplying 1.0728 by the price of corn per bushel.

(B) The product determined by multiplying 0.00735 by the price of soybean meal per ton.

(C) The product determined by multiplying 0.0137 by the price of alfalfa hay per ton.

(5) BASIC PRODUCTION HISTORY.—The term ''basic production history'' means the production history determined for a participating dairy operation under section 1413(a) for provision of basic production margin protection.

(6) CONSECUTIVE 2-MONTH PERIOD.—The term ''consecutive 2-month period'' refers to the 2-month period consisting of the months of January and February, March and April, May and June, July and August, September and October, or November and December, respectively.

(7) DAIRY OPERATION.—

(A) IN GENERAL.—The term ''dairy operation'' means, as determined by the Secretary, 1 or more dairy producers that produce and market milk as a single dairy operation in which each dairy producer—

(i) shares in the pooling of resources and a common ownership structure;

(ii) is at risk in the production of milk on the dairy operation; and

(iii) contributes land, labor, management, equipment, or capital to the dairy operation.

(B) ADDITIONAL OWNERSHIP STRUCTURES.—The Secretary shall determine additional ownership structures to be covered by the definition of dairy operation.

(8) HANDLER.—

(A) IN GENERAL.—The term ''handler'' means the initial individual or entity making payment to a dairy operation for milk produced in the United States and marketed for commercial use.

(B) PRODUCER-HANDLER.—The term includes a ''producer-handler'' when the producer satisfies the definition in subparagraph (A).

(9) PARTICIPATING DAIRY OPERATION.—The term ''participating dairy operation'' means a dairy operation that—

(A) signs up under section 1412 to participate in the production margin protection program under subpart A; and

(B) as a result, also participates in the stabilization program under subpart B.

(10) PRODUCTION MARGIN PROTECTION PROGRAM.—The term ''production margin protection program'' means the dairy production margin protection program required by subpart A.

(11) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(12) STABILIZATION PROGRAM.—The term ''stabilization program'' means the dairy market stabilization program required by subpart B for all participating dairy operations.

(13) STABILIZATION PROGRAM BASE.—The term ''stabilization program base'', with respect to a participating dairy operation, means the stabilization program base calculated for the participating dairy operation under section 1431(b).

(14) UNITED STATES.—The term ''United States'', in a geographical sense, means the 50 States, the District of Columbia, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, and any other territory or possession of the United States.

SEC. 1402. CALCULATION OF AVERAGE FEED COST AND ACTUAL DAIRY PRODUCTION MARGINS.

(a) CALCULATION OF AVERAGE FEED COST.—The Secretary shall calculate the national average feed cost for each month using the following data:

(1) The price of corn for a month shall be the price received during that month by farmers in the United States for corn, as reported in the monthly Agricultural Prices report by the Secretary.

(2) The price of soybean meal for a month shall be the central Illinois price for soybean meal, as reported in the Market News–Monthly Soybean Meal Price Report by the Secretary.

(3) The price of alfalfa hay for a month shall be the price received during that month by farmers in the United States for alfalfa hay, as reported in the monthly Agricultural Prices report by the Secretary.

(b) CALCULATION OF ACTUAL DAIRY PRODUCTION MARGINS.—

(1) PRODUCTION MARGIN PROTECTION PROGRAM.—For use in the production margin protection program under subpart A, the Secretary shall calculate the actual dairy production margin for each consecutive 2-month period by subtracting—

(A) the average feed cost for that consecutive 2-month period, determined in accordance with subsection (a); from

(B) the all-milk price for that consecutive 2-month period.

(2) STABILIZATION PROGRAM.—For use in the stabilization program under subpart B, the Secretary shall calculate each month the actual dairy production margin for the preceding month by subtracting—

(A) the average feed cost for that preceding month, determined in accordance with subsection (a); from

(B) the all-milk price for that preceding month.

(3) TIME FOR CALCULATIONS.—The calculations required by paragraphs (1) and (2) shall be made as soon as practicable using the full month price of the applicable reference month.

Subpart A—Dairy Production Margin Protection Program

SEC. 1411. ESTABLISHMENT OF DAIRY PRODUCTION MARGIN PROTECTION PROGRAM.

Effective not later than 120 days after the effective date of this subtitle, the Secretary shall establish and administer a dairy production margin protection program under which participating dairy operations are paid—

(1) basic production margin protection program payments under section 1414 when actual dairy production margins are less than the threshold levels for such payments; and

(2) supplemental production margin protection program payments under section 1415 if purchased by a participating dairy operation.

SEC. 1412. PARTICIPATION OF DAIRY OPERATIONS IN PRODUCTION MARGIN PROTECTION PROGRAM.

(a) ELIGIBILITY.—All dairy operations in the United States shall be eligible to participate in the production margin protection program, except that a participating dairy operation shall be required to register with the Secretary before the participating dairy operation may receive—

(1) basic production margin protection program payments under section 1414; and

(2) if the participating dairy operation purchases supplemental production margin protection under section 1415, supplemental production margin protection program payments under such section.

(b) REGISTRATION PROCESS.—

(1) IN GENERAL.—The Secretary shall specify the manner and form by which a participating dairy operation may register to participate in the production margin protection program.

(2) TREATMENT OF MULTIPRODUCER DAIRY OPERATIONS.—If a participating dairy operation is operated by more than 1 dairy producer, all of the dairy producers of the participating dairy operation shall be treated as a single dairy operation for purposes of—

(A) registration to receive basic production margin protection and election to purchase supplemental production margin protection;

(B) payment of the participation fee under subsection (d) and producer premiums under section 1415; and

(C) participation in the stabilization program under subtitle B.

(3) TREATMENT OF PRODUCERS WITH MULTIPLE DAIRY OPERATIONS.—If a dairy producer operates 2 or more dairy operations, each dairy operation of the producer shall separately register to receive basic production margin protection and purchase supplemental production margin protection and only those dairy operations so registered shall be covered by the stabilization program.

(c) TIME FOR REGISTRATION.—

(1) EXISTING DAIRY OPERATIONS.—During the 15-month period beginning on the date of the initiation of the registration period for the production margin protection program, a dairy operation that is actively engaged as of such date may register with the Secretary—

(A) to receive basic production margin protection; and

(B) if the dairy operation elects, to purchase supplemental production margin protection.

(2) NEW ENTRANTS.—A dairy producer that has no existing interest in a dairy operation as of the date of the initiation of the registration period for the production margin protection program, but that, after such date, establishes a new dairy operation, may register with the Secretary during the 1-year period beginning on the date on which the dairy operation first markets milk commercially—

(A) to receive basic production margin protection; and

(B) if the dairy operation elects, to purchase supplemental production margin protection.

(d) TRANSITION FROM MILC TO PRODUCTION MARGIN PROTECTION.—

(1) DEFINITION OF TRANSITION PERIOD.—In this subsection, the term ''transition period'' means the period during which the milk income loss program established under section 1506 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8773) and the production margin protection program under this subtitle are both in existence.

(2) NOTICE OF AVAILABILITY.—Not later than 30 days after the date of enactment of this Act, the Secretary shall publish a notice in the Federal Register to inform dairy operations of the availability of basic production margin protection and supplemental production margin protection, including the terms of the protection and information about the option of dairy operations during the transition period to make an election described in paragraph (3).

(3) ELECTION.—Except as provided in paragraph (4), a dairy operation may elect to participate in either the milk income loss program established under section 1506 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8773) or the production margin protection program under this subtitle for the duration of the transition period.

(4) TRANSFER TO PRODUCTION MARGIN PROTECTION.—A dairy operation that elects to participate in the milk income loss program established under section 1506 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8773) during the transition period may, at any time, make a permanent transfer to the production margin protection program.

(e) ADMINISTRATION FEE.—

(1) ADMINISTRATION FEE REQUIRED.—Except as provided in paragraph (5), a participating dairy operation shall—

(A) pay an administration fee under this subsection to register to participate in the production margin protection program; and

(B) pay the administration fee annually thereafter to continue to participate in the production margin protection program.

(2) FEE AMOUNT.—The administration fee for a participating dairy operation for a calendar year shall be based on the pounds of milk (in millions) marketed by the participating dairy operation in the previous calendar year, as follows:

Pounds Marketed (in millions)	Administration Fee
less than 1	$100
1 to 5	$250
more than 5 to 10	$350
more than 10 to 40	$1,000
more than 40	$2,500

(3) DEPOSIT OF FEES.—All administration fees collected under this subsection shall be

credited to the fund or account used to cover the costs incurred to administer the production margin protection program and the stabilization program and shall be available to the Secretary, without further appropriation and until expended, for use or transfer as provided in paragraph (4).

(4) USE OF FEES.—The Secretary shall use administration fees collected under this subsection—

(A) to cover administrative costs of the production margin protection program and stabilization program; and

(B) to cover costs of the Department of Agriculture relating to reporting of dairy market news, carrying out the amendments made by section 1476, and carrying out section 273 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1637b)), to the extent funds remain available after operation of subparagraph (A).

(5) WAIVER.—The Secretary shall waive or reduce the administration fee required under paragraph (1) in the case of a limited-resource dairy operation, as defined by the Secretary.

(f) LIMITATION.—A dairy operation may only participate in the production margin protection program or the livestock gross margin for dairy program under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), but not both.

SEC. 1413. PRODUCTION HISTORY OF PARTICIPATING DAIRY OPERATIONS.

(a) PRODUCTION HISTORY FOR BASIC PRODUCTION MARGIN PROTECTION.—

(1) DETERMINATION REQUIRED.—For purposes of providing basic production margin protection, the Secretary shall determine the basic production history of a participating dairy operation.

(2) CALCULATION.—Except as provided in paragraph (3), the basic production history of a participating dairy operation for basic production margin protection is equal to the highest annual milk marketings of the participating dairy operation during any 1 of the 3 calendar years immediately preceding the calendar year in which the participating dairy operation first signed up to participate in the production margin protection program.

(3) ELECTION BY NEW DAIRY OPERATIONS.—In the case of a participating dairy operation that has been in operation for less than a year, the participating dairy operation shall elect 1 of the following methods for the Secretary to determine the basic production history of the participating dairy operation:

(A) The volume of the actual milk marketings for the months the participating dairy operation has been in operation extrapolated to a yearly amount.

(B) An estimate of the actual milk marketings of the participating dairy operation based on the herd size of the participating dairy operation relative to the national rolling herd average data published by the Secretary.

(4) NO CHANGE IN PRODUCTION HISTORY FOR BASIC PRODUCTION MARGIN PROTECTION.—Once the basic production history of a participating dairy operation is determined under paragraph (2) or (3), the basic production history shall not be subsequently changed for purposes of determining the amount of any basic production margin protection payments for the participating dairy operation made under section 1414.

(b) ANNUAL PRODUCTION HISTORY FOR SUPPLEMENTAL PRODUCTION MARGIN PROTECTION.—

(1) DETERMINATION REQUIRED.—For purposes of providing supplemental production margin protection for a participating dairy operation that purchases supplemental production margin protection for a year under section 1415, the Secretary shall determine the annual production history of the participating dairy operation under paragraph (2).

(2) CALCULATION.—The annual production history of a participating dairy operation for a year is equal to the actual milk marketings of the participating dairy operation during the preceding calendar year.

(3) NEW DAIRY OPERATIONS.—Subsection (a)(3) shall apply with respect to determining the annual production history of a participating dairy operation that has been in operation for less than a year.

(c) REQUIRED INFORMATION.—A participating dairy operation shall provide all information that the Secretary may require in order to establish—

(1) the basic production history of the participating dairy operation under subsection (a); and

(2) the production history of the participating dairy operation whenever the participating dairy operation purchases supplemental production margin protection under section 1415.

(d) TRANSFER OF PRODUCTION HISTORIES.—

(1) TRANSFER BY SALE OR LEASE.—In promulgating the rules to initiate the production margin protection program, the Secretary shall specify the conditions under which and the manner by which the production history of a participating dairy operation may be transferred by sale or lease.

(2) COVERAGE LEVEL.—

(A) BASIC PRODUCTION MARGIN PROTECTION.—A purchaser or lessee to whom the Secretary transfers a basic production history under this subsection shall not obtain a different level of basic production margin protection than the basic production margin protection coverage held by the seller or lessor from whom the transfer was obtained.

(B) SUPPLEMENTAL PRODUCTION MARGIN PROTECTION.—A purchaser or lessee to whom the Secretary transfers an annual production history under this subsection shall not obtain a different level of supplemental production margin protection coverage than the supplemental production margin protection coverage in effect for the seller or lessor from whom the transfer was obtained for the calendar year in which the transfer was made.

(e) MOVEMENT AND TRANSFER OF PRODUCTION HISTORY.—

(1) MOVEMENT AND TRANSFER AUTHORIZED.—Subject to paragraph (2), if a participating dairy operation moves from 1 location to another location, the participating dairy operation may transfer the basic production history and annual production history associated with the participating dairy operation.

(2) NOTIFICATION REQUIREMENT.—A participating dairy operation shall notify the Secretary of any move of a participating dairy operation under paragraph (1).

(3) SUBSEQUENT OCCUPATION OF VACATED LOCATION.—A party subsequently occupying a participating dairy operation location vacated as described in paragraph (1) shall have no interest in the basic production history or annual production history previously associated with the participating dairy operation at such location.

SEC. 1414. BASIC PRODUCTION MARGIN PROTECTION.

(a) PAYMENT THRESHOLD.—The Secretary shall make a payment to participating dairy operations in accordance with subsection (b) whenever the average actual dairy production margin for a consecutive 2-month period is less than $4.00 per hundredweight of milk.

(b) BASIC PRODUCTION MARGIN PROTECTION PAYMENT.—The basic production margin protection payment for a participating dairy operation for a consecutive 2-month period shall be equal to the product obtained by multiplying—

(1) the difference between the average actual dairy production margin for the consecutive 2-month period and $4.00, except that, if the difference is more than $4.00, the Secretary shall use $4.00; by

(2) the lesser of—

(A) 80 percent of the production history of the participating dairy operation, divided by 6; or

(B) the actual quantity of milk marketed by the participating dairy operation during the consecutive 2-month period.

SEC. 1415. SUPPLEMENTAL PRODUCTION MARGIN PROTECTION.

(a) ELECTION OF SUPPLEMENTAL PRODUCTION MARGIN PROTECTION.—A participating dairy operation may annually purchase supplemental production margin protection to protect, during the calendar year for which purchased, a higher level of the income of a participating dairy operation than the income level guaranteed by basic production margin protection under section 1414.

(b) SELECTION OF PAYMENT THRESHOLD.—A participating dairy operation purchasing supplemental production margin protection for a year shall elect a coverage level that is higher, in any increment of $0.50, than the payment threshold for basic production margin protection specified in section 1414(a), but not to exceed $8.00.

(c) COVERAGE PERCENTAGE.—A participating dairy operation purchasing supplemental production margin protection for a year shall elect a percentage of coverage equal to not more than 90 percent, nor less than 25 percent, of the annual production history of the participating dairy operation.

(d) PREMIUMS FOR SUPPLEMENTAL PRODUCTION MARGIN PROTECTION.—

(1) PREMIUMS REQUIRED.—A participating dairy operation that purchases supplemental production margin protection shall pay an annual premium equal to the product obtained by multiplying—

(A) the coverage percentage elected by the participating dairy operation under subsection (c);

(B) the annual production history of the participating dairy operation; and

(C) the premium per hundredweight of milk, as specified in the applicable table under paragraph (2) or (3).

(2) PREMIUM PER HUNDREDWEIGHT FOR FIRST 4 MILLION POUNDS OF PRODUCTION.—For the first 4,000,000 pounds of milk marketings included in the annual production history of a participating dairy operation, the premium per hundredweight corresponding to each coverage level specified in the following table is as follows:

Coverage Level	Premium per Cwt.
$4.50	$0.01
$5.00	$0.02
$5.50	$0.035
$6.00	$0.045
$6.50	$0.09
$7.00	$0.40
$7.50	$0.60
$8.00	$0.95

(3) PREMIUM PER HUNDREDWEIGHT FOR PRODUCTION IN EXCESS OF 4 MILLION POUNDS.—For milk marketings in excess of 4,000,000 pounds included in the annual production history of a participating dairy operation, the premium per hundredweight corresponding to each coverage level is as follows:

Coverage Level	Premium per Cwt.
$4.50	$0.02
$5.00	$0.04
$5.50	$0.10
$6.00	$0.15

Coverage Level	Premium per Cwt.
$6.50	$0.29
$7.00	$0.62
$7.50	$0.83
$8.00	$1.06

(4) TIME FOR PAYMENT.—In promulgating the rules to initiate the production margin protection program, the Secretary shall provide more than 1 method by which a participating dairy operation that purchases supplemental production margin protection for a calendar year may pay the premium under this subsection for that year in any manner that maximizes participating dairy operation payment flexibility and program integrity.

(e) PREMIUM OBLIGATIONS.—

(1) PRO-RATION OF PREMIUM FOR NEW DAIRY OPERATIONS.—A participating dairy operation described in section 1412(c)(2) that purchases supplemental production margin protection for a calendar year after the start of the calendar year shall pay a pro-rated premium for that calendar year based on the portion of the calendar year for which the participating dairy operation purchases the coverage.

(2) LEGAL OBLIGATION.—A participating dairy operation that purchases supplemental production margin protection for a calendar year shall be legally obligated to pay the applicable premium for that calendar year, except that the Secretary may waive that obligation, under terms and conditions determined by the Secretary, for 1 or more producers in any participating dairy operation in the case of death, retirement, permanent dissolution of a participating dairy operation, or other circumstances as the Secretary considers appropriate to ensure the integrity of the program.

(f) SUPPLEMENTAL PAYMENT THRESHOLD.—A participating dairy operation with supplemental production margin protection shall receive a supplemental production margin protection payment whenever the average actual dairy production margin for a consecutive 2-month period is less than the coverage level threshold selected by the participating dairy operation under subsection (b).

(g) SUPPLEMENTAL PRODUCTION MARGIN PROTECTION PAYMENTS.—

(1) IN GENERAL.—The supplemental production margin protection payment for a participating dairy operation is in addition to the basic production margin protection payment.

(2) AMOUNT OF PAYMENT.—The supplemental production margin protection payment for the participating dairy operation shall be determined as follows:

(A) The Secretary shall calculate the difference between the coverage level threshold selected by the participating dairy operation under subsection (b) and the greater of—

(i) the average actual dairy production margin for the consecutive 2-month period; or

(ii) $4.00.

(B) The amount determined under subparagraph (A) shall be multiplied by the percentage selected by the participating dairy operation under subsection (c) and by the lesser of the following:

(i) The annual production history of the participating dairy operation, divided by 6.

(ii) The actual amount of milk marketed by the participating dairy operation during the consecutive 2-month period.

SEC. 1416. EFFECT OF FAILURE TO PAY ADMINISTRATION FEES OR PREMIUMS.

(a) LOSS OF BENEFITS.—A participating dairy operation that fails to pay the required administration fee under section 1412 or is in arrears on premium payments for supplemental production margin protection under section 1415—

(1) remains legally obligated to pay the administration fee or premiums, as the case may be; and

(2) may not receive basic production margin protection payments or supplemental production margin protection payments until the fees or premiums are fully paid.

(b) ENFORCEMENT.—The Secretary may take such action as necessary to collect administration fees and premium payments for supplemental production margin protection.

Subpart B—Dairy Market Stabilization Program

SEC. 1431. ESTABLISHMENT OF DAIRY MARKET STABILIZATION PROGRAM.

(a) PROGRAM REQUIRED; PURPOSE.—Effective not later than 120 days after the effective date of this subtitle, the Secretary shall establish and administer a dairy market stabilization program applicable to participating dairy operations for the purpose of assisting in balancing the supply of milk with demand when participating dairy operations are experiencing low or negative operating margins.

(b) ELECTION OF STABILIZATION PROGRAM BASE CALCULATION METHOD.—

(1) ELECTION.—When a dairy operation signs up under section 1412 to participate in the production margin protection program, the dairy operation shall inform the Secretary of the method by which the stabilization program base for the participating dairy operation will be calculated under paragraph (3).

(2) CHANGE IN CALCULATION METHOD.—A participating dairy operation may change the stabilization program base calculation method to be used for a calendar year by notifying the Secretary of the change not later than a date determined by the Secretary.

(3) CALCULATION METHODS.—A participating dairy operation may elect either of the following methods for calculation of the stabilization program base for the participating dairy operation:

(A) The volume of the average monthly milk marketings of the participating dairy operation for the 3 months immediately preceding the announcement by the Secretary that the stabilization program will become effective.

(B) The volume of the monthly milk marketings of the participating dairy operation for the same month in the preceding year as the month for which the Secretary has announced the stabilization program will become effective.

SEC. 1432. THRESHOLD FOR IMPLEMENTATION AND REDUCTION IN DAIRY PAYMENTS.

(a) WHEN STABILIZATION PROGRAM REQUIRED.—Except as provided in subsection (b), the Secretary shall announce that the stabilization program is in effect and order reduced payments by handlers to participating dairy operations that exceed the applicable percentage of the participating dairy operation's stabilization program base whenever—

(1) the actual dairy production margin has been $6.00 or less per hundredweight of milk for each of the immediately preceding 2 months; or

(2) the actual dairy production margin has been $4.00 or less per hundredweight of milk for the immediately preceding month.

(b) EXCEPTION.—If any of the conditions described in section 1436(b) have been met during the 2-month period immediately preceding the month in which the announcement under subsection (a) would otherwise be made by the Secretary in the absence of this exception, the Secretary shall—

(1) suspend the stabilization program;

(2) refrain from making the announcement under subsection (a) to implement order the stabilization payment; or

(3) order reduced payments.

(c) EFFECTIVE DATE FOR IMPLEMENTATION OF PAYMENT REDUCTIONS.—Reductions in dairy payments shall commence beginning on the first day of the month immediately following the date of the announcement by the Secretary under subsection (a).

SEC. 1433. MILK MARKETINGS INFORMATION.

(a) COLLECTION OF MILK MARKETING DATA.—The Secretary shall establish, by regulation, a process to collect from participating dairy operations and handlers such information that the Secretary considers necessary for each month during which the stabilization program is in effect.

(b) REDUCE REGULATORY BURDEN.—When implementing the process under subsection (a), the Secretary shall minimize the regulatory burden on participating dairy operations and handlers.

SEC. 1434. CALCULATION AND COLLECTION OF REDUCED DAIRY OPERATION PAYMENTS.

(a) REDUCED PARTICIPATING DAIRY OPERATION PAYMENTS REQUIRED.—During any month in which payment reductions are in effect under the stabilization program, each handler shall reduce payments to each participating dairy operation from whom the handler receives milk.

(b) REDUCTIONS BASED ON ACTUAL DAIRY PRODUCTION MARGIN.—

(1) REDUCTION REQUIREMENT 1.—If the Secretary determines that the average actual dairy production margin has been less than $6.00 but greater than $5.00 per hundredweight of milk for 2 consecutive months, the handler shall make payments to a participating dairy operation for a month based on the greater of the following:

(A) 98 percent of the stabilization program base of the participating dairy operation.

(B) 94 percent of the marketings of milk for the month by the participating dairy operation.

(2) REDUCTION REQUIREMENT 2.—If the Secretary determines that the average actual dairy production margin has been less than $5.00 but greater than $4.00 for 2 consecutive months, the handler shall make payments to a participating dairy operation for a month based on the greater of the following:

(A) 97 percent of the stabilization program base of the participating dairy operation.

(B) 93 percent of the marketings of milk for the month by the participating dairy operation.

(3) REDUCTION REQUIREMENT 3.—If the Secretary determines that the average actual dairy production margin has been $4.00 or less for any 1 month, the handler shall make payments to a participating dairy operation for a month based on the greater of the following:

(A) 96 percent of the stabilization program base of the participating dairy operation.

(B) 92 percent of the marketings of milk for the month by the participating dairy operation.

(c) CONTINUATION OF REDUCTIONS.—The largest level of payment reduction required under paragraph (1), (2), or (3) of subsection (b) shall be continued for each month until the Secretary suspends the stabilization program and terminates payment reductions in accordance with section 1436.

(d) PAYMENT REDUCTION EXCEPTION.—Notwithstanding any preceding subsection of this section, a handler shall make no payment reductions for a participating dairy operation for a month if the participating dairy operation's milk marketings for the month are equal to or less than the percentage of the stabilization program base applicable to the participating dairy operation

under paragraph (1), (2), or (3) of subsection (b).

SEC. 1435. REMITTING FUNDS TO THE SECRETARY AND USE OF FUNDS.

(a) REMITTING FUNDS.—As soon as practicable after the end of each month during which payment reductions are in effect under the stabilization program, each handler shall remit to the Secretary an amount equal to the amount by which payments to participating dairy operations are reduced by the handler under section 1434.

(b) DEPOSIT OF REMITTED FUNDS.—All funds received under subsection (a) shall be available to the Secretary, without further appropriation and until expended, for use or transfer as provided in subsection (c).

(c) USE OF FUNDS.—

(1) AVAILABILITY FOR CERTAIN COMMODITY DONATIONS.—Not later than 90 days after the funds described in subsection (a) are due as determined by the Secretary, the Secretary shall obligate the funds for the purpose of—

(A) purchasing dairy products for donation to food banks and other programs that the Secretary determines appropriate; and

(B) expanding consumption and building demand for dairy products.

(2) NO DUPLICATION OF EFFORT.—The Secretary shall ensure that expenditures under paragraph (1) are compatible with, and do not duplicate, programs supported by the dairy research and promotion activities conducted under the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4501 et seq.).

(3) ACCOUNTING.—The Secretary shall keep an accurate account of all funds expended under paragraph (1).

(d) ANNUAL REPORT.—Not later than December 31 of each year that the stabilization program is in effect, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that provides an accurate accounting of—

(1) the funds received by the Secretary during the preceding fiscal year under subsection (a);

(2) all expenditures made by the Secretary under subsection (b) during the preceding fiscal year; and

(3) the impact of the stabilization program on dairy markets.

(e) ENFORCEMENT.—If a participating dairy operation or handler fails to remit or collect the amounts by which payments to participating dairy operations are reduced under section 1434, the participating dairy operation or handler responsible for the failure shall be liable to the Secretary for the amount that should have been remitted or collected, plus interest. In addition to the enforcement authorities available under section 1437, the Secretary may enforce this subsection in the courts of the United States.

SEC. 1436. SUSPENSION OF REDUCED PAYMENT REQUIREMENT.

(a) DETERMINATION OF PRICES.—For purposes of this section:

(1) The price in the United States for cheddar cheese and nonfat dry milk shall be determined by the Secretary.

(2) The world price of cheddar cheese and skim milk powder shall be determined by the Secretary.

(b) SUSPENSION THRESHOLDS.—The stabilization program shall be suspended or the Secretary shall refrain from making the announcement under section 1432(a) if the Secretary determines that—

(1) the actual dairy production margin is greater than $6.00 per hundredweight of milk for 2 consecutive months;

(2) the actual dairy production margin is equal to or less than $6.00 (but greater than $5.00) for 2 consecutive months, and during the same 2 consecutive months—

(A) the price in the United States for cheddar cheese is equal to or greater than the world price of cheddar cheese; or

(B) the price in the United States for nonfat dry milk is equal to or greater than the world price of skim milk powder;

(3) the actual dairy production margin is equal to or less than $5.00 (but greater than $4.00) for 2 consecutive months, and during the same 2 consecutive months—

(A) the price in the United States for cheddar cheese is more than 5 percent above the world price of cheddar cheese; or

(B) the price in the United States for nonfat dry milk is more than 5 percent above the world price of skim milk powder; or

(4) the actual dairy production margin is equal to or less than $4.00 for 2 consecutive months, and during the same 2 consecutive months—

(A) the price in the United States for cheddar cheese is more than 7 percent above the world price of cheddar cheese; or

(B) the price in the United States for nonfat dry milk is more than 7 percent above the world price of skim milk powder.

(c) IMPLEMENTATION BY HANDLERS.—Effective on the day after the date of the announcement by the Secretary under subsection (b) of the suspension of the stabilization program, the handler shall cease reducing payments to participating dairy operations under the stabilization program.

(d) CONDITION ON RESUMPTION OF STABILIZATION PROGRAM.—Upon the announcement by the Secretary under subsection (b) that the stabilization program has been suspended, the stabilization program may not be implemented again until, at the earliest—

(1) 2 months have passed, beginning on the first day of the month immediately following the announcement by the Secretary; and

(2) the conditions of section 1432(a) are again met.

SEC. 1437. ENFORCEMENT.

(a) UNLAWFUL ACT.—It shall be unlawful and a violation of the this subpart for any person subject to the stabilization program to willfully fail or refuse to provide, or delay the timely reporting of, accurate information and remittance of funds to the Secretary in accordance with this subpart.

(b) ORDER.—After providing notice and opportunity for a hearing to an affected person, the Secretary may issue an order against any person to cease and desist from continuing any violation of this subpart.

(c) APPEAL.—An order of the Secretary under subsection (b) shall be final and conclusive unless an affected person files an appeal of the order of the Secretary in United States district court not later than 30 days after the date of the issuance of the order. A finding of the Secretary in the order shall be set aside only if the finding is not supported by substantial evidence.

(d) NONCOMPLIANCE WITH ORDER.—If a person subject to this subpart fails to obey an order issued under subsection (b) after the order has become final and unappealable, or after the appropriate United States district court has entered a final judgment in favor of the Secretary, the United States may apply to the appropriate United States district court for enforcement of the order. If the court determines that the order was lawfully made and duly served and that the person violated the order, the court shall enforce the order.

SEC. 1438. AUDIT REQUIREMENTS.

(a) AUDITS OF DAIRY OPERATION AND HANDLER COMPLIANCE.—

(1) AUDITS AUTHORIZED.—If determined by the Secretary to be necessary to ensure compliance by participating dairy operations and handlers with the stabilization program, the Secretary may conduct periodic audits of participating dairy operations and handlers.

(2) SAMPLE OF DAIRY OPERATIONS.—Any audit conducted under this subsection shall include, at a minimum, investigation of a statistically valid and random sample of participating dairy operations.

(b) SUBMISSION OF RESULTS.—The Secretary shall submit the results of any audit conducted under subsection (a) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate and include such recommendations as the Secretary considers appropriate regarding the stabilization program.

SEC. 1439. STUDY; REPORT.

(a) IN GENERAL.—The Secretary shall direct the Office of the Chief Economist to conduct a study of the impacts of the program established under section 1431(a).

(b) CONSIDERATIONS.—The study conducted under subsection (a) shall consider—

(1) the economic impact of the program throughout the dairy product value chain, including the impact on producers, processors, domestic customers, export customers, actual market growth and potential market growth, farms of different sizes, and different regions and States; and

(2) the impact of the program on the competitiveness of the United States dairy industry in international markets.

(c) REPORT.—Not later than December 1, 2016, the Office of the Chief Economist shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the study conducted under subsection (a).

Subpart C—Administration

SEC. 1451. DURATION.

The production margin protection program and the stabilization program shall end on December 31, 2017.

SEC. 1452. ADMINISTRATION AND ENFORCEMENT.

(a) IN GENERAL.—The Secretary shall promulgate regulations to address administrative and enforcement issues involved in carrying out the production margin protection, supplemental production margin protection, and market stabilization programs.

(b) RECONSTITUTION AND ELIGIBILITY ISSUES.—

(1) RECONSTITUTION.—Using authorities under section 1001(f) and 1001B of the Food Security Act of 1985 (7 U.S.C. 1308(f), 1308-2), the Secretary shall promulgate regulations to prohibit a dairy producer from reconstituting a dairy operation for the sole purpose of the dairy producer—

(A) receiving basic margin protection;

(B) purchasing supplemental margin protection; or

(C) avoiding participation in the market stabilization program.

(2) ELIGIBILITY ISSUES.—Using authorities under section 1001(f) and 1001B of the Food Security Act of 1985 (7 U.S.C. 1308(f), 1308-2), the Secretary shall promulgate regulations—

(A) to prohibit a scheme or device;

(B) to provide for equitable relief; and

(C) to provide for other issues affecting eligibility and liability issues.

(3) ADMINISTRATIVE APPEALS.—Using authorities under section 1001(h) of the Food Security Act of 1985 (7 U.S.C. 1308(h)) and subtitle H of the Department of Agriculture Reorganization Act (7 U.S.C. 6991 et seq.), the Secretary shall promulgate regulations to provide for administrative appeals of decisions of the Secretary that are adverse to participants of the programs described in subsection (a).

PART II—DAIRY MARKET TRANSPARENCY

SEC. 1461. DAIRY PRODUCT MANDATORY REPORTING.

(a) DEFINITIONS.—Section 272(1)(A) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1637a(1)(A)) is amended by inserting '', or any other products that may significantly aid price discovery in the dairy markets, as determined by the Secretary'' after ''of 1937''.

(b) MANDATORY REPORTING FOR DAIRY PRODUCTS.—Section 273(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1637b(b)) is amended—

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

''(1) IN GENERAL.—In establishing the program, the Secretary shall only—

''(A)(i) subject to the conditions described in paragraph (2), require each manufacturer to report to the Secretary, no less frequently than once per month, information concerning the price, quantity, and moisture content of dairy products sold by the manufacturer and any other product characteristics that may significantly aid price discovery in the dairy markets, as determined by the Secretary; and

''(ii) modify the format used to provide the information on the day before the date of enactment of this subtitle to ensure that the information can be readily understood by market participants; and

''(B) require each manufacturer and other person storing dairy products (including dairy products in cold storage) to report to the Secretary, no less frequently than once per month, information on the quantity of dairy products stored.''; and

(2) in paragraph (2), by inserting ''or those that may significantly aid price discovery in the dairy markets'' after ''Federal milk marketing order'' each place it appears in subparagraphs (A), (B), and (C).

SEC. 1462. FEDERAL MILK MARKETING ORDER INFORMATION.

(a) INFORMATION CLEARINGHOUSE.—

(1) IN GENERAL.—The Secretary shall, on behalf of each milk marketing order issued under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, establish an information clearinghouse for the purposes of educating the public about the Federal milk marketing order system and any marketing order referenda, including proposal information and timelines that shall be kept current and updated as information becomes available.

(2) REQUIREMENTS.—Information under paragraph (1) shall include—

(A) information on procedures by which cooperatives vote;

(B) if applicable, information on the manner by which producers may cast an individual ballot;

(C) in applicable, instructions on the manner in which to vote online;

(D) due dates for each specific referendum;

(E) the text of each referendum question under consideration;

(F) a description in plain language of the question;

(G) any relevant background information to the question; and

(H) any other information that increases Federal milk marketing order transparency.

(b) NOTIFICATION LIST FOR UPCOMING REFERENDUM.—Each Federal milk marketing order shall—

(1) make available the information described in subsection (b) through an Internet site; and

(2) publicize the information in major agriculture and dairy-specific publications on upcoming referenda.

PART III—REPEAL OR REAUTHORIZATION OF OTHER DAIRY-RELATED PROVISIONS

SEC. 1471. REPEAL OF DAIRY PRODUCT PRICE SUPPORT AND MILK INCOME LOSS CONTRACT PROGRAMS.

(a) REPEAL OF DAIRY PRODUCT PRICE SUPPORT PROGRAM.—Section 1501 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8771) is repealed.

(b) REPEAL OF MILK INCOME LOSS CONTRACT PROGRAM.—

(1) PAYMENTS UNDER MILK INCOME LOSS CONTRACT PROGRAM.—Section 1506(c)(3) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8773(c)(3)) is amended—

(A) in subparagraph (A), by inserting ''and'' after the semicolon;

(B) in subparagraph (B), by striking ''August 31, 2012, 45 percent; and'' and inserting ''June 30, 2013, 45 percent.''; and

(C) by striking subparagraph (C).

(2) EXTENSION.—Section 1506(h)(1) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8773(h)(1)) is amended by striking ''September 30, 2012'' and inserting ''June 30, 2013''.

(3) REPEAL.—Effective July 1, 2013, section 1506 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8773) is repealed.

SEC. 1472. REPEAL OF DAIRY EXPORT INCENTIVE PROGRAM.

(a) REPEAL.—Section 153 of the Food Security Act of 1985 (15 U.S.C. 713a–14) is repealed.

(b) CONFORMING AMENDMENTS.—Section 902(2) of the Trade Sanctions Reform and Export Enhancement Act of 2000 (22 U.S.C. 7201(2)) is amended—

(1) by striking subparagraph (D); and

(2) by redesignating subparagraphs (E) and (F) as subparagraphs (D) and (E), respectively.

SEC. 1473. EXTENSION OF DAIRY FORWARD PRICING PROGRAM.

Section 1502(e) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8772(e)) is amended—

(1) in paragraph (1), by striking ''2012'' and inserting ''2017''; and

(2) in paragraph (2), by striking ''2015'' and inserting ''2020''.

SEC. 1474. EXTENSION OF DAIRY INDEMNITY PROGRAM.

Section 3 of Public Law 90–484 (7 U.S.C. 4501) is amended by striking ''2012'' and inserting ''2017''.

SEC. 1475. EXTENSION OF DAIRY PROMOTION AND RESEARCH PROGRAM.

Section 113(e)(2) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(e)(2)) is amended by striking ''2012'' and inserting ''2017''.

SEC. 1476. EXTENSION OF FEDERAL MILK MARKETING ORDER REVIEW COMMISSION.

Section 1509(a) of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 1726) is amended by inserting ''or other funds'' after ''Subject to the availability of appropriations''.

PART IV—EFFECTIVE DATE

SEC. 1481. EFFECTIVE DATE.

Except as otherwise provided in this subtitle, this subtitle and the amendments made by this subtitle take effect on October 1, 2012.

Subtitle E—Supplemental Agricultural Disaster Assistance Programs

SEC. 1501. SUPPLEMENTAL AGRICULTURAL DISASTER ASSISTANCE PROGRAMS.

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE PRODUCER ON A FARM.—

(A) IN GENERAL.—The term ''eligible producer on a farm'' means an individual or entity described in subparagraph (B) that, as determined by the Secretary, assumes the production and market risks associated with the agricultural production of crops or livestock.

(B) DESCRIPTION.—An individual or entity referred to in subparagraph (A) is—

(i) a citizen of the United States;

(ii) a resident alien;

(iii) a partnership of citizens of the United States; or

(iv) a corporation, limited liability corporation, or other farm organizational structure organized under State law.

(2) FARM.—

(A) IN GENERAL.—The term ''farm'' means, in relation to an eligible producer on a farm, the total of all crop acreage in all counties that is planted or intended to be planted for harvest, for sale, or on-farm livestock feeding (including native grassland intended for haying) by the eligible producer.

(B) AQUACULTURE.—In the case of aquaculture, the term ''farm'' means, in relation to an eligible producer on a farm, all fish being produced in all counties that are intended to be harvested for sale by the eligible producer.

(C) HONEY.—In the case of honey, the term ''farm'' means, in relation to an eligible producer on a farm, all bees and beehives in all counties that are intended to be harvested for a honey crop for sale by the eligible producer.

(3) FARM-RAISED FISH.—The term ''farm-raised fish'' means any aquatic species that is propagated and reared in a controlled environment.

(4) LIVESTOCK.—The term ''livestock'' includes—

(A) cattle (including dairy cattle);

(B) bison;

(C) poultry;

(D) sheep;

(E) swine;

(F) horses; and

(G) other livestock, as determined by the Secretary.

(b) LIVESTOCK INDEMNITY PAYMENTS.—

(1) PAYMENTS.—For each of fiscal years 2012 through 2017, the Secretary shall use such sums as are necessary of the funds of the Commodity Credit Corporation to make livestock indemnity payments to eligible producers on farms that have incurred livestock death losses in excess of the normal mortality, as determined by the Secretary, due to—

(A) attacks by animals reintroduced into the wild by the Federal Government or protected by Federal law, including wolves; or

(B) adverse weather, as determined by the Secretary, during the calendar year, including losses due to hurricanes, floods, blizzards, disease, wildfires, extreme heat, and extreme cold.

(2) PAYMENT RATES.—Indemnity payments to an eligible producer on a farm under paragraph (1) shall be made at a rate of 65 percent of the market value of the applicable livestock on the day before the date of death of the livestock, as determined by the Secretary.

(3) SPECIAL RULE FOR PAYMENTS MADE DUE TO DISEASE.—The Secretary shall ensure that payments made to an eligible producer under paragraph (1) are not made for the same livestock losses for which compensation is provided pursuant to section 10407(d) of the Animal Health Protection Act (7 U.S.C. 8306(d)).

(c) LIVESTOCK FORAGE DISASTER PROGRAM.—

(1) ESTABLISHMENT.—There is established a livestock forage disaster program to provide 1 source for livestock forage disaster assistance for weather-related forage losses, as determined by the Secretary, by combining—

(A) the livestock forage assistance functions of—

(i) the noninsured crop disaster assistance program established by section 196 of the

Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333); and

(ii) the emergency assistance for livestock, honey bees, and farm-raised fish program under section 531(e) of the Federal Crop Insurance Act (7 U.S.C. 1531(e)) (as in existence on the day before the date of enactment of this Act); and

(B) the livestock forage disaster program under section 531(d) of the Federal Crop Insurance Act (7 U.S.C. 1531(d)) (as in existence on the day before the date of enactment of this Act).

(2) DEFINITIONS.—In this subsection:

(A) COVERED LIVESTOCK.—

(i) IN GENERAL.—Except as provided in clause (ii), the term ''covered livestock'' means livestock of an eligible livestock producer that, during the 60 days prior to the beginning date of an eligible forage loss, as determined by the Secretary, the eligible livestock producer—

(I) owned;

(II) leased;

(III) purchased;

(IV) entered into a contract to purchase;

(V) was a contract grower; or

(VI) sold or otherwise disposed of due to an eligible forage loss during—

(aa) the current production year; or

(bb) subject to paragraph (4)(B)(ii), 1 or both of the 2 production years immediately preceding the current production year.

(ii) EXCLUSION.—The term ''covered livestock'' does not include livestock that were or would have been in a feedlot, on the beginning date of the eligible forage loss, as a part of the normal business operation of the eligible livestock producer, as determined by the Secretary.

(B) DROUGHT MONITOR.—The term ''drought monitor'' means a system for classifying drought severity according to a range of abnormally dry to exceptional drought, as defined by the Secretary.

(C) ELIGIBLE FORAGE LOSS.—The term ''eligible forage loss'' means 1 or more forage losses that occur due to weather-related conditions, including drought, flood, blizzard, hail, excessive moisture, hurricane, and fire, occurring during the normal grazing period, as determined by the Secretary, if the forage—

(i) is grown on land that is native or improved pastureland with permanent vegetative cover; or

(ii) is a crop planted specifically for the purpose of providing grazing for covered livestock of an eligible livestock producer.

(D) ELIGIBLE LIVESTOCK PRODUCER.—

(i) IN GENERAL.—The term ''eligible livestock producer'' means an eligible producer on a farm that—

(I) is an owner, cash or share lessee, or contract grower of covered livestock that provides the pastureland or grazing land, including cash-leased pastureland or grazing land, for the covered livestock;

(II) provides the pastureland or grazing land for covered livestock, including cash-leased pastureland or grazing land that is physically located in a county affected by an eligible forage loss;

(III) certifies the eligible forage loss; and

(IV) meets all other eligibility requirements established under this subsection.

(ii) EXCLUSION.—The term ''eligible livestock producer'' does not include an owner, cash or share lessee, or contract grower of livestock that rents or leases pastureland or grazing land owned by another person on a rate-of-gain basis.

(E) NORMAL CARRYING CAPACITY.—The term ''normal carrying capacity'', with respect to each type of grazing land or pastureland in a county, means the normal carrying capacity, as determined under paragraph (4)(D)(i), that would be expected from the grazing land or pastureland for livestock during the normal grazing period, in the absence of an eligible forage loss that diminishes the production of the grazing land or pastureland.

(F) NORMAL GRAZING PERIOD.—The term ''normal grazing period'', with respect to a county, means the normal grazing period during the calendar year for the county, as determined under paragraph (4)(D)(i).

(3) PROGRAM.—For each of fiscal years 2012 through 2017, the Secretary shall use such sums as are necessary of the funds of the Commodity Credit Corporation to provide compensation under paragraphs (4) through (6), as determined by the Secretary for eligible forage losses affecting covered livestock of eligible livestock producers.

(4) ASSISTANCE FOR ELIGIBLE FORAGE LOSSES DUE TO DROUGHT CONDITIONS.—

(A) ELIGIBLE FORAGE LOSSES.—

(i) IN GENERAL.—An eligible livestock producer of covered livestock may receive assistance under this paragraph for eligible forage losses that occur due to drought on land that—

(I) is native or improved pastureland with permanent vegetative cover; or

(II) is planted to a crop planted specifically for the purpose of providing grazing for covered livestock.

(ii) EXCLUSIONS.—An eligible livestock producer may not receive assistance under this paragraph for eligible forage losses that occur on land used for haying or grazing under the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.), unless the land is grassland eligible for the conservation reserve program under section 1231(d)(2) of the Food Security Act of 1985 (16 U.S.C. 3831(d)(2)) (as amended by section 2001 of this Act).

(B) MONTHLY PAYMENT RATE.—

(i) IN GENERAL.—Except as provided in clause (ii), the payment rate for assistance for 1 month under this paragraph shall, in the case of drought, be equal to 60 percent of the lesser of—

(I) the monthly feed cost for all covered livestock owned or leased by the eligible livestock producer, as determined under subparagraph (C); or

(II) the monthly feed cost calculated by using the normal carrying capacity of the eligible grazing land of the eligible livestock producer.

(ii) PARTIAL COMPENSATION.—In the case of an eligible livestock producer that sold or otherwise disposed of covered livestock due to drought conditions in 1 or both of the 2 production years immediately preceding the current production year, as determined by the Secretary, the payment rate shall be 80 percent of the payment rate otherwise calculated in accordance with clause (i).

(C) MONTHLY FEED COST.—

(i) IN GENERAL.—The monthly feed cost shall equal the product obtained by multiplying—

(I) 30 days;

(II) a payment quantity that is equal to the feed grain equivalent, as determined under clause (ii); and

(III) a payment rate that is equal to the corn price per pound, as determined under clause (iii).

(ii) FEED GRAIN EQUIVALENT.—For purposes of clause (i)(II), the feed grain equivalent shall equal—

(I) in the case of an adult beef cow, 15.7 pounds of corn per day; or

(II) in the case of any other type of weight of livestock, an amount determined by the Secretary that represents the average number of pounds of corn per day necessary to feed the livestock.

(iii) CORN PRICE PER POUND.—For purposes of clause (i)(III), the corn price per pound shall equal the quotient obtained by dividing—

(I) the higher of—

(aa) the national average corn price per bushel for the 12-month period immediately preceding March 1 of the year for which the disaster assistance is calculated; or

(bb) the national average corn price per bushel for the 24-month period immediately preceding that March 1; by

(II) 56.

(D) NORMAL GRAZING PERIOD AND DROUGHT MONITOR INTENSITY.—

(i) FSA COUNTY COMMITTEE DETERMINATIONS.—

(I) IN GENERAL.—The Secretary shall determine the normal carrying capacity and normal grazing period for each type of grazing land or pastureland in the county served by the applicable Farm Service Agency committee.

(II) CHANGES.—No change to the normal carrying capacity or normal grazing period established for a county under subclause (I) shall be made unless the change is requested by the appropriate State and county Farm Service Agency committees.

(ii) DROUGHT INTENSITY.—

(I) D2.—An eligible livestock producer that owns or leases grazing land or pastureland that is physically located in a county that is rated by the U.S. Drought Monitor as having a D2 (severe drought) intensity in any area of the county for at least 8 consecutive weeks during the normal grazing period for the county, as determined by the Secretary, shall be eligible to receive assistance under this paragraph in an amount equal to 1 monthly payment using the monthly payment rate determined under subparagraph (B).

(II) D3.—An eligible livestock producer that owns or leases grazing land or pastureland that is physically located in a county that is rated by the U.S. Drought Monitor as having at least a D3 (extreme drought) intensity in any area of the county at any time during the normal grazing period for the county, as determined by the Secretary, shall be eligible to receive assistance under this paragraph—

(aa) in an amount equal to 3 monthly payments using the monthly payment rate determined under subparagraph (B);

(bb) if the county is rated as having a D3 (extreme drought) intensity in any area of the county for at least 4 weeks during the normal grazing period for the county, or is rated as having a D4 (exceptional drought) intensity in any area of the county at any time during the normal grazing period, in an amount equal to 4 monthly payments using the monthly payment rate determined under subparagraph (B); or

(cc) if the county is rated as having a D4 (exceptional drought) intensity in any area of the county for at least 4 weeks during the normal grazing period, in an amount equal to 5 monthly payments using the monthly rate determined under subparagraph (B).

(5) ASSISTANCE FOR LOSSES DUE TO FIRE ON PUBLIC MANAGED LAND.—

(A) IN GENERAL.—An eligible livestock producer may receive assistance under this paragraph only if—

(i) the eligible forage losses occur on rangeland that is managed by a Federal agency; and

(ii) the eligible livestock producer is prohibited by the Federal agency from grazing the normal permitted livestock on the managed rangeland due to a fire.

(B) PAYMENT RATE.—The payment rate for assistance under this paragraph shall be equal to 50 percent of the monthly feed cost for the total number of livestock covered by

the Federal lease of the eligible livestock producer, as determined under paragraph (4)(C).

(C) PAYMENT DURATION.—

(i) IN GENERAL.—Subject to clause (ii), an eligible livestock producer shall be eligible to receive assistance under this paragraph for the period—

(I) beginning on the date on which the Federal agency excludes the eligible livestock producer from using the managed rangeland for grazing; and

(II) ending on the last day of the Federal lease of the eligible livestock producer.

(ii) LIMITATION.—An eligible livestock producer may only receive assistance under this paragraph for losses that occur on not more than 180 days per year.

(6) ASSISTANCE FOR ELIGIBLE FORAGE LOSSES DUE TO OTHER THAN DROUGHT OR FIRE.—

(A) ELIGIBLE FORAGE LOSSES.—

(i) IN GENERAL.—Subject to subparagraph (B), an eligible livestock producer of covered livestock may receive assistance under this paragraph for eligible forage losses that occur due to weather-related conditions other than drought or fire on land that—

(I) is native or improved pastureland with permanent vegetative cover; or

(II) is planted to a crop planted specifically for the purpose of providing grazing for covered livestock.

(ii) EXCLUSIONS.—An eligible livestock producer may not receive assistance under this paragraph for eligible forage losses that occur on land used for haying or grazing under the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.), unless the land is grassland eligible for the conservation reserve program under section 1231(d)(2) of the Food Security Act of 1985 (16 U.S.C. 3831(d)(2)) (as amended by section 2001 of this Act).

(B) PAYMENTS FOR ELIGIBLE FORAGE LOSSES.—

(i) IN GENERAL.—The Secretary shall provide assistance under this paragraph to an eligible livestock producer for eligible forage losses that occur due to weather-related conditions other than—

(I) drought under paragraph (4); and

(II) fire on public managed land under paragraph (5).

(ii) TERMS AND CONDITIONS.—The Secretary shall establish terms and conditions for assistance under this paragraph that are consistent with the terms and conditions for assistance under this subsection.

(7) NO DUPLICATIVE PAYMENTS.—An eligible livestock producer may elect to receive assistance for eligible forage losses under either paragraph (4), (5), or (6), if applicable, but may not receive assistance under more than 1 of those paragraphs for the same loss, as determined by the Secretary.

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

(d) EMERGENCY ASSISTANCE FOR LIVESTOCK, HONEY BEES, AND FARM-RAISED FISH.—

(1) IN GENERAL.—For each of fiscal years 2012 through 2017, the Secretary shall use not more than $5,000,000 of the funds of the Commodity Credit Corporation to provide emergency relief to eligible producers of livestock, honey bees, and farm-raised fish to aid in the reduction of losses due to disease, adverse weather, or other conditions, such as blizzards and wildfires, as determined by the Secretary, that are not covered under subsection (b) or (c).

(2) USE OF FUNDS.—Funds made available under this subsection shall be used to reduce losses caused by feed or water shortages, disease, or other factors as determined by the Secretary.

(3) AVAILABILITY OF FUNDS.—Any funds made available under this subsection shall remain available until expended.

(e) TREE ASSISTANCE PROGRAM.—

(1) DEFINITIONS.—In this subsection:

(A) ELIGIBLE ORCHARDIST.—The term ''eligible orchardist'' means a person that produces annual crops from trees for commercial purposes.

(B) NATURAL DISASTER.—The term ''natural disaster'' means plant disease, insect infestation, drought, fire, freeze, flood, earthquake, lightning, or other occurrence, as determined by the Secretary.

(C) NURSERY TREE GROWER.—The term ''nursery tree grower'' means a person who produces nursery, ornamental, fruit, nut, or Christmas trees for commercial sale, as determined by the Secretary.

(D) TREE.—The term ''tree'' includes a tree, bush, and vine.

(2) ELIGIBILITY.—

(A) LOSS.—Subject to subparagraph (B), for each of fiscal years 2012 through 2017, the Secretary shall use such sums as are necessary of the funds of the Commodity Credit Corporation to provide assistance—

(i) under paragraph (3) to eligible orchardists and nursery tree growers that planted trees for commercial purposes but lost the trees as a result of a natural disaster, as determined by the Secretary; and

(ii) under paragraph (3)(B) to eligible orchardists and nursery tree growers that have a production history for commercial purposes on planted or existing trees but lost the trees as a result of a natural disaster, as determined by the Secretary.

(B) LIMITATION.—An eligible orchardist or nursery tree grower shall qualify for assistance under subparagraph (A) only if the tree mortality of the eligible orchardist or nursery tree grower, as a result of damaging weather or related condition, exceeds 15 percent (adjusted for normal mortality).

(3) ASSISTANCE.—Subject to paragraph (4), the assistance provided by the Secretary to eligible orchardists and nursery tree growers for losses described in paragraph (2) shall consist of—

(A)(i) reimbursement of 65 percent of the cost of replanting trees lost due to a natural disaster, as determined by the Secretary, in excess of 15 percent mortality (adjusted for normal mortality); or

(ii) at the option of the Secretary, sufficient seedlings to reestablish a stand; and

(B) reimbursement of 50 percent of the cost of pruning, removal, and other costs incurred by an eligible orchardist or nursery tree grower to salvage existing trees or, in the case of tree mortality, to prepare the land to replant trees as a result of damage or tree mortality due to a natural disaster, as determined by the Secretary, in excess of 15 percent damage or mortality (adjusted for normal tree damage and mortality).

(4) LIMITATIONS ON ASSISTANCE.—

(A) DEFINITIONS OF LEGAL ENTITY AND PERSON.—In this paragraph, the terms ''legal entity'' and ''person'' have the meaning given those terms in section 1001(a) of the Food Security Act of 1985 (7 U.S.C. 1308(a)).

(B) AMOUNT.—The total amount of payments received, directly or indirectly, by a person or legal entity (excluding a joint venture or general partnership) under this subsection may not exceed $100,000 for any crop year, or an equivalent value in tree seedlings.

(C) ACRES.—The total quantity of acres planted to trees or tree seedlings for which a person or legal entity shall be entitled to receive payments under this subsection may not exceed 500 acres.

(f) PAYMENTS.—

(1) PAYMENT LIMITATIONS.—

(A) DEFINITIONS OF LEGAL ENTITY AND PERSON.—In this subsection, the terms ''legal entity'' and ''person'' have the meanings given those terms in section 1001(a) of the Food Security Act of 1985 (7 U.S.C. 1308(a)).

(B) AMOUNT.—The total amount of disaster assistance payments received, directly or indirectly, by a person or legal entity (excluding a joint venture or general partnership) under this section (excluding payments received under subsection (e)) may not exceed $100,000 for any crop year.

(C) DIRECT ATTRIBUTION.—Subsections (d) and (e) of section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) or any successor provisions relating to direct attribution shall apply with respect to assistance provided under this section.

(2) PAYMENT DELIVERY.—The Secretary shall make payments under this section after October 1, 2013, for losses incurred in the 2012 and 2013 fiscal years, and as soon as practicable for losses incurred in any year thereafter.

Subtitle F—Administration

SEC. 1601. ADMINISTRATION GENERALLY.

(a) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this title.

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

(c) REGULATIONS.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, not later than 90 days after the date of enactment of this Act, the Secretary and the Commodity Credit Corporation, as appropriate, shall promulgate such regulations as are necessary to implement this title and the amendments made by this title.

(2) PROCEDURE.—The promulgation of the regulations and administration of this title and the amendments made by this title and sections 11001 and 11011 of this Act shall be made without regard to—

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

(B) chapter 35 of title 44, United States Code (commonly known as the ''Paperwork Reduction Act''); and

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

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

(d) ADJUSTMENT AUTHORITY RELATED TO TRADE AGREEMENTS COMPLIANCE.—

(1) REQUIRED DETERMINATION; ADJUSTMENT.—If the Secretary determines that expenditures under this title that are subject to the total allowable domestic support levels under the Uruguay Round Agreements (as defined in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501)) will exceed the allowable levels for any applicable reporting period, the Secretary shall, to the maximum extent practicable, make adjustments in the amount of the expenditures during that period to ensure that the expenditures do not exceed the allowable levels.

(2) CONGRESSIONAL NOTIFICATION.—Before making any adjustment under paragraph (1), the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the determination made under that paragraph and the extent of the adjustment to be made.

SEC. 1602. SUSPENSION OF PERMANENT PRICE SUPPORT AUTHORITY.

(a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 2013 through 2017 crops of covered commodities (as defined in section 1104), cotton, and sugar and shall not be applicable to milk during the period beginning on the date of enactment of this Act through December 31, 2017:

(1) Parts II through V of subtitle B of title III (7 U.S.C. 1326 et seq.).

(2) In the case of upland cotton, section 377 (7 U.S.C. 1377).

(3) Subtitle D of title III (7 U.S.C. 1379a et seq.).

(4) Title IV (7 U.S.C. 1401 et seq.).

(b) AGRICULTURAL ACT OF 1949.—The following provisions of the Agricultural Act of 1949 shall not be applicable to the 2013 through 2017 crops of covered commodities (as defined in section 1104), cotton, and sugar and shall not be applicable to milk during the period beginning on the date of enactment of this Act and through December 31, 2017:

(1) Section 101 (7 U.S.C. 1441).

(2) Section 103(a) (7 U.S.C. 1444(a)).

(3) Section 105 (7 U.S.C. 1444b).

(4) Section 107 (7 U.S.C. 1445a).

(5) Section 110 (7 U.S.C. 1445e).

(6) Section 112 (7 U.S.C. 1445g).

(7) Section 115 (7 U.S.C. 1445k).

(8) Section 201 (7 U.S.C. 1446).

(9) Title III (7 U.S.C. 1447 et seq.).

(10) Title IV (7 U.S.C. 1421 et seq.), other than sections 404, 412, and 416 (7 U.S.C. 1424, 1429, and 1431).

(11) Title V (7 U.S.C. 1461 et seq.).

(12) Title VI (7 U.S.C. 1471 et seq.).

(c) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—The joint resolution entitled ''A joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended'', approved May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be applicable to the crops of wheat planted for harvest in the calendar years 2013 through 2017.

SEC. 1603. PAYMENT LIMITATIONS.

(a) IN GENERAL.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking subsections (b) and (c) and inserting the following:

''(b) LIMITATION ON PAYMENTS FOR PEANUTS AND OTHER COVERED COMMODITIES.—The total amount of payments received, directly or indirectly, by a person or legal entity (except a joint venture or general partnership) for any crop year under title I of subtitle A of the Agriculture Reform, Food, and Jobs Act of 2012 for—

''(1) peanuts may not exceed $50,000; and

''(2) 1 or more other covered commodities may not exceed $50,000.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended—

(A) in subsection (a)(1), by striking ''section 1001 of the Food, Conservation, and Energy Act of 2008'' and inserting ''section 1104 of the Agriculture Reform, Food, and Jobs Act of 2012'';

(B) in subsection (d), by inserting ''or title I of the Agriculture Reform, Food, and Jobs Act of 2012'' before the period at the end;

(C) in subsection (e)—

(i) in paragraph (1), by striking ''subsections (b) and (c) and a program described in paragraphs (1)(C)'' and inserting ''subsection (b) and a program described in paragraph (1)(B)''; and

(ii) in paragraph (3)(B), by striking ''subsections (b) and (c)'' each place it appears and inserting ''subsection (b)'';

(D) in subsection (f)—

(i) by striking ''or title XII'' each place it appears in paragraphs (5)(A) and (6)(A) and inserting '', title I of the Agriculture Reform, Food, and Jobs Act of 2012, or title XII'';

(ii) in paragraph (2), by striking ''Subsections (b) and (c)'' and inserting ''Subsection (b)'';

(iii) in paragraph (4)(B), by striking ''subsection (b) or (c)'' and inserting ''subsection (b)'';

(iv) in paragraph (5)—

(I) in subparagraph (A), by striking ''subsection (d)'' and inserting ''subsection (c)''; and

(II) in subparagraph (B), by striking ''subsection (b), (c), or (d)'' and inserting ''subsection (b) or (c)''; and

(v) in paragraph (6)—

(I) in subparagraph (A), by striking ''subsection (d), except as provided in subsection (g)'' and inserting ''subsection (c), except as provided in subsection (f)''; and

(II) in subparagraph (B), by striking ''subsections (b), (c), and (d)'' and inserting ''subsections (b) and (c)'';

(E) in subsection (g)—

(i) in paragraph (1)—

(I) bv striking ''subsection (f)(6)(A)'' and inserting ''subsection (e)(6)(A)'' and

(II) by striking ''subsection (b) or (c)'' and inserting ''subsection (b)''; and

(ii) in paragraph (2)(A), by striking ''subsections (b) and (c)'' and inserting ''subsection (b)''; and

(F) by redesignating subsections (d) through (h) as subsections (c) through (g), respectively.

(2) Section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308–1) is amended—

(A) in subsection (a), by striking ''subsections (b) and (c)'' and inserting ''subsection (b)''; and

(B) in subsection (b)(1), by striking ''subsection (b) or (c)'' and inserting ''subsection (b)''.

(3) Section 1001B(a) of the Food Security Act of 1985 (7 U.S.C. 1308–2(a)) is amended in the matter preceding paragraph (1) by striking ''subsections (b) and (c)'' and inserting ''subsection (b)''.

(4) Section 1001C(a) of the Food Security Act of 1985 (7 U.S.C. 1308–3(a)) is amended by inserting ''title I of the Agriculture Reform, Food, and Jobs Act of 2012,'' after ''2008,''.

(c) APPLICATION.—The amendments made by this section shall apply beginning with the 2013 crop year.

SEC. 1604. PAYMENTS LIMITED TO ACTIVE FARMERS.

Section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308–1) is amended—

(1) in subsection (b)(2)—

(A) by striking ''or active personal management'' each place it appears in subparagraphs (A)(i)(II) and (B)(ii); and

(B) in subparagraph (C), by striking '', as applied to the legal entity, are met by the legal entity, the partners or members making a significant contribution of personal labor or active personal management'' and inserting ''are met by partners or members making a significant contribution of personal labor, those partners or members''; and

(2) in subsection (c)—

(A) in paragraph (1)—

(i) by striking subparagraph (A) and inserting the following:

''(A) the landowner share-rents the land at a rate that is usual and customary;'';

(ii) in subparagraph (B), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(C) the share of the payments received by the landowner is commensurate with the share of the crop or income received as rent.'';

(B) in paragraph (2)(A), by striking ''active personal management or'';

(C) in paragraph (5)—

(i) by striking ''(5)'' and all that follows through ''(A) IN GENERAL.—A person'' and inserting the following:

''(5) CUSTOM FARMING SERVICES.—A person'';

(ii) by inserting ''under usual and customary terms'' after ''services''; and

(iii) by striking subparagraph (B); and

(D) by adding at the end the following:

''(7) FARM MANAGERS.—A person who otherwise meets the requirements of this subsection other than (b)(2)(A)(i)(II) shall be considered to be actively engaged in farming, as determined by the Secretary, with respect to the farming operation, including a farming operation that is a sole proprietorship, a legal entity such as a joint venture or general partnership, or a legal entity such as a corporation or limited partnership, if the person—

''(A) makes a significant contribution of management to the farming operation necessary for the farming operation, taking into account—

''(i) the size and complexity of the farming operation; and

''(ii) the management requirements normally and customarily required by similar farming operations;

''(B) is the only person in the farming operation qualifying as actively engaged in farming;

''(C) does not use the management contribution under this paragraph to qualify as actively engaged in more than 1 farming operation; and

''(D) manages a farm operation that does not substantially share equipment, labor, or management with persons or legal entities that with the person collectively receive, directly or indirectly, an amount equal to more than the applicable limits under section 1001(b).''.

SEC. 1605. ADJUSTED GROSS INCOME LIMITATION.

(a) IN GENERAL.—Section 1001D(b)) of the Food Security Act of 1985 (7 U.S.C. 1308–3a(b)) is amended by striking paragraph (1) and inserting the following:

''(1) COMMODITY PROGRAMS.—

''(A) LIMITATION.—Notwithstanding any other provision of law, a person or legal entity shall not be eligible to receive any benefit described in subparagraph (B) during a crop, fiscal or program year, as appropriate, if the average adjusted gross income (or comparable measure over the 3 taxable years preceding the most immediately preceding complete taxable year, as determined by the Secretary) of the person or legal entity exceeds $750,000.

''(B) COVERED BENEFITS.—Subparagraph (A) applies with respect to the following:

''(i) A payment under section 1105 of the Agriculture Reform, Food, and Jobs Act of 2012.

''(ii) A marketing loan gain or loan deficiency payment under subtitle B of title I of the Agriculture Reform, Food, and Jobs Act of 2012.

''(iii) A payment under subtitle E of the Agriculture Reform, Food, and Jobs Act of 2012.''.

''(iv) A payment under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333).''.

(b) APPLICATION.—The amendments made by this section shall apply beginning with the 2013 crop year.

SEC. 1606. GEOGRAPHICALLY DISADVANTAGED FARMERS AND RANCHERS.

Section 1621(d) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8792(d)) is amended by striking ''2012'' and inserting ''2017''.

SEC. 1607. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.

Section 164 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7284) is amended by striking ''and title I of the Food, Conservation, and Energy Act of 2008'' each place it appears and inserting ''title I of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8702 et seq.), and title I of the Agriculture Reform, Food, and Jobs Act of 2012''.

SEC. 1608. PREVENTION OF DECEASED INDIVIDUALS RECEIVING PAYMENTS UNDER FARM COMMODITY PROGRAMS.

(a) RECONCILIATION.—At least twice each year, the Secretary shall reconcile social security numbers of all individuals who receive payments under this title, whether directly or indirectly, with the Commissioner of Social Security to determine if the individuals are alive.

(b) PRECLUSION.—The Secretary shall preclude the issuance of payments to, and on behalf of, deceased individuals that were not eligible for payments.

SEC. 1609. APPEALS.

(a) DIRECTION, CONTROL, AND SUPPORT.—Section 272 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6992) is amended by striking subsection (c) and inserting the following:

''(c) DIRECTION, CONTROL, AND SUPPORT.—

''(1) DIRECTION AND CONTROL.—

''(A) IN GENERAL.—Except as provided in paragraph (2), the Director shall be free from the direction and control of any person other than the Secretary or the Deputy Secretary of Agriculture.

''(B) ADMINISTRATIVE SUPPORT.—The Division shall not receive administrative support (except on a reimbursable basis) from any agency other than the Office of the Secretary.

''(C) PROHIBITION ON DELEGATION.—The Secretary may not delegate to any other officer or employee of the Department, other than the Deputy Secretary of Agriculture or the Director, the authority of the Secretary with respect to the Division.

''(2) EXCEPTION.—The Assistant Secretary for Administration is authorized to investigate, enforce, and implement the provisions in law, Executive order, or regulations that relate in general to competitive and excepted service positions and employment within the Division, including the position of Director, and such authority may be further delegated to subordinate officials.''.

(b) DETERMINATION OF APPEALABILITY OF AGENCY DECISIONS.—Section 272 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6992) is amended by striking subsection (d) and inserting the following:

''(d) DETERMINATION OF APPEALABILITY OF AGENCY DECISIONS.—

''(1) DEFINITION OF A MATTER OF GENERAL APPLICABILITY.—In this subsection, the term 'a matter of general applicability' means a matter that challenges the merits or authority of a rule, procedure, local or national program practice, or determination of an agency that applies, or can apply, to more than 1 interested party as opposed to the particular application of the rule, procedure, or practice to a specific set of facts or the facts themselves as the facts apply to 1 particular interested party.

''(2) MATTERS NOT SUBJECT TO APPEAL.—The Division may not hear appeals—

''(A) unless the determination of the agency is adverse to the appellant;

''(B) that involve matters of general applicability; and

''(C) that involve requests for equitable relief unless the equitable relief has been denied by the agency.

''(3) EQUITABLE RELIEF.—

''(A) IN GENERAL.—An appeal requesting equitable relief may not be granted by the Director to an appellant unless, using the rules and practices that the agency applies to itself, the agency could in fact have granted the relief because the appellant acted in good faith, but failed to fully comply with the requirement of the rule or practice of the agency.

''(B) REMAND.—If it cannot be determined whether the agency would have granted equitable relief because the appellant acted in good faith, but failed to comply with the rule or practice of the agency, the matter shall be remanded to the agency for further consideration.

''(4) DETERMINATION OF APPEALABILITY.—If an officer, employee, or committee of an agency determines that a decision is not appealable and a participant appeals the decision to the Director, the Director shall determine whether the decision is adverse to the individual participant and appealable or is a matter of general applicability and not subject to appeal.

''(5) APPEALABILITY OF DETERMINATION.—The determination of the Director as to whether a decision is appealable is final.''.

(c) EQUITABLE RELIEF.—Section 278 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6998) is amended by striking subsection (d).

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

(1) in paragraph (6)(C), by striking ''or'' at the end;

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

(3) by adding at the end the following:

''(8) the authority of the Secretary to carry out amendments to sections 272 and 278 made by the Agriculture Reform, Food, and Jobs Act of 2012.''.

SEC. 1610. TECHNICAL CORRECTIONS.

(a) Section 359f(c)(1)(B) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ff(c)(1)(B)) is amended by adding a period at the end.

(b)(1) Section 1603(g) of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 1739) is amended in paragraphs (2) through (6) and the amendments made by those paragraphs by striking ''1703(a)'' each place it appears and inserting ''1603(a)''.

(2) This subsection and the amendments made by this subsection take effect as if included in the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 1651).

SEC. 1611. ASSIGNMENT OF PAYMENTS.

(a) IN GENERAL.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)), relating to assignment of payments, shall apply to payments made under this title.

(b) NOTICE.—The producer making the assignment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require, of any assignment made under this section.

SEC. 1612. TRACKING OF BENEFITS.

As soon as practicable after the date of enactment of this Act, the Secretary may track the benefits provided, directly or indirectly, to individuals and entities under titles I and II and the amendments made by those titles.

SEC. 1613. SIGNATURE AUTHORITY.

(a) IN GENERAL.—In carrying out this title and title II and amendments made by those titles, if the Secretary approves a document, the Secretary shall not subsequently determine the document is inadequate or invalid because of the lack of authority of any person signing the document on behalf of the applicant or any other individual, entity, general partnership, or joint venture, or the documents relied upon were determined inadequate or invalid, unless the person signing the program document knowingly and willfully falsified the evidence of signature authority or a signature.

(b) AFFIRMATION.—

(1) IN GENERAL.—Nothing in this section prohibits the Secretary from asking a proper party to affirm any document that otherwise would be considered approved under subsection (a).

(2) NO RETROACTIVE EFFECT.—A denial of benefits based on a lack of affirmation under paragraph (1) shall not be retroactive with respect to third-party producers who were not the subject of the erroneous representation of authority, if the third-party producers—

(A) relied on the prior approval by the Secretary of the documents in good faith; and

(B) substantively complied with all program requirements.

SEC. 1614. IMPLEMENTATION.

(a) STREAMLINING.—In implementing this title, the Secretary shall, to the maximum extent practicable—

(1) seek to reduce administrative burdens and costs to producers by streamlining and reducing paperwork, forms, and other administrative requirements;

(2) improve coordination, information sharing, and administrative work with the Risk Management Agency and the Natural Resources Conservation Service; and

(3) take advantage of new technologies to enhance efficiency and effectiveness of program delivery to producers.

(b) IMPLEMENTATION.—On October 1, 2013, the Secretary shall make available to the Farm Service Agency to carry out this title $100,000,000.

TITLE II—CONSERVATION

Subtitle A—Conservation Reserve Program

SEC. 2001. EXTENSION AND ENROLLMENT REQUIREMENTS OF CONSERVATION RESERVE PROGRAM.

(a) EXTENSION.—Section 1231(a) of the Food Security Act of 1985 (16 U.S.C. 3831(a)) is amended by striking ''2012'' and inserting ''2017''.

(b) ELIGIBLE LAND.—Section 1231(b) of the Food Security Act of 1985 (16 U.S.C. 3831(b)) is amended—

(1) in paragraph (1)(B), by striking ''the date of enactment of the Food, Conservation, and Energy Act of 2008'' and inserting ''the date of enactment of the Agriculture Reform, Food, and Jobs Act of 2012'';

(2) by striking paragraph (2) and redesignating paragraph (3) as paragraph (2);

(3) by inserting before paragraph (4) the following:

''(3) grassland that—

''(A) contains forbs or shrubland (including improved rangeland and pastureland) for which grazing is the predominant use;

''(B) is located in an area historically dominated by grassland; and

''(C) could provide habitat for animal and plant populations of significant ecological value if the land is retained in its current use or restored to a natural condition;'';

(4) in paragraph (4)(C), by striking ''filterstrips devoted to trees or shrubs'' and inserting ''filterstrips and riparian buffers devoted to trees, shrubs, or grasses''; and

(5) by striking paragraph (5) and inserting the following:

''(5) the portion of land in a field not enrolled in the conservation reserve in a case in which—

''(A) more than 50 percent of the land in the field is enrolled as a buffer or filterstrip or more than 75 percent of the land in the field is enrolled in a practice other than as a buffer or filterstrip; and

''(B) the remainder of the field is—

''(i) infeasible to farm; and

''(ii) enrolled at regular rental rates.''.

(c) PLANTING STATUS OF CERTAIN LAND.—Section 1231(c) of the Food Security Act of 1985 (16 U.S.C. 3831(c)) is amended by striking ''if'' and all that follows through the period at the end and inserting ''if, during the crop year, the land was devoted to a conserving use.''.

(d) ENROLLMENT.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended by striking subsection (d) and inserting the following:

''(d) ENROLLMENT.—

''(1) MAXIMUM ACREAGE ENROLLED.—The Secretary may maintain in the conservation reserve at any 1 time during—

''(A) fiscal year 2012, no more than 32,000,000 acres;

''(B) fiscal year 2013, no more than 30,000,000 acres;

''(C) fiscal year 2014, no more than 27,500,000 acres;

''(D) fiscal year 2015, no more than 26,500,000 acres;

''(E) fiscal year 2016, no more than 25,500,000 acres; and

''(F) fiscal year 2017, no more than 25,000,000 acres.

''(2) GRASSLAND.—

''(A) LIMITATION.—For purposes of applying the limitations in paragraph (1), no more than 1,500,000 acres of the land described in subsection (b)(3) may be enrolled in the program at any 1 time during the 2013 through 2017 fiscal years.

''(B) PRIORITY.—In enrolling acres under subparagraph (A), the Secretary may give priority to land with expiring conservation reserve program contracts.

''(C) METHOD OF ENROLLMENT.—In enrolling acres under subparagraph (A), the Secretary shall make the program available to owners or operators of eligible land at least once during each fiscal year.''.

(e) DURATION OF CONTRACT.—Section 1231(e) of the Food Security Act of 1985 (16 U.S.C. 3831(e)) is amended by striking paragraphs (2) and (3) and inserting the following:

''(2) SPECIAL RULE FOR CERTAIN LAND.—In the case of land devoted to hardwood trees, shelterbelts, windbreaks, or wildlife corridors under a contract entered into under this subchapter, the owner or operator of the land may, within the limitations prescribed under this section, specify the duration of the contract.''.

(f) CONSERVATION PRIORITY AREAS.—Section 1231(f) of the Food Security Act of 1985 (16 U.S.C. 3831(f)) is amended—

(1) in paragraph (1), by striking ''watershed areas of the Chesapeake Bay Region, the Great Lakes Region, the Long Island Sound Region, and other'';

(2) in paragraph (2), by striking ''WATERSHEDS.—Watersheds'' and inserting ''AREAS.—Areas''; and

(3) in paragraph (3), by striking ''a watershed's designation—'' and all that follows through the period at the end and inserting ''an area's designation if the Secretary finds that the area no longer contains actual and significant adverse water quality or habitat impacts related to agricultural production activities.''.

SEC. 2002. FARMABLE WETLAND PROGRAM.

(a) EXTENSION.—Section 1231B(a)(1) of the Food Security Act of 1985 (16 U.S.C. 3831b(a)(1)) is amended—

(1) by striking ''2012'' and inserting ''2017''; and

(2) by striking ''a program'' and inserting ''a farmable wetland program''.

(b) ELIGIBLE ACREAGE.—Section 1231B(b)(1)(B) of the Food Security Act of 1985 (16 U.S.C. 3831b(b)(1)(B)) is amended by striking ''flow from a row crop agriculture drainage system'' and inserting ''surface and subsurface flow from row crop agricultural production''.

(c) CLERICAL AMENDMENTS.—Section 1231B of the Food Security Act of 1985 (16 U.S.C. 3831b) is amended—

(1) by striking the heading and inserting the following:

''SEC. 1231B. FARMABLE WETLAND PROGRAM.'';

and

(2) in subsection (f)(2), by striking ''section 1234(c)(2)(B)'' and inserting ''section 1234(c)(2)(A)(ii)''.

SEC. 2003. DUTIES OF OWNERS AND OPERATORS.

(a) LIMITATION ON HARVESTING, GRAZING OR COMMERCIAL USE OF FORAGE.—Section 1232(a)(8) of the Food Security Act of 1985 (16 U.S.C. 3832(a)(8)) is amended by striking ''except that'' and all that follows through the semicolon at the end of the paragraph and inserting ''except as provided in section 1233(b);''.

(b) CONSERVATION PLAN REQUIREMENTS.—Section 1232 of the Food Security Act of 1985 (16 U.S.C. 3832) is amended by striking subsection (b) and inserting the following:

''(b) CONSERVATION PLANS.—The plan referred to in subsection (a)(1) shall set forth—

''(1) the conservation measures and practices to be carried out by the owner or operator during the term of the contract; and

''(2) the commercial use, if any, to be permitted on the land during the term.''.

(c) RENTAL PAYMENT REDUCTION.—Section 1232 of the Food Security Act of 1985 (16 U.S.C. 3832) is amended by striking subsection (d).

SEC. 2004. DUTIES OF THE SECRETARY.

Section 1233 of the Food Security Act of 1985 (16 U.S.C. 3833) is amended to read as follows:

''SEC. 1233. DUTIES OF THE SECRETARY.

''(a) COST-SHARE AND RENTAL PAYMENTS.—In return for a contract entered into by an owner or operator, the Secretary shall—

''(1) share the cost of carrying out the conservation measures and practices set forth in the contract for which the Secretary determines that cost sharing is appropriate and in the public interest; and

''(2) for a period of years not in excess of the term of the contract, pay an annual rental payment in an amount necessary to compensate for—

''(A) the conversion of highly erodible cropland or other eligible land normally devoted to the production of an agricultural commodity on a farm or ranch to a less intensive use;

''(B) the retirement of any cropland base and allotment history that the owner or operator agrees to retire permanently; and

''(C) the development and management of grassland for multiple natural resource conservation benefits, including soil, water, air, and wildlife.

''(b) SPECIFIED ACTIVITIES PERMITTED.—The Secretary shall permit certain activities or commercial uses of land that is subject to the contract if those activities or uses are consistent with a plan approved by the Secretary and include—

''(1) harvesting, grazing, or other commercial use of the forage in response to drought, flooding, or other emergency without any reduction in the rental rate;

''(2) grazing by livestock of a beginning farmer or rancher without any reduction in the rental rate, if the grazing is—

''(A) consistent with the conservation of soil, water quality, and wildlife habitat (including habitat during the primary nesting season for critical birds in the area); and

''(B) described in subparagraph (B) or (C) of paragraph (3);

''(3) consistent with the conservation of soil, water quality, and wildlife habitat (including habitat during the primary nesting season for critical birds in the area) and in exchange for a reduction of not less than 25 percent in the annual rental rate for the acres covered by the authorized activity—

''(A) managed harvesting and other commercial use (including the managed harvesting of biomass), except that in permitting those activities the Secretary, in coordination with the State technical committee—

''(i) shall develop appropriate vegetation management requirements; and

''(ii) shall identify periods during which the activities may be conducted, such that the frequency is at least once every 5 years but not more than once every 3 years;

''(B) prescribed grazing for the control of invasive species, which may be conducted annually;

''(C) routine grazing, except that in permitting routine grazing, the Secretary, in coordination with the State technical committee—

''(i) shall develop appropriate vegetation management requirements and stocking rates for the land that are suitable for continued routine grazing; and

''(ii) shall identify the periods during which routine grazing may be conducted, such that the frequency is not more than once every 2 years, taking into consideration regional differences such as—

''(I) climate, soil type, and natural resources;

''(II) the number of years that should be required between routine grazing activities; and

''(III) how often during a year in which routine grazing is permitted that routine grazing should be allowed to occur; and

''(D) the installation of wind turbines and associated access, except that in permitting the installation of wind turbines, the Secretary shall determine the number and location of wind turbines that may be installed, taking into account—

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

''(ii) the extent to which the land contains threatened or endangered wildlife and wildlife habitat; and

''(iii) the purposes of the conservation reserve program under this subchapter; and

''(4) the intermittent and seasonal use of vegetative buffer practices incidental to agricultural production on land adjacent to the buffer such that the permitted use does not destroy the permanent vegetative cover.

''(c) AUTHORIZED ACTIVITIES ON GRASSLAND.—Notwithstanding section 1232(a)(8), for eligible land described in section 1231(b)(3), the Secretary shall permit the following activities:

''(1) Common grazing practices, including maintenance and necessary cultural practices, on the land in a manner that is consistent with maintaining the viability of grassland, forb, and shrub species appropriate to that locality.

''(2) Haying, mowing, or harvesting for seed production, subject to appropriate restrictions during the primary nesting season for critical birds in the area.

''(3) Fire presuppression, rehabilitation, and construction of fire breaks.

''(4) Grazing-related activities, such as fencing and livestock watering.

''(d) RESOURCE CONSERVING USE.—

''(1) IN GENERAL.—Beginning on the date that is 1 year before the date of termination of a contract under the program, the Secretary shall allow an owner or operator to make conservation and land improvements that facilitate maintaining protection of highly erodible land after expiration of the contract.

''(2) CONSERVATION PLAN.—The Secretary shall require an owner or operator carrying out the activities described in paragraph (1) to develop and implement a conservation plan.

''(3) REENROLLMENT PROHIBITED.—Land altered under paragraph (1) may not be reenrolled in the conservation reserve program for 5 years.

''(4) PAYMENT.—The Secretary shall provide an annual payment that is reduced in an amount commensurate with any income or other compensation received as a result of the activities carried out under paragraph (1).''.

SEC. 2005. PAYMENTS.

(a) TREES, WINDBREAKS, SHELTERBELTS, AND WILDLIFE CORRIDORS.—Section 1234(b)(3)(A) of the Food Security Act of 1985 (16 U.S.C. 3834(b)(3)(A)) is amended—

(1) in clause (i), by inserting ''and'' after the semicolon;

(2) by striking clause (ii); and

(3) by redesignating clause (iii) as clause (ii).

(b) INCENTIVES.—Section 1234(b)(3)(B) of the Food Security Act of 1985 (16 U.S.C. 3834(b)(3)(B)) is amended—

(1) in clause (i), by inserting '', practices to improve the condition of resources on the land,'' after ''operator)''; and

(2) by adding at the end the following:

''(iii) INCENTIVES.—In making rental payments to an owner or operator of land described in subparagraph (A), the Secretary may provide incentive payments sufficient to encourage proper thinning and practices to improve the condition of resources on the land.''.

(c) ANNUAL RENTAL PAYMENTS.—Section 1234(c) of the Food Security Act of 1985 (16 U.S.C. 3834(c)) is amended—

(1) in paragraph (1), by inserting ''and other eligible land'' after ''highly erodible cropland'' both places it appears;

(2) by striking paragraph (2) and inserting the following:

''(2) METHODS OF DETERMINATION.—

''(A) IN GENERAL.—The amounts payable to owners or operators in the form of rental payments under contracts entered into under this subchapter may be determined through—

''(i) the submission of bids for such contracts by owners and operators in such manner as the Secretary may prescribe; or

''(ii) such other means as the Secretary determines are appropriate.

''(B) GRASSLAND.—In the case of eligible land described in section 1231(b)(3), the Secretary shall make annual payments in an amount that is not more than 75 percent of the grazing value of the land covered by the contract.''; and

(3) in paragraph (5)(A)—

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

''(i) SURVEY.—The Secretary''; and

(B) by adding at the end the following:

''(ii) USE.—The Secretary may use the survey of dryland cash rental rates described in clause (i) as a factor in determining rental rates under this section as the Secretary determines appropriate.''.

(d) PAYMENT SCHEDULE.—Section 1234 of the Food Security Act of 1985 (16 U.S.C. 3834) is amended by striking subsection (d) and inserting the following:

''(d) PAYMENT SCHEDULE.—

''(1) IN GENERAL.—Except as otherwise provided in this section, payments under this subchapter shall be made in cash in such amount and on such time schedule as is agreed on and specified in the contract.

''(2) SOURCE.—Payments under this subchapter shall be made using the funds of the Commodity Credit Corporation.

''(3) ADVANCE PAYMENT.—Payments under this subchapter may be made in advance of determination of performance.''.

(e) PAYMENT LIMITATION.—Section 1234(f) of the Food Security Act of 1985 (16 U.S.C. 3834(f)) is amended—

(1) in paragraph (1), by striking '', including rental payments made in the form of in-kind commodities,'';

(2) by striking paragraph (3); and

(3) by redesignating paragraph (4) as paragraph (2).

SEC. 2006. CONTRACT REQUIREMENTS.

Section 1235(f) of the Food Security Act of 1985 (16 U.S.C. 3835(f)) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by striking ''DUTIES'' and all that follows through ''a beginning farmer'' and inserting ''TRANSITION TO COVERED FARMER OR RANCHER.—In the case of a contract modification approved in order to facilitate the transfer of land subject to a contract from a retired farmer or rancher to a beginning farmer'';

(B) in subparagraph (D), by striking ''the farmer or rancher'' and inserting ''the covered farmer or rancher''; and

(C) in subparagraph (E), by striking ''section 1001A(b)(3)(B)'' and inserting ''section 1001''; and

(2) in paragraph (2), by striking ''requirement of section 1231(h)(4)(B)'' and inserting ''option provided under section 1234(c)(2)(A)(ii)''.

SEC. 2007. CONVERSION OF LAND SUBJECT TO CONTRACT TO OTHER CONSERVING USES.

Section 1235A of the Food Security Act of 1985 (16 U.S.C. 3835a) is repealed.

SEC. 2008. EFFECTIVE DATE.

(a) IN GENERAL.—The amendments made by this title shall take effect on October 1, 2012, except, the amendment made by section 2001(d), which shall take effect on the date of enactment of this Act.

(b) EFFECT ON EXISTING CONTRACTS.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this title shall not affect the validity or terms of any contract entered into by the Secretary of Agriculture under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) before October 1, 2012, or any payments required to be made in connection with the contract.

(2) UPDATING OF EXISTING CONTRACTS.—The Secretary shall permit an owner or operator with a contract entered into under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) before October 1, 2012, to update the contract to reflect the activities and uses of land under contract permitted under the terms and conditions of paragraphs (1) and (2) of section 1233(b) of that Act (as amended by section 2004).

Subtitle B—Conservation Stewardship Program

SEC. 2101. CONSERVATION STEWARDSHIP PROGRAM.

(a) REVISION OF CURRENT PROGRAM.—Subchapter B of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838d et seq.) is amended to read as follows:

''Subchapter B—Conservation Stewardship Program

''SEC. 1238D. DEFINITIONS.

''In this subchapter:

''(1) AGRICULTURAL OPERATION.—The term 'agricultural operation' means all eligible land, whether or not contiguous, that is—

''(A) under the effective control of a producer at the time the producer enters into a contract under the program; and

''(B) operated with equipment, labor, management, and production or cultivation practices that are substantially separate from other agricultural operations, as determined by the Secretary.

''(2) CONSERVATION ACTIVITIES.—

''(A) IN GENERAL.—The term 'conservation activities' means conservation systems, practices, or management measures.

''(B) INCLUSIONS.—The term 'conservation activities' includes—

''(i) structural measures, vegetative measures, and land management measures, including agriculture drainage management systems, as determined by the Secretary; and

''(ii) planning needed to address a priority resource concern.

''(3) CONSERVATION STEWARDSHIP PLAN.—The term 'conservation stewardship plan' means a plan that—

''(A) identifies and inventories priority resource concerns;

''(B) establishes benchmark data and conservation objectives;

''(C) describes conservation activities to be implemented, managed, or improved; and

''(D) includes a schedule and evaluation plan for the planning, installation, and management of the new and existing conservation activities.

''(4) ELIGIBLE LAND.—

''(A) IN GENERAL.—The term 'eligible land' means—

''(i) private and tribal land on which agricultural commodities, livestock, or forest-related products are produced; and

''(ii) land associated with the land described in clause (i) on which priority resource concerns could be addressed through a contract under the program.

''(B) INCLUSIONS.—The term 'eligible land' includes—

''(i) cropland;

''(ii) grassland;

''(iii) rangeland;

''(iv) pastureland;

''(v) nonindustrial private forest land; and

''(vi) other agricultural land (including cropped woodland, marshes, and agricultural land used for the production of livestock), as determined by the Secretary.

''(5) PRIORITY RESOURCE CONCERN.—The term 'priority resource concern' means a natural resource concern or problem, as determined by the Secretary, that—

''(A) is identified at the national, State or local level, as a priority for a particular area of the State;

''(B) represents a significant concern in a State or region; and

''(C) is likely to be addressed successfully through the implementation of conservation activities under this program.

''(6) PROGRAM.—The term 'program' means the conservation stewardship program established by this subchapter.

''(7) STEWARDSHIP THRESHOLD.—The term 'stewardship threshold' means the level of management required, as determined by the Secretary, to conserve and improve the quality and condition of a natural resource.

''SEC. 1238E. CONSERVATION STEWARDSHIP PROGRAM.

''(a) ESTABLISHMENT AND PURPOSE.—During each of fiscal years 2013 through 2017, the Secretary shall carry out a conservation stewardship program to encourage producers to address priority resource concerns and improve and conserve the quality and condition of natural resources in a comprehensive manner—

''(1) by undertaking additional conservation activities; and

''(2) by improving, maintaining, and managing existing conservation activities.

''(b) EXCLUSIONS.—

''(1) LAND ENROLLED IN OTHER CONSERVATION PROGRAMS.—Subject to paragraph (2), the following land (even if covered by the definition of eligible land) is not eligible for enrollment in the program:

''(A) Land enrolled in the conservation reserve program.

''(B) Land enrolled in the Agricultural Conservation Easement Program in a wetland easement.

''(C) Land enrolled in the conservation security program.

''(2) CONVERSION TO CROPLAND.—Eligible land used for crop production after October 1, 2012, that had not been planted, considered to be planted, or devoted to crop production for at least 4 of the 6 years preceding that date shall not be the basis for any payment under the program, unless the land does not meet the requirement because—

''(A) the land had previously been enrolled in the conservation reserve program;

''(B) the land has been maintained using long-term crop rotation practices, as determined by the Secretary; or

''(C) the land is incidental land needed for efficient operation of the farm or ranch, as determined by the Secretary.

''SEC. 1238F. STEWARDSHIP CONTRACTS.

''(a) SUBMISSION OF CONTRACT OFFERS.—To be eligible to participate in the conservation stewardship program, a producer shall submit a contract offer for the agricultural operation that—

''(1) demonstrates to the satisfaction of the Secretary that the producer, at the time of the contract offer, is meeting the stewardship threshold for at least 2 priority resource concerns; and

''(2) would, at a minimum, meet or exceed the stewardship threshold for at least 1 additional priority resource concern by the end of the stewardship contract by—

''(A) installing and adopting additional conservation activities; and

''(B) improving, maintaining, and managing existing conservation activities on the agricultural operation in a manner that increases or extends the conservation benefits in place at the time the contract offer is accepted by the Secretary.

''(b) EVALUATION OF CONTRACT OFFERS.—

''(1) RANKING OF APPLICATIONS.—In evaluating contract offers the Secretary shall rank applications based on—

''(A) the level of conservation treatment on all applicable priority resource concerns at the time of application;

''(B) the degree to which the proposed conservation activities effectively increase conservation performance;

''(C) the number of applicable priority resource concerns proposed to be treated to meet or exceed the stewardship threshold by the end of the contract;

''(D) the extent to which other priority resource concerns will be addressed to meet or exceed the stewardship threshold by the end of the contract period;

''(E) the extent to which the actual and anticipated conservation benefits from the contract are provided at the least cost relative to other similarly beneficial contract offers; and

''(F) the extent to which priority resource concerns will be addressed when transitioning from the conservation reserve program to agricultural production.

''(2) PROHIBITION.—The Secretary may not assign a higher priority to any application because the applicant is willing to accept a lower payment than the applicant would otherwise be eligible to receive.

''(3) ADDITIONAL CRITERIA.—The Secretary may develop and use such additional criteria that the Secretary determines are necessary to ensure that national, State, and local priority resource concerns are effectively addressed.

''(c) ENTERING INTO CONTRACTS.—After a determination that a producer is eligible for the program under subsection (a), and a determination that the contract offer ranks sufficiently high under the evaluation criteria under subsection (b), the Secretary shall enter into a conservation stewardship contract with the producer to enroll the eligible land to be covered by the contract.

''(d) CONTRACT PROVISIONS.—

''(1) TERM.—A conservation stewardship contract shall be for a term of 5 years.

''(2) REQUIRED PROVISIONS.—The conservation stewardship contract of a producer shall—

''(A) state the amount of the payment the Secretary agrees to make to the producer for each year of the conservation stewardship contract under section 1238G(d);

''(B) require the producer—

''(i) to implement a conservation stewardship plan that describes the program purposes to be achieved through 1 or more conservation activities;

''(ii) to maintain and supply information as required by the Secretary to determine compliance with the conservation stewardship plan and any other requirements of the program; and

''(iii) not to conduct any activities on the agricultural operation that would tend to defeat the purposes of the program;

''(C) permit all economic uses of the eligible land that—

''(i) maintain the agricultural nature of the land; and

''(ii) are consistent with the conservation purposes of the conservation stewardship contract;

''(D) include a provision to ensure that a producer shall not be considered in violation of the contract for failure to comply with the contract due to circumstances beyond the control of the producer, including a disaster or related condition, as determined by the Secretary;

''(E) include provisions where upon the violation of a term or condition of the contract at any time the producer has control of the land—

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

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

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

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

''(F) include provisions in accordance with paragraphs (3) and (4) of this section; and

''(G) include any additional provisions the Secretary determines are necessary to carry out the program.

''(3) CHANGE OF INTEREST IN LAND SUBJECT TO A CONTRACT.—

''(A) IN GENERAL.—At the time of application, a producer shall have control of the eligible land to be enrolled in the program. Except as provided in subparagraph (B), a change in the interest of a producer in eligible land covered by a contract under the program shall result in the termination of the contract with regard to that land.

''(B) TRANSFER OF DUTIES AND RIGHTS.—Subparagraph (A) shall not apply if—

''(i) within a reasonable period of time (as determined by the Secretary) after the date of the change in the interest in all or a portion of the land covered by a contract under the program, the transferee of the land provides written notice to the Secretary that duties and rights under the contract have been transferred to, and assumed by, the transferee for the portion of the land transferred;

''(ii) the transferee meets the eligibility requirements of the program; and

''(iii) the Secretary approves the transfer of all duties and rights under the contract.

''(4) MODIFICATION AND TERMINATION OF CONTRACTS.—

''(A) VOLUNTARY MODIFICATION OR TERMINATION.—The Secretary may modify or terminate a contract with a producer if—

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

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

''(B) INVOLUNTARY TERMINATION.—The Secretary may terminate a contract if the Secretary determines that the producer violated the contract.

''(5) REPAYMENT.—If a contract is terminated, the Secretary may, consistent with the purposes of the program—

''(A) allow the producer to retain payments already received under the contract; or

''(B) require repayment, in whole or in part, of payments received and assess liquidated damages.

''(e) CONTRACT RENEWAL.—At the end of the initial 5-year contract period, the Secretary may allow the producer to renew the contract for 1 additional 5-year period if the producer—

''(1) demonstrates compliance with the terms of the existing contract;

''(2) agrees to adopt and continue to integrate conservation activities across the entire agricultural operation as determined by the Secretary; and

''(3) agrees, at a minimum, to meet or exceed the stewardship threshold for at least 2 additional priority resource concerns on the agricultural operation by the end of the contract period.

''SEC. 1238G. DUTIES OF THE SECRETARY.

''(a) IN GENERAL.—To achieve the conservation goals of a contract under the conservation stewardship program, the Secretary shall—

''(1) make the program available to eligible producers on a continuous enrollment basis with 1 or more ranking periods, 1 of which shall occur in the first quarter of each fiscal year;

''(2) identify not less than 5 priority resource concerns in a particular watershed or other appropriate region or area within a State; and

''(3) establish a science-based stewardship threshold for each priority resource concern identified under subparagraph (2).

''(b) ALLOCATION TO STATES.—The Secretary shall allocate acres to States for enrollment, based—

''(1) primarily on each State's proportion of eligible land to the total acreage of eligible land in all States; and

''(2) also on consideration of—

''(A) the extent and magnitude of the conservation needs associated with agricultural production in each State;

''(B) the degree to which implementation of the program in the State is, or will be, effective in helping producers address those needs; and

''(C) other considerations to achieve equitable geographic distribution of funds, as determined by the Secretary.

''(c) ACREAGE ENROLLMENT LIMITATION.—During the period beginning on October 1, 2012, and ending on September 30, 2021, the Secretary shall, to the maximum extent practicable—

''(1) enroll in the program an additional 10,348,000 acres for each fiscal year; and

''(2) manage the program to achieve a national average rate of $18 per acre, which shall include the costs of all financial assistance, technical assistance, and any other expenses associated with enrollment or participation in the program.

''(d) CONSERVATION STEWARDSHIP PAYMENTS.—

''(1) AVAILABILITY OF PAYMENTS.—The Secretary shall provide annual payments under the program to compensate the producer for—

''(A) installing and adopting additional conservation activities; and

''(B) improving, maintaining, and managing conservation activities in place at the operation of the producer at the time the contract offer is accepted by the Secretary.

''(2) PAYMENT AMOUNT.—The amount of the conservation stewardship annual payment shall be determined by the Secretary and based, to the maximum extent practicable, on the following factors:

''(A) Costs incurred by the producer associated with planning, design, materials, installation, labor, management, maintenance, or training.

''(B) Income forgone by the producer.

''(C) Expected conservation benefits.

''(D) The extent to which priority resource concerns will be addressed through the installation and adoption of conservation activities on the agricultural operation.

''(E) The level of stewardship in place at the time of application and maintained over the term of the contract.

''(F) The degree to which the conservation activities will be integrated across the entire agricultural operation for all applicable priority resource concerns over the term of the contract.

''(G) Such other factors as determined by the Secretary.

''(3) EXCLUSIONS.—A payment to a producer under this subsection shall not be provided for—

''(A) the design, construction, or maintenance of animal waste storage or treatment facilities or associated waste transport or transfer devices for animal feeding operations; or

''(B) conservation activities for which there is no cost incurred or income forgone to the producer.

''(4) DELIVERY OF PAYMENTS.—In making stewardship payments, the Secretary shall, to the extent practicable—

''(A) prorate conservation performance over the term of the contract so as to accommodate, to the extent practicable, producers earning equal annual stewardship payments in each fiscal year; and

''(B) make stewardship payments as soon as practicable after October 1 of each fiscal year for activities carried out in the previous fiscal year.

''(e) SUPPLEMENTAL PAYMENTS FOR RESOURCE-CONSERVING CROP ROTATIONS.—

''(1) AVAILABILITY OF PAYMENTS.—The Secretary shall provide additional payments to producers that, in participating in the program, agree to adopt resource-conserving crop rotations to achieve beneficial crop rotations as appropriate for the eligible land of the producers.

''(2) BENEFICIAL CROP ROTATIONS.—The Secretary shall determine whether a resource-conserving crop rotation is a beneficial crop rotation eligible for additional payments under paragraph (1), based on whether the resource-conserving crop rotation is designed to provide natural resource conservation and production benefits.

''(3) ELIGIBILITY.—To be eligible to receive a payment described in paragraph (1), a producer shall agree to adopt and maintain the resource-conserving crop rotations for the term of the contract.

''(4) RESOURCE-CONSERVING CROP ROTATION.—In this subsection, the term 'resource-conserving crop rotation' means a crop rotation that—

''(A) includes at least 1 resource conserving crop (as defined by the Secretary);

''(B) reduces erosion;

''(C) improves soil fertility and tilth;

''(D) interrupts pest cycles; and

''(E) in applicable areas, reduces depletion of soil moisture or otherwise reduces the need for irrigation.

''(f) PAYMENT LIMITATIONS.—A person or legal entity may not receive, directly or indirectly, payments under the program that, in the aggregate, exceed $200,000 under all contracts entered into during fiscal years 2013 through 2017, excluding funding arrangements with Indian tribes, regardless of the number of contracts entered into under the program by the person or legal entity.

''(g) SPECIALTY CROP AND ORGANIC PRODUCERS.—The Secretary shall ensure that outreach and technical assistance are available, and program specifications are appropriate to enable specialty crop and organic producers to participate in the program.

''(h) COORDINATION WITH ORGANIC CERTIFICATION.—The Secretary shall establish a transparent means by which producers may initiate organic certification under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.) while participating in a contract under the program.

''(i) REGULATIONS.—The Secretary shall promulgate regulations that—

''(1) prescribe such other rules as the Secretary determines to be necessary to ensure a fair and reasonable application of the limitations established under subsection (f); and

''(2) otherwise enable the Secretary to carry out the program.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.

(c) EFFECT ON EXISTING CONTRACTS.—

(1) IN GENERAL.—The amendment made by this section shall not affect the validity or terms of any contract entered into by the Secretary of Agriculture under subchapter B of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838d et seq.) before October 1, 2012, or any payments required to be made in connection with the contract.

(2) CONSERVATION STEWARDSHIP PROGRAM.—Funds made available under section 1241(a)(4) of the Food Security Act of 1985 (16 U.S.C. 3841(a)(4)) (as amended by section 2601(a)) may be used to administer and make payments to program participants enrolled into contracts during any of fiscal years 2009 through 2012.

Subtitle C—Environmental Quality Incentives Program

SEC. 2201. PURPOSES.

Section 1240 of the Food Security Act of 1985 (16 U.S.C. 3839aa) is amended—

(1) in paragraph (3)—

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

(B) by redesignating subparagraph (B) as subparagraph (C) and, in such subparagraph, by inserting ''and'' after the semicolon; and

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

''(B) develop and improve wildlife habitat; and'';

(2) in paragraph (4), by striking ''; and'' and inserting a period; and

(3) by striking paragraph (5).

SEC. 2202. DEFINITIONS.

Section 1240A of the Food Security Act of 1985 (16 U.S.C. 3839aa–1) is amended—

(1) by striking paragraph (2) and redesignating paragraphs (3) through (6) as paragraphs (2) through (5), respectively; and

(2) in paragraph (2) (as so redesignated), by inserting ''established under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.)'' after ''national organic program''.

SEC. 2203. ESTABLISHMENT AND ADMINISTRATION.

Section 1240B of the Food Security Act of 1985 (16 U.S.C. 3839aa–2) is amended—

(1) in subsection (a), by striking ''2014'' and inserting ''2017'';

(2) in subsection (b), by striking paragraph (2) and inserting the following:

''(2) TERM.—A contract under the program shall have a term that does not exceed 10 years.'';

(3) in subsection (d)—

(A) in paragraph (3), by striking subparagraphs (A) through (G) and inserting the following:

''(A) soil health;

''(B) water quality and quantity improvement;

''(C) nutrient management;

''(D) pest management;

''(E) air quality improvement;

''(F) wildlife habitat development, including pollinator habitat;

''(G) invasive species management; or

''(H) other resource issues of regional or national significance, as determined by the Secretary.''; and

(B) in paragraph (4)—

(i) in subparagraph (A) in the matter preceding clause (i), by inserting '', veteran farmer or rancher (as defined in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e))),'' before ''or a beginning farmer or rancher''; and

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

''(B) ADVANCE PAYMENTS.—

''(i) IN GENERAL.—Not more than 30 percent of the amount determined under subparagraph (A) may be provided in advance for the purpose of purchasing materials or contracting.

''(ii) RETURN OF FUNDS.—If funds provided in advance are not expended during the 90-day period beginning on the date of receipt of the funds, the funds shall be returned within a reasonable time frame, as determined by the Secretary.'';

(4) by striking subsection (f) and inserting the following:

''(f) ALLOCATION OF FUNDING.—

''(1) LIVESTOCK.—For each of fiscal years 2013 through 2017, at least 60 percent of the funds made available for payments under the program shall be targeted at practices relating to livestock production.

''(2) WILDLIFE HABITAT.—For each of fiscal years 2013 through 2017, at least 5 percent of the funds made available for payments under the program shall be targeted at practices benefitting wildlife habitat under subsection (g).''; and

(5) by striking subsection (g) and inserting the following:

''(g) WILDLIFE HABITAT INCENTIVE PRACTICE.—The Secretary shall provide payments under the program for conservation practices that support the restoration, development, and improvement of wildlife habitat on eligible land, including—

''(1) upland wildlife habitat;

''(2) wetland wildlife habitat;

''(3) habitat for threatened and endangered species;

''(4) fish habitat;

''(5) habitat on pivot corners and other irregular areas of a field; and

''(6) other types of wildlife habitat, as determined by the Secretary.''.

SEC. 2204. EVALUATION OF APPLICATIONS.

Section 1240C(b) of the Food Security Act of 1985 (16 U.S.C. 3839aa–3(b)) is amended—

(1) in paragraph (1), by striking ''environmental'' and inserting ''conservation''; and

(2) in paragraph (3), by striking ''purpose of the environmental quality incentives program specified in section 1240(1)'' and inserting ''purposes of the program''.

SEC. 2205. DUTIES OF PRODUCERS.

Section 1240D(2) of the Food Security Act of 1985 (16 U.S.C. 3839aa–4(2)) is amended by striking ''farm, ranch, or forest'' and inserting ''enrolled''.

SEC. 2206. LIMITATION ON PAYMENTS.

Section 1240G of the Food Security Act of 1985 (16 U.S.C. 3839aa–7) is amended—

(1) in subsection (a)—

(A) by striking ''by the person or entity during any six-year period,'' and inserting ''during fiscal years 2013 through 2017''; and

(B) by striking ''federally recognized'' and all that follows through the period and inserting ''Indian tribes under section 1244(1).''; and

(2) in subsection (b)(2), by striking ''any six-year period'' and inserting ''fiscal years 2013 through 2017''.

SEC. 2207. CONSERVATION INNOVATION GRANTS AND PAYMENTS.

Section 1240H of the Food Security Act of 1985 (16 U.S.C. 3839aa–8) is amended by striking subsection (b) and inserting the following:

''(b) REPORTING.—Not later than December 31, 2013, and every 2 years thereafter, the Secretary shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives a report on the status of projects funded under this section, including—

''(1) funding awarded;

''(2) project results; and

''(3) incorporation of project findings, such as new technology and innovative approaches, into the conservation efforts implemented by the Secretary.''.

SEC. 2208. EFFECTIVE DATE.

(a) IN GENERAL.—The amendments made by this title shall take effect on October 1, 2012.

(b) EFFECT ON EXISTING CONTRACTS.—The amendments made by this title shall not affect the validity or terms of any contract entered into by the Secretary of Agriculture under chapter 4 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839aa et seq.) before October 1, 2012, or any payments required to be made in connection with the contract.

Subtitle D—Agricultural Conservation Easement Program

SEC. 2301. AGRICULTURAL CONSERVATION EASEMENT PROGRAM.

(a) ESTABLISHMENT.—Title XII of the Food Security Act of 1985 is amended by adding at the end the following:

''Subtitle H—Agricultural Conservation Easement Program

''SEC. 1265. ESTABLISHMENT AND PURPOSES.

''(a) ESTABLISHMENT.—The Secretary shall establish an Agricultural Conservation Easement Program for the conservation of eligible land and natural resources through easements or other interests in land.

''(b) PURPOSES.—The purposes of the program are to—

''(1) combine the purposes and coordinate the functions of the wetlands reserve program established under section 1237, the grassland reserve program established under section 1238N, and the farmland protection program established under section 1238I;

''(2) restore, protect, and enhance wetland on eligible land;

''(3) protect the agricultural use, viability, and related conservation values of eligible land by limiting nonagricultural uses of that land; and

''(4) protect grazing uses and related conservation values by restoring and conserving eligible land.

''SEC. 1265A. DEFINITIONS.

''In this subtitle:

''(1) AGRICULTURAL LAND EASEMENT.—The term 'agricultural land easement' means an easement or other interest in eligible land that—

''(A) is conveyed for the purposes of protecting natural resources and the agricultural nature of the land, and of promoting agricultural viability for future generations; and

''(B) permits the landowner the right to continue agricultural production and related uses subject to an agricultural land easement plan.

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

''(A) an agency of State or local government or an Indian tribe (including farmland protection board or land resource council established under State law); or

''(B) an organization that is—

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

''(ii) an organization described in section 501(c)(3) of that Code that is exempt from taxation under section 501(a) of that Code; or

''(iii) described in—

''(I) paragraph (1) or (2) of section 509(a) of that Code; or

''(II) section 509(a)(3) of that Code and is controlled by an organization described in section 509(a)(2) of that Code.

''(3) ELIGIBLE LAND.—The term 'eligible land' means private or tribal land that is—

''(A) in the case of an agricultural land easement, agricultural land, including land on a farm or ranch—

''(i) that is subject to a pending offer for purchase from an eligible entity;

''(ii) that—

''(I) has prime, unique, or other productive soil;

''(II) contains historical or archaeological resources; or

''(III) the protection of which will further a State or local policy consistent with the purposes of the program; and

''(iii) that is—

''(I) cropland;

''(II) rangeland;

''(III) grassland or land that contains forbs, or shrubland for which grazing is the predominant use;

''(IV) pastureland; or

''(V) nonindustrial private forest land that contributes to the economic viability of an offered parcel or serves as a buffer to protect such land from development;

''(B) in the case of a wetland easement, a wetland or related area, including—

''(i) farmed or converted wetland, together with the adjacent land that is functionally dependent on that land if the Secretary determines it—

''(I) is likely to be successfully restored in a cost effective manner; and

''(II) will maximize the wildlife benefits and wetland functions and values as determined by the Secretary in consultation with the Secretary of the Interior at the local level;

''(ii) cropland or grassland that was used for agricultural production prior to flooding from the natural overflow of a closed basin lake or pothole, as determined by the Secretary, together (where practicable) with the adjacent land that is functionally dependent on the cropland or grassland;

''(iii) farmed wetland and adjoining land that—

''(I) is enrolled in the conservation reserve program;

''(II) has the highest wetland functions and values; and

''(III) is likely to return to production after the land leaves the conservation reserve program;

''(iv) riparian areas that link wetland that is protected by easements or some other device that achieves the same purpose as an easement; or

''(v) other wetland of an owner that would not otherwise be eligible if the Secretary determines that the inclusion of such wetland in such easement would significantly add to the functional value of the easement; and

''(C) in the case of both an agricultural land easement or wetland easement, other land that is incidental to eligible land if the Secretary determines that it is necessary for the efficient administration of the easements under this program.

''(4) PROGRAM.—The term 'program' means the Agricultural Conservation Easement Program established by this subtitle.

''(5) WETLAND EASEMENT.—The term 'wetland easement' means a reserved interest in eligible land that—

''(A) is defined and delineated in a deed; and

''(B) stipulates—

''(i) the rights, title, and interests in land conveyed to the Secretary; and

''(ii) the rights, title, and interests in land that are reserved to the landowner.

''SEC. 1265B. AGRICULTURAL LAND EASEMENTS.

''(a) AVAILABILITY OF ASSISTANCE.—The Secretary shall facilitate and provide funding for—

''(1) the purchase of agricultural land easements and other interests in eligible land; and

''(2) technical assistance to provide for the conservation of natural resources pursuant to an agricultural land easement plan.

''(b) COST-SHARE ASSISTANCE.—

''(1) IN GENERAL.—The Secretary shall provide cost-share assistance to eligible entities for purchasing agricultural land easements to protect the agricultural use, including grazing, and related conservation values of eligible land.

''(2) SCOPE OF ASSISTANCE AVAILABLE.—

''(A) FEDERAL SHARE.—Subject to subparagraph (C), an agreement described in paragraph (4) shall provide for a Federal share determined by the Secretary of an amount not to exceed 50 percent of the fair market value of the agricultural land easement or other interest in land, as determined by the Secretary using—

''(i) the Uniform Standards of Professional Appraisal Practices;

''(ii) an area-wide market analysis or survey; or

''(iii) another industry approved method.

''(B) NON-FEDERAL SHARE.—

''(i) IN GENERAL.—Subject to subparagraph (C), under the agreement, the eligible entity shall provide a share that is at least equivalent to that provided by the Secretary.

''(ii) SOURCE OF CONTRIBUTION.—An eligible entity may include as part of its share a charitable donation or qualified conservation contribution (as defined by section 170(h) of the Internal Revenue Code of 1986) from the private landowner if the eligible entity contributes its own cash resources in an amount that is at least 50 percent of the amount contributed by the Secretary.

''(C) WAIVER AUTHORITY.—In the case of grassland of special environmental significance, as determined by the Secretary, the Secretary may provide up to 75 percent of the fair market value of the agricultural land easement.

''(3) EVALUATION AND RANKING OF APPLICATIONS.—

''(A) CRITERIA.—The Secretary shall establish evaluation and ranking criteria to maximize the benefit of Federal investment under the program.

''(B) CONSIDERATIONS.—In establishing the criteria, the Secretary shall emphasize support for—

''(i) protecting agricultural uses and related conservation values of the land; and

''(ii) maximizing the protection of contiguous acres devoted to agricultural use.

''(C) BIDDING DOWN.—If the Secretary determines that 2 or more applications for cost-share assistance are comparable in achieving the purpose of the program, the Secretary shall not assign a higher priority to any of those applications solely on the basis of lesser cost to the program.

''(4) AGREEMENTS WITH ELIGIBLE ENTITIES.—

''(A) IN GENERAL.—The Secretary shall enter into agreements with eligible entities to stipulate the terms and conditions under which the eligible entity is permitted to use cost-share assistance provided under this section.

''(B) LENGTH OF AGREEMENTS.—An agreement shall be for a term that is—

''(i) in the case of an eligible entity certified under the process described in paragraph (5), a minimum of 5 years; and

''(ii) for all other eligible entities, at least 3, but not more than 5 years.

''(C) MINIMUM TERMS AND CONDITIONS.—An eligible entity shall be authorized to use its own terms and conditions for agricultural land easements so long as the Secretary determines such terms and conditions—

''(i) are consistent with the purposes of the program;

''(ii) are permanent or for the maximum duration allowed under applicable State law;

''(iii) permit effective enforcement of the conservation purposes of such easements, including appropriate restrictions depending on the purposes for which the easement is acquired;

''(iv) include a right of enforcement for the Secretary;

''(v) subject the land purchased to an agricultural land easement plan that—

''(I) describes the activities which promote the long-term viability of the land to meet the purposes for which the easement was acquired;

''(II) requires the management of grassland according to a grassland management plan; and

''(III) includes a conservation plan, where appropriate, and requires, at the option of the Secretary, the conversion of highly erodible cropland to less intensive uses; and

''(vi) include a limit on the impervious surfaces to be allowed that is consistent with the agricultural activities to be conducted.

''(D) SUBSTITUTION OF QUALIFIED PROJECTS.—An agreement shall allow, upon mutual agreement of the parties, substitution of qualified projects that are identified at the time of the proposed substitution.

''(E) EFFECT OF VIOLATION.—If a violation occurs of a term or condition of an agreement under this subsection—

''(i) the agreement may be terminated; and

''(ii) the Secretary may require the eligible entity to refund all or part of any payments received by the entity under the program, with interest on the payments as determined appropriate by the Secretary.

''(5) CERTIFICATION OF ELIGIBLE ENTITIES.—

''(A) CERTIFICATION PROCESS.—The Secretary shall establish a process under which the Secretary may—

''(i) directly certify eligible entities that meet established criteria;

''(ii) enter into long-term agreements with certified eligible entities; and

''(iii) accept proposals for cost-share assistance for the purchase of agricultural land easements throughout the duration of such agreements.

''(B) CERTIFICATION CRITERIA.—In order to be certified, an eligible entity shall demonstrate to the Secretary that the entity will maintain, at a minimum, for the duration of the agreement—

''(i) a plan for administering easements that is consistent with the purpose of this subtitle;

''(ii) the capacity and resources to monitor and enforce agricultural land easements; and

''(iii) policies and procedures to ensure—

''(I) the long-term integrity of agricultural land easements on eligible land;

''(II) timely completion of acquisitions of easements; and

''(III) timely and complete evaluation and reporting to the Secretary on the use of funds provided under the program.

''(C) REVIEW AND REVISION.—

''(i) REVIEW.—The Secretary shall conduct a review of eligible entities certified under subparagraph (A) every 3 years to ensure that such entities are meeting the criteria established under subparagraph (B).

''(ii) REVOCATION.—If the Secretary finds that the certified entity no longer meets the criteria established under subparagraph (B), the Secretary may—

''(I) allow the certified entity a specified period of time, at a minimum 180 days, in which to take such actions as may be necessary to meet the criteria; and

''(II) revoke the certification of the entity, if after the specified period of time, the certified entity does not meet such criteria.

''(c) TECHNICAL ASSISTANCE.—The Secretary may provide technical assistance, if requested, to assist in—

''(1) compliance with the terms and conditions of easements; and

''(2) implementation of an agricultural land easement plan.

''SEC. 1265C. WETLAND EASEMENTS.

''(a) AVAILABILITY OF ASSISTANCE.—The Secretary shall provide assistance to owners of eligible land to restore, protect, and enhance wetland through—

''(1) easements and related wetland easement plans; and

''(2) technical assistance.

''(b) EASEMENTS.—

''(1) METHOD OF ENROLLMENT.—The Secretary shall enroll eligible land through the use of—

''(A) 30-year easements;

''(B) permanent easements;

''(C) easements for the maximum duration allowed under applicable State laws; or

''(D) as an option for Indian tribes only, 30-year contracts.

''(2) LIMITATIONS.—

''(A) INELIGIBLE LAND.—The Secretary may not acquire easements on—

''(i) land established to trees under the conservation reserve program, except in cases where the Secretary determines it would further the purposes of the program; and

''(ii) farmed wetland or converted wetland where the conversion was not commenced prior to December 23, 1985.

''(B) CHANGES IN OWNERSHIP.—No easement shall be created on land that has changed ownership during the preceding 24-month period unless—

''(i) the new ownership was acquired by will or succession as a result of the death of the previous owner;

''(ii)(I) the ownership change occurred because of foreclosure on the land; and

''(II) immediately before the foreclosure, the owner of the land exercises a right of redemption from the mortgage holder in accordance with State law; or

''(iii) the Secretary determines that the land was acquired under circumstances that give adequate assurances that such land was not acquired for the purposes of placing it in the program.

''(3) EVALUATION AND RANKING OF OFFERS.—

''(A) CRITERIA.—The Secretary shall establish evaluation and ranking criteria to maximize the benefit of Federal investment under the program.

''(B) CONSIDERATIONS.—When evaluating offers from landowners, the Secretary may consider—

''(i) the conservation benefits of obtaining an easement or 30-year contract, including the potential environmental benefits if the land was removed from agricultural production;

''(ii) the cost-effectiveness of each easement or 30-year contract, so as to maximize the environmental benefits per dollar expended;

''(iii) whether the landowner or another person is offering to contribute financially to the cost of the easement or 30-year contract to leverage Federal funds; and

''(iv) such other factors as the Secretary determines are necessary to carry out the purposes of the program.

''(C) PRIORITY.—The Secretary shall place priority on acquiring easements based on the value of the easement for protecting and enhancing habitat for migratory birds and other wildlife.

''(4) AGREEMENT.—To be eligible to place eligible land into the program through a wetland easement, the owner of such land shall enter into an agreement with the Secretary to—

''(A) grant an easement on such land to the Secretary;

''(B) authorize the implementation of a wetland easement plan;

''(C) create and record an appropriate deed restriction in accordance with applicable State law to reflect the easement agreed to;

''(D) provide a written statement of consent to such easement signed by those holding a security interest in the land;

''(E) comply with the terms and conditions of the easement and any related agreements; and

''(F) permanently retire any existing cropland base and allotment history for the land on which the easement has been obtained.

''(5) TERMS AND CONDITIONS OF EASEMENT.—

''(A) IN GENERAL.—A wetland easement shall include terms and conditions that—

''(i) permit—

''(I) repairs, improvements, and inspections on the land that are necessary to maintain existing public drainage systems; and

''(II) owners to control public access on the easement areas while identifying access routes to be used for restoration activities and management and easement monitoring;

''(ii) prohibit—

''(I) the alteration of wildlife habitat and other natural features of such land, unless specifically authorized by the Secretary;

''(II) the spraying of such land with chemicals or the mowing of such land, except where such spraying or mowing is authorized by the Secretary or is necessary—

''(aa) to comply with Federal or State noxious weed control laws;

''(bb) to comply with a Federal or State emergency pest treatment program; or

''(cc) to meet habitat needs of specific wildlife species;

''(III) any activities to be carried out on the owner's or successor's land that is immediately adjacent to, and functionally related to, the land that is subject to the easement if such activities will alter, degrade, or otherwise diminish the functional value of the eligible land; and

''(IV) the adoption of any other practice that would tend to defeat the purposes of the program, as determined by the Secretary;

''(iii) provide for the efficient and effective establishment of wetland functions and values; and

''(iv) include such additional provisions as the Secretary determines are desirable to carry out the program or facilitate the practical administration thereof.

''(B) VIOLATION.—On the violation of the terms or conditions of the easement, the easement shall remain in force and the Secretary may require the owner to refund all or part of any payments received by the owner under the program, together with interest thereon as determined appropriate by the Secretary.

''(C) COMPATIBLE USES.—Land subject to a wetland easement may be used for compatible economic uses, including such activities as hunting and fishing, managed timber harvest, or periodic haying or grazing, if such use is specifically permitted by the wetland easement plan and is consistent with the long-term protection and enhancement of the wetland resources for which the easement was established.

''(D) RESERVATION OF GRAZING RIGHTS.—The Secretary may include in the terms and conditions of an easement a provision under which the owner reserves grazing rights if—

''(i) the Secretary determines that the reservation and use of the grazing rights—

''(I) is compatible with the land subject to the easement;

''(II) is consistent with the historical natural uses of the land and long-term protection and enhancement goals for which the easement was established; and

''(III) complies with the wetland easement plan; and

''(ii) the agreement provides for a commensurate reduction in the easement payment to account for the grazing value, as determined by the Secretary.

''(E) APPLICATION.—The relevant provisions of this paragraph shall also apply to a 30-year contract.

''(6) COMPENSATION.—

''(A) DETERMINATION.—

''(i) IN GENERAL.—The Secretary shall pay as compensation for a permanent easement acquired an amount necessary to encourage enrollment in the program based on the lowest of—

''(I) the fair market value of the land, as determined by the Secretary, using the Uniform Standards of Professional Appraisal Practices or an area-wide market analysis or survey;

''(II) the amount corresponding to a geographical cap, as determined by the Secretary in regulations; or

''(III) the offer made by the landowner.

''(ii) OTHER.—Compensation for a 30-year contract or 30-year easement shall be not less than 50 percent, but not more than 75 percent, of the compensation that would be paid for a permanent easement.

''(B) FORM OF PAYMENT.—Compensation shall be provided by the Secretary in the form of a cash payment, in an amount determined under subparagraph (A).

''(C) PAYMENT SCHEDULE.—

''(i) EASEMENTS VALUED AT LESS THAN $500,000.—For easements valued at $500,000 or less, the Secretary may provide easement payments in not more than 10 annual payments.

''(ii) EASEMENTS VALUED AT MORE THAN $500,000.—For easements valued at more than $500,000, the Secretary may provide easement payments in at least 5, but not more than 10 annual payments, except that, if the Secretary determines it would further the purposes of the program, the Secretary may make a lump sum payment for such an easement.

''(c) EASEMENT RESTORATION.—

''(1) IN GENERAL.—The Secretary shall provide financial assistance to carry out the establishment of conservation measures and practices and protect wetland functions and values, including necessary maintenance activities, as set forth in a wetland easement plan.

''(2) PAYMENTS.—The Secretary shall—

''(A) in the case of a permanent easement, pay an amount that is not less than 75 percent, but not more than 100 percent, of the eligible costs; and

''(B) in the case of a 30-year contract or 30-year easement, pay an amount that is not less than 50 percent, but not more than 75 percent, of the eligible costs.

''(d) TECHNICAL ASSISTANCE.—

''(1) IN GENERAL.—The Secretary shall assist owners in complying with the terms and conditions of easements and 30-year contracts.

''(2) CONTRACTS OR AGREEMENTS.—The Secretary may enter into 1 or more contracts with private entities or agreements with a State, non-governmental organization, or Indian tribe to carry out necessary restoration, enhancement or maintenance of an easement if the Secretary determines that the contract or agreement will advance the purposes of the program.

''(e) WETLAND ENHANCEMENT OPTION.—The Secretary may enter into 1 or more agreements with a State (including a political subdivision or agency of a State), nongovernmental organization, or Indian tribe to carry out a special wetland enhancement option that the Secretary determines would advance the purposes of the program.

''(f) ADMINISTRATION.—

''(1) WETLAND EASEMENT PLAN.—The Secretary shall develop a wetland easement plan for eligible land subject to a wetland easement, which will include the practices and activities necessary to restore, protect, enhance, and maintain the enrolled land.

''(2) DELEGATION OF EASEMENT ADMINISTRATION.—

''(A) IN GENERAL.—The Secretary may delegate any of the easement management, monitoring, and enforcement responsibilities of the Secretary to other Federal or State agencies that have the appropriate authority, expertise and resources necessary to carry out such delegated responsibilities or to other conservation organizations if the Secretary determines the organization has similar expertise and resources.

''(B) LIMITATION.—The Secretary shall not delegate any of the monitoring or enforcement responsibilities under the program to conservation organizations.

''(3) PAYMENTS.—

''(A) TIMING OF PAYMENTS.—The Secretary shall provide payment for obligations incurred by the Secretary under this section—

''(i) with respect to any easement restoration obligation as soon as possible after the obligation is incurred; and

''(ii) with respect to any annual easement payment obligation incurred by the Secretary as soon as possible after October 1 of each calendar year.

''(B) PAYMENTS TO OTHERS.—If an owner who is entitled to a payment dies, becomes incompetent, is otherwise unable to receive such payment, or is succeeded by another person or entity who renders or completes the required performance, the Secretary shall make such payment, in accordance with regulations prescribed by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable in light of all of the circumstances.

''SEC. 1265D. ADMINISTRATION.

''(a) INELIGIBLE LAND.—The Secretary may not acquire an easement under the program on—

''(1) land owned by an agency of the United States, other than land held in trust for Indian tribes;

''(2) land owned in fee title by a State, including an agency or a subdivision of a State, or a unit of local government;

''(3) land subject to an easement or deed restriction which, as determined by the Secretary, provides similar protection as would be provided by enrollment in the program; and

''(4) land where the purposes of the program would be undermined due to on-site or off-site conditions, such as risk of hazardous substances, proposed or existing rights of way, infrastructure development, or adjacent land uses.

''(b) PRIORITY.—In evaluating applications under the program, the Secretary may give priority to land that is currently enrolled in the conservation reserve program in a contract that is set to expire within 1 year and—

''(1) in the case of an agricultural land easement, is grassland that would benefit from protection under a long-term easement; and

''(2) in the case of a wetland easement, is a wetland or related area with the highest functions and values and is likely to return to production after the land leaves the conservation reserve program.

''(c) SUBORDINATION, EXCHANGE, MODIFICATION, AND TERMINATION.—

''(1) IN GENERAL.—The Secretary may subordinate, exchange, terminate, or modify any interest in land, or portion of such interest, administered by the Secretary, either directly or on behalf of the Commodity Credit Corporation under the program when the Secretary determines that—

''(A) it is in the Federal Government's interest to subordinate, exchange, modify or terminate the interest in land;

''(B) the subordination, exchange, modification, or termination action—

''(i) will address a compelling public need for which there is no practicable alternative, or

''(ii) such action will further the practical administration of the program; and

''(C) the subordination, exchange, modification, or termination action will result in comparable conservation value and equivalent or greater economic value to the United States.

''(2) CONSULTATION.—The Secretary shall work with the current owner, and eligible entity if applicable, to address any subordination, exchange, termination, or modification of the interest, or portion of such interest in land.

''(3) NOTICE.—At least 90 days before taking any termination action described in paragraph (1), the Secretary shall provide written notice of such action to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

''(d) LAND ENROLLED IN OTHER PROGRAMS.—

''(1) CONSERVATION RESERVE PROGRAM.—The Secretary may terminate or modify an existing contract entered into under section 1231(a) if eligible land that is subject to such contract is transferred into the program.

''(2) OTHER.—Land enrolled in the wetlands reserve program, grassland reserve program, or farmland protection program shall be considered enrolled in this program.

''(e) ALLOCATION OF FUNDS FOR AGRICULTURAL LAND EASEMENTS.—Of the funds made available under section 1241 to carry out the program for a fiscal year, the Secretary shall, to the extent practicable, use no less

than 40 percent for agricultural land easements.''.

(b) COMPLIANCE WITH CERTAIN REQUIREMENTS.—Before an eligible entity or owner of eligible land may receive assistance under subtitle H of title XII of the Food Security Act of 1985, the eligible entity or person shall agree, during the crop year for which the assistance is provided and in exchange for the assistance—

(1) to comply with applicable conservation requirements under subtitle B of title XII of that Act (16 U.S.C. 3811 et seq.); and

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

(c) CROSS REFERENCE.—Section 1244 of the Food Security Act of 1985 (16 U.S.C. 3844) is amended—

(1) in subsection (c)—

(A) in paragraph (1)—

(i) by inserting ''and'' at the end of subparagraph (A);

(ii) by striking ''and'' at the end of subparagraph (B); and

(iii) by striking subparagraph (C);

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

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

''(2) the Agricultural Conservation Easement Program established under subtitle H; and''; and

(2) in subsection (f)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking ''programs administered under subchapters B and C of chapter 1 of subtitle D'' and inserting ''conservation reserve program established under subchapter B of chapter 1 of subtitle D and the Agricultural Conservation Easement Program under subtitle H using wetland easements under section 1265C''; and

(ii) in subparagraph (B), by striking ''subchapter C of chapter 1 of subtitle D'' and inserting ''the Agricultural Conservation Easement Program under subtitle H using wetland easements under section 1265C''; and

(B) in paragraph (4), by striking ''subchapter C'' and inserting ''subchapter B''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2012.

Subtitle E—Regional Conservation Partnership Program

SEC. 2401. REGIONAL CONSERVATION PARTNERSHIP PROGRAM.

(a) IN GENERAL.—Title XII of the Food Security Act of 1985 is amended by inserting after subtitle H (as added by section 2301) the following:

''Subtitle I—Regional Conservation Partnership Program

''SEC. 1271. ESTABLISHMENT AND PURPOSES.

''(a) ESTABLISHMENT.—The Secretary shall establish a Regional Conservation Partnership Program to implement eligible activities through—

''(1) partnership agreements with eligible partners; and

''(2) contracts with producers.

''(b) PURPOSES.—The purposes of the program are—

''(1) to combine the purposes and coordinate the functions of—

''(A) the agricultural water enhancement program established under section 1240I;

''(B) the Chesapeake Bay watershed program established under section 1240Q;

''(C) the cooperative conservation partnership initiative established under section 1243; and

''(D) the Great Lakes basin program for soil erosion and sediment control established under section 1240P;.

''(2) to further the conservation, restoration, and sustainable use of soil, water, wildlife, and related natural resources on a regional or watershed scale; and

''(3) to encourage partners to cooperate with producers in—

''(A) meeting or avoiding the need for national, State, and local natural resource regulatory requirements related to production; and

''(B) implementing projects that will result in the installation and maintenance of eligible activities that affect multiple agricultural or nonindustrial private forest operations on a local, regional, State, or multi-State basis.

''SEC. 1271A. DEFINITIONS.

''In this subtitle:

''(1) COVERED PROGRAMS.—The term 'covered programs' means—

''(A) the agricultural conservation easement program;

''(B) the environmental quality incentives program; and

''(C) the conservation stewardship program.

''(2) ELIGIBLE ACTIVITY.—The term 'eligible activity' means any of the following conservation activities when delivered through a covered program:

''(A) Water quality restoration or enhancement projects, including nutrient management and sediment reduction.

''(B) Water quantity conservation, restoration, or enhancement projects relating to surface water and groundwater resources, including—

''(i) the conversion of irrigated cropland to the production of less water-intensive agricultural commodities or dryland farming; and

''(ii) irrigation system improvement and irrigation efficiency enhancement.

''(C) Drought mitigation.

''(D) Flood prevention.

''(E) Water retention.

''(F) Habitat conservation, restoration, and enhancement.

''(G) Erosion control.

''(H) Other related activities that the Secretary determines will help achieve conservation benefits.

''(3) ELIGIBLE PARTNER.—The term 'eligible partner' means any of the following:

''(A) An agricultural or silvicultural producer association or other group of producers.

''(B) A State or unit of local government.

''(C) An Indian tribe.

''(D) A farmer cooperative.

''(E) An institution of higher education.

''(F) An organization with an established history of working cooperatively with producers on agricultural land, as determined by the Secretary, to address—

''(i) local conservation priorities related to agricultural production, wildlife habitat development, and nonindustrial private forest land management; or

''(ii) critical watershed-scale soil erosion, water quality, sediment reduction, or other natural resource concerns.

''(4) PARTNERSHIP AGREEMENT.—The term 'partnership agreement' means an agreement between the Secretary and an eligible partner.

''(5) PROGRAM.—The term 'program' means the Regional Conservation Partnership Program established by this subtitle.

''SEC. 1271B. REGIONAL CONSERVATION PARTNERSHIPS.

''(a) PARTNERSHIP AGREEMENTS AUTHORIZED.—The Secretary may enter into a partnership agreement with an eligible partner to implement a project that will assist producers with installing and maintaining an eligible activity.

''(b) LENGTH.—A partnership agreement shall be for a period not to exceed 5 years, except that the Secretary may extend the agreement 1 time for up to 12 months when an extension is necessary to meet the objectives of the program.

''(c) DUTIES OF PARTNERS.—

''(1) IN GENERAL.—Under a partnership agreement, the eligible partner shall—

''(A) define the scope of a project, including—

''(i) the eligible activities to be implemented;

''(ii) the potential agricultural or nonindustrial private forest operations affected;

''(iii) the local, State, multi-State or other geographic area covered; and

''(iv) the planning, outreach, implementation and assessment to be conducted;

''(B) conduct outreach and education to producers for potential participation in the project;

''(C) at the request of a producer, act on behalf of a producer participating in the project in applying for assistance under section 1271C;

''(D) leverage financial or technical assistance provided by the Secretary with additional funds to help achieve the project objectives;

''(E) conduct an assessment of the project's effects; and

''(F) at the conclusion of the project, report to the Secretary on its results and funds leveraged.

''(2) CONTRIBUTION.—A partner shall provide a significant portion of the overall costs of the scope of the project as determined by the Secretary.

''(d) APPLICATIONS.—

''(1) COMPETITIVE PROCESS.—The Secretary shall conduct a competitive process to select applications for partnership agreements and may assess and rank applications with similar conservation purposes as a group.

''(2) CRITERIA USED.—In carrying out the process described in paragraph (1), the Secretary shall make public the criteria used in evaluating applications.

''(3) CONTENT.—An application to the Secretary shall include a description of—

''(A) the scope of the project as described in subsection (c)(1)(A);

''(B) the plan for monitoring, evaluating, and reporting on progress made towards achieving the project's objectives;

''(C) the program resources requested for the project, including the covered programs to be used and estimated funding needed from the Secretary;

''(D) the partners collaborating to achieve project objectives, including their roles, responsibilities, capabilities, and financial contribution; and

''(E) any other elements the Secretary considers necessary to adequately evaluate and competitively select applications for funding under the program.

''(4) APPLICATION SELECTION.—

''(A) PRIORITY TO CERTAIN APPLICATIONS.—The Secretary shall give a higher priority to applications that—

''(i) assist producers in meeting or avoiding the need for a natural resource regulatory requirement;

''(ii) significantly leverage non-Federal financial and technical resources and coordinate with other local, State, regional, or national efforts;

''(iii) deliver high percentages of applied conservation to address conservation priorities or local, State, regional, or national conservation initiatives; or

''(iv) provide innovation in conservation methods and delivery, including outcome-based performance measures and methods.

''(B) OTHER APPLICATIONS.—The Secretary may give priority to applications that—

''(i) have a high percentage of producers in the area to be covered by the agreement; or

''(ii) meet other factors that are important for achieving the purposes of the program, as determined by the Secretary.

''SEC. 1271C. ASSISTANCE TO PRODUCERS.

''(a) IN GENERAL.—The Secretary shall enter into contracts to provide financial and technical assistance to—

''(1) producers participating in a project with an eligible partner as described in section 1271B; or

''(2) producers that fit within the scope of a project described in section 1271B or a critical conservation area designated pursuant to section 1271F, but who are seeking to implement an eligible activity independent of a partner.

''(b) TERMS AND CONDITIONS.—

''(1) CONSISTENCY WITH PROGRAM RULES.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall ensure that the terms and conditions of a contract under this section are consistent with the applicable rules of the covered programs to be used as part of the project, as described in the application under section 1271B(d)(3)(C).

''(B) ADJUSTMENTS.—Except for statutory program requirements governing appeals, payment limitations, and conservation compliance, the Secretary may adjust the discretionary program rules of a covered program—

''(i) to provide a simplified application and evaluation process; and

''(ii) to better reflect unique local circumstances and purposes if the Secretary determines such adjustments are necessary to achieve the purposes of the program.

''(2) ALTERNATIVE FUNDING ARRANGEMENTS.—

''(A) IN GENERAL.—For the purposes of providing assistance for land described in subsection (a) and section 1271F, the Secretary may enter into alternative funding arrangements with a multistate water resource agency or authority if—

''(i) the Secretary determines that the goals and objectives of the program will be met by the alternative funding arrangements;

''(ii) the agency or authority certifies that the limitations established under this section on agreements with individual producers will not be exceeded; and

''(iii) all participating producers meet applicable payment eligibility provisions.

''(B) CONDITIONS.—As a condition on receipt of funding under subparagraph (A), the multistate water resource agency or authority shall agree—

''(i) to submit an annual independent audit to the Secretary that describes the use of funds under this paragraph;

''(ii) to provide any data necessary for the Secretary to issue a report on the use of funds under this paragraph; and

''(iii) not to use any funds for administration or contracting with another entity.

''(C) LIMITATION.—The Secretary may enter into not more than 10 alternative funding arrangements under this paragraph.

''(c) PAYMENTS.—

''(1) IN GENERAL.—In accordance with statutory requirements of the covered programs involved, the Secretary may make payments to a producer in an amount determined by the Secretary to be necessary to achieve the purposes of the program.

''(2) PAYMENTS TO CERTAIN PRODUCERS.—The Secretary may provide payments for a period of 5 years—

''(A) to producers participating in a project that addresses water quantity concerns and in an amount sufficient to encourage conversion from irrigated to dryland farming; and

''(B) to producers participating in a project that addresses water quality concerns and in an amount sufficient to encourage adoption of conservation practices and systems that improve nutrient management.

''(3) WAIVER AUTHORITY.—To assist in the implementation of the program, the Secretary may waive the applicability of the limitation in section 1001D(b)(2) of this Act for participating producers if the Secretary determines that the waiver is necessary to fulfill the objectives of the program.

''SEC. 1271D. FUNDING.

''(a) AVAILABILITY OF FUNDS.—The Secretary shall use $100,000,000 of the funds of the Commodity Credit Corporation for each of fiscal years 2013 through 2017 to carry out the program established under this subtitle.

''(b) DURATION OF AVAILABILITY.—Funds made available under subsection (a) shall remain available until expended.

''(c) ADDITIONAL FUNDING AND ACRES.—

''(1) IN GENERAL.—In addition to the funds made available under subsection (a), the Secretary shall reserve 8 percent of the funds and acres made available for a covered program for each of fiscal years 2013 through 2017 in order to ensure additional resources are available to carry out this program.

''(2) UNUSED FUNDS AND ACRES.—Any funds or acres reserved under paragraph (1) for a fiscal year from a covered program that are not obligated under this program by April 1 of that fiscal year shall be returned for use under the covered program.

''(d) ALLOCATION OF FUNDING.—Of the funds and acres made available for the program under subsections (a) and (c), the Secretary shall allocate—

''(1) 25 percent of the funds and acres to projects based on a State competitive process administered by the State conservationist, with the advice of the State technical committee;

''(2) 40 percent of the funds and acres to projects based on a national competitive process to be established by the Secretary; and

''(3) 35 percent of the funds and acres to projects for the critical conservation areas designated in section 1271F.

''(e) LIMITATION ON ADMINISTRATIVE EXPENSES.—None of the funds made available under the program may be used to pay for the administrative expenses of partners.

''SEC. 1271E. ADMINISTRATION.

''(a) DISCLOSURE.—In addition to the criteria used in evaluating applications as described in section 1271B(d)(2), the Secretary shall make publicly available information on projects selected through the competitive process described in section 1271B(d)(1).

''(b) REPORTING.—Not later than December 31, 2013, and for every 2 years thereafter, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the status of projects funded under the program, including—

''(1) the number and types of partners and producers participating in the partnership agreements selected;

''(2) the number of producers receiving assistance;

''(3) total funding committed to projects, including Federal and non-Federal resources; and

''(4) a description of how the funds under section 1271C(b)(3) are being administered, including—

''(A) any oversight mechanisms that the Secretary has implemented;

''(B) the process through which the Secretary is resolving appeals by program participants; and

''(C) the means by which the Secretary is tracking adherence to any applicable provisions for payment eligibility.

''SEC. 1271F. CRITICAL CONSERVATION AREAS.

''(a) IN GENERAL.—When administering the funding described in section 1271D(d)(3), the Secretary shall select applications for partnership agreements and producer contracts within designated critical conservation areas.

''(b) CRITICAL CONSERVATION AREA DESIGNATIONS.—

''(1) IN GENERAL.—The Secretary shall designate up to 6 geographical areas as critical conservation areas based on the degree to which an area—

''(A) includes multiple States with significant agricultural production;

''(B) is covered by an existing regional, State, binational, or multistate agreement or plan that has established objectives, goals and work plans and is adopted by a Federal, State, or regional authority;

''(C) has water quality concerns, including concerns for reducing erosion, promoting sediment control, and addressing nutrient management activities affecting large bodies of water of regional, national, or international significance;

''(D) has water quantity concerns, including—

''(i) concerns for groundwater, surface water, aquifer, or other water sources; or

''(ii) a need to promote water retention and flood prevention; or

''(E) is subject to regulatory requirements that could reduce the economic scope of agricultural operations within the area.

''(2) EXPIRATION.—Critical conservation area designations under this section shall expire after 5 years, subject to redesignation, except that the Secretary may withdraw designation from an area if the Secretary finds the area no longer meets the conditions described in paragraph (1).

''(c) ADMINISTRATION.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall administer any partnership agreement or producer contract under this section in a manner that is consistent with the terms of the program.

''(2) RELATIONSHIP TO EXISTING ACTIVITY.—The Secretary shall, to the maximum extent practicable, ensure that eligible activities carried out in critical conservation areas designated under this section complement and are consistent with other Federal and State programs and water quality and quantity strategies.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.

Subtitle F—Other Conservation Programs

SEC. 2501. CONSERVATION OF PRIVATE GRAZING LAND.

Section 1240M(e) of the Food Security Act of 1985 (16 U.S.C. 3839bb(e)) is amended inserting ''and $30,000,000 for each of fiscal years 2013 through 2017'' before the period at the end.

SEC. 2502. GRASSROOTS SOURCE WATER PROTECTION PROGRAM.

Section 1240O(b) of the Food Security Act of 1985 (16 U.S.C. 3839bb–2(b)) is amended by inserting ''and $15,000,000 for each of fiscal years 2013 through 2017'' before the period at the end.

SEC. 2503. VOLUNTARY PUBLIC ACCESS AND HABITAT INCENTIVE PROGRAM.

(a) FUNDING.—Section 1240R(f) of the Food Security Act of 1985 (16 U.S.C. 3839bb–5(f)) is amended by inserting ''and $40,000,000 for the period of fiscal years 2013 through 2017'' before the period at the end .

(b) REPORT ON PROGRAM EFFECTIVENESS.—Not later than 2 years after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report

evaluating the effectiveness of the voluntary public access and habitat incentive program established by section 1240R of the Food Security Act of 1985 (16 U.S.C. 3839bb–5), including—

(1) identifying cooperating agencies;

(2) identifying the number of land holdings and total acres enrolled by State;

(3) evaluating the extent of improved access on eligible land, improved wildlife habitat, and related economic benefits; and

(4) any other relevant information and data relating to the program that would be helpful to such Committees.

(c) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.

SEC. 2504. AGRICULTURE CONSERVATION EXPERIENCED SERVICES PROGRAM.

(a) FUNDING.—Section 1252 of the Food Security Act of 1985 (16 U.S.C. 3851) is amended by striking subsection (c) and inserting the following:

''(c) FUNDING.—

''(1) IN GENERAL.—The Secretary may carry out the ACES program using funds made available to carry out each program under this title.

''(2) EXCLUSION.—Funds made available to carry out the conservation reserve program may not be used to carry out the ACES program.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.

SEC. 2505. SMALL WATERSHED REHABILITATION PROGRAM.

Section 14(h)(2)(E) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012(h)(2)(E)) is amended by striking ''2012'' and inserting ''2017''.

SEC. 2506. TERMINAL LAKES ASSISTANCE.

Section 2507 of the Food, Security, and Rural Investment Act of 2002 (43 U.S.C. 2211 note; Public Law 107–171) is amended to read as follows:

''SEC. 2507. TERMINAL LAKES ASSISTANCE.

''(a) DEFINITIONS.—In this section:

''(1) ELIGIBLE LAND.—The term 'eligible land' means privately owned agricultural land (including land in which a State has a property interest as a result of state water law)—

''(A) that a landowner voluntarily agrees to sell to a State; and

''(B) which—

''(i)(I) is ineligible for enrollment as a wetland easement established under the Agricultural Conservation Easement Program under subtitle H of the Food Security Act of 1985;

''(II) is flooded to—

''(aa) an average depth of at least 6.5 feet; or

''(bb) a level below which the State determines the management of the water level is beyond the control of the State or landowner; or

''(III) is inaccessible for agricultural use due to the flooding of adjoining property (such as islands of agricultural land created by flooding);

''(ii) is located within a watershed with water rights available for lease or purchase; and

''(iii) has been used during at least 5 of the immediately preceding 30 years—

''(I) to produce crops or hay; or

''(II) as livestock pasture or grazing.

''(2) PROGRAM.—The term 'program' means the voluntary land purchase program established under this section.

''(3) TERMINAL LAKE.—The term 'terminal lake' means a lake and its associated riparian and watershed resources that is—

''(A) considered flooded because there is no natural outlet for water accumulating in the lake or the associated riparian area such that the watershed and surrounding land is consistently flooded; or

''(B) considered terminal because it has no natural outlet and is at risk due to a history of consistent Federal assistance to address critical resource conditions, including insufficient water available to meet the needs of the lake, general uses, and water rights.

''(b) ASSISTANCE.—The Secretary shall—

''(1) provide grants under subsection (c) for the purchase of eligible land impacted by a terminal lake described in subsection (a)(3)(A); and

''(2) provide funds to the Secretary of the Interior pursuant to subsection (e)(2) with assistance in accordance with subsection (d) for terminal lakes described in subsection (a)(3)(B).

''(c) LAND PURCHASE GRANTS.—

''(1) IN GENERAL.—Using funds provided under subsection (e)(1), the Secretary shall make available land purchase grants to States for the purchase of eligible land in accordance with this subsection.

''(2) IMPLEMENTATION.—

''(A) AMOUNT.—A land purchase grant shall be in an amount not to exceed the lesser of—

''(i) 50 percent of the total purchase price per acre of the eligible land; or

''(ii)(I) in the case of eligible land that was used to produce crops or hay, $400 per acre; and

''(II) in the case of eligible land that was pasture or grazing land, $200 per acre.

''(B) DETERMINATION OF PURCHASE PRICE.—A State purchasing eligible land with a land purchase grant shall ensure, to the maximum extent practicable, that the purchase price of such land reflects the value, if any, of other encumbrances on the eligible land to be purchased, including easements and mineral rights.

''(C) COST-SHARE REQUIRED.—To be eligible to receive a land purchase grant, a State shall provide matching non-Federal funds in an amount equal to 50 percent of the amount described in subparagraph (A), including additional non-Federal funds.

''(D) CONDITIONS.—To receive a land purchase grant, a State shall agree—

''(i) to ensure that any eligible land purchased is—

''(I) conveyed in fee simple to the State; and

''(II) free from mortgages or other liens at the time title is transferred;

''(ii) to maintain ownership of the eligible land in perpetuity;

''(iii) to pay (from funds other than grant dollars awarded) any costs associated with the purchase of eligible land under this section, including surveys and legal fees; and

''(iv) to keep eligible land in a conserving use, as defined by the Secretary.

''(E) LOSS OF FEDERAL BENEFITS.—Eligible land purchased with a grant under this section shall lose eligibility for any benefits under other Federal programs, including—

''(i) benefits under title XII of the Food Security Act of 1985 (16 U.S.C. 3801 et seq.);

''(ii) benefits under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.); and

''(iii) covered benefits described in section 1001D(b) of the Food Security Act of 1985 (7 U.S.C. 1308–3a).

''(F) PROHIBITION.—Any Federal rights or benefits associated with eligible land prior to purchase by a State may not be transferred to any other land or person in anticipation of or as a result of such purchase.

''(d) WATER ASSISTANCE.—

''(1) IN GENERAL.—The Secretary of the Interior, acting through the Commissioner of Reclamation, may use the funds described in subsection (e)(2) to administer and provide financial assistance to carry out this subsection to provide water and assistance to a terminal lake described in subsection (a)(3)(B) through willing sellers or willing participants only—

''(A) to lease water;

''(B) to purchase land, water appurtenant to the land, and related interests; and

''(C) to carry out research, support and conservation activities for associated fish, wildlife, plant, and habitat resources.''

''(2) EXCLUSIONS.—The Secretary of the Interior may not use this subsection to deliver assistance to the Great Salt Lake in Utah, lakes that are considered dry lakes, or other lakes that do not meet the purposes of this section, as determined by the Secretary of the Interior.

''(3) TRANSITIONAL PROVISION.—

''(A) IN GENERAL.—Notwithstanding any other provision of this section, any funds made available before the date of enactment of the Agriculture Reform, Food, and Jobs Act of 2012 under a provision of law described in subparagraph (B) shall remain available using the provisions of law (including regulations) in effect on the day before the date of enactment of that Act.

''(B) DESCRIBED LAWS.—The provisions of law described in this section are—

''(i) section 2507 of the Farm Security and Rural Investment Act of 2002 (43 U.S.C. 2211 note; Public Law 107–171) (as in effect on the day before the date of enactment of the Agriculture Reform, Food, and Jobs Act of 2012);

''(ii) section 207 of the Energy and Water Development Appropriations Act, 2003 (Public Law 108–7; 117 Stat. 146);

''(iii) section 208 of the Energy and Water Development Appropriations Act, 2006 (Public Law 109–103; 119 Stat. 2268, 123 Stat. 2856); and

''(iv) section 208 of the Energy and Water Development and Related Agencies Appropriations Act, 2010 (Public Law 111–85; 123 Stat. 2858, 123 Stat. 2967, 125 Stat. 867).

''(e) FUNDING.—

''(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out subsection (c) $25,000,000, to remain available until expended.

''(2) COMMODITY CREDIT CORPORATION.—As soon as practicable after the date of enactment of the Agriculture Reform, Food, and Jobs Act of 2012, the Secretary shall transfer to the Bureau of Reclamation Water and Related Resources Account $150,000,000 from the funds of the Commodity Credit Corporation to carry out subsection (d), to remain available until expended.''.

Subtitle G—Funding and Administration

SEC. 2601. FUNDING.

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

''(a) ANNUAL FUNDING.—For each of fiscal years 2013 through 2017, the Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out the following programs under this title (including the provision of technical assistance):

''(1) The conservation reserve program under subchapter B of chapter 1 of subtitle D, including, to the maximum extent practicable—

''(A) $10,000,000 for the period of fiscal years 2013 through 2017 to provide payments under paragraph (3) of section 1234(b) in connection with thinning activities conducted on land described in subparagraph (B)(iii) of that paragraph; and

''(B) $50,000,000 for the period of fiscal years 2013 through 2017 to carry out section 1235(f) to facilitate the transfer of land subject to contracts from retired or retiring owners and operators to beginning farmers or ranchers and socially disadvantaged farmers or ranchers.

''(2) The Agricultural Conservation Easement Program under subtitle H using to the maximum extent practicable—

''(A) $223,000,000 for fiscal year 2013;

''(B) $702,000,000 for fiscal year 2014;

''(C) $500,000,000 for fiscal year 2015;

''(D) $525,000,000 for fiscal year 2016; and

''(E) $250,000,000 for fiscal year 2017.

''(3) The conservation security program under subchapter A of chapter 2 of subtitle D, using such sums as are necessary to administer contracts entered into before September 30, 2008.

''(4) The conservation stewardship program under subchapter B of chapter 2 of subtitle D.

''(5) The environmental quality incentives program under chapter 4 of subtitle D, using, to the maximum extent practicable—

''(A) $1,455,000,000 for fiscal year 2013;

''(B) $1,645,000,000 for fiscal year 2014; and

''(C) $1,650,000,000 for each of fiscal years 2015 through 2017.''.

(b) GUARANTEED AVAILABILITY OF FUNDS.—Section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) is amended—

(1) by redesignating subsections (b) through (h) as subsections (c) through (i), respectively; and

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

''(b) AVAILABILITY OF FUNDS.—Amounts made available by subsection (a) shall be used by the Secretary to carry out the programs specified in such subsection for fiscal years 2013 through 2017 and shall remain available until expended. Amounts made available for the programs specified in such subsection during a fiscal year through modifications, cancellations, terminations, and other related administrative actions and not obligated in that fiscal year shall remain available for obligation during subsequent fiscal years, but shall reduce the amount of additional funds made available in the subsequent fiscal year by an amount equal to the amount remaining unobligated.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2012.

SEC. 2602. TECHNICAL ASSISTANCE.

Section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) is amended by striking subsection (c) (as redesignated by section 2601(b)(1)) and inserting the following:

''(c) TECHNICAL ASSISTANCE.—

''(1) AVAILABILITY OF FUNDS.—Commodity Credit Corporation funds made available for a fiscal year for each of the programs specified in subsection (a)—

''(A) shall be available for the provision of technical assistance for the programs for which funds are made available as necessary to implement the programs effectively; and

''(B) shall not be available for the provision of technical assistance for conservation programs specified in subsection (a) other than the program for which the funds were made available.

''(2) REPORT.—Not later than December 31, 2012, the Secretary shall submit (and update as necessary in subsequent years) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report—

''(A) detailing the amount of technical assistance funds requested and apportioned in each program specified in subsection (a) during the preceding fiscal year; and

''(B) any other data relating to this provision that would be helpful to such Committees.''.

SEC. 2603. REGIONAL EQUITY.

Section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) is amended by striking subsection (e) (as redesignated by section 2601(b)(1)) and inserting the following:

''(e) REGIONAL EQUITY.—

''(1) EQUITABLE DISTRIBUTION.—When determining funding allocations each fiscal year, the Secretary shall, after considering available funding and program demand in each State, provide a distribution of funds for conservation programs under subtitle D (excluding the conservation reserve program under subchapter B of chapter 1), subtitle H (excluding wetland easements under section 1265C), and subtitle I to ensure equitable program participation proportional to historical funding allocations and usage by all States.

''(2) MINIMUM PERCENTAGE.—In determining the specific funding allocations under paragraph (1), the Secretary shall—

''(A) ensure that during the first quarter of each fiscal year each State has the opportunity to establish that the State can use an aggregate allocation amount of at least 0.6 percent of the funds made available for those conservation programs; and

''(B) for each State that can so establish, provide an aggregate amount of at least 0.6 percent of the funds made available for those conservation programs.''.

SEC. 2604. RESERVATION OF FUNDS TO PROVIDE ASSISTANCE TO CERTAIN FARMERS OR RANCHERS FOR CONSERVATION ACCESS.

Subsection (h) of section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) (as redesignated by section 2601(b)(1)) is amended—

(1) in paragraph (1) by striking ''2012'' and inserting ''2017''; and

(2) by adding at the end the following:

''(4) PREFERENCE.—In providing assistance under paragraph (1), the Secretary shall give preference to a veteran farmer or rancher (as defined in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e))) that qualifies under subparagraph (A) or (B) of paragraph (1).''.

SEC. 2605. ANNUAL REPORT ON PROGRAM ENROLLMENTS AND ASSISTANCE.

Subsection (i) of section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) (as redesignated by section 2601(b)(1)) is amended—

(1) in paragraph (1), by striking ''wetlands reserve program'' and inserting ''agricultural conservation easement program'';

(2) by striking paragraphs (2) and (3) and redesignating paragraphs (4), (5), and (6) as paragraphs (2), (3), and (4), respectively;

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

(A) by striking ''agricultural water enhancement program'' and inserting ''regional conservation partnership program''; and

(B) by striking ''section 1240I(g)'' and inserting ''section 1271C(c)(3)''; and

(4) by adding at the end the following:

''(5) Payments made under the conservation stewardship program.

''(6) Waivers granted by the Secretary under section 1265B(b)(2)(C).''.

SEC. 2606. ADMINISTRATIVE REQUIREMENTS FOR CONSERVATION PROGRAMS.

Section 1244 of the Food Security Act of 1985 (16 U.S.C. 3844) is amended—

(1) in subsection (a)(2), by adding at the end the following:

''(E) Veteran farmers or ranchers (as defined in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e))).'';

(2) in subsection (d), by inserting '', H, and I'' before the period at the end;

(3) in subsection (f)—

(A) in paragraph (1)(B), by striking ''country'' and inserting ''county''; and

(B) in paragraph (3), by striking ''subsection (c)(2)(B) or (f)(4)'' and inserting ''subsection (c)(2)(A)(ii) or (f)(2)'';

(4) by striking subsection (i) and inserting the following:

''(i) CONSERVATION APPLICATION PROCESS.—

''(1) INITIAL APPLICATION.—

''(A) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, the Secretary shall establish a single, simplified application for eligible entities to use in initially requesting assistance under any conservation program administered by the Secretary (referred to in this subsection as the 'initial application').

''(B) REQUIREMENTS.—To the maximum extent practicable, the Secretary shall ensure that—

''(i) a conservation program applicant is not required to provide information that is duplicative of information or resources already available to the Secretary for that applicant and the specific operation of the applicant; and

''(ii) the initial application process is streamlined to minimize complexity and redundancy.

''(2) REVIEW OF APPLICATION PROCESS.—

''(A) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, the Secretary shall review the application process for each conservation program administered by the Secretary, including the forms and processes used to receive assistance requests from eligible program participants.

''(B) REQUIREMENTS.—In carrying out the review, the Secretary shall determine what information the participant is required to submit during the application process, including—

''(i) identification information for the applicant;

''(ii) identification and location information for the land parcel or tract of concern;

''(iii) a general statement of the need or resource concern of the applicant for the land parcel or tract; and

''(iv) the minimum amount of other information the Secretary considers to be essential for the applicant to provide personally.

''(3) REVISION AND STREAMLINE.—

''(A) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, the Secretary shall carry out a revision of the application forms and processes for each conservation program administered by the Secretary to enable use of information technology to incorporate appropriate data and information concerning the conservation needs and solutions appropriate for the land area identified by the applicant.

''(B) GOAL.—The goal of the revision shall be to streamline the application process to minimize the burden placed on applicants.

''(4) CONSERVATION PROGRAM APPLICATION.—

''(A) IN GENERAL.—Once the needs of an applicant have been adequately assessed by the Secretary, or a third party provider under section 1242, based on the initial application, in order to determine the 1 or more programs under this title that best match the needs of the applicant, with the approval of the applicant, the Secretary may convert the initial application into the specific application for assistance for the relevant conservation program.

''(B) SECRETARIAL BURDEN.—To the maximum extent practicable, the Secretary shall—

''(i) complete the specific application for conservation program assistance for each applicant; and

''(ii) request only that specific further information from the applicant that is not already available to the Secretary.

''(5) IMPLEMENTATION AND NOTIFICATION.—Not later than 1 year after the date of enactment of this subsection, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate written notification that the Secretary has fulfilled the requirements of this subsection.''; and

(5) by adding at the end the following:

''(j) IMPROVED ADMINISTRATIVE EFFICIENCY AND EFFECTIVENESS.—In administrating a conservation program under this title, the Secretary shall, to the maximum extent practicable—

''(1) seek to reduce administrative burdens and costs to producers by streamlining conservation planning and program resources; and

''(2) take advantage of new technologies to enhance efficiency and effectiveness.

''(k) RELATION TO OTHER PAYMENTS.—Any payment received by an owner or operator under this title, including an easement payment or rental payment, shall be in addition to, and not affect, the total amount of payments that the owner or operator is otherwise eligible to receive under any of the following:

''(1) This Act.

''(2) The Agricultural Act of 1949 (7 U.S.C. 1421 et seq.).

''(3) The Agriculture Reform, Food, and Jobs Act of 2012.

''(4) Any law that succeeds a law specified in paragraph (1), (2), or (3).

''(l) FUNDING FOR INDIAN TRIBES.—In carrying out the conservation stewardship program under subchapter B of chapter 2 of subtitle D and the environmental quality incentives program under chapter 4 of subtitle D, the Secretary may enter into alternative funding arrangements with Indian tribes if the Secretary determines that the goals and objectives of the programs will be met by such arrangements, and that statutory limitations regarding contracts with individual producers will not be exceeded by any Tribal member.''.

SEC. 2607. RULEMAKING AUTHORITY.

Subtitle E of title XII of the Food Security Act of 1985 (16 U.S.C. 3841 et seq.) is amended by adding at the end the following:

''SEC. 1246. REGULATIONS.

''(a) IN GENERAL.—The Secretary shall promulgate such regulations as are necessary to implement programs under this title, including such regulations as the Secretary determines to be necessary to ensure a fair and reasonable application of the limitations established under section 1244(f).

''(b) RULEMAKING PROCEDURE.—The promulgation of regulations and administration of programs under this title—

''(1) shall be carried out without regard to—

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

''(B) chapter 35 of title 44, United States Code (commonly known as the Paperwork Reduction Act); and

''(2) shall be made as an interim rule effective on publication with an opportunity for notice and comment.

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

SEC. 2608. STANDARDS FOR STATE TECHNICAL COMMITTEES.

Section 1261(b) of the Food Security Act of 1985 (16 U.S.C. 3861(b)) is amended by striking ''Not later than 180 days after the date of enactment of the Food, Conservation, and Energy Act of 2008, the Secretary shall develop'' and inserting ''The Secretary shall review and update as necessary''.

Subtitle H—Repeal of Superseded Program Authorities and Transitional Provisions

SEC. 2701. COMPREHENSIVE CONSERVATION ENHANCEMENT PROGRAM.

Section 1230 of the Food Security Act of 1985 (16 U.S.C. 3830) is repealed.

SEC. 2702. EMERGENCY FORESTRY CONSERVATION RESERVE PROGRAM.

(a) REPEAL.—Section 1231A of the Food Security Act of 1985 (16 U.S.C. 3831a) is repealed.

(b) TRANSITIONAL PROVISIONS.—

(1) EFFECT ON EXISTING CONTRACTS.—The amendment made by this section shall not affect the validity or terms of any contract entered into by the Secretary of Agriculture under section 1231A of the Food Security Act of 1985 (16 U.S.C. 3831a) before October 1, 2012, or any payments required to be made in connection with the contract.

(2) FUNDING.—The Secretary may use funds made available to carry out the conservation reserve program under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) to continue to carry out contracts referred to in paragraph (1) using the provisions of law and regulation applicable to such contracts as in existence on September 30, 2012.

(c) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.

SEC. 2703. WETLANDS RESERVE PROGRAM.

(a) REPEAL.—Subchapter C of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3837 et seq.) is repealed.

(b) TRANSITIONAL PROVISIONS.—

(1) EFFECT ON EXISTING CONTRACTS AND EASEMENTS.—The amendment made by this section shall not affect the validity or terms of any contract or easement entered into by the Secretary of Agriculture under subchapter C of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3837 et seq.) before October 1, 2012, or any payments required to be made in connection with the contract or easement.

(2) FUNDING.—

(A) USE OF PRIOR YEAR FUNDS.—Notwithstanding the repeal of subchapter C of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3837 et seq.), any funds made available from the Commodity Credit Corporation to carry out the wetlands reserve program under that subchapter for fiscal years 2009 through 2012 shall be made available to carry out contracts or easements referred to in paragraph (1) that were entered into prior to October 1, 2012 (including the provision of technical assistance), provided that no such contract or easement is modified so as to increase the amount of the payment received.

(B) OTHER.—The Secretary may use funds made available to carry out the agricultural conservation easement program under subtitle H of title XII of the Food Security Act of 1985, as added by section 2301 of this Act, to continue to carry out contracts and easements referred to in paragraph (1) using the provisions of law and regulation applicable to such contracts and easements as in existence on September 30, 2012.

(c) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.

SEC. 2704. FARMLAND PROTECTION PROGRAM AND FARM VIABILITY PROGRAM.

(a) REPEAL.—Subchapter C of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838h et seq.) is repealed.

(b) TRANSITIONAL PROVISIONS.—

(1) EFFECT ON EXISTING AGREEMENTS AND EASEMENTS.—The amendment made by this section shall not affect the validity or terms of any agreement or easement entered into by the Secretary of Agriculture under subchapter C of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838h et seq.) before October 1, 2012, or any payments required to be made in connection with the agreement or easement.

(2) FUNDING.—

(A) USE OF PRIOR YEAR FUNDS.—Notwithstanding the repeal of subchapter C of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838h et seq.), any funds made available from the Commodity Credit Corporation to carry out the farmland protection program under that subchapter for fiscal years 2009 through 2012 shall be made available to carry out agreements and easements referred to in paragraph (1) that were entered into prior to October 1, 2012 (including the provision of technical assistance).

(B) OTHER.—On exhaustion of funds made available under subparagraph (A), the Secretary may use funds made available to carry out the agricultural conservation easement program under subtitle H of title XII of the Food Security Act of 1985, as added by section 2301 of this Act, to continue to carry out agreements and easements referred to in paragraph (1) using the provisions of law and regulation applicable to such agreements and easement as in existence on September 30, 2012.

(c) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.

SEC. 2705. GRASSLAND RESERVE PROGRAM.

(a) REPEAL.—Subchapter D of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838n et seq.) is repealed.

(b) TRANSITIONAL PROVISIONS.—

(1) EFFECT ON EXISTING CONTRACTS, AGREEMENTS, AND EASEMENTS.—The amendment made by this section shall not affect the validity or terms of any contract, agreement, or easement entered into by the Secretary of Agriculture under subchapter D of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838n et seq.) before October 1, 2012, or any payments required to be made in connection with the contract, agreement, or easement.

(2) FUNDING.—

(A) USE OF PRIOR YEAR FUNDS.—Notwithstanding the repeal of subchapter D of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838n et seq.), any funds made available from the Commodity Credit Corporation to carry out the grassland reserve program under that subchapter for fiscal years 2009 through 2012 shall be made available to carry out contracts, agreements, or easements referred to in paragraph (1) that were entered into prior to October 1, 2012 (including the provision of technical assistance), provided that no such contract, agreement, or easement is modified so as to increase the amount of the payment received.

(B) OTHER.—The Secretary may use funds made available to carry out the agricultural conservation easement program under subtitle H of title XII of the Food Security Act of 1985, as added by section 2301 of this Act, to continue to carry out contracts, agreements, and easements referred to in paragraph (1) using the provisions of law and regulation applicable to such contracts, agreements, and easements as in existence on September 30, 2012.

(c) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.

SEC. 2706. AGRICULTURAL WATER ENHANCEMENT PROGRAM.

(a) REPEAL.—Section 1240I of the Food Security Act of 1985 (16 U.S.C. 3839aa–9) is repealed.

(b) TRANSITIONAL PROVISIONS.—

(1) EFFECT ON EXISTING CONTRACTS AND AGREEMENTS.—The amendment made by this section shall not affect the validity or terms of any contract or agreement entered into by

the Secretary of Agriculture under section 1240I of the Food Security Act of 1985 (16 U.S.C. 3839aa–9) before October 1, 2012, or any payments required to be made in connection with the contract or agreement.

(2) FUNDING.—

(A) USE OF PRIOR YEAR FUNDS.—Notwithstanding the repeal of section 1240I of the Food Security Act of 1985 (16 U.S.C. 3839aa–9), any funds made available from the Commodity Credit Corporation to carry out the agricultural water enhancement program under that section for fiscal years 2009 through 2012 shall be made available to carry out contracts and agreements referred to in paragraph (1) that were entered into prior to October 1, 2012 (including the provision of technical assistance).

(B) OTHER.—On exhaustion of funds made available under subparagraph (A), the Secretary may use funds made available to carry out the regional conservation partnerships program under subtitle I of title XII of the Food Security Act of 1985, as added by section 2401 of this Act, to continue to carry out contracts and agreements referred to in paragraph (1) using the provisions of law and regulation applicable to such contracts and agreements as in existence on September 30, 2012.

(c) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.

SEC. 2707. WILDLIFE HABITAT INCENTIVE PROGRAM.

(a) REPEAL.—Section 1240N of the Food Security Act of 1985 (16 U.S.C. 3839bb–1) is repealed.

(b) TRANSITIONAL PROVISIONS.—

(1) EFFECT ON EXISTING CONTRACTS.—The amendment made by this section shall not affect the validity or terms of any contract entered into by the Secretary of Agriculture under section 1240N of the Food Security Act of 1985 (16 U.S.C. 3839bb–1) before October 1, 2012, or any payments required to be made in connection with the contract.

(2) FUNDING.—

(A) USE OF PRIOR YEAR FUNDS.—Notwithstanding the repeal of section 1240N of the Food Security Act of 1985 (16 U.S.C. 3839bb–1), any funds made available from the Commodity Credit Corporation to carry out the wildlife habitat incentive program under that section for fiscal years 2009 through 2012 shall be made available to carry out contracts referred to in paragraph (1) which were entered into prior to October 1, 2012 (including the provision of technical assistance).

(B) OTHER.—On exhaustion of funds made available under subparagraph (A), the Secretary may use funds made available to carry out the environmental quality incentives program under chapter 4 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839aa et seq.) to continue to carry out contracts referred to in paragraph (1) using the provisions of law and regulation applicable to such contracts as in existence on September 30, 2012.

(c) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.

SEC. 2708. GREAT LAKES BASIN PROGRAM.

(a) REPEAL.—Section 1240P of the Food Security Act of 1985 (16 U.S.C. 3839bb–3) is repealed.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.

SEC. 2709. CHESAPEAKE BAY WATERSHED PROGRAM.

(a) REPEAL.—Section 1240Q of the Food Security Act of 1985 (16 U.S.C. 3839bb–4) is repealed.

(b) TRANSITIONAL PROVISIONS.—

(1) EFFECT ON EXISTING CONTRACTS, AGREEMENTS, AND EASEMENTS.—The amendment made by this section shall not affect the validity or terms of any contract, agreement, or easement entered into by the Secretary of Agriculture under section 1240Q of the Food Security Act of 1985 (16 U.S.C. 3839bb–4) before October 1, 2012, or any payments required to be made in connection with the contract, agreement, or easement.

(2) FUNDING.—

(A) USE OF PRIOR YEAR FUNDS.—Notwithstanding the repeal of section 1240Q of the Food Security Act of 1985 (16 U.S.C. 3839bb–4), any funds made available from the Commodity Credit Corporation to carry out the Chesapeake Bay watershed program under that section for fiscal years 2009 through 2012 shall be made available to carry out contracts, agreements, and easements referred to in paragraph (1) that were entered into prior to October 1, 2012 (including the provision of technical assistance).

(B) OTHER.—The Secretary may use funds made available to carry out the regional conservation partnerships program under subtitle I of title XII of the Food Security Act of 1985, as added by section 2401 of this Act, to continue to carry out contracts, agreements, and easements referred to in paragraph (1) using the provisions of law and regulation applicable to such contracts, agreements, and easements as in existence on September 30, 2012.

(c) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.

SEC. 2710. COOPERATIVE CONSERVATION PARTNERSHIP INITIATIVE.

(a) REPEAL.—Section 1243 of the Food Security Act of 1985 (16 U.S.C. 3843) is repealed.

(b) TRANSITIONAL PROVISIONS.—

(1) EFFECT ON EXISTING CONTRACTS AND AGREEMENTS.—The amendment made by this section shall not affect the validity or terms of any contract or agreement entered into by the Secretary of Agriculture under section 1243 of the Food Security Act of 1985 (16 U.S.C. 3843) before October 1, 2012, or any payments required to be made in connection with the contract or agreement.

(2) FUNDING.—

(A) USE OF PRIOR YEAR FUNDS.—Notwithstanding the repeal of section 1243 of the Food Security Act of 1985 (16 U.S.C. 3843), any funds made available from the Commodity Credit Corporation to carry out the cooperative conservation partnership initiative under that section for fiscal years 2009 through 2012 shall be made available to carry out contracts and agreements referred to in paragraph (1) that were entered into prior to October 1, 2012 (including the provision of technical assistance).

(B) OTHER.—On exhaustion of funds made available under subparagraph (A), the Secretary may use funds made available to carry out the regional conservation partnerships program under subtitle I of title XII of the Food Security Act of 1985, as added by section 2401 of this Act, to continue to carry out contracts and agreements referred to in paragraph (1) using the provisions of law and regulation applicable to such contracts and agreements as in existence on September 30, 2012.

(c) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.

SEC. 2711. ENVIRONMENTAL EASEMENT PROGRAM.

Chapter 3 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839 et seq.) is repealed.

SEC. 2712. TECHNICAL AMENDMENTS.

(a) Section 1201(a) of the Food Security Act of 1985 (16 U.S.C. 3801(a)) is amended in the matter preceding paragraph (1) by striking ''E'' and inserting ''I''.

(b) Section 1211(a) of the Food Security Act of 1985 (16 U.S.C. 3811(a)) is amended by striking ''predominate'' each place it appears and inserting ''predominant''.

(c) Section 1242(i) of the Food Security Act of 1985(16 U.S.C. 3842(i)) is amended in the subsection heading by striking ''SPECIALITY'' and inserting ''SPECIALTY''.

TITLE III—TRADE

Subtitle A—Food for Peace Act

SEC. 3001. SET-ASIDE FOR SUPPORT FOR ORGANIZATIONS THROUGH WHICH NON-EMERGENCY ASSISTANCE IS PROVIDED.

Effective October 1, 2012, section 202(e)(1) of the Food for Peace Act (7 U.S.C. 1722(e)(1)) is amended—

(1) in the matter preceding subparagraph (A), by striking ''13 percent'' and inserting ''15 percent''; and

(2) in subparagraph (A), by striking ''new'' and inserting ''and enhancing''.

SEC. 3002. FOOD AID QUALITY.

Section 202(h) of the Food for Peace Act (7 U.S.C. 1722(h)) is amended—

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

''(1) IN GENERAL.—The Administrator shall use funds made available for fiscal year 2013 and subsequent fiscal years to carry out this title—

''(A) to assess the types and quality of agricultural commodities and products donated for food aid;

''(B) to adjust products and formulations, including potential introduction of new fortificants and products, as necessary to cost-effectively meet nutrient needs of target populations;

''(C) to test prototypes;

''(D) to adopt new specifications or improve existing specifications for micronutrient fortified food aid products, based on the latest developments in food and nutrition science, and in coordination with other international partners;

''(E) to develop new program guidance to facilitate improved matching of products to purposes having nutritional intent, in coordination with other international partners;

''(F) to develop improved guidance for implementing partners on how to address nutritional deficiencies that emerge among recipients for whom food assistance is the sole source of diet in emergency programs that extend beyond 1 year, in coordination with other international partners; and

''(G) to evaluate, in appropriate settings and as necessary, the performance and cost-effectiveness of new or modified specialized food products and program approaches designed to meet the nutritional needs of the most vulnerable groups, such as pregnant and lactating mothers, and children under the age of 5.''; and

(2) in paragraph (3), by striking ''2011'' and inserting ''2017''.

SEC. 3003. MINIMUM LEVELS OF ASSISTANCE.

Section 204(a) of the Food for Peace Act (7 U.S.C. 1724(a)) is amended—

(1) in paragraph (1), by striking ''2012'' and inserting ''2017''; and

(2) in paragraph (2), by striking ''2012'' and inserting ''2017''.

SEC. 3004. REAUTHORIZATION OF FOOD AID CONSULTATIVE GROUP.

Section 205(f) of the Food for Peace Act (7 U.S.C. 1725(f)) is amended by striking ''2012'' and inserting ''2017''.

SEC. 3005. OVERSIGHT, MONITORING, AND EVALUATION OF FOOD FOR PEACE ACT PROGRAMS.

Section 207(f) of the Food for Peace Act (7 U.S.C. 1726a(f)) is amended—

(1) by striking paragraph (4) and redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively; and

(2) in subparagraph (A) of paragraph (5) (as so redesignated)—

(A) by striking ''2012'' and inserting ''2017''; and

(B) by striking ''during fiscal year 2009'' and inserting ''during the period of fiscal years 2013 through 2017''.

SEC. 3006. ASSISTANCE FOR STOCKPILING AND RAPID TRANSPORTATION, DELIVERY, AND DISTRIBUTION OF SHELF-STABLE PREPACKAGED FOODS.

Section 208(f) of the Food for Peace Act (7 U.S.C. 1726b(f)) is amended by striking ''2012'' and inserting ''2017''.

SEC. 3007. LIMITATION ON TOTAL VOLUME OF COMMODITIES MONETIZED.

Section 403 of the Food for Peace Act (7 U.S.C. 1733) is amended by adding at the end the following:

''(m) LIMITATION ON MONETIZATION OF COMMODITIES.—

''(1) LIMITATION.—

''(A) IN GENERAL.—Unless the Administrator grants a waiver under paragraph (2), no commodity may be made available under this Act unless the rate of return for the commodity (as determined under subparagraph (B)) is at least 70 percent.

''(B) RATE OF RETURN.—For purposes of subparagraph (A), the rate of return shall be equal to the proportion that—

''(i) the proceeds the implementing partners generate through monetization; bears to

''(ii) the cost to the Federal Government to procure and ship the commodities to a recipient country for monetization.

''(2) WAIVER AUTHORITY.—The Administrator may waive the application of the limitation in paragraph (1) with regard to a commodity for a recipient country if the Administrator determines that it is necessary to achieve the purposes of this Act in the recipient country.

''(3) REPORT.—Not later than 90 days after a waiver is granted under paragraph (2), the Administrator shall prepare, publish in the Federal Register, and submit to the Committees on Foreign Affairs, Agriculture, and Appropriations of the House of Representatives, and the Committees on Appropriations, Foreign Relations, and Agriculture, Nutrition, and Forestry of the Senate a report that—

''(A) contains the reasons for granting the waiver and the actual rate of return for the commodity; and

''(B) includes for the commodity the costs of bagging or further processing, ocean transportation, inland transportation in the recipient country, storage costs, and any other information that the Administrator determines to be necessary.''.

SEC. 3008. FLEXIBILITY.

Section 406 of the Food for Peace Act (7 U.S.C. 1736) is amended—

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

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

''(c) FLEXIBILITY.—Notwithstanding any other provision of law and as necessary to achieve the purposes of this Act, funds available under this Act may be used to pay the costs of up to 20 percent of activities conducted in recipient countries by nonprofit voluntary organizations, cooperatives, or intergovernmental agencies or organizations.''.

SEC. 3009. PROCUREMENT, TRANSPORTATION, TESTING, AND STORAGE OF AGRICULTURAL COMMODITIES FOR PREPOSITIONING IN THE UNITED STATES AND FOREIGN COUNTRIES.

Section 407 of the Food for Peace Act (7 U.S.C. 1736a) is amended—

(1) in subparagraph (c)(4)(A)—

(A) by striking ''2012'' and inserting ''2017''; and

(B) by striking ''for each such fiscal year not more than $10,000,000 of such funds'' and inserting ''for each of fiscal years 2001 through 2012 not more than $10,000,000 of such funds and for each of fiscal years 2013 through 2017 not more than $15,000,000 of such funds''; and

(2) by adding at the end the following:

''(g) FUNDING FOR TESTING OF FOOD AID SHIPMENTS.—Funds made available for agricultural products acquired under this Act and section 3107 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736 *o*–1) may be used to pay for the testing of those agricultural products.''.

SEC. 3010. DEADLINE FOR AGREEMENTS TO FINANCE SALES OR TO PROVIDE OTHER ASSISTANCE.

Section 408 of the Food for Peace Act (7 U.S.C. 1736b) is amended by striking ''2012'' and inserting ''2017''.

SEC. 3011. MINIMUM LEVEL OF NONEMERGENCY FOOD ASSISTANCE.

Section 412 of the Food for Peace Act (7 U.S.C. 1736f) is amended by striking subsection (e) and inserting the following:

''(e) MINIMUM LEVEL OF NONEMERGENCY FOOD ASSISTANCE.—

''(1) IN GENERAL.—Subject to paragraph (2), of the amounts made available to carry out emergency and nonemergency food assistance programs under title II, not less than 15 percent nor more than 30 percent for each of fiscal years 2013 through 2017 shall be expended for nonemergency food assistance programs under title II.

''(2) MINIMUM LEVEL.—The amount made available to carry out nonemergency food assistance programs under title II shall not be less than $275,000,000 for any fiscal year.''.

SEC. 3012. COORDINATION OF FOREIGN ASSISTANCE PROGRAMS REPORT.

Section 413 of the Food for Peace Act (7 U.S.C. 1736(g)) is amended—

(1) by striking ''(a) IN GENERAL.—To the maximum'' and inserting ''To the maximum''; and

(2) by striking subsection (b).

SEC. 3013. MICRONUTRIENT FORTIFICATION PROGRAMS.

(a) ELIMINATION OF OBSOLETE REFERENCE TO STUDY.—Section 415(a)(2)(B) of the Food for Peace Act (7 U.S.C. 1736g–2(a)(2)(B)) is amended by striking '', using recommendations'' and all that follows through ''quality enhancements''.

(b) EXTENSION.—Section 415(c) of the Food for Peace Act (7 U.S.C. 1736g–2(c)) is amended by striking ''2012'' and inserting ''2017''.

SEC. 3014. JOHN OGONOWSKI AND DOUG BEREUTER FARMER-TO-FARMER PROGRAM.

Section 501 of the Food for Peace Act (7 U.S.C. 1737) is amended—

(1) in subsection (d)—

(A) by striking ''0.5 percent'' and inserting ''0.6 percent''; and

(B) by striking ''2012'' and inserting ''2017''; and

(2) in subsection (e)(1), by striking ''2012'' and inserting ''2017''.

Subtitle B—Agricultural Trade Act of 1978

SEC. 3101. EXPORT CREDIT GUARANTEE PROGRAMS.

Section 211 of the Agricultural Trade Act of 1978 (7 U.S.C. 5641) is amended by striking subsection (b) and inserting the following:

''(b) EXPORT CREDIT GUARANTEE PROGRAMS.—The Commodity Credit Corporation shall make available for each of fiscal years 2013 through 2017 credit guarantees under section 202(a) in an amount equal to not more than $4,500,000,000 in credit guarantees.''.

SEC. 3102. FUNDING FOR MARKET ACCESS PROGRAM.

Section 211(c)(1)(A) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)(1)(A)) is amended by striking ''2012'' and inserting ''2017''.

SEC. 3103. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

Section 703(a) of the Agricultural Trade Act of 1978 (7 U.S.C. 5723(a)) is amended by striking ''2012'' and inserting ''2017''.

Subtitle C—Other Agricultural Trade Laws

SEC. 3201. FOOD FOR PROGRESS ACT OF 1985.

(a) EXTENSION.—The Food for Progress Act of 1985 (7 U.S.C. 1736o) is amended—

(1) in subsection (f)(3), by striking ''2012'' and inserting ''2017'';

(2) in subsection (g), by striking ''2012'' and inserting ''2017'';

(3) in subsection (k), by striking ''2012'' and inserting ''2017''; and

(4) in subsection (l)(1), by striking ''2012'' and inserting ''2017''.

(b) REPEAL OF COMPLETED PROJECT.—Subsection (f) of the Food for Progress Act of 1985 (7 U.S.C. 1736o) is amended by striking paragraph (6).

(c) FLEXIBILITY.—The Food for Progress Act of 1985 (7 U.S.C. 1736o) is amended in subsection (*l*) by adding at the end the following:

''(5) FLEXIBILITY.—Notwithstanding any other provision of law and as necessary to achieve the purposes of this Act, funds available under this Act may be used to pay the costs of up to 20 percent of activities conducted in recipient countries by nonprofit voluntary organizations, cooperatives, or intergovernmental agencies or organizations.''.

(d) LIMITATION ON TOTAL VOLUME OF COMMODITIES MONETIZED.—The Food for Progress Act of 1985 (7 U.S.C. 1736o) is amended by adding at the end the following:

''(p) LIMITATION ON MONETIZATION OF COMMODITIES.—

''(1) LIMITATION.—

''(A) IN GENERAL.—Unless the Secretary grants a waiver under paragraph (2), no eligible commodity may be made available under this section unless the rate of return for the eligible commodity (as determined under subparagraph (B)) is at least 70 percent.

''(B) RATE OF RETURN.—For purposes of subparagraph (A), the rate of return shall be equal to the proportion that—

''(i) the proceeds the implementing partners generate through monetization; bears to

''(ii) the cost to the Federal Government to procure and ship the eligible commodities to a recipient country for monetization.

''(2) WAIVER AUTHORITY.—The Secretary may waive the application of the limitation in paragraph (1) with regard to an eligible commodity for a recipient country if the Secretary determines that it is necessary to achieve the purposes of this Act in the recipient country.

''(3) REPORT.—Not later than 90 days after a waiver is granted under paragraph (2), the Secretary shall prepare, publish in the Federal Register, and submit to the Committees on Foreign Affairs, Agriculture, and Appropriations of the House of Representatives, and the Committees on Appropriations, Foreign Relations, and Agriculture, Nutrition, and Forestry of the Senate a report that—

''(A) contains the reasons for granting the waiver and the actual rate of return for the eligible commodity; and

''(B) includes for the commodity the costs of bagging or further processing, ocean transportation, inland transportation in the recipient country, storage costs, and any other information that the Secretary determines to be necessary.''.

SEC. 3202. BILL EMERSON HUMANITARIAN TRUST.

Section 302 of the Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f–1) is amended—

(1) in subsection (b)(2)(B)(i), by striking ''2012'' both places it appears and inserting ''2017''; and

(2) in subsection (h), by striking ''2012'' both places it appears and inserting ''2017''.

SEC. 3203. PROMOTION OF AGRICULTURAL EXPORTS TO EMERGING MARKETS.

(a) DIRECT CREDITS OR EXPORT CREDIT GUARANTEES.—Section 1542(a) of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 5622 note) is amended by striking ''2012'' and inserting ''2017''.

(b) DEVELOPMENT OF AGRICULTURAL SYSTEMS.—Section 1542(d)(1)(A)(i) of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 5622 note) is amended by striking ''2012'' and inserting ''2017''.

SEC. 3204. MCGOVERN-DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM.

(a) REAUTHORIZATION.—Section 3107(1)(2) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o–1(1)(2)) is amended by striking ''2012'' and inserting ''2017''.

(b) TECHNICAL CORRECTION.—Section 3107(d) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o–1(d)) is amended by striking ''to'' in the matter preceding paragraph (1).

SEC. 3205. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.

(a) PURPOSE.—Section 3205(b) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5680(b)) is amended by striking ''related barriers to trade'' and inserting ''technical barriers to trade''.

(b) FUNDING.—Section 3205(e)(2) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5680(e)(2)) is amended—

(1) by inserting ''and'' at the end of subparagraph (C); and

(2) by striking subparagraphs (D) and (E) and inserting the following new subparagraph:

''(D) $9,000,000 for each of fiscal years 2011 through 2017.''.

SEC. 3206. GLOBAL CROP DIVERSITY TRUST.

Section 3202(c) of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 22 U.S.C. 2220a note) is amended by striking ''2008 through 2012'' and inserting ''2013 through 2017''.

SEC. 3207. LOCAL AND REGIONAL FOOD AID PROCUREMENT PROJECTS.

Section 3206 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 1726c) is amended—

(1) in subsection (b)—

(A) by striking ''(b) STUDY; FIELD-BASED PROJECTS.—'' and all that follows through ''(2) FIELD-BASED PROJECTS.—'' and inserting the following:

''(b) FIELD-BASED PROJECTS.—'';

(B) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively, and indenting appropriately;

(C) in paragraph (1) (as so redesignated), by striking ''subparagraph (B)'' and inserting ''paragraph (2)''; and

(D) in paragraph (2) (as so redesignated), by striking ''subparagraph (A)'' and inserting ''paragraph (1)'';

(2) in subsection (c)(1), by striking ''subsection (b)(2)'' and inserting ''subsection (b)'';

(3) by striking subsections (d), (f), and (g);

(4) by redesignating subsection (e) as subsection (d);

(5) in subsection (d) (as so redesignated)—

(A) in paragraph (2)—

(i) by striking subparagraph (B); and

(ii) in subparagraph (A)—

(I) by striking ''(A) APPLICATION.—'' and all that follows through ''To be eligible'' in clause (i) and inserting the following:

''(A) IN GENERAL.—To be eligible'';

(II) by redesignating clause (ii) as subparagraph (B) and indenting appropriately; and

(III) in subparagraph (B) (as so redesignated), by striking ''clause (i)'' and inserting ''subparagraph (A)''; and

(B) by striking paragraph (4); and

(6) by adding at the end the following:

''(e) FUNDING.—

''(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $40,000,000 for each of fiscal years 2013 through 2017.

''(2) PREFERENCE.—In carrying out this section, the Secretary may give a preference to eligible organizations that have, or are working toward, projects under the McGovern-Dole International Food for Education and Child Nutrition Program established under section 3107 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1736o-1).

''(3) REPORTING.—Each year, the Secretary shall submit to the appropriate committees of Congress a report that describes the use of funds under this section, including—

''(A) the impact of procurements and projects on—

''(i) local and regional agricultural producers; and

''(ii) markets and consumers, including low-income consumers; and

''(B) implementation time frames and costs.''.

SEC. 3208. DONALD PAYNE HORN OF AFRICA FOOD RESILIENCE PROGRAM.

(a) DEFINITIONS.—In this section:

(1) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the Agency for International Development.

(2) APPROPRIATE COMMITTEES OF CONGRESS.—The term ''appropriate committees of Congress'' means—

(A) the Committee on Agriculture, Nutrition, and Forestry of the Senate;

(B) the Committee on Agriculture of the House of Representatives;

(C) the Committee on Foreign Relations of the Senate; and

(D) the Committee on Foreign Affairs of the House of Representatives.

(3) ELIGIBLE ORGANIZATION.—The term ''eligible organization'' means an organization that is—

(A) a private voluntary organization or cooperative that is, to the extent practicable, registered with the Administrator; or

(B) an intergovernmental organization, such as the World Food Program.

(4) HORN OF AFRICA.—The term ''Horn of Africa'' means the countries of—

(A) Ethiopia;

(B) Somalia;

(C) Kenya;

(D) Djibouti;

(E) Eritrea;

(F) South Sudan;

(G) Uganda; and

(H) such other countries as the Administrator determines to be appropriate after providing notification to the appropriate committees of Congress.

(5) RESILIENCE.—The term ''resilience'' means—

(A) the capacity to mitigate the negative impacts of crises (including natural disasters, conflicts, and economic shocks) in order to reduce loss of life and depletion of productive assets;

(B) the capacity to respond effectively to crises, ensuring basic needs are met in a way that is integrated with long-term development efforts; and

(C) the capacity to recover and rebuild after crises so that future shocks can be absorbed with less need for ongoing external assistance.

(b) PURPOSE.—The purpose of this section is to establish a pilot program to effectively integrate all United States-funded emergency and long-term development activities that aim to improve food security in the Horn of Africa, building resilience so as—

(1) to reduce the impacts of future crises;

(2) to enhance local capacity for emergency response;

(3) to enhance sustainability of long-term development programs targeting poor and vulnerable households; and

(4) to reduce the need for repeated costly emergency operations.

(c) STUDY.—

(1) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, the Administrator shall initiate a study of prior programs to support resilience in the Horn of Africa conducted by—

(A) other donor countries;

(B) private voluntary organizations;

(C) the World Food Program of the United Nations; and

(D) multilateral institutions, including the World Bank.

(2) REQUIREMENTS.—The study shall—

(A) include all programs implemented through the Agency for International Development, the Department of Agriculture, the Department of Treasury, the Millennium Challenge Corporation, the Peace Corps, and other relevant Federal agencies;

(B) evaluate how well the programs described in subparagraph (A) work together to complement each other and leverage impacts across programs;

(C) include recommendations for how full integration of efforts can be achieved; and

(D) evaluate the degree to which country-led development plans support programs that increase resilience, including review of the investments by each country in nutrition and safety nets.

(3) REPORT.—Not later than 180 days after the date of enactment of this Act, the Administrator shall submit to the appropriate committees of Congress a report containing the results of the study.

(d) FIELD-BASED PROJECT GRANTS OR COOPERATIVE AGREEMENTS.—

(1) IN GENERAL.—The Administrator shall—

(A) provide grants to, or enter into cooperative agreements with, eligible organizations to carry out field-based projects that build resilience in the Horn of Africa in accordance with this section; and

(B) develop a project approval process to ensure full integration of efforts.

(2) REQUIREMENTS OF ELIGIBLE ORGANIZATIONS.—

(A) APPLICATION.—To be eligible to receive a grant from, or enter into a cooperative agreement with, the Administrator under this subsection, an eligible organization shall submit to the Administrator an application by such date, in such manner, and containing such information as the Administrator may require.

(B) COMPLETION REQUIREMENT.—To be eligible to receive a grant from, or enter into a cooperative agreement with, the Administrator under this subsection, an eligible organization shall agree—

(i) to collect, not later than September 30, 2016, data containing the information required under subsection (f)(2) relating to the field-based project funded through the grant or cooperative agreement; and

(ii) to provide to the Administrator the data collected under clause (i).

(3) REQUIREMENTS OF ADMINISTRATOR.—

(A) PROJECT DIVERSITY.—

(i) IN GENERAL.—Subject to clause (ii) and subparagraph (B), in selecting proposals for

field-based projects to fund under this section, the Administrator shall select a diversity of projects, including projects located in—

(I) areas most prone to repeated crises;

(II) areas with effective existing resilience programs that can be scaled; and

(III) areas in all countries of the Horn of Africa.

(ii) PRIORITY.—In selecting proposals for field-based projects under clause (i), the Administrator shall ensure that the selected proposals are for field-based projects that—

(I) effectively integrate emergency and long-term development programs to improve sustainability;

(II) demonstrate the potential to reduce the need for future emergency assistance; and

(III) build targeted productive safety nets, in coordination with host country governments, through food for work, cash for work, and other proven program methodologies.

(B) AVAILABILITY.—The Administrator shall not award a grant or cooperative agreement or approve a field-based project under this subsection until the date on which the Administrator promulgates regulations or issues guidelines under subsection (e).

(e) REGULATIONS; GUIDELINES.—

(1) IN GENERAL.—Not later than 180 days after the date of completion of the study under subsection (c), the Administrator shall promulgate regulations or issue guidelines to carry out field-based projects under this section.

(2) REQUIREMENTS.—In promulgating regulations or issuing guidelines under paragraph (1), the Administrator shall—

(A) take into consideration the results of the study described in subsection (c); and

(B) provide an opportunity for public review and comment.

(f) REPORT.—

(1) IN GENERAL.—Not later than November 1, 2016, the Administrator shall submit to the appropriate committees of Congress a report that—

(A) addresses each factor described in paragraph (2); and

(B) is conducted in accordance with this section.

(2) REQUIRED FACTORS.—The report shall include baseline and end-of-project data that measures—

(A) the prevalence of moderate and severe hunger so as to provide an accurate accounting of project impact on household access to and consumption of food during every month of the year prior to data collection;

(B) household ownership of and access to productive assets, including at a minimum land, livestock, homes, equipment, and other materials assets needed for income generation;

(C) household incomes, including informal sources of employment; and

(D) the productive assets of women using the Women's Empowerment in Agriculture Index.

(3) PUBLIC ACCESS TO RECORDS AND REPORTS.—Not later than 90 days after the date on which the report is submitted under paragraph (1), the Administrator shall provide public access to the report.

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2013 through 2017.

SEC. 3209. AGRICULTURAL TRADE ENHANCEMENT STUDY.

(a) DEFINITION OF AGRICULTURE COMMITTEES AND SUBCOMMITTEES.—In this section, the term ''agriculture committees and subcommittees'' means—

(1) the Committee on Agriculture of the House of Representatives;

(2) the Committee on Agriculture, Nutrition, and Forestry of the Senate; and

(3) the subcommittees on agriculture, rural development, food and drug administration, and related agencies of the Committees on Appropriations of the House of Representatives and the Senate.

(b) DEVELOPMENT.—The Secretary, in consultation with the agriculture committees and subcommittees, shall develop a study that takes into consideration a reorganization of international trade functions for imports and exports at the Department of Agriculture.

(c) IMPLEMENTATION.—In implementing the study under this section, the Secretary—

(1) in recognition of the importance of agricultural exports to the farm economy and the economy as a whole, may include a recommendation for the establishment of an Under Secretary for Trade and Foreign Agricultural Affairs;

(2) may take into consideration how the Under Secretary described in paragraph (1) would serve as a multiagency coordinator of sanitary and phytosanitary issues and nontariff trade barriers in agriculture with respect to imports and exports of agricultural products; and

(3) shall take into consideration all implications of a reorganization described in subsection (b) on domestic programs and operations of the Department of Agriculture.

(d) REPORT.—Not later than 180 days after the date of enactment of this Act, the Secretary shall submit to the agriculture committees and subcommittees a report describing the results of the study under this section.

TITLE IV—NUTRITION

Subtitle A—Supplemental Nutrition Assistance Program

SEC. 4001. FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS.

Section 4(b)(6)(F) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(b)(6)(F)) is amended by striking ''2012'' and inserting ''2017''.

SEC. 4002. STANDARD UTILITY ALLOWANCES BASED ON THE RECEIPT OF ENERGY ASSISTANCE PAYMENTS.

(a) STANDARD UTILITY ALLOWANCES IN THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.—Section 5(e)(6)(C) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(e)(6)(C)) is amended—

(1) in clause (i), by inserting '', subject to clause (iv)'' after ''Secretary''; and

(2) in clause (iv)(I), by striking ''the household still incurs'' and all that follows through the end of the subclause and inserting ''the payment received by, or made on behalf of, the household exceeds $10 or a higher amount annually, as determined by the Secretary.''.

(b) CONFORMING AMENDMENT.—Section 2605(f)(2)(A) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(f)(2)(A)) is amended by inserting before the semicolon at the end '', except that, for purposes of the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.), such payments or allowances exceed $10 or a higher amount annually, as determined by the Secretary of Agriculture in accordance with section 5(e)(6)(C)(iv)(I) of that Act (7 U.S.C. 2014(e)(6)(C)(iv)(I))''.

(c) EFFECTIVE AND IMPLEMENTATION DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), this section and the amendments made by this section shall take effect beginning on October 1, 2013, for all certification periods beginning after that date.

(2) STATE OPTION TO DELAY IMPLEMENTATION FOR CURRENT RECIPIENTS.—A State may, at the option of the State, implement a policy that eliminates or minimizes the effect of the amendments made by this section for households that receive a standard utility allowance as of the date of enactment of this Act for not more than a 180-day period beginning on the date on which the amendments made by this section would otherwise affect the benefits received by a household.

SEC. 4003. ELIGIBILITY DISQUALIFICATIONS.

Section 6(e)(3)(B) of Food and Nutrition Act of 2008 (7 U.S.C. 2015(e)(3)(B)) is amended by striking ''section'' and inserting the following: ''section, subject to the condition that the course or program of study—

''(i) is part of a program of career and technical education (as defined in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302)) that may be completed in not more than 4 years at an institution of higher education (as defined in section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)); or

''(ii) is limited to remedial courses, basic adult education, literacy, or English as a second language;''.

SEC. 4004. ENDING SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS FOR LOTTERY OR GAMBLING WINNERS.

(a) IN GENERAL.—Section 6 of the Food and Nutrition Act of 2008 (7 U.S.C. 2015) is amended by adding at the end the following:

''(r) INELIGIBILITY FOR BENEFITS DUE TO RECEIPT OF SUBSTANTIAL LOTTERY OR GAMBLING WINNINGS.—

''(1) IN GENERAL.—Any household in which a member receives substantial lottery or gambling winnings, as determined by the Secretary, shall lose eligibility for benefits immediately upon receipt of the winnings.

''(2) DURATION OF INELIGIBILITY.—A household described in paragraph (1) shall remain ineligible for participation until the household meets the allowable financial resources and income eligibility requirements under subsections (c), (d), (e), (f), (g), (i), (k), (l), (m), and (n) of section 5.

''(3) AGREEMENTS.—As determined by the Secretary, each State agency, to the maximum extent practicable, shall establish agreements with entities responsible for the regulation or sponsorship of gaming in the State to determine whether individuals participating in the supplemental nutrition assistance program have received substantial lottery or gambling winnings.''.

(b) CONFORMING AMENDMENTS.—Section 5(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(a)) is amended in the second sentence by striking ''sections 6(b), 6(d)(2), and 6(g)'' and inserting ''subsections (b), (d)(2), (g), and (r) of section 6''.

SEC. 4005. RETAIL FOOD STORES.

(a) DEFINITION OF RETAIL FOOD STORE.—Subsection (o)(1)(A) of section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012) (as redesignated by section 4016(a)(4)) is amended by striking ''at least 2'' and inserting ''at least 3''.

(b) ALTERNATIVE BENEFIT DELIVERY.—Section 7(f) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(f)) is amended—

(1) by striking paragraph (2) and inserting the following:

''(2) IMPOSITION OF COSTS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall require participating retail food stores (including restaurants participating in a State option restaurant program intended to serve the elderly, disabled, and homeless) to pay 100 percent of the costs of acquiring, and arrange for the implementation of, electronic benefit transfer point-of-sale equipment and supplies, including related services.

''(B) EXEMPTIONS.—The Secretary may exempt from subparagraph (A)—

''(i) farmers' markets, military commissaries, nonprofit food buying cooperatives, and establishments, organizations, programs, or group living arrangements described in paragraphs (5), (7), and (8) of section 3(k); and

''(ii) establishments described in paragraphs (3), (4), and (9) of section 3(k), other than restaurants participating in a State option restaurant program.''; and

(2) by adding at the end the following:

''(4) TERMINATION OF MANUAL VOUCHERS.—

''(A) IN GENERAL.—Effective beginning on the date of enactment of this paragraph, except as provided in subparagraph (B), no State shall issue manual vouchers to a household that receives supplemental nutrition assistance under this Act or allow retail food stores to accept manual vouchers as payment, unless the Secretary determines that the manual vouchers are necessary, such as in the event of an electronic benefit transfer system failure or a disaster situation.

''(B) EXEMPTIONS.—The Secretary may exempt categories of retail food stores or individual retail food stores from subparagraph (A) based on criteria established by the Secretary.

''(5) UNIQUE IDENTIFICATION NUMBER REQUIRED.—The Secretary shall require all parties providing electronic benefit transfer services to provide for and maintain unique terminal identification number information through the supplemental nutrition assistance program electronic benefit transfer transaction routing system.''.

(c) ELECTRONIC BENEFIT TRANSFERS.—Section 7(h)(3)(B) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)(3)(B)) is amended by striking ''is operational—'' and all that follows through ''(ii) in the case of other participating stores,'' and inserting ''is operational''.

(d) APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.—Section 9 of the Food and Nutrition Act of 2008 (7 U.S.C. 2018) is amended—

(1) in subsection (a)—

(A) in the second sentence of paragraph (a)(1), by striking ''; and (C)'' and inserting ''; (C) whether the applicant is located in an area with significantly limited access to food; and (D)''; and

(2) by adding at the end the following:

''(4) RETAIL FOOD STORES WITH SIGNIFICANT SALES OF EXCEPTED ITEMS.—

''(A) IN GENERAL.—No retail food store for which at least 45 percent of the total sales of the retail food store is from the sale of excepted items described in section 3(k)(1) may be authorized to accept and redeem benefits unless the Secretary determines that the participation of the retail food store is required for the effective and efficient operation of the supplemental nutrition assistance program.

''(B) APPLICATION.—Subparagraph (A) shall be effective—

''(i) in the case of retail food stores applying to be authorized for the first time, beginning on the date that is 1 year after the date of enactment of this paragraph; and

''(ii) in the case of retail food stores participating in the program on the date of enactment of this paragraph, during periodic reauthorization in accordance with paragraph (2)(A).''; and

(3) by adding at the end the following:

''(g) EBT SERVICE REQUIREMENT.—An approved retail food store shall provide adequate EBT service as described in section 7(h)(3)(B).''.

SEC. 4006. IMPROVING SECURITY OF FOOD ASSISTANCE.

Section 7(h)(8) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)(8)) is amended—

(1) by striking the paragraph heading and inserting ''REPLACEMENT OF CARDS.—'';

(2) by striking ''A State'' and inserting the following:

''(A) FEES.—A State''; and

(3) by adding after subparagraph (A) (as so designated by paragraph (2)) the following:

''(B) PURPOSEFUL LOSS OF CARDS.—

''(i) IN GENERAL.—Subject to terms and conditions established by the Secretary in accordance with clause (ii), if a household makes excessive requests for replacement of the electronic benefit transfer card of the household, the Secretary may require a State agency to decline to issue a replacement card to the household unless the household, upon request of the State agency, provides an explanation for the loss of the card.

''(ii) REQUIREMENTS.—The terms and conditions established by the Secretary shall provide that—

''(I) the household be given the opportunity to provide the requested explanation and meet the requirements under this paragraph promptly;

''(II) after an excessive number of lost cards, the head of the household shall be required to review program rights and responsibilities with State agency personnel authorized to make determinations under section 5(a); and

''(III) any action taken, including actions required under section 6(b)(2), other than the withholding of the electronic benefit transfer card until an explanation described in subclause (I) is provided, shall be consistent with the due process protections under section 6(b) or 11(e)(10), as appropriate.

''(C) PROTECTING VULNERABLE PERSONS.—In implementing this paragraph, a State agency shall act to protect homeless persons, persons with disabilities, victims of crimes, and other vulnerable persons who lose electronic benefit transfer cards but are not intentionally committing fraud.

''(D) EFFECT ON ELIGIBILITY.—While a State may decline to issue an electronic benefits transfer card until a household satisfies the requirements under this paragraph, nothing in this paragraph shall be considered a denial of, or limitation on, the eligibility for benefits under section 5.''.

SEC. 4007. TECHNOLOGY MODERNIZATION FOR RETAIL FOOD STORES.

(a) MOBILE TECHNOLOGIES.—Section 7(h) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)) (as amended by section 4016(e)) is amended by adding at the end the following:

''(14) MOBILE TECHNOLOGIES.—

''(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall approve retail food stores to redeem benefits through electronic means other than wired point of sale devices for electronic benefit transfer transactions, if the retail food stores—

''(i) establish recipient protections regarding privacy, ease of use, access, and support similar to the protections provided for transactions made in retail food stores;

''(ii) bear the costs of obtaining, installing, and maintaining mobile technologies, including mechanisms needed to process EBT cards and transaction fees;

''(iii) demonstrate the foods purchased with benefits issued under this section through mobile technologies are purchased at a price not higher than the price of the same food purchased by other methods used by the retail food store, as determined by the Secretary;

''(iv) provide adequate documentation for each authorized transaction, as determined by the Secretary; and

''(v) meet other criteria as established by the Secretary.

''(B) DEMONSTRATION PROJECT ON ACCEPTANCE OF BENEFITS OF MOBILE TRANSACTIONS.—

''(i) IN GENERAL.—Before authorizing implementation of subparagraph (A) in all States, the Secretary shall pilot the use of mobile technologies determined by the Secretary to be appropriate to test the feasibility and implications for program integrity, by allowing retail food stores to accept benefits from recipients of supplemental nutrition assistance through mobile transactions.

''(ii) DEMONSTRATION PROJECTS.—To be eligible to participate in a demonstration project under clause (i), a retail food store shall submit to the Secretary for approval a plan that includes—

''(I) a description of the technology;

''(II) the manner by which the retail food store will provide proof of the transaction to households;

''(III) the provision of data to the Secretary, consistent with requirements established by the Secretary, in a manner that allows the Secretary to evaluate the impact of the demonstration on participant access, ease of use, and program integrity; and

''(IV) such other criteria as the Secretary may require.

''(iii) DATE OF COMPLETION.—The demonstration projects under this subparagraph shall be completed and final reports submitted to the Secretary by not later than July 1, 2015.

''(C) REPORT TO CONGRESS.—The Secretary shall—

''(i) by not later than January 1, 2016, authorize implementation of subparagraph (A) in all States, unless the Secretary makes a finding, based on the data provided under subparagraph (B), that implementation in all States is not in the best interest of the supplemental nutrition assistance program; and

''(ii) if the determination made in clause (i) is not to implement subparagraph (A) in all States, submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that includes the basis of the finding.''.

(b) ACCEPTANCE OF BENEFITS THROUGH ON-LINE TRANSACTIONS.—

(1) IN GENERAL.—Section 7 of the Food and Nutrition Act of 2008 (7 U.S.C. 2016) is amended by adding at the end the following:

''(k) OPTION TO ACCEPT PROGRAM BENEFITS THROUGH ON-LINE TRANSACTIONS.—

''(1) IN GENERAL.—Subject to paragraph (4), the Secretary shall approve retail food stores to accept benefits from recipients of supplemental nutrition assistance through on-line transactions.

''(2) REQUIREMENTS TO ACCEPT BENEFITS.—A retail food store seeking to accept benefits from recipients of supplemental nutrition assistance through on-line transactions shall—

''(A) establish recipient protections regarding privacy, ease of use, access, and support similar to the protections provided for transactions made in retail food stores;

''(B) ensure benefits are not used to pay delivery, ordering, convenience, or other fees or charges;

''(C) clearly notify participating households at the time a food order is placed—

''(i) of any delivery, ordering, convenience, or other fee or charge associated with the food purchase; and

''(ii) that any such fee cannot be paid with benefits provided under this Act;

''(D) ensure the security of on-line transactions by using the most effective technology available that the Secretary considers appropriate and cost-effective and that is comparable to the security of transactions at retail food stores; and

''(E) meet other criteria as established by the Secretary.

''(3) STATE AGENCY ACTION.—Each State agency shall ensure that recipients of supplemental nutrition assistance can use benefits on-line as described in this subsection as appropriate.

''(4) DEMONSTRATION PROJECT ON ACCEPTANCE OF BENEFITS THROUGH ON-LINE TRANSACTIONS.—

''(A) IN GENERAL.—Before the Secretary authorizes implementation of paragraph (1) in all States, the Secretary shall carry out a number of demonstration projects as determined by the Secretary to test the feasibility of allowing retail food stores to accept benefits through on-line transactions.

''(B) DEMONSTRATION PROJECTS.—To be eligible to participate in a demonstration project under subparagraph (A), a retail food store shall submit to the Secretary for approval a plan that includes—

''(i) a method of ensuring that benefits may be used to purchase only eligible items under this Act;

''(ii) a description of the method of educating participant households about the availability and operation of on-line purchasing;

''(iii) adequate testing of the on-line purchasing option prior to implementation;

''(iv) the provision of data as requested by the Secretary for purposes of analyzing the impact of the project on participant access, ease of use, and program integrity;

''(v) reports on progress, challenges, and results, as determined by the Secretary; and

''(vi) such other criteria, including security criteria, as established by the Secretary.

''(C) DATE OF COMPLETION.—The demonstration projects under this paragraph shall be completed and final reports submitted to the Secretary by not later than July 1, 2015.

''(5) REPORT TO CONGRESS.—The Secretary shall—

''(A) by not later than January 1, 2016, authorize implementation of paragraph (1) in all States, unless the Secretary makes a finding, based on the data provided under paragraph (4), that implementation in all States is not in the best interest of the supplemental nutrition assistance program; and

''(B) if the determination made in subparagraph (A) is not to implement in all States, submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that includes the basis of the finding.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 7(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(b)) is amended by striking ''purchase food in retail food stores'' and inserting ''purchase food from retail food stores''.

(B) Section 10 of the Food and Nutrition Act of 2008 (7 U.S.C. 2019) is amended in the first sentence by inserting ''retail food stores authorized to accept and redeem benefits through on-line transactions shall be authorized to accept benefits prior to the delivery of food if the delivery occurs within a reasonable time of the purchase, as determined by the Secretary,'' after ''food so purchased,''.

(c) SAVINGS CLAUSE.—Nothing in this section or an amendment made by this section alter any requirements of the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) unless specifically authorized in this section or an amendment made by this section.

SEC. 4008. USE OF BENEFITS FOR PURCHASE OF COMMUNITY-SUPPORTED AGRICULTURE SHARE.

Section 10 of the Food and Nutrition Act of 2008 (7 U.S.C. 2019) (as amended by section 4007(b)(2)(B)) is amended in the first sentence by inserting ''agricultural producers who market agricultural products directly to consumers shall be authorized to redeem benefits for the initial cost of the purchase of a community-supported agriculture share for an appropriate time in advance of food delivery as determined by the Secretary,'' after ''as determined by the Secretary,''.

SEC. 4009. RESTAURANT MEALS PROGRAM.

(a) IN GENERAL.—Section 11(e) of the Food and Nutrition Act of 2008 (7 U.S.C. 2020(e)) is amended—

(1) in paragraph (22), by striking ''and'' at the end;

(2) in paragraph (23), by striking the period at the end of subparagraph (C) and inserting ''; and''; and

(3) by adding at the end the following:

''(24) if the State elects to carry out a program to contract with private establishments to offer meals at concessional prices, as described in paragraphs 3, 4, and 9 of section 3(k)—

''(A) the plans of the State agency for operating the program, including—

''(i) documentation of a need that eligible homeless, elderly, and disabled clients are underserved in a particular geographic area;

''(ii) the manner by which the State agency will limit participation to only those private establishments that the State determines necessary to meet the need identified in clause (i); and

''(iii) any other conditions the Secretary may prescribe, such as the level of security necessary to ensure that only eligible recipients participate in the program; and

''(B) a report by the State agency to the Secretary annually, the schedule of which shall be established by the Secretary, that includes—

''(i) the number of households and individual recipients authorized to participate in the program, including any information on whether the individual recipient is elderly, disabled, or homeless; and

''(ii) an assessment of whether the program is meeting an established need, as documented under subparagraph (A)(i).''.

(b) APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.—Section 9 of the Food and Nutrition Act of 2008 (7 U.S.C. 2018) (as amended by section 4005(d)(3)) is amended by adding at the end the following:

''(h) PRIVATE ESTABLISHMENTS.—

''(1) IN GENERAL.—Subject to paragraph (2), no private establishment that contracts with a State agency to offer meals at concessional prices as described in paragraphs 3, 4, and 9 of section 3(k) may be authorized to accept and redeem benefits unless the Secretary determines that the participation of the private establishment is required to meet a documented need in accordance with section 11(e)(24).

''(2) EXISTING CONTRACTS.—

''(A) IN GENERAL.—If, on the day before the date of enactment of this subsection, a State has entered into a contract with a private establishment described in paragraph (1) and the Secretary has not determined that the participation of the private establishment is necessary to meet a documented need in accordance with section 11(e)(24), the Secretary shall allow the operation of the private establishment to continue without that determination of need for a period not to exceed 180 days from the date on which the Secretary establishes determination criteria, by regulation, under section 11(e)(24).

''(B) JUSTIFICATION.—If the Secretary makes a determination to terminate a contract with a private establishment that is in effect on the date of enactment of this subsection, the Secretary shall provide justification to the State in which the private establishment is located for that termination.

''(3) REPORT TO CONGRESS.—Not later than 90 days after September 30, 2013, and 90 days after the last day of each fiscal year thereafter, the Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the effectiveness of a program under this subsection using any information received from States under section 11(e)(24) as well as any other information the Secretary may have relating to the manner in which benefits are used.''.

(c) CONFORMING AMENDMENTS.—Section 3(k) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(k)) is amended by inserting ''subject to section 9(h)'' after ''concessional prices'' each place it appears.

SEC. 4010. QUALITY CONTROL ERROR RATE DETERMINATION.

Section 16(c) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(c)) is amended by adding at the end the following:

''(10) TOLERANCE LEVEL.—For the purposes of this subsection, the Secretary shall set the tolerance level for excluding small errors at $25.''.

SEC. 4011. AUTHORIZATION OF APPROPRIATIONS.

Section 18(a)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2027(a)(1)) is amended in the first sentence by striking ''2012'' and inserting ''2017''.

SEC. 4012. ASSISTANCE FOR COMMUNITY FOOD PROJECTS.

Section 25 of the Food and Nutrition Act of 2008 (7 U.S.C. 2034) is amended—

(1) in subsection (a)(1)(B)(ii)—

(A) by striking subclause (I); and

(B) by redesignating subclauses (II) and (III) as subclauses (I) and (II), respectively; and

(2) in subsection (b), by adding at the end the following:

''(3) FUNDING.—

''(A) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this section not less than $5,000,000 for fiscal year 2013 and each fiscal year thereafter.

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

''(C) MAINTENANCE OF FUNDING.—The funding provided under subparagraph (A) shall supplement (and not supplant) other Federal funding made available to the Secretary to carry out this section.''.

SEC. 4013. EMERGENCY FOOD ASSISTANCE.

(a) PURCHASE OF COMMODITIES.—Section 27(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2036(a)) is amended—

(1) in paragraph (1), by striking ''2008 through 2012'' and inserting ''2012 through 2017'';

(2) by striking paragraph (2) and inserting the following:

''(2) AMOUNTS.—The Secretary shall use to carry out paragraph (1)—

''(A) for fiscal year 2012, $260,250,000; and

''(B) for each subsequent fiscal year, the dollar amount of commodities specified in subparagraph (A) adjusted by the percentage by which the thrifty food plan has been adjusted under section 3(u)(4) between June 30, 2012, and June 30 of the immediately preceding fiscal year, and subsequently increased by—

''(i) for fiscal year 2013, $28,000,000;

''(ii) for fiscal year 2014, $44,000,000;

''(iii) for fiscal year 2015, $24,000,000;

''(iv) for fiscal year 2016, $18,000,000; and

''(v) for fiscal year 2017 and each fiscal year thereafter, $10,000,000.''; and

(3) by adding at the end the following:

''(3) FUNDS AVAILABILITY.—For purposes of the funds described in this subsection, the Secretary shall—

''(A) make the funds available for 2 fiscal years; and

''(B) allow States to carry over unexpended balances to the next fiscal year pursuant to such terms and conditions as are determined by the Secretary.''.

(b) EMERGENCY FOOD PROGRAM INFRASTRUCTURE GRANTS.—Section 209(d) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7511a(d)) is amended by striking ''2012'' and inserting ''2017''.

SEC. 4014. NUTRITION EDUCATION.

Section 28(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2036a(b)) is amended by inserting ''and physical activity'' after ''healthy food choices''.

SEC. 4015. RETAIL FOOD STORE AND RECIPIENT TRAFFICKING.

The Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

''SEC. 29. RETAIL FOOD STORE AND RECIPIENT TRAFFICKING.

''(a) PURPOSE.—The purpose of this section is to provide the Department of Agriculture with additional resources to prevent trafficking in violation of this Act by strengthening recipient and retail food store program integrity.

''(b) USE OF FUNDS.—Additional funds are provided under this section to supplement the retail food store and recipient integrity activities of the Department.

''(c) FUNDING.—

''(1) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this section not less than $18,500,000 for fiscal year 2013 and each fiscal year thereafter.

''(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.

''(3) MAINTENANCE OF FUNDING.—The funding provided under paragraph (1) shall supplement (and not supplant) other Federal funding for programs carried out under this Act.''.

SEC. 4016. TECHNICAL AND CONFORMING AMENDMENTS.

(a) Section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012) is amended—

(1) in subsection (g), by striking ''coupon,'' and inserting ''coupon'';

(2) in subsection (k)(7), by striking ''or are'' and inserting ''and'';

(3) by striking subsection (l);

(4) by redesignating subsections (m) through (t) as subsections (l) through (s), respectively; and

(5) by inserting after subsection (s) (as so redesignated) the following:

''(t) 'Supplemental nutrition assistance program' means the program operated pursuant to this Act.''.

(b) Section 4(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(a)) is amended in the last sentence by striking ''benefits'' and inserting ''Benefits''.

(c) Section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) is amended—

(1) in the last sentence of subsection (i)(2)(D), by striking ''section 13(b)(2)'' and inserting ''section 13(b)''; and

(2) in subsection (k)(4)(A), by striking ''paragraph (2)(H)'' and inserting ''paragraph (2)(G)''.

(d) Section 6(d)(4) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(d)(4)) is amended in subparagraphs (B)(vii) and (F)(iii) by indenting both clauses appropriately.

(e) Section 7(h) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)) is amended by redesignating the second paragraph (12) (relating to interchange fees) as paragraph (13).

(f) Section 9(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2018(a)) is amended by indenting paragraph (3) appropriately.

(g) Section 12 of the Food and Nutrition Act of 2008 (7 U.S.C. 2021) is amended—

(1) in subsection (b)(3)(C), by striking ''civil money penalties'' and inserting ''civil penalties''; and

(2) in subsection (g)(1), by striking ''(7 U.S.C. 1786)'' and inserting ''(42 U.S.C. 1786)''.

(h) Section 15(b)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2024(b)(1)) is amended in the first sentence by striking ''an benefit'' and inserting ''a benefit''.

(i) Section 16(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(a)) is amended in the proviso following paragraph (8) by striking ''as amended.''.

(j) Section 18(e) of the Food and Nutrition Act of 2008 (7 U.S.C. 2027(e)) is amended in the first sentence by striking ''sections 7(f)'' and inserting ''section 7(f)''.

(k) Section 22(b)(10)(B)(i) of the Food and Nutrition Act of 2008 (7 U.S.C. 2031(b)(10)(B)(i)) is amended in the last sentence by striking ''Food benefits'' and inserting ''Benefits''.

(l) Section 26(f)(3)(C) of the Food and Nutrition Act of 2008 (7 U.S.C. 2035(f)(3)(C)) is amended by striking ''subsection'' and inserting ''subsections''.

(m) Section 27(a)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2036(a)(1)) is amended by striking ''(Public Law 98–8; 7 U.S.C. 612c note)'' and inserting ''(7 U.S.C. 7515)''.

(n) Section 509 of the Older Americans Act of 1965 (42 U.S.C. 3056g) is amended in the section heading by striking ''**FOOD STAMP PROGRAMS**'' and inserting ''**SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAMS**''.

(o) Section 4115(c)(2)(H) of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 1871) is amended by striking ''531'' and inserting ''454''.

Subtitle B—Commodity Distribution Programs

SEC. 4101. COMMODITY DISTRIBUTION PROGRAM.

Section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93–86) is amended in the first sentence by striking ''2012'' and inserting ''2017''.

SEC. 4102. COMMODITY SUPPLEMENTAL FOOD PROGRAM.

Section 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93–86) is amended—

(1) in paragraphs (1) and (2)(B) of subsection (a), by striking ''2012'' each place it appears and inserting ''2017'';

(2) in the first sentence of subsection (d)(2), by striking ''2012'' and inserting ''2017'';

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

''(g) ELIGIBILITY.—Except as provided in subsection (m), the States shall only provide assistance under the commodity supplemental food program to low-income persons aged 60 and older.''; and

(4) by adding at the end the following:

''(m) PHASE-OUT.—Notwithstanding any other provision of law, an individual who receives assistance under the commodity supplemental food program on the day before the date of enactment of this subsection shall continue to receive that assistance until the date on which the individual is no longer eligible for assistance under the eligibility requirements for the program in effect on the day before the date of enactment of this subsection.''.

SEC. 4103. DISTRIBUTION OF SURPLUS COMMODITIES TO SPECIAL NUTRITION PROJECTS.

Section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended in the first sentence by striking ''2012'' and inserting ''2017''.

SEC. 4104. TECHNICAL AND CONFORMING AMENDMENTS.

Section 3 of the Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note; Public Law 100–237) is amended—

(1) in subsection (a)—

(A) in paragraph (2), by striking subparagraph (B) and inserting the following:

''(B) the program established under section 4(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(b));''; and

(B) in paragraph (3)(D), by striking ''the Committee on Education and Labor'' and inserting ''the Committee on Education and the Workforce'';

(2) in subsection (b)(1)(A)(ii), by striking ''section 32 of the Agricultural Adjustment Act (7 U.S.C. 601 et seq.)'' and inserting ''section 32 of the Act of August 24, 1935 (7 U.S.C. 612c)'';

(3) in subsection (e)(1)(D)(iii), by striking subclause (II) and inserting the following:

''(II) the program established under section 4(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(b));''; and

(4) in subsection (k), by striking ''the Committee on Education and Labor'' and inserting ''the Committee on Education and the Workforce''.

Subtitle C—Miscellaneous

SEC. 4201. PURCHASE OF FRESH FRUITS AND VEGETABLES FOR DISTRIBUTION TO SCHOOLS AND SERVICE INSTITUTIONS.

Section 10603(b) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 612c–4(b)) is amended by striking ''2012'' and inserting ''2017''.

SEC. 4202. SENIORS FARMERS' MARKET NUTRITION PROGRAM.

Section 4402(a) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3007(a)) is amended by striking ''2012'' and inserting ''2017''.

SEC. 4203. NUTRITION INFORMATION AND AWARENESS PILOT PROGRAM.

Section 4403 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3171 note; Public Law 107–171) is repealed.

SEC. 4204. WHOLE GRAIN PRODUCTS.

Section 4305 of the Food, Conservation, and Energy Act of 2008 (42 U.S.C. 1755a) is amended—

(1) in subsection (a), by striking ''2005'' and inserting ''2010'';

(2) in subsection (d), by striking ''2011'' and inserting ''2015'';

(3) in subsection (e), by striking ''Labor of the House of Representative'' and inserting ''the Workforce of the House of Representatives''; and

(4) by adding at the end the following:

''(f) FUNDING.—

''(1) IN GENERAL.—On October 1, 2013, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this section $10,000,000 for the period of fiscal years 2014 through 2015.

''(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.

''(3) MAINTENANCE OF FUNDING.—The funding provided under paragraph (1) shall supplement (and not supplant) other Federal funding (including funds made available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c)) for programs carried out under—

''(A) the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.), except for section 19 of that Act (42 U.S.C. 1769a);

''(B) the Emergency Food Assistance Act of 1983 (7 U.S.C. 7501 et seq.); and

''(C) section 27 of the Food and Nutrition Act of 2008 (7 U.S.C. 2036).''.

SEC. 4205. HUNGER-FREE COMMUNITIES.

Section 4405 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 7517) is amended—

(1) in subsection (a)—

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

''(1) ELIGIBLE ENTITY.—

''(A) COLLABORATIVE GRANTS.—In subsection (b), the term 'eligible entity' means a public food program service provider or nonprofit organization, including an emergency feeding organization, that has collaborated or will collaborate with 1 or more local partner organizations to achieve at least 1 hunger-free communities goal.

''(B) INCENTIVE GRANTS.—In subsection (c), the term 'eligible entity' means a nonprofit organization (including an emergency feeding organization), an agricultural cooperative, producer network or association, community health organization, public benefit corporation, economic development corporation, farmers' market, community-supported agriculture program, buying club, supplemental nutrition assistance program retail food store, a State, local, or tribal agency, and any other entity the Secretary designates.'';

(B) by adding at the end the following:

''(4) SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.—The term 'supplemental nutrition assistance program' means the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.).

''(5) UNDERSERVED COMMUNITY.—The term 'underserved community' has the meaning given the term in section 25 of the Food and Nutrition Act of 2008 (7 U.S.C. 2034).'';

(2) in subsection (b)(1)(A), by striking ''not more than 50 percent of any funds made available under subsection (e)'' and inserting ''funds made available under subsection (d)(1)''; and

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

''(c) HUNGER-FREE COMMUNITIES INCENTIVE GRANTS.—

''(1) AUTHORIZATION.—

''(A) IN GENERAL.—In each of the years specified in subsection (d), the Secretary shall make grants to eligible entities in accordance with paragraph (2).

''(B) FEDERAL SHARE.—The Federal share of the cost of carrying out an activity under this subsection shall not exceed 50 percent of the total cost of the activity.

''(C) NON-FEDERAL SHARE.—

''(i) IN GENERAL.—The non-Federal share of the cost of an activity under this subsection may be provided—

''(I) in cash or in-kind contributions as determined by the Secretary, including facilities, equipment, or services; and

''(II) by a State or local government or a private source.

''(ii) LIMITATION.—In the case of a for-profit entity, the non-Federal share described in clause (i) shall not include services of an employee, including salaries paid or expenses covered by the employer.

''(2) CRITERIA.—

''(A) IN GENERAL.—For purposes of this subsection, an eligible entity is a governmental agency or nonprofit organization that—

''(i) meets the application criteria set forth by the Secretary; and

''(ii) proposes a project that, at a minimum—

''(I) has the support of the State agency;

''(II) would increase the purchase of fruits and vegetables by low-income consumers participating in the supplemental nutrition assistance program by providing incentives at the point of purchase;

''(III) agrees to participate in the evaluation described in paragraph (4);

''(IV) ensures that the same terms and conditions apply to purchases made by individuals with benefits issued under this Act and incentives provided for in this subsection as apply to purchases made by individuals who are not members of households receiving benefits, such as provided for in section 278.2(b) of title 7, Code of Federal Regulations (or a successor regulation); and

''(V) includes effective and efficient technologies for benefit redemption systems that may be replicated in other for States and communities.

''(B) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to projects that—

''(i) maximize the share of funds used for direct incentives to participants;

''(ii) use direct-to-consumer sales marketing;

''(iii) demonstrate a track record of designing and implementing successful nutrition incentive programs that connect low-income consumers and agricultural producers;

''(iv) provide locally or regionally produced fruits and vegetables;

''(v) are located in underserved communities; or

''(vi) address other criteria as established by the Secretary.

''(3) APPLICABILITY.—

''(A) IN GENERAL.—The value of any benefit provided to a participant in any activity funded under this subsection shall not be considered income or resources for any purpose under any Federal, State, or local law.

''(B) PROHIBITION ON COLLECTION OF SALES TAXES.—Each State shall ensure that no State or local tax is collected on a purchase of food under this subsection.

''(C) NO LIMITATION ON BENEFITS.—A grant made available under this subsection shall not be used to carry out any project that limits the use of benefits under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) or any other Federal nutrition law.

''(D) HOUSEHOLD ALLOTMENT.—Assistance provided under this subsection to households receiving benefits under the supplemental nutrition assistance program shall not—

''(i) be considered part of the supplemental nutrition assistance program benefits of the household; or

''(ii) be used in the collection or disposition of claims under section 13 of the Food and Nutrition Act of 2008 (7 U.S.C. 2022).

''(4) EVALUATION.—

''(A) INDEPENDENT EVALUATION.—The Secretary shall provide for an independent evaluation of projects selected under this subsection that measures the impact of each project on—

''(i) improving the nutrition and health status of participating households receiving incentives under this subsection; and

''(ii) increasing fruit and vegetable purchases in participating households.

''(B) REQUIREMENT.—The independent evaluation under subparagraph (A) shall use rigorous methodologies capable of producing scientifically valid information regarding the effectiveness of a project.

''(C) COSTS.—The Secretary may use funds not to exceed 10 percent of the funding provided to carry out this section to pay costs associated with administering, monitoring, and evaluating each project.

''(d) FUNDING.—

''(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out subsection (b) $5,000,000 for each of fiscal years 2013 through 2017.

''(2) MANDATORY FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out subsection (c)—

''(A) $15,000,000 for fiscal year 2013;

''(B) $20,000,000 for each of fiscal years 2014 through 2016; and

''(C) $25,000,000 for fiscal year 2017.''.

SEC. 4206. HEALTHY FOOD FINANCING INITIATIVE.

(a) IN GENERAL.—Subtitle D of title II of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6951 et seq.) is amended by adding at the end the following:

''SEC. 242. HEALTHY FOOD FINANCING INITIATIVE.

''(a) PURPOSE.—The purpose of this section is to enhance the authorities of the Secretary to support efforts to provide access to healthy food by establishing an initiative to improve access to healthy foods in underserved areas, to create and preserve quality jobs, and to revitalize low-income communities by providing loans and grants to eligible fresh, healthy food retailers to overcome the higher costs and initial barriers to entry in underserved areas.

''(b) DEFINITIONS.—In this section:

''(1) COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION.—The term 'community development financial institution' has the meaning given the term in section 103 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702).

''(2) INITIATIVE.—The term 'Initiative' means the Healthy Food Financing Initiative established under subsection (c)(1).

''(3) NATIONAL FUND MANAGER.—The term 'national fund manager' means a community development financial institution that is—

''(A) in existence on the date of enactment of this section; and

''(B) certified by the Community Development Financial Institution Fund of the Department of Treasury to manage the Initiative for purposes of—

''(i) raising private capital;

''(ii) providing financial and technical assistance to partnerships; and

''(iii) funding eligible projects to attract fresh, healthy food retailers to underserved areas, in accordance with this section.

''(4) PARTNERSHIP.—The term 'partnership' means a regional, State, or local public-private partnership that—

''(A) is organized to improve access to fresh, healthy foods;

''(B) provides financial and technical assistance to eligible projects; and

''(C) meets such other criteria as the Secretary may establish.

''(5) PERISHABLE FOOD.—The term 'perishable food' means a staple food that is fresh, refrigerated, or frozen.

''(6) QUALITY JOB.—The term 'quality job' means a job that provides wages and other benefits comparable to, or better than, similar positions in existing businesses of similar size in similar local economies.

''(7) STAPLE FOOD.—

''(A) IN GENERAL.—The term 'staple food' means food that is a basic dietary item.

''(B) INCLUSIONS.—The term 'staple food' includes—

''(i) bread;

''(ii) flour;

''(iii) fruits;

''(iv) vegetables; and

''(v) meat.

''(c) INITIATIVE.—

''(1) ESTABLISHMENT.—The Secretary shall establish an initiative to achieve the purpose described in subsection (a) in accordance with this subsection.

''(2) IMPLEMENTATION.—

''(A) IN GENERAL.—

''(i) IN GENERAL.—In carrying out the Initiative, the Secretary shall provide funding

to entities with eligible projects, as described in subparagraph (B), subject to the priorities described in subparagraph (C).

''(ii) USE OF FUNDS.—Funds provided to an entity pursuant to clause (i) shall be used—

''(I) to create revolving loan pools of capital or other products to provide loans to finance eligible projects or partnerships;

''(II) to provide grants for eligible projects or partnerships;

''(III) to provide technical assistance to funded projects and entities seeking Initiative funding; and

''(IV) to cover administrative expenses of the national fund manager in an amount not to exceed 10 percent of the Federal funds provided.

''(B) ELIGIBLE PROJECTS.—Subject to the approval of the Secretary, the national fund manager shall establish eligibility criteria for projects under the Initiative, which shall include the existence or planned execution of agreements—

''(i) to expand or preserve the availability of staple foods in underserved areas with moderate- and low-income populations by maintaining or increasing the number of retail outlets that offer an assortment of perishable food and staple food items, as determined by the Secretary, in those areas; and

''(ii) to accept benefits under the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.).

''(C) PRIORITIES.—In carrying out the Initiative, priority shall be given to projects that—

''(i) are located in severely distressed low-income communities, as defined by the Community Development Financial Institutions Fund of the Department of Treasury; and

''(ii) include 1 or more of the following characteristics:

''(I) The project will create or retain quality jobs for low-income residents in the community.

''(II) The project supports regional food systems and locally grown foods, to the maximum extent practicable.

''(III) In areas served by public transit, the project is accessible by public transit.

''(IV) The project involves women- or minority-owned businesses.

''(V) The project receives funding from other sources, including other Federal agencies.

''(VI) The project otherwise advances the purpose of this section, as determined by the Secretary.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section $125,000,000, to remain available until expended.''.

(b) CONFORMING AMENDMENT.—Section 296(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7014(b)) (as amended by section 1609(d)) is amended—

(1) in paragraph (7), by striking ''or'' at the end;

(2) in paragraph (8), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(9) the authority of the Secretary to establish and carry out the Health Food Financing Initiative under section 242.''.

TITLE V—CREDIT

Subtitle A—Farmer Loans, Servicing, and Other Assistance Under the Consolidated Farm and Rural Development Act

SEC. 5001. FARMER LOANS, SERVICING, AND OTHER ASSISTANCE UNDER THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.

The Consolidated Farm and Rural Development Act (as amended by section 6001) is amended by inserting after section 3002 the following:

''Subtitle A—Farmer Loans, Servicing, and Other Assistance

''CHAPTER 1—FARM OWNERSHIP LOANS

''SEC. 3101. FARM OWNERSHIP LOANS.

''(a) IN GENERAL.—The Secretary may make or guarantee a farm ownership loan under this chapter to an eligible farmer.

''(b) ELIGIBILITY.—A farmer shall be eligible under subsection (a) only—

''(1) if the farmer, or, in the case of an entity, 1 or more individuals holding a majority interest in the farmer—

''(A) is a citizen of the United States; and

''(B) in the case of a direct loan, has training or farming experience that the Secretary determines is sufficient to ensure a reasonable prospect of success in the farming operation proposed by the farmer;

''(2)(A) in the case of a farmer that is an individual, if the farmer is or proposes to become an owner and operator of a farm that is not larger than a family farm; or

''(B) in the case of a lessee-operator of a farm located in the State of Hawaii, if the Secretary determines that—

''(i) the farm is not larger than a family farm;

''(ii) the farm cannot be acquired in fee simple by the lessee-operator;

''(iii) adequate security is provided for the loan with respect to the farm for which the lessee-operator applies under this chapter; and

''(iv) there is a reasonable probability of accomplishing the objectives and repayment of the loan;

''(3) in the case of a farmer that is a cooperative, corporation, partnership, trust, limited liability company, joint operation, or such other legal entity as the Secretary determines to be appropriate, with respect to the entity and each farm in which the entity has an ownership or operator interest—

''(A) if—

''(i) a majority interest is held by individuals who are related by blood or marriage, as defined by the Secretary;

''(ii) all of the individuals are or propose to become owners or operators of a farm that is not larger than a family farm; and

''(iii) at least 1 of the individuals is or proposes to become an operator of the farm; or

''(B) if—

''(i) the entire interest is held by individuals who are related by blood or marriage, as defined by the Secretary;

''(ii) all of the individuals are or propose to become farm operators; and

''(iii) the ownership interest of each individual separately constitutes not larger than a family farm, even if the ownership interests of the individuals collectively constitute larger than a family farm;

''(4) in the case of an entity that is, or will become within a reasonable period of time, as determined by the Secretary, only the operator of a family farm, if the 1 or more individuals who are the owners of the family farm own—

''(A) a percentage of the family farm that exceeds 50 percent; or

''(B) such other percentage as the Secretary determines to be appropriate;

''(5) in the case of an operator described in paragraph (3) that is owned, in whole or in part, by 1 or more other entities, if each of the individuals that have a direct or indirect ownership interest in such other entities also have a direct ownership interest in the entity applying as an individual; and

''(6) if the farmer and each individual that holds a majority interest in the farmer is unable to obtain credit elsewhere.

''(c) DIRECT LOANS.—

''(1) IN GENERAL.—Subject to paragraph (2), the Secretary may make a direct loan under this chapter only to a farmer who has participated in business operations of a farm for not less than 3 years (or has other acceptable experience for a period of time determined by the Secretary) and—

''(A) is a qualified beginning farmer;

''(B) has not received a previous direct farm ownership loan made under this chapter; or

''(C) has not received a direct farm ownership loan under this chapter more than 10 years before the date on which the new loan would be made.

''(2) YOUTH LOANS.—The operation of an enterprise by a youth under section 3201(d) shall not be considered the operation of a farm for purposes of paragraph (1).

''SEC. 3102. PURPOSES OF LOANS.

''(a) ALLOWED PURPOSES.—

''(1) DIRECT LOANS.—A farmer may use a direct loan made under this chapter only—

''(A) to acquire or enlarge a farm;

''(B) to make capital improvements to a farm;

''(C) to pay loan closing costs related to acquiring, enlarging, or improving a farm;

''(D) to pay for activities to promote soil and water conservation and protection described in section 3103 on a farm; or

''(E) to refinance a temporary bridge loan made by a commercial or cooperative lender to a farmer for the acquisition of land for a farm, if—

''(i) the Secretary approved an application for a direct farm ownership loan to the farmer for acquisition of the land; and

''(ii) funds for direct farm ownership loans under section 3201(a) were not available at the time at which the application was approved.

''(2) GUARANTEED LOANS.—A farmer may use a loan guaranteed under this chapter only—

''(A) to acquire or enlarge a farm;

''(B) to make capital improvements to a farm;

''(C) to pay loan closing costs related to acquiring, enlarging, or improving a farm;

''(D) to pay for activities to promote soil and water conservation and protection described in section 3103 on a farm; or

''(E) to refinance indebtedness.

''(b) PREFERENCES.—In making or guaranteeing a loan under this chapter for purchase of a farm, the Secretary shall give preference to a person who—

''(1) has a dependent family;

''(2) to the extent practicable, is able to make an initial down payment on the farm; or

''(3) is an owner of livestock or farm equipment that is necessary to successfully carry out farming operations.

''(c) HAZARD INSURANCE REQUIREMENT.—The Secretary may not make a loan to a farmer under this chapter unless the farmer has, or agrees to obtain, hazard insurance on any real property to be acquired or improved with the loan.

''SEC. 3103. CONSERVATION LOAN AND LOAN GUARANTEE PROGRAM.

''(a) IN GENERAL.—The Secretary may make or guarantee qualified conservation loans to eligible borrowers under this section.

''(b) DEFINITIONS.—In this section:

''(1) CONSERVATION PLAN.—The term 'conservation plan' means a plan, approved by the Secretary, that, for a farming operation, identifies the conservation activities that will be addressed with loan funds provided under this section, including—

''(A) the installation of conservation structures to address soil, water, and related resources;

''(B) the establishment of forest cover for sustained yield timber management, erosion control, or shelter belt purposes;

''(C) the installation of water conservation measures;

''(D) the installation of waste management systems;

''(E) the establishment or improvement of permanent pasture;

''(F) compliance with section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812); and

''(G) other purposes consistent with the plan, including the adoption of any other emerging or existing conservation practices, techniques, or technologies approved by the Secretary.

''(2) QUALIFIED CONSERVATION LOAN.—The term 'qualified conservation loan' means a loan, the proceeds of which are used to cover the costs to the borrower of carrying out a qualified conservation project.

''(3) QUALIFIED CONSERVATION PROJECT.—The term 'qualified conservation project' means conservation measures that address provisions of a conservation plan of the eligible borrower.

''(c) ELIGIBILITY.—

''(1) IN GENERAL.—The Secretary may make or guarantee loans to farmers.

''(2) REQUIREMENTS.—To be eligible for a loan under this section, applicants shall meet the citizenship and training and experience requirements of section 3101(b).

''(d) PRIORITY.—In making or guaranteeing loans under this section, the Secretary shall give priority to—

''(1) qualified beginning farmers and socially disadvantaged farmers;

''(2) owners or tenants who use the loans to convert to sustainable or organic agricultural production systems; and

''(3) producers who use the loans to build conservation structures or establish conservation practices to comply with section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812).

''(e) LIMITATIONS APPLICABLE TO LOAN GUARANTEES.—The portion of a loan that the Secretary may guarantee under this section shall not exceed 75 percent of the principal amount of the loan.

''(f) ADMINISTRATIVE PROVISIONS.—The Secretary shall ensure, to the maximum extent practicable, that loans made or guaranteed under this section are distributed across diverse geographic regions.

''(g) CREDIT ELIGIBILITY.—The provisions of paragraphs (1) and (3) of section 3406(a) shall not apply to loans made or guaranteed under this section.

''(h) AUTHORIZATION OF APPROPRIATIONS.—For each of fiscal years 2012 through 2017, there are authorized to be appropriated to the Secretary such sums as are necessary to carry out this section.

''SEC. 3104. LOAN MAXIMUMS.

''(a) MAXIMUM.—

''(1) IN GENERAL.—The Secretary shall make or guarantee no loan under sections 3101, 3102, 3103, 3106, and 3107 that would cause the unpaid indebtedness under those sections of any 1 borrower to exceed the lesser of—

''(A) the value of the farm or other security, or

''(B)(i) in the case of a loan made by the Secretary, $300,000; or

''(ii) in the case of a loan guaranteed by the Secretary, $700,000 (as modified under paragraph (2)).

''(2) MODIFICATION.—The amount specified in paragraph (1)(B)(ii) shall be—

''(A) increased, beginning with fiscal year 2000, by the inflation percentage applicable to the fiscal year in which the loan is guaranteed; and

''(B) reduced by the amount of any unpaid indebtedness of the borrower on loans under chapter 2 that are guaranteed by the Secretary.

''(b) DETERMINATION OF VALUE.—In determining the value of the farm, the Secretary shall consider appraisals made by competent appraisers under rules established by the Secretary.

''(c) INFLATION PERCENTAGE.—For purposes of this section, the inflation percentage applicable to a fiscal year is the percentage (if any) by which—

''(1) the average of the Prices Paid By Farmers Index (as compiled by the National Agricultural Statistics Service of the Department) for the 12-month period ending on August 31 of the immediately preceding fiscal year; exceeds

''(2) the average of that index (as so defined) for the 12-month period ending on August 31, 1996.

''SEC. 3105. REPAYMENT REQUIREMENTS FOR FARM OWNERSHIP LOANS.

''(a) PERIOD FOR REPAYMENT.—The period for repayment of a loan under this chapter shall not exceed 40 years.

''(b) INTEREST RATES.—

''(1) IN GENERAL.—Except as otherwise provided in this title, the interest rate on a loan under this chapter shall be determined by the Secretary at a rate—

''(A) not to exceed the sum obtained by adding—

''(i) the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturity of the loan; and

''(ii) an amount not to exceed 1 percent, as determined by the Secretary; and

''(B) adjusted to the nearest ⅛ of 1 percent.

''(2) LOW INCOME FARM OWNERSHIP LOANS.—Except as provided in paragraph (3), the interest rate on a loan (other than a guaranteed loan) under section 3106 shall be determined by the Secretary at a rate that is—

''(A) not greater than the sum obtained by adding—

''(i) an amount that does not exceed ½ of the current average market yield on outstanding marketable obligations of the United States with maturities of 5 years; and

''(ii) an amount not to exceed 1 percent per year, as the Secretary determines is appropriate; and

''(B) not less than 5 percent per year.

''(3) JOINT FINANCING ARRANGEMENT.—If a direct farm ownership loan is made under this chapter as part of a joint financing arrangement and the amount of the direct farm ownership loan does not exceed 50 percent of the total principal amount financed under the arrangement, the interest rate on the direct farm ownership loan shall be at least 4 percent annually.

''(4) GUARANTEED LOANS.—The interest rate on a loan made under this chapter as a guaranteed loan shall be such rate as may be agreed on by the borrower and the lender, but not in excess of any rate determined by the Secretary.

''(c) PAYMENT OF CHARGES.—A borrower of a loan made or guaranteed under this chapter shall pay such fees and other charges as the Secretary may require, and prepay to the Secretary such taxes and insurance as the Secretary may require, on such terms and conditions as the Secretary may prescribe.

''(d) SECURITY.—

''(1) IN GENERAL.—The Secretary shall take as security for an obligation entered into in connection with a loan, a mortgage on a farm with respect to which the loan is made or such other security as the Secretary may require.

''(2) LIENS TO UNITED STATES.—An instrument for security under paragraph (1) may constitute a lien running to the United States notwithstanding the fact that the note for the security may be held by a lender other than the United States.

''(3) MULTIPLE LOANS.—A borrower may use the same collateral to secure 2 or more loans made or guaranteed under this chapter, except that the outstanding amount of the loans may not exceed the total value of the collateral.

''(e) MINERAL RIGHTS AS COLLATERAL.—

''(1) IN GENERAL.—In the case of a farm ownership loan made after December 23, 1985, unless appraised values of the rights to oil, gas, or other minerals are specifically included as part of the appraised value of collateral securing the loan, the rights to oil, gas, or other minerals located under the property shall not be considered part of the collateral securing the loan.

''(2) COMPENSATORY PAYMENTS.—Nothing in this subsection prevents the inclusion of, as part of the collateral securing the loan, any payment or other compensation the borrower may receive for damages to the surface of the collateral real estate resulting from the exploration for or recovery of minerals.

''(f) ADDITIONAL COLLATERAL.—The Secretary may not—

''(1) require any borrower to provide additional collateral to secure a farmer program loan made or guaranteed under this subtitle, if the borrower is current in the payment of principal and interest on the loan; or

''(2) bring any action to foreclose, or otherwise liquidate, the loan as a result of the failure of a borrower to provide additional collateral to secure the loan, if the borrower was current in the payment of principal and interest on the loan at the time the additional collateral was requested.

''SEC. 3106. LIMITED-RESOURCE LOANS.

''(a) IN GENERAL.—The Secretary may make or guarantee a limited-resource loan for any of the purposes specified in sections 3102(a) or 3103(a) to a farmer in the United States who—

''(1) in the case of an entity, all members, stockholders, or partners are eligible under section 3101(b);

''(2) has a low income; and

''(3) demonstrates a need to maximize the income of the farmer from farming operations.

''(b) INSTALLMENTS.—A loan made or guaranteed under this section shall be repayable in such installments as the Secretary determines will provide for reduced payments during the initial repayment period of the loan and larger payments during the remainder of the repayment period of the loan.

''(c) INTEREST RATES.—Except as provided in section 3105(b)(3) and in section 3204(b)(3), the interest rate on loans (other than guaranteed loans) under this section shall not be—

''(1) greater than the sum obtained by adding—

''(A) an amount that does not exceed ½ of the current average market yield on outstanding marketable obligations of the United States with maturities of 5 years; and

''(B) an amount not exceeding 1 percent per year, as the Secretary determines is appropriate; or

''(2) less than 5 percent per year.

''SEC. 3107. DOWNPAYMENT LOAN PROGRAM.

''(a) IN GENERAL.—

''(1) ESTABLISHMENT.—Notwithstanding any other provision of this chapter, the Secretary shall establish, under the farm ownership loan program established under this chapter, a program under which loans shall be made under this section to a qualified beginning farmer or a socially disadvantaged farmer for a downpayment on a farm ownership loan.

''(2) COORDINATION.—The Secretary shall be the primary coordinator of credit supervision for the downpayment loan program established under this section, in consultation

with a commercial or cooperative lender and, if applicable, a contracting credit counseling service selected under section 3420(c).

''(b) LOAN TERMS.—

''(1) PRINCIPAL.—Each loan made under this section shall be in an amount that does not exceed 45 percent of the lesser of—

''(A) the purchase price of the farm to be acquired;

''(B) the appraised value of the farm to be acquired; or

''(C) $667,000.

''(2) INTEREST RATE.—The interest rate on any loan made by the Secretary under this section shall be a rate equal to the greater of—

''(A) the difference between—

''(i) 4 percent; and

''(ii) the interest rate for farm ownership loans under this chapter; or

''(B) 1.5 percent.

''(3) DURATION.—Each loan under this section shall be made for a period of 20 years or less, at the option of the borrower.

''(4) REPAYMENT.—Each borrower of a loan under this section shall repay the loan to the Secretary in equal annual installments.

''(5) NATURE OF RETAINED SECURITY INTEREST.—The Secretary shall retain an interest in each farm acquired with a loan made under this section that shall—

''(A) be secured by the farm;

''(B) be junior only to such interests in the farm as may be conveyed at the time of acquisition to the person (including a lender) from whom the borrower obtained a loan used to acquire the farm; and

''(C) require the borrower to obtain the permission of the Secretary before the borrower may grant an additional security interest in the farm.

''(c) LIMITATIONS.—

''(1) BORROWERS REQUIRED TO MAKE MINIMUM DOWN PAYMENT.—The Secretary shall not make a loan under this section to any borrower with respect to a farm if the contribution of the borrower to the down payment on the farm will be less than 5 percent of the purchase price of the farm.

''(2) PROHIBITED TYPES OF FINANCING.—The Secretary shall not make a loan under this section with respect to a farm if the farm is to be acquired with other financing that contains any of the following conditions:

''(A) The financing is to be amortized over a period of less than 30 years.

''(B) A balloon payment will be due on the financing during the 20-year period beginning on the date on which the loan is to be made by the Secretary.

''(d) ADMINISTRATION.—In carrying out this section, the Secretary shall, to the maximum extent practicable—

''(1) facilitate the transfer of farms from retiring farmers to persons eligible for insured loans under this subtitle;

''(2) make efforts to widely publicize the availability of loans under this section among—

''(A) potentially eligible recipients of the loans;

''(B) retiring farmers; and

''(C) applicants for farm ownership loans under this chapter;

''(3) encourage retiring farmers to assist in the sale of their farms to qualified beginning farmers and socially disadvantaged farmers providing seller financing;

''(4) coordinate the loan program established by this section with State programs that provide farm ownership or operating loans for beginning farmers or socially disadvantaged farmers; and

''(5) establish annual performance goals to promote the use of the down payment loan program and other joint financing arrangements as the preferred choice for direct real estate loans made by any lender to a qualified beginning farmer or socially disadvantaged farmer.

''SEC. 3108. BEGINNING FARMER AND SOCIALLY DISADVANTAGED FARMER CONTRACT LAND SALES PROGRAM.

''(a) IN GENERAL.—The Secretary shall, in accordance with this section, guarantee a loan made by a private seller of a farm to a qualified beginning farmer or socially disadvantaged farmer on a contract land sales basis.

''(b) ELIGIBILITY.—To be eligible for a loan guarantee under subsection (a)—

''(1) the qualified beginning farmer or socially disadvantaged farmer shall—

''(A) on the date the contract land sale that is subject of the loan is complete, own and operate the farm that is the subject of the contract land sale;

''(B) have a credit history that—

''(i) includes a record of satisfactory debt repayment, as determined by the Secretary; and

''(ii) is acceptable to the Secretary; and

''(C) demonstrate to the Secretary that the farmer is unable to obtain sufficient credit without a guarantee to finance any actual need of the farmer at a reasonable rate or term; and

''(2) the loan shall meet applicable underwriting criteria, as determined by the Secretary.

''(c) LIMITATIONS.—The Secretary shall not provide a loan guarantee under subsection (a) if—

''(1) the contribution of the qualified beginning farmer or socially disadvantaged farmer to the down payment for the farm that is the subject of the contract land sale would be less than 5 percent of the purchase price of the farm; or

''(2) the purchase price or the appraisal value of the farm that is the subject of the contract land sale is greater than $500,000.

''(d) PERIOD OF GUARANTEE.—A loan guarantee under this section shall be in effect for the 10-year period beginning on the date on which the guarantee is provided.

''(e) GUARANTEE PLAN.—

''(1) SELECTION OF PLAN.—A private seller of a farm who makes a loan guaranteed by the Secretary under subsection (a) may select—

''(A) a prompt payment guarantee plan, which shall cover—

''(i) 3 amortized annual installments; or

''(ii) an amount equal to 3 annual installments (including an amount equal to the total cost of any tax and insurance incurred during the period covered by the annual installments); or

''(B) a standard guarantee plan, which shall cover an amount equal to 90 percent of the outstanding principal of the loan.

''(2) ELIGIBILITY FOR STANDARD GUARANTEE PLAN.—To be eligible for a standard guarantee plan referred to in paragraph (1)(B), a private seller shall—

''(A) secure a commercial lending institution or similar entity, as determined by the Secretary, to serve as an escrow agent; or

''(B) in cooperation with the farmer, use an appropriate alternate arrangement, as determined by the Secretary.

''CHAPTER 2—OPERATING LOANS

''SEC. 3201. OPERATING LOANS.

''(a) IN GENERAL.—The Secretary may make or guarantee an operating loan under this chapter to an eligible farmer in the United States.

''(b) ELIGIBILITY.—A farmer shall be eligible under subsection (a) only—

''(1) if the farmer, or an individual holding a majority interest in the farmer—

''(A) is a citizen of the United States; and

''(B) has training or farming experience that the Secretary determines is sufficient to ensure a reasonable prospect of success in the farming operation proposed by the farmer;

''(2) in the case of a farmer that is an individual, if the farmer is or proposes to become an operator of a farm that is not larger than a family farm;

''(3) in the case of a farmer that is a cooperative, corporation, partnership, trust, limited liability company, joint operation, or other such legal entity as the Secretary determines to be appropriate, with respect to the entity and each farm in which the entity has an ownership or operator interest—

''(A) if—

''(i) a majority interest is held by individuals who are related by blood or marriage, as defined by the Secretary;

''(ii) all of the individuals are or propose to become owners or operators of a farm that is not larger than a family farm; and

''(iii) at least 1 of the individuals is or proposes to become an operator of the farm; or

''(B) if—

''(i) the entire interest is held by individuals who are related by blood or marriage, as defined by the Secretary;

''(ii) all of the individuals are or propose to become farm operators; and

''(iii) the ownership interest of each individual separately constitutes not larger than a family farm, even if the ownership interests of the individuals collectively constitute larger than a family farm;

''(4) in the case of an operator described in paragraph (3) that is owned, in whole or in part by 1 or more other entities, if not less than 75 percent of the ownership interests of each other entity is owned directly or indirectly by 1 or more individuals who own the family farm; and

''(5) if the farmer and each individual that holds a majority interest in the farmer is unable to obtain credit elsewhere.

''(c) DIRECT LOANS.—

''(1) IN GENERAL.—Subject to paragraph (3), the Secretary may make a direct loan under this chapter only to a farmer who—

''(A) is a qualified beginning farmer;

''(B) has not received a previous direct operating loan made under this chapter; or

''(C) has not received a direct operating loan made under this chapter for a total of 7 years, less 1 year for every 3 consecutive years the farmer did not receive a direct operating loan after the year in which the borrower initially received a direct operating loan under this chapter, as determined by the Secretary.

''(2) YOUTH LOANS.—In this subsection, the term 'direct operating loan' shall not include a loan made to a youth under subsection (d).

''(3) TRANSITION RULE.—If, as of April 4, 1996, a farmer has received a direct operating loan under this chapter during each of 4 or more previous years, the borrower shall be eligible to receive a direct operating loan under this chapter during 3 additional years after April 4, 1996.

''(4) WAIVERS.—

''(A) FARM OPERATIONS ON TRIBAL LAND.—The Secretary shall waive the limitation under paragraph (1)(C) or (3) for a direct loan made under this chapter to a farmer whose farm land is subject to the jurisdiction of an Indian tribe and whose loan is secured by 1 or more security instruments that are subject to the jurisdiction of an Indian tribe if the Secretary determines that commercial credit is not generally available for such farm operations.

''(B) OTHER FARM OPERATIONS.—On a case-by-case determination not subject to administrative appeal, the Secretary may grant a borrower a waiver, 1 time only for a period of 2 years, of the limitation under paragraph (1)(C) or (3) for a direct operating loan if the

borrower demonstrates to the satisfaction of the Secretary that—

''(i) the borrower has a viable farm operation;

''(ii) the borrower applied for commercial credit from at least 2 commercial lenders;

''(iii) the borrower was unable to obtain a commercial loan (including a loan guaranteed by the Secretary); and

''(iv) the borrower successfully has completed, or will complete within 1 year, borrower training under section 3419 (from which requirement the Secretary shall not grant a waiver under section 3419(f)).

''(d) YOUTH LOANS.—

''(1) IN GENERAL.—Notwithstanding subsection (b), except for citizenship and credit requirements, a loan may be made under this chapter to a youth who is a rural resident to enable the youth to operate an enterprise in connection with the participation in a youth organization, as determined by the Secretary.

''(2) FULL PERSONAL LIABILITY.—A youth receiving a loan under this subsection who executes a promissory note for the loan shall incur full personal liability for the indebtedness evidenced by the note, in accordance with the terms of the note, free of any disability of minority.

''(3) COSIGNER.—The Secretary may accept the personal liability of a cosigner of a promissory note for a loan under this subsection, in addition to the personal liability of the youth borrower.

''(4) YOUTH ENTERPRISES NOT FARMING.—The operation of an enterprise by a youth under this subsection shall not be considered the operation of a farm under this subtitle.

''SEC. 3202. PURPOSES OF LOANS.

''(a) DIRECT LOANS.—A direct loan may be made under this chapter only—

''(1) to pay the costs incident to reorganizing a farm for more profitable operation;

''(2) to purchase livestock, poultry, or farm equipment;

''(3) to purchase feed, seed, fertilizer, insecticide, or farm supplies, or to meet other essential farm operating expenses, including cash rent;

''(4) to finance land or water development, use, or conservation;

''(5) to pay loan closing costs;

''(6) to assist a farmer in changing the equipment, facilities, or methods of operation of a farm to comply with a standard promulgated under section 6 of the Occupational Safety and Health Act of 1970 (29 U.S.C. 655) or a standard adopted by a State under a plan approved under section 18 of that Act (29 U.S.C. 667), if the Secretary determines that without assistance under this paragraph the farmer is likely to suffer substantial economic injury in complying with the standard;

''(7) to train a limited-resource borrower receiving a loan under section 3106 in maintaining records of farming operations;

''(8) to train a borrower under section 3419;

''(9) to refinance the indebtedness of a borrower, if the borrower—

''(A) has refinanced a loan under this chapter not more than 4 times previously; and

''(B)(i) is a direct loan borrower under this title at the time of the refinancing and has suffered a qualifying loss because of a natural or major disaster or emergency; or

''(ii) is refinancing a debt obtained from a creditor other than the Secretary; or

''(10) to provide other farm or home needs, including family subsistence.

''(b) GUARANTEED LOANS.—A loan may be guaranteed under this chapter only—

''(1) to pay the costs incident to reorganizing a farm for more profitable operation;

''(2) to purchase livestock, poultry, or farm equipment;

''(3) to purchase feed, seed, fertilizer, insecticide, or farm supplies, or to meet other essential farm operating expenses, including cash rent;

''(4) to finance land or water development, use, or conservation;

''(5) to refinance indebtedness;

''(6) to pay loan closing costs;

''(7) to assist a farmer in changing the equipment, facilities, or methods of operation of a farm to comply with a standard promulgated under section 6 of the Occupational Safety and Health Act of 1970 (29 U.S.C. 655) or a standard adopted by a State under a plan approved under section 18 of that Act (29 U.S.C. 667), if the Secretary determines that without assistance under this paragraph the farmer is likely to suffer substantial economic injury due to compliance with the standard;

''(8) to train a borrower under section 3419; or

''(9) to provide other farm or home needs, including family subsistence.

''(c) HAZARD INSURANCE REQUIREMENT.—The Secretary may not make a loan to a farmer under this chapter unless the farmer has, or agrees to obtain, hazard insurance on the property to be acquired with the loan.

''(d) PRIVATE RESERVE.—

''(1) IN GENERAL.—Notwithstanding any other provision of this title, the Secretary may reserve a portion of any loan made under this chapter to be placed in an unsupervised bank account that may be used at the discretion of the borrower for the basic family needs of the borrower and the immediate family of the borrower.

''(2) LIMIT ON SIZE OF THE RESERVE.—The size of the reserve shall not exceed the lesser of—

''(A) 10 percent of the loan;

''(B) $5,000; or

''(C) the amount needed to provide for the basic family needs of the borrower and the immediate family of the borrower for 3 calendar months.

''SEC. 3203. RESTRICTIONS ON LOANS.

''(a) REQUIREMENTS.—

''(1) IN GENERAL.—The Secretary may not make or guarantee a loan under this chapter—

''(A) that would cause the total principal indebtedness outstanding at any 1 time for loans made under this chapter to any 1 borrower to exceed—

''(i)(I) in the case of a loan made by the Secretary, $300,000; or

''(II) in the case of a loan guaranteed by the Secretary, $700,000 (as modified under paragraph (2)); or

''(B) for the purchasing or leasing of land other than for cash rent, or for carrying on a land leasing or land purchasing program.

''(2) MODIFICATION.—The amount specified in paragraph (1)(A)(ii) shall be—

''(A) increased, beginning with fiscal year 2000, by the inflation percentage applicable to the fiscal year in which the loan is guaranteed; and

''(B) reduced by the unpaid indebtedness of the borrower on loans under sections specified in section 3104 that are guaranteed by the Secretary.

''(b) INFLATION PERCENTAGE.—For purposes of this section, the inflation percentage applicable to a fiscal year is the percentage (if any) by which—

''(1) the average of the Prices Paid By Farmers Index (as compiled by the National Agricultural Statistics Service of the Department) for the 12-month period ending on August 31 of the immediately preceding fiscal year; exceeds

''(2) the average of that index (as so defined) for the 12-month period ending on August 31, 1996.

''SEC. 3204. TERMS OF LOANS.

''(a) PERSONAL LIABILITY.—A borrower of a loan made under this chapter shall secure the loan with the full personal liability of the borrower and such other security as the Secretary may prescribe.

''(b) INTEREST RATES.—

''(1) MAXIMUM RATE.—

''(A) IN GENERAL.—Except as provided in paragraphs (2) and (3), the interest rate on a loan made under this chapter (other than a guaranteed loan) shall be determined by the Secretary at a rate not to exceed the sum obtained by adding—

''(i) the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturity of the loan; and

''(ii) an additional charge not to exceed 1 percent, as determined by the Secretary.

''(B) ADJUSTMENT.—The sum obtained under subparagraph (A) shall be adjusted to the nearest ⅛ of 1 percent.

''(2) GUARANTEED LOAN.—The interest rate on a guaranteed loan made under this chapter shall be such rate as may be agreed on by the borrower and the lender, but may not exceed any rate prescribed by the Secretary.

''(3) LOW INCOME LOAN.—The interest rate on a direct loan made under this chapter to a low-income, limited-resource borrower shall be determined by the Secretary at a rate that is not—

''(A) greater than the sum obtained by adding—

''(i) an amount that does not exceed ½ of the current average market yield on outstanding marketable obligations of the United States with a maturity of 5 years; and

''(ii) an amount not to exceed 1 percent per year, as the Secretary determines is appropriate; or

''(B) less than 5 percent per year.

''(c) PERIOD FOR REPAYMENT.—The period for repayment of a loan made under this chapter may not exceed 7 years.

''(d) LINE-OF-CREDIT LOANS.—

''(1) IN GENERAL.—A loan made or guaranteed by the Secretary under this chapter may be in the form of a line-of-credit loan.

''(2) TERM.—A line-of-credit loan under paragraph (1) shall terminate not later than 5 years after the date that the loan is made or guaranteed.

''(3) ELIGIBILITY.—For purposes of determining eligibility for an operating loan under this chapter, each year during which a farmer takes an advance or draws on a line-of-credit loan the farmer shall be considered as having received an operating loan for 1 year.

''(4) TERMINATION OF DELINQUENT LOANS.—If a borrower does not pay an installment on a line-of-credit loan on schedule, the borrower may not take an advance or draw on the line-of-credit, unless the Secretary determines that—

''(A) the failure of the borrower to pay on schedule was due to unusual conditions that the borrower could not control; and

''(B) the borrower will reduce the line-of-credit balance to the scheduled level at the end of—

''(i) the production cycle; or

''(ii) the marketing of the agricultural products of the borrower.

''(5) AGRICULTURAL COMMODITIES.—A line-of-credit loan may be used to finance the production or marketing of an agricultural commodity that is eligible for a price support program of the Department.

''CHAPTER 3—EMERGENCY LOANS

''SEC. 3301. EMERGENCY LOANS.

''(a) IN GENERAL.—The Secretary shall make or guarantee an emergency loan under

this chapter to an eligible farmer only to the extent and in such amounts as provided in advance in appropriation Acts.

''(b) ELIGIBILITY.—An established farmer shall be eligible under subsection (a) only—

''(1) if the farmer or an individual holding a majority interest in the farmer—

''(A) is a citizen of the United States; and

''(B) has experience and resources that the Secretary determines are sufficient to ensure a reasonable prospect of success in the farming operation proposed by the farmer;

''(2) in the case of a farmer that is an individual, if the farmer is—

''(A) in the case of a loan for a purpose under chapter 1, an owner, operator, or lessee-operator described in section 3101(b)(2); and

''(B) in the case of a loan for a purpose under chapter 2, an operator of a farm that is not larger than a family farm;

''(3) in the case of a farmer that is a cooperative, corporation, partnership, trust, limited liability company, joint operation, or such other legal entity as the Secretary determines to be appropriate, with respect to the entity and each farm in which the entity has an ownership or operator interest—

''(A) if—

''(i) a majority interest is held by individuals who are related by blood or marriage, as defined by the Secretary;

''(ii) all of the individuals are or propose to become owners or operators of a farm that is not larger than a family farm; and

''(iii) at least 1 of the individuals is or proposes to become an operator of the farm; or

''(B) if—

''(i) the entire interest is held by individuals who are related by blood or marriage, as defined by the Secretary;

''(ii) all of the individuals are or propose to become farm operators; and

''(iii) the ownership interest of each individual separately constitutes not larger than a family farm, even if the ownership interests of the individuals collectively constitute larger than a family farm;

''(4) if the entity is owned, in whole or in part, by 1 or more other entities and each individual who is an owner of the family farm involved has a direct or indirect ownership interest in each of the other entities;

''(5) if the farmer and any individual that holds a majority interest in the farmer is unable to obtain credit elsewhere; and

''(6)(A) if the Secretary finds that the operations of the farmer have been substantially affected by—

''(i) a natural or major disaster or emergency designated by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.); or

''(ii) a quarantine imposed by the Secretary under the Plant Protection Act (7 U.S.C. 7701 et seq.) or the Animal Health Protection Act (7 U.S.C. 8301 et seq.); or

''(B) if the farmer conducts farming operations in a county or a county contiguous to a county in which the Secretary has found that farming operations have been substantially affected by a natural or major disaster or emergency.

''(c) TIME FOR ACCEPTING AN APPLICATION.—The Secretary shall accept an application for a loan under this chapter from a farmer at any time during the 8-month period beginning on the date that—

''(1) the Secretary determines that farming operations of the farmer have been substantially affected by—

''(A) a quarantine imposed by the Secretary under the Plant Protection Act (7 U.S.C. 7701 et seq.) or the Animal Health Protection Act (7 U.S.C. 8301 et seq.); or

''(B) a natural disaster; or

''(2) the President makes a major disaster or emergency designation with respect to the affected county of the farmer referred to in subsection (b)(5)(B).

''(d) HAZARD INSURANCE REQUIREMENT.—The Secretary may not make a loan to a farmer under this chapter to cover a property loss unless the farmer had hazard insurance that insured the property at the time of the loss.

''(e) FAMILY FARM.—The Secretary shall conduct the loan program under this chapter in a manner that will foster and encourage the family farm system of agriculture, consistent with the reaffirmation of policy and declaration of the intent of Congress contained in section 102(a) of the Food and Agriculture Act of 1977 (7 U.S.C. 2266(a)).

''SEC. 3302. PURPOSES OF LOANS.

''Subject to the limitations on the amounts of loans provided in section 3303(a), a loan may be made or guaranteed under this chapter for—

''(1) any purpose authorized for a loan under chapter 1 or 2; and

''(2) crop or livestock purposes that are—

''(A) necessitated by a quarantine, natural disaster, major disaster, or emergency; and

''(B) considered desirable by the farmer.

''SEC. 3303. TERMS OF LOANS.

''(a) MAXIMUM AMOUNT OF LOAN.—The Secretary may not make or guarantee a loan under this chapter to a borrower who has suffered a loss in an amount that—

''(1) exceeds the actual loss caused by a disaster; or

''(2) would cause the total indebtedness of the borrower under this chapter to exceed $500,000.

''(b) INTEREST RATES.—Any portion of a loan under this chapter up to the amount of the actual loss suffered by a farmer caused by a disaster shall be at a rate prescribed by the Secretary, but not in excess of 8 percent per annum.

''(c) INTEREST SUBSIDIES FOR GUARANTEED LOANS.—In the case of a guaranteed loan under this chapter, the Secretary may pay an interest subsidy to the lender for any portion of the loan up to the amount of the actual loss suffered by a farmer caused by a disaster.

''(d) TIME FOR REPAYMENT.—

''(1) IN GENERAL.—Subject to paragraph (2), a loan under this chapter shall be repayable at such times as the Secretary may determine, considering the purpose of the loan and the nature and effect of the disaster, but not later than the maximum repayment period allowed for a loan for a similar purpose under chapters 1 and 2.

''(2) EXTENDED REPAYMENT PERIOD.—The Secretary may, if the loan is for a purpose described in chapter 2 and the Secretary determines that the need of the loan applicant justifies the longer repayment period, make the loan repayable at the end of a period of more than 7 years, but not more than 20 years.

''(e) SECURITY FOR LOAN.—

''(1) IN GENERAL.—A borrower of a loan made under this chapter shall secure the loan with the full personal liability of the borrower and such other security as the Secretary may prescribe.

''(2) ADEQUATE SECURITY.—Subject to paragraph (3), the Secretary may not make or guarantee a loan under this chapter unless the security for the loan is adequate to ensure repayment of the loan.

''(3) INADEQUATE SECURITY DUE TO DISASTER.—If adequate security for a loan under this chapter is not available because of a disaster, the Secretary shall accept as security any collateral that is available if the Secretary is confident that the collateral and the repayment ability of the farmer are adequate security for the loan.

''(4) VALUATION OF FARM ASSETS.—If a farm asset (including land, livestock, or equipment) is used as collateral to secure a loan applied for under this chapter and the governor of the State in which the farm is located requests assistance under this chapter or the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) for the portion of the State in which the asset is located, the Secretary shall establish the value of the asset as of the day before the occurrence of the natural or major disaster or emergency.

''(f) REVIEW OF LOAN.—

''(1) IN GENERAL.—In the case of a loan made, but not guaranteed, under section 3301, the Secretary shall review the loan 3 years after the loan is made, and every 2 years thereafter for the term of the loan.

''(2) TERMINATION OF FEDERAL ASSISTANCE.—If, based on a review under paragraph (1), the Secretary determines that the borrower is able to obtain a loan from a non-Federal source at reasonable rates and terms, the borrower shall, on request by the Secretary, apply for, and accept, a non-Federal loan in a sufficient amount to repay the Secretary.

''SEC. 3304. PRODUCTION LOSSES.

''(a) IN GENERAL.—The Secretary shall make or guarantee a loan under this chapter to an eligible farmer for production losses if a single enterprise that constitutes a basic part of the farming operation of the farmer has sustained at least a 30 percent loss in normal per acre or per animal production, or such lesser percentage as the Secretary may determine, as a result of a disaster.

''(b) BASIS FOR PERCENTAGE.—A percentage loss under subsection (a) shall be based on the average monthly price in effect for the previous crop or calendar year, as appropriate.

''(c) AMOUNT OF LOAN.—A loan under subsection (a) shall be in an amount that is equal to 80 percent, or such greater percentage as the Secretary may determine, of the total calculated actual production loss sustained by the farmer.

''CHAPTER 4—GENERAL FARMER LOAN PROVISIONS

''SEC. 3401. AGRICULTURAL CREDIT INSURANCE FUND.

''The fund established pursuant to section 11(a) of the Bankhead-Jones Farm Tenant Act (60 Stat. 1075, chapter 964) shall be known as the Agricultural Credit Insurance Fund (referred to in this section as the 'Fund', unless the context otherwise requires) for the discharge of the obligations of the Secretary under agreements insuring loans under this subtitle and loans and mortgages insured under prior authority.

''SEC. 3402. GUARANTEED FARMER LOANS.

''(a) IN GENERAL.—The Secretary may provide financial assistance to a borrower for a purpose provided in this subtitle by guaranteeing a loan made by any Federal or State chartered bank, savings and loan association, cooperative lending agency, or other legally organized lending agency.

''(b) INTEREST RATE.—The interest rate payable by a borrower on the portion of a guaranteed loan that is sold by a lender to the secondary market under this subtitle may be lower than the interest rate charged on the portion retained by the lender, but shall not exceed the average interest rate charged by the lender on loans made to farm borrowers.

''(c) FEES.—In the case of a loan guarantee on a loan made by a commercial or cooperative lender related to a loan made by the Secretary under section 3107—

''(1) the Secretary shall not charge a fee to any person (including a lender); and

''(2) a lender may charge a loan origination and servicing fee in an amount not to exceed 1 percent of the amount of the loan.

''(d) MAXIMUM GUARANTEE OF 90 PERCENT.—Except as provided in subsections (e) and (f), a loan guarantee under this subtitle shall be for not more than 90 percent of the principal and interest due on the loan.

''(e) REFINANCED LOANS GUARANTEED AT 95 PERCENT.—The Secretary shall guarantee 95 percent of—

''(1) in the case of a loan that solely refinances a direct loan made under this subtitle, the principal and interest due on the loan on the date of the refinancing; or

''(2) in the case of a loan that is used for multiple purposes, the portion of the loan that refinances the principal and interest due on a direct loan made under this subtitle that is outstanding on the date the loan is guaranteed.

''(f) BEGINNING FARMER LOANS GUARANTEED UP TO 95 PERCENT.—The Secretary may guarantee not more than 95 percent of—

''(1) a farm ownership loan for acquiring a farm to a borrower who is participating in the downpayment loan program under section 3107; or

''(2) an operating loan to a borrower who is participating in the downpayment loan program under section 3107 that is made during the period that the borrower has a direct loan outstanding under chapter 1 for acquiring a farm.

''(g) GUARANTEE OF LOANS MADE UNDER STATE BEGINNING FARMER PROGRAMS.—The Secretary may guarantee under this subtitle a loan made under a State beginning farmer program, including a loan financed by the net proceeds of a qualified small issue agricultural bond for land or property described in section 144(a)(12)(B)(ii) of the Internal Revenue Code of 1986.

''SEC. 3403. PROVISION OF INFORMATION TO BORROWERS.

''(a) APPROVAL NOTIFICATION.—The Secretary shall approve or disapprove an application for a loan or loan guarantee made under this subtitle, and notify the applicant of such action, not later than 60 days after the date on which the Secretary has received a complete application for the loan or loan guarantee.

''(b) LIST OF LENDERS.—The Secretary shall make available to any farmer, on request, a list of lenders in the area that participate in guaranteed farmer program loan programs established under this subtitle, and other lenders in the area that express a desire to participate in the programs and that request inclusion on the list.

''(c) OTHER INFORMATION.—

''(1) IN GENERAL.—On the request of a borrower, the Secretary shall make available to the borrower—

''(A) a copy of each document signed by the borrower;

''(B) a copy of each appraisal performed with respect to the loan; and

''(C) any document that the Secretary is required to provide to the borrower under any law in effect on the date of the request.

''(2) RULE OF CONSTRUCTION.—Paragraph (1) shall not supersede any duty imposed on the Secretary by a law in effect on January 5, 1988, unless the duty directly conflicts with a duty under paragraph (1).

''SEC. 3404. NOTICE OF LOAN SERVICE PROGRAMS.

''(a) REQUIREMENT.—The Secretary shall provide notice by certified mail to each borrower who is at least 90 days past due on the payment of principal or interest on a loan made under this subtitle.

''(b) CONTENTS.—The notice required under subsection (a) shall—

''(1) include a summary of all primary loan service programs, homestead retention programs, debt settlement programs, and appeal procedures, including the eligibility criteria, and terms and conditions of the programs and procedures;

''(2) include a summary of the manner in which the borrower may apply, and be considered, for all such programs, except that the Secretary shall not require the borrower to select among the programs or waive any right to be considered for any program carried out by the Secretary;

''(3) advise the borrower regarding all filing requirements and any deadlines that must be met for requesting loan servicing;

''(4) provide any relevant forms, including applicable response forms;

''(5) advise the borrower that a copy of regulations is available on request; and

''(6) be designed to be readable and understandable by the borrower.

''(c) CONTAINED IN REGULATIONS.—All notices required by this section shall be contained in the regulations issued to carry out this title.

''(d) TIMING.—The notice described in subsection (b) shall be provided—

''(1) at the time an application is made for participation in a loan service program;

''(2) on written request of the borrower; and

''(3) before the earliest of the date of—

''(A) initiating any liquidation;

''(B) requesting the conveyance of security property;

''(C) accelerating the loan;

''(D) repossessing property;

''(E) foreclosing on property; or

''(F) taking any other collection action.

''(e) CONSIDERATION OF BORROWERS FOR LOAN SERVICE PROGRAMS.—

''(1) IN GENERAL.—The Secretary shall consider a farmer program loan borrower for all loan service programs if, not later than 60 days after receipt of the notice described in subsection (b), the borrower requests the consideration in writing.

''(2) PRIORITY.—In considering a borrower for a loan service program, the Secretary shall place the highest priority on the preservation of the farming operations of the borrower.

''SEC. 3405. PLANTING AND PRODUCTION HISTORY GUIDELINES.

''(a) IN GENERAL.—The Secretary shall ensure that appropriate procedures, including, to the extent practicable, onsite inspections, or use of county or State yield averages, are used in calculating future yields for an applicant for a loan, when an accurate projection cannot be made because the past production history of the farmer has been affected by a natural or major disaster or emergency.

''(b) CALCULATION OF YIELDS.—

''(1) IN GENERAL.—For the purpose of averaging the past yields of the farm of a farmer over a period of crop years to calculate the future yield of the farm under this title, the Secretary shall permit the farmer to exclude the crop year with the lowest actual or county average yield for the farm from the calculation, if the farmer was affected by a natural or major disaster or emergency during at least 2 of the crop years during the period.

''(2) AFFECTED BY A NATURAL OR MAJOR DISASTER OR EMERGENCY.—A farmer was affected by a natural or major disaster or emergency under paragraph (1) if the Secretary finds that the farming operations of the farmer have been substantially affected by a natural or major disaster or emergency, including a farmer who has a qualifying loss but is not located in a designated or declared disaster area.

''(3) APPLICATION OF SUBSECTION.—This subsection shall apply to any action taken by the Secretary that involves—

''(A) a loan under chapter 1 or 2; and

''(B) the yield of a farm of a farmer, including making a loan or loan guarantee, servicing a loan, or making a credit sale.

''SEC. 3406. SPECIAL CONDITIONS AND LIMITATIONS ON LOANS.

''(a) APPLICANT REQUIREMENTS.—In connection with a loan made or guaranteed under this subtitle, the Secretary shall require—

''(1) the applicant—

''(A) to certify in writing that, and the Secretary shall determine whether, the applicant is unable to obtain credit elsewhere; and

''(B) to furnish an appropriate written financial statement;

''(2) except for a guaranteed loan, an agreement by the borrower that if at any time it appears to the Secretary that the borrower may be able to obtain a loan from a production credit association, a Federal land bank, or other responsible cooperative or private credit source (or, in the case of a borrower under section 3106, the borrower may be able to obtain a loan under section 3101), at reasonable rates and terms for loans for similar purposes and periods of time, the borrower will, on request by the Secretary, apply for and accept the loan in a sufficient amount to repay the Secretary or the insured lender, or both, and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with the loan;

''(3) such provision for supervision of the operations of the borrower as the Secretary shall consider necessary to achieve the objectives of the loan and protect the interests of the United States; and

''(4) the application of a person who is a veteran for a loan under chapter 1 or 2 to be given preference over a similar application from a person who is not a veteran if the applications are on file in a county or area office at the same time.

''(b) AGENCY PROCESSING REQUIREMENTS.—

''(1) NOTIFICATIONS.—

''(A) INCOMPLETE APPLICATION NOTIFICATION.—If an application for a loan or loan guarantee under this subtitle (other than an operating loan or loan guarantee) is incomplete, the Secretary shall inform the applicant of the reasons the application is incomplete not later than 20 days after the date on which the Secretary has received the application.

''(B) OPERATING LOANS.—

''(i) ADDITIONAL INFORMATION NEEDED.—Not later than 10 calendar days after the Secretary receives an application for an operating loan or loan guarantee, the Secretary shall notify the applicant of any information required before a decision may be made on the application.

''(ii) INFORMATION NOT RECEIVED.—If, not later than 20 calendar days after the date a request is made pursuant to clause (i) with respect to an application, the Secretary has not received the information requested, the Secretary shall notify the applicant and the district office of the Farm Service Agency, in writing, of the outstanding information.

''(C) REQUEST INFORMATION.—

''(i) IN GENERAL.—On receipt of an application, the Secretary shall request from other parties such information as may be needed in connection with the application.

''(ii) INFORMATION FROM AN AGENCY OF THE DEPARTMENT.—Not later than 15 calendar days after the date on which an agency of the Department receives a request for information made pursuant to subparagraph (A), the agency shall provide the Secretary with the requested information.

''(2) REPORT OF PENDING APPLICATIONS.—

''(A) IN GENERAL.—A county office shall notify the district office of the Farm Service Agency of each application for an operating loan or loan guarantee that is pending more

than 45 days after receipt, and the reasons for which the application is pending.

''(B) ACTION ON PENDING APPLICATIONS.—A district office that receives a notice provided under subparagraph (A) with respect to an application shall immediately take steps to ensure that final action is taken on the application not later than 15 days after the date of the receipt of the notice.

''(C) PENDING APPLICATION REPORT.—The district office shall report to the State office of the Farm Service Agency on each application for an operating loan or loan guarantee that is pending more than 45 days after receipt, and the reasons for which the application is pending.

''(D) REPORT TO CONGRESS.—Each month, the Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, on a State-by-State basis, as to each application for an operating loan or loan guarantee on which final action had not been taken within 60 calendar days after receipt by the Secretary, and the reasons for which final action had not been taken.

''(3) DISAPPROVALS.—

''(A) IN GENERAL.—If an application for a loan or loan guarantee under this subtitle is disapproved by the Secretary, the Secretary shall state the reasons for the disapproval in the notice required under paragraph (1).

''(B) DISAPPROVAL DUE TO LACK OF FUNDS.—

''(i) IN GENERAL.—Notwithstanding paragraph (1), each application for a loan or loan guarantee under section 3601(e), or for a loan under section 3501(a) or 3502(a), that is to be disapproved by the Secretary solely because the Secretary lacks the funds necessary to make the loan or guarantee shall not be disapproved but shall be placed in pending status.

''(ii) RECONSIDERATION.—The Secretary shall retain each pending application and reconsider the application beginning on the date that sufficient funds become available.

''(iii) NOTIFICATION.—Not later than 60 days after funds become available regarding each pending application, the Secretary shall notify the applicant of the approval or disapproval of funding for the application.

''(4) APPROVALS ON APPEAL.—If an application for a loan or loan guarantee under this subtitle is disapproved by the Secretary, but that action is subsequently reversed or revised as the result of an appeal within the Department or to the courts of the United States and the application is returned to the Secretary for further consideration, the Secretary shall act on the application and provide the applicant with notice of the action not later than 15 days after the date of return of the application to the Secretary.

''(5) PROVISION OF PROCEEDS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), if an application for an insured loan under this title is approved by the Secretary, the Secretary shall provide the loan proceeds to the applicant not later than 15 days (or such longer period as the applicant may approve) after the application for the loan is approved by the Secretary.

''(B) LACK OF FUNDS.—If the Secretary is unable to provide the loan proceeds to the applicant during the 15-day period described in subparagraph (A) because sufficient funds are not available to the Secretary for that purpose, the Secretary shall provide the loan proceeds to the applicant as soon as practicable (but in no event later than 15 days unless the applicant agrees to a longer period) after sufficient funds for that purpose become available to the Secretary.

''SEC. 3407. GRADUATION OF BORROWERS.

''(a) GRADUATION OF SEASONED DIRECT LOAN BORROWERS TO THE LOAN GUARANTEE PROGRAM.—

''(1) REVIEW OF LOANS.—

''(A) IN GENERAL.—The Secretary, or a contracting third party, shall annually review under section 3420 the loans of each seasoned direct loan borrower.

''(B) ASSISTANCE.—If, based on the review, it is determined that a borrower would be able to obtain a loan, guaranteed by the Secretary, from a commercial or cooperative lender at reasonable rates and terms for loans for similar purposes and periods of time, the Secretary shall assist the borrower in applying for the commercial or cooperative loan.

''(2) PROSPECTUS.—

''(A) IN GENERAL.—In accordance with section 3422, the Secretary shall prepare a prospectus on each seasoned direct loan borrower determined eligible to obtain a guaranteed loan.

''(B) REQUIREMENTS.—The prospectus shall contain a description of the amounts of the loan guarantee and interest assistance that the Secretary will provide to the seasoned direct loan borrower to enable the seasoned direct loan borrower to carry out a financially viable farming plan if a guaranteed loan is made.

''(3) VERIFICATION.—

''(A) IN GENERAL.—The Secretary shall provide a prospectus of a seasoned direct loan borrower to each approved lender whose lending area includes the location of the seasoned direct loan borrower.

''(B) NOTIFICATION.—The Secretary shall notify each borrower of a loan that a prospectus has been provided to a lender under subparagraph (A).

''(C) CREDIT EXTENDED.—If the Secretary receives an offer from an approved lender to extend credit to the seasoned direct loan borrower under terms and conditions contained in the prospectus, the seasoned direct loan borrower shall not be eligible for a loan from the Secretary under chapter 1 or 2, except as otherwise provided in this section.

''(4) INSUFFICIENT ASSISTANCE OR OFFERS.—If the Secretary is unable to provide loan guarantees and, if necessary, interest assistance to the seasoned direct loan borrower under this section in amounts sufficient to enable the seasoned direct loan borrower to borrow from commercial sources the amount required to carry out a financially viable farming plan, or if the Secretary does not receive an offer from an approved lender to extend credit to a seasoned direct loan borrower under the terms and conditions contained in the prospectus, the Secretary shall make a loan to the seasoned direct loan borrower under chapter 1 or 2, whichever is applicable.

''(5) INTEREST RATE REDUCTIONS.—To the extent necessary for the borrower to obtain a loan, guaranteed by the Secretary, from a commercial or cooperative lender, the Secretary shall provide interest rate reductions as provided for under section 3413.

''(b) TRANSITION TO PRIVATE COMMERCIAL OR OTHER SOURCES OF CREDIT.—

''(1) IN GENERAL.—In making an operating or ownership loan, the Secretary shall establish a plan and promulgate regulations (including performance criteria) that promote the goal of transitioning borrowers to private commercial credit and other sources of credit in the shortest period of time practicable.

''(2) COORDINATION.—In carrying out this section, the Secretary shall integrate and coordinate the transition policy described in subsection (a) with—

''(A) the borrower training program established by section 3419;

''(B) the loan assessment process established by section 3420;

''(C) the supervised credit requirement established by section 3421;

''(D) the market placement program established by section 3422; and

''(E) other appropriate programs and authorities, as determined by the Secretary.

''(c) GRADUATION OF BORROWERS WITH OPERATING LOANS OR GUARANTEES TO PRIVATE COMMERCIAL CREDIT.—The Secretary shall establish a plan, in coordination with activities under sections 3419 through 3422, to encourage each borrower with an outstanding loan under this chapter, or with respect to whom there is an outstanding guarantee under this chapter, to graduate to private commercial or other sources of credit.

''SEC. 3408. DEBT ADJUSTMENT AND CREDIT COUNSELING.

''In carrying out this subtitle, the Secretary may—

''(1) provide voluntary debt adjustment assistance between—

''(A) farmers; and

''(B) the creditors of the farmers;

''(2) cooperate with State, territorial, and local agencies and committees engaged in the debt adjustment; and

''(3) give credit counseling.

''SEC. 3409. SECURITY SERVICING.

''(a) SALE OF PROPERTY.—

''(1) IN GENERAL.—Subject to this subsection and subsection (e)(1), the Secretary shall offer to sell real property that is acquired by the Secretary under this subtitle using the following order and method of sale:

''(A) ADVERTISEMENT.—Not later than 15 days after acquiring real property, the Secretary shall publicly advertise the property for sale.

''(B) QUALIFIED BEGINNING FARMER.—

''(i) IN GENERAL.—Not later than 75 days after acquiring real property, the Secretary shall offer to sell the property to a qualified beginning farmer or a socially disadvantaged farmer at current market value based on a current appraisal.

''(ii) RANDOM SELECTION.—If more than 1 qualified beginning farmer or socially disadvantaged farmer offers to purchase the property, the Secretary shall select between the qualified applicants on a random basis.

''(iii) APPEAL OF RANDOM SELECTION.—A random selection or denial by the Secretary of a qualified beginning farmer or a socially disadvantaged farmer for farm inventory property under this subparagraph shall be final and not administratively appealable.

''(C) PUBLIC SALE.—If no acceptable offer is received from a qualified beginning farmer or a socially disadvantaged farmer under subparagraph (B) not later than 135 days after acquiring the real property, the Secretary shall, not later than 30 days after the 135-day period, sell the property after public notice at a public sale, and, if no acceptable bid is received, by negotiated sale, at the best price obtainable.

''(2) INTEREST.—

''(A) IN GENERAL.—Subject to subparagraph (B), any conveyance of real property under this subsection shall include all of the interest of the United States in the property, including mineral rights.

''(B) CONSERVATION.—The Secretary may for conservation purposes grant or sell an easement, restriction, development right, or similar legal right to real property to a State, a political subdivision of a State, or a private nonprofit organization separately from the underlying fee or other rights to the property owned by the United States.

''(3) OTHER LAW.—Subtitle I of title 40, United States Code, and title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.) shall not apply to any exercise of authority under this subtitle.

''(4) LEASE OF PROPERTY.—

''(A) IN GENERAL.—Subject to subparagraph (B), the Secretary may not lease any real property acquired under this subtitle.

''(B) EXCEPTION.—

''(i) QUALIFIED BEGINNING FARMER OR SOCIALLY DISADVANTAGED FARMER.—The Secretary may lease or contract to sell to a qualified beginning farmer or a socially disadvantaged farmer a farm acquired by the Secretary under this subtitle if the qualified beginning farmer qualifies for a credit sale or direct farm ownership loan under chapter 1 but credit sale authority for loans or direct farm ownership loan funds, respectively, are not available.

''(ii) TERM.—The term of a lease or contract to sell to a qualified beginning farmer or a socially disadvantaged farmer under clause (i) shall be until the earlier of—

''(I) the date that is 18 months after the date of the lease or sale; or

''(II) the date that direct farm ownership loan funds or credit sale authority for loans becomes available to the qualified beginning farmer or socially disadvantaged farmer.

''(iii) INCOME-PRODUCING CAPABILITY.—In determining the rental rate on real property leased under this subparagraph, the Secretary shall consider the income-producing capability of the property during the term that the property is leased.

''(5) EXPEDITED DETERMINATION.—

''(A) IN GENERAL.—On the request of an applicant, not later than 30 days after denial of the application, the appropriate State director shall provide an expedited review and determination of whether the applicant is a qualified beginning farmer or a socially disadvantaged farmer for the purpose of acquiring farm inventory property.

''(B) APPEAL.—The determination of a State Director under subparagraph (A) shall be final and not administratively appealable.

''(C) EFFECTS OF DETERMINATIONS.—

''(i) IN GENERAL.—The Secretary shall maintain statistical data on the number and results of determinations made under subparagraph (A) and the effect of the determinations on—

''(I) selling farm inventory property to qualified beginning farmers or socially disadvantaged farmers; and

''(II) disposing of real property in inventory.

''(ii) NOTIFICATION.—The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate if the Secretary determines that the review process under subparagraph (A) is adversely affecting the selling of farm inventory property to qualified beginning farmers or socially disadvantaged farmers or the disposing of real property in inventory.

''(b) ROAD AND UTILITY EASEMENTS AND CONDEMNATIONS.—In the case of any real property administered under this subtitle, the Secretary may grant or sell easements or rights-of-way for roads, utilities, and other appurtenances that are not inconsistent with the public interest.

''(c) SALE OR LEASE OF FARMLAND.—

''(1) DISPOSITION OF REAL PROPERTY ON INDIAN RESERVATIONS.—

''(A) DEFINITION OF INDIAN RESERVATION.—In this paragraph, the term 'Indian reservation' means—

''(i) all land located within the limits of any Indian reservation under the jurisdiction of the United States, notwithstanding the issuance of any patent, and, including any right-of-way running through the reservation;

''(ii) trust or restricted land located within the boundaries of a former reservation of an Indian tribe in the State of Oklahoma; or

''(iii) all Indian allotments the Indian titles to which have not been extinguished if the allotments are subject to the jurisdiction of an Indian tribe.

''(B) DISPOSITION.—Except as provided in paragraph (3), the Secretary shall dispose of or administer the property as provided in this paragraph when—

''(i) the Secretary acquires property under this subtitle that is located within an Indian reservation; and

''(ii) the borrower-owner is the Indian tribe that has jurisdiction over the reservation in which the real property is located or the borrower-owner is a member of the Indian tribe;

''(C) PRIORITY.—Not later than 90 days after acquiring the property, the Secretary shall afford an opportunity to purchase or lease the real property in accordance with the order of priority established under subparagraph (D) to the Indian tribe having jurisdiction over the Indian reservation within which the real property is located or, if no order of priority is established by the Indian tribe under subparagraph (D), in the following order:

''(i) An Indian member of the Indian tribe that has jurisdiction over the reservation within which the real property is located.

''(ii) An Indian corporate entity.

''(iii) The Indian tribe.

''(D) REVISION OF PRIORITY AND RESTRICTION OF ELIGIBILITY.—The governing body of any Indian tribe having jurisdiction over an Indian reservation may revise the order of priority provided in subparagraph (C) under which land located within the reservation shall be offered for purchase or lease by the Secretary under subparagraph (C) and may restrict the eligibility for the purchase or lease to—

''(i) persons who are members of the Indian tribe;

''(ii) Indian corporate entities that are authorized by the Indian tribe to lease or purchase land within the boundaries of the reservation; or

''(iii) the Indian tribe itself.

''(E) TRANSFER OF PROPERTY TO SECRETARY OF THE INTERIOR.—

''(i) IN GENERAL.—If real property described in subparagraph (B) is not purchased or leased under subparagraph (C) and the Indian tribe having jurisdiction over the reservation within which the real property is located is unable to purchase or lease the real property, the Secretary shall transfer the real property to the Secretary of the Interior who shall administer the real property as if the real property were held in trust by the United States for the benefit of the Indian tribe.

''(ii) USE OF RENTAL INCOME.—From the rental income derived from the lease of the transferred real property, and all other income generated from the transferred real property, the Secretary of the Interior shall pay the State, county, municipal, or other local taxes to which the transferred real property was subject at the time of acquisition by the Secretary, until the earlier of—

''(I) the expiration of the 4-year period beginning on the date on which the real property is so transferred; or

''(II) such time as the land is transferred into trust pursuant to subparagraph (H).

''(F) RESPONSIBILITIES OF SECRETARIES.—If any real property is transferred to the Secretary of the Interior under subparagraph (E)—

''(i) the Secretary of Agriculture shall have no further responsibility under this title for—

''(I) collection of any amounts with regard to the farm program loan that had been secured by the real property;

''(II) any lien arising out of the loan transaction; or

''(III) repayment of any amount with regard to the loan transaction or lien to the Treasury of the United States; and

''(ii) the Secretary of the Interior shall succeed to all right, title, and interest of the Secretary of Agriculture in the real estate arising from the farm program loan transaction, including the obligation to remit to the Treasury of the United States, in repayment of the original loan, the amounts provided in subparagraph (G).

''(G) USE OF INCOME.—After the payment of any taxes that are required to be paid under subparagraph (E)(ii), all remaining rental income derived from the lease of the real property transferred to the Secretary of the Interior under subparagraph (E)(i), and all other income generated from the real property transferred to the Secretary of the Interior under that subparagraph, shall be deposited as miscellaneous receipts in the Treasury of the United States until the amount deposited is equal to the lesser of—

''(i) the amount of the outstanding lien of the United States against the real property, as of the date the real property was acquired by the Secretary;

''(ii) the fair market value of the real property, as of the date of the transfer to the Secretary of the Interior; or

''(iii) the capitalized value of the real property, as of the date of the transfer to the Secretary of the Interior.

''(H) HOLDING OF TITLE IN TRUST.—If the total amount that is required to be deposited under subparagraph (G) with respect to any real property has been deposited into the Treasury of the United States, title to the real property shall be held in trust by the United States for the benefit of the Indian tribe having jurisdiction over the Indian reservation within which the real property is located.

''(I) PAYMENT OF REMAINING LIEN OR FAIR MARKET VALUE OF PROPERTY.—

''(i) IN GENERAL.—Notwithstanding any other subparagraph of this paragraph, the Indian tribe having jurisdiction over the Indian reservation within which the real property described in subparagraph (B) is located may, at any time after the real property has been transferred to the Secretary of the Interior under subparagraph (E), offer to pay the remaining amount on the lien or the fair market value of the real property, whichever is less.

''(ii) EFFECT OF PAYMENT.—On payment of the amount, title to the real property shall be held by the United States in trust for the tribe and the trust or restricted land that has been acquired by the Secretary under foreclosure or voluntary transfer under a loan made or insured under this subtitle and transferred to an Indian person, entity, or tribe under this paragraph shall be considered to have never lost trust or restricted status.

''(J) APPLICABILITY.—

''(i) IN GENERAL.—This paragraph shall apply to all land in the land inventory established under this subtitle (as of November 28, 1990) that was (immediately prior to the date) owned by an Indian borrower-owner described in subparagraph (B) and that is situated within an Indian reservation, regardless of the date of foreclosure or acquisition by the Secretary.

''(ii) OPPORTUNITY TO PURCHASE OR LEASE.—The Secretary shall afford an opportunity to an Indian person, entity, or tribe to purchase or lease the real property as provided in subparagraph (C).

''(iii) TRANSFER.—If the right is not exercised or no expression of intent to exercise the right is received within 180 days after November 28, 1990, the Secretary shall transfer the real property to the Secretary of the Interior as provided in subparagraph (E).

''(2) ADDITIONAL RIGHTS.—The rights provided in this subsection shall be in addition to any right of first refusal under the law of the State in which the property is located.

''(3) DISPOSITION OF REAL PROPERTY ON INDIAN RESERVATIONS AFTER PROCEDURES EXHAUSTED.—

''(A) IN GENERAL.—The Secretary shall dispose of or administer real property described in paragraph (1)(B) only as provided in paragraph (1), as modified by this paragraph, if—

''(i) the real property described in paragraph (1)(B) is located within an Indian reservation;

''(ii) the borrower-owner is an Indian tribe that has jurisdiction over the reservation in which the real property is located or the borrower-owner is a member of an Indian tribe;

''(iii) the borrower-owner has obtained a loan made or guaranteed under this title; and

''(iv) the borrower-owner and the Secretary have exhausted all of the procedures provided for in this title to permit a borrower-owner to retain title to the real property, so that it is necessary for the borrower-owner to relinquish title.

''(B) NOTICE OF RIGHT TO CONVEY PROPERTY.—The Secretary shall provide the borrower-owner of real property that is described in subparagraph (A) with written notice of—

''(i) the right of the borrower-owner to voluntarily convey the real property to the Secretary; and

''(ii) the fact that real property so conveyed will be placed in the inventory of the Secretary.

''(C) NOTICE OF RIGHTS AND PROTECTIONS.—The Secretary shall provide the borrower-owner of the real property with written notice of the rights and protections provided under this title to the borrower-owner, and the Indian tribe that has jurisdiction over the reservation in which the real property is located, from foreclosure or liquidation of the real property, including written notice—

''(i) of paragraph (1), this paragraph, and subsection (e)(3);

''(ii) if the borrower-owner does not voluntarily convey the real property to the Secretary, that—

''(I) the Secretary may foreclose on the property;

''(II) in the event of foreclosure, the property will be offered for sale;

''(III) the Secretary shall offer a bid for the property that is equal to the fair market value of the property or the outstanding principal and interest of the loan, whichever is higher;

''(IV) the property may be purchased by another party; and

''(V) if the property is purchased by another party, the property will not be placed in the inventory of the Secretary and the borrower-owner will forfeit the rights and protections provided under this title; and

''(iii) of the opportunity of the borrower-owner to consult with the Indian tribe that has jurisdiction over the reservation in which the real property is located or counsel to determine if State or tribal law provides rights and protections that are more beneficial than the rights and protections provided the borrower-owner under this title.

''(D) ACCEPTANCE OF VOLUNTARY CONVEYANCE.—

''(i) IN GENERAL.—Except as provided in clause (ii), the Secretary shall accept the voluntary conveyance of real property described in subparagraph (A).

''(ii) HAZARDOUS SUBSTANCES.—If a hazardous substance (as defined in section 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(14))) is located on the property and the Secretary takes remedial action to protect human health or the environment if the property is taken into inventory, the Secretary shall accept the voluntary conveyance of the property only if the Secretary determines that the conveyance is in the best interests of the Federal Government.

''(E) FORECLOSURE PROCEDURES.—

''(i) NOTICE TO BORROWER.—If an Indian borrower-owner does not voluntarily convey to the Secretary real property described in subparagraph (A), not less than 30 days before a foreclosure sale of the property, the Secretary shall provide the Indian borrower-owner with the option of—

''(I) requiring the Secretary to assign the loan and security instruments to the Secretary of the Interior, if the Secretary of the Interior agrees to an assignment releasing the Secretary of Agriculture from all further responsibility for collection of any amounts with regard to the loan secured by the real property; or

''(II) requiring the Secretary to assign the loan and security instruments to the tribe having jurisdiction over the reservation in which the real property is located, if the tribe agrees to assume the loan under the terms specified in clause (iii).

''(ii) NOTICE TO TRIBE.—If an Indian borrower-owner does not voluntarily convey to the Secretary real property described in subparagraph (A), not less than 30 days before a foreclosure sale of the property, the Secretary shall provide written notice to the Indian tribe that has jurisdiction over the reservation in which the real property is located of—

''(I) the sale;

''(II) the fair market value of the property; and

''(III) the requirements of this paragraph.

''(iii) ASSUMED LOANS.—If an Indian tribe assumes a loan under clause (i)—

''(I) the Secretary shall not foreclose the loan because of any default that occurred prior to the date of the assumption;

''(II) the loan shall be for the lesser of the outstanding principal and interest of the loan or the fair market value of the property; and

''(III) the loan shall be treated as though the loan was made under Public Law 91–229 (25 U.S.C. 488 et seq.).

''(F) AMOUNT OF BID BY SECRETARY.—

''(i) IN GENERAL.—Except as provided in clause (ii), at a foreclosure sale of real property described in subparagraph (A), the Secretary shall offer a bid for the property that is equal to the higher of—

''(I) the fair market value of the property; or

''(II) the outstanding principal and interest on the loan.

''(ii) HAZARDOUS SUBSTANCES.—If a hazardous substance (as defined in section 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(14))) is located on the property and the Secretary takes remedial action to protect human health or the environment if the property is taken into inventory, clause (i) shall apply only if the Secretary determines that bidding is in the best interests of the Federal Government.

''(4) DETRIMENTAL EFFECT ON VALUE OF AREA FARMLAND.—The Secretary shall not offer for sale or sell any farmland referred to in paragraphs (1) through (3) if placing the farmland on the market will have a detrimental effect on the value of farmland in the area.

''(5) INSTALLMENT SALES AND MULTIPLE OPERATORS.—

''(A) IN GENERAL.—The Secretary may sell farmland administered under this title through an installment sale or similar device that contains such terms as the Secretary considers necessary to protect the investment of the Federal Government in the land.

''(B) SALE OF CONTRACT.—The Secretary may subsequently sell any contract entered into to carry out subparagraph (A).

''(6) HIGHLY ERODIBLE LAND.—In the case of farmland administered under this title that is highly erodible land (as defined in section 1201 of the Food Security Act of 1985 (16 U.S.C. 3801)), the Secretary may require the use of specified conservation practices on the land as a condition of the sale or lease of the land.

''(7) NO EFFECT ON ACREAGE ALLOTMENTS, MARKETING QUOTAS, OR ACREAGE BASES.—Notwithstanding any other law, compliance by the Secretary with this subsection shall not cause any acreage allotment, marketing quota, or acreage base assigned to the property to lapse, terminate, be reduced, or otherwise be adversely affected.

''(8) NO PREEMPTION OF STATE LAW.—If a conflict exists between any provision of this subsection and any provision of the law of any State providing a right of first refusal to the owner of farmland or the operator of a farm before the sale or lease of land to any other person, the provision of State law shall prevail.

''(d) RELEASE OF NORMAL INCOME SECURITY.—

''(1) DEFINITION OF NORMAL INCOME SECURITY.—In this subsection:

''(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'normal income security' means all security not considered basic security, including crops, livestock, poultry products, Farm Service Agency payments and Commodity Credit Corporation payments, and other property covered by Farm Service Agency liens that is sold in conjunction with the operation of a farm or other business.

''(B) EXCEPTIONS.—The term 'normal income security' does not include any equipment (including fixtures in States that have adopted the Uniform Commercial Code), or foundation herd or flock, that is—

''(i) the basis of the farming or other operation; and

''(ii) the basic security for a farmer program loan.

''(2) GENERAL RELEASE.—The Secretary shall release from the normal income security provided for a loan an amount sufficient to pay for the essential household and farm operating expenses of the borrower, until such time as the Secretary accelerates the loan.

''(3) NOTICE OF REPORTING REQUIREMENTS AND RIGHTS.—If a borrower is required to plan for or to report as to how proceeds from the sale of collateral property will be used, the Secretary shall notify the borrower of—

''(A) the requirement; and

''(B) the right to the release of funds under this subsection and the means by which a request for the funds may be made.

''(e) EASEMENTS ON INVENTORIED PROPERTY.—

''(1) IN GENERAL.—Subject to paragraph (2), in the disposal of real property under this section, the Secretary shall establish perpetual wetland conservation easements to protect and restore wetland or converted wetland that exists on inventoried property.

''(2) LIMITATION.—The Secretary shall not establish a wetland conservation easement on an inventoried property that—

''(A) was cropland on the date the property entered the inventory of the Secretary; or

''(B) was used for farming at any time during the period—

''(i) beginning on the date that is 5 years before the property entered the inventory of the Secretary; and

''(ii) ending on the date on which the property entered the inventory of the Secretary.

''(3) NOTIFICATION.—The Secretary shall provide prior written notification to a borrower considering homestead retention that a wetland conservation easement may be placed on land for which the borrower is negotiating a lease option.

''(4) APPRAISED VALUE.—The appraised value of the farm shall reflect the value of the land due to the placement of wetland conservation easements.

''SEC. 3410. CONTRACTS ON LOAN SECURITY PROPERTIES.

''(a) CONTRACTS ON LOAN SECURITY PROPERTIES.—Subject to subsection (b), the Secretary may enter into a contract related to real property for conservation, recreation, or wildlife purposes.

''(b) LIMITATIONS.—The Secretary may enter into a contract under subsection (a) if—

''(1) the property is wetland, upland, or highly erodible land;

''(2) the property is determined by the Secretary to be suitable for the purpose involved; and

''(3)(A) the property secures a loan made under a law administered and held by the Secretary; and

''(B) the contract would better enable a qualified borrower to repay the loan in a timely manner, as determined by the Secretary.

''(c) TERMS AND CONDITIONS.—The terms and conditions specified in a contract under subsection (a) shall—

''(1) specify the purposes for which the real property may be used;

''(2) identify any conservation measure to be taken, and any recreational and wildlife use to be allowed, with respect to the real property; and

''(3) require the owner to permit the Secretary, and any person or governmental entity designated by the Secretary, to have access to the real property for the purpose of monitoring compliance with the contract.

''(d) REDUCTION OR FORGIVENESS OF DEBT.—

''(1) IN GENERAL.—Subject to this section, the Secretary may reduce or forgive the outstanding debt of a borrower—

''(A) in the case of a borrower to whom the Secretary has made an outstanding loan under a law administered by the Secretary, by canceling that part of the aggregate amount of the outstanding loan that bears the same ratio to the aggregate amount as—

''(i) the number of acres of the real property of the borrower that are subject to the contract; bears to

''(ii) the aggregate number of acres securing the loan; or

''(B) in any other case, by treating as prepaid that part of the principal amount of a new loan to the borrower issued and held by the Secretary under a law administered by the Secretary that bears the same ratio to the principal amount as—

''(i) the number of acres of the real property of the borrower that are subject to the contract; bears to

''(ii) the aggregate number of acres securing the new loan.

''(2) MAXIMUM CANCELED AMOUNT.—The amount canceled or treated as prepaid under paragraph (1) shall not exceed—

''(A) in the case of a delinquent loan, the greater of—

''(i) the value of the land on which the contract is entered into; or

''(ii) the difference between—

''(I) the amount of the outstanding loan secured by the land; and

''(II) the value of the land; or

''(B) in the case of a nondelinquent loan, 33 percent of the amount of the loan secured by the land.

''(e) CONSULTATION WITH FISH AND WILDLIFE SERVICE.—If the Secretary uses the authority provided by this section, the Secretary shall consult with the Director of the Fish and Wildlife Service for the purposes of—

''(1) selecting real property in which the Secretary may enter into a contract under this section;

''(2) formulating the terms and conditions of the contract; and

''(3) enforcing the contract.

''(f) ENFORCEMENT.—The Secretary, and any person or governmental entity designated by the Secretary, may enforce a contract entered into by the Secretary under this section.

''SEC. 3411. DEBT RESTRUCTURING AND LOAN SERVICING.

''(a) IN GENERAL.—The Secretary shall modify a delinquent farmer program loan made under this subtitle, or purchased from the lender or the Federal Deposit Insurance Corporation under section 3902, to the maximum extent practicable—

''(1) to avoid a loss to the Secretary on the loan, with priority consideration being placed on writing-down the loan principal and interest (subject to subsections (d) and (e)), and debt set-aside (subject to subsection (e)), to facilitate keeping the borrower on the farm, or otherwise through the use of primary loan service programs under this section; and

''(2) to ensure that a borrower is able to continue farming operations.

''(b) ELIGIBILITY.—To be eligible to obtain assistance under subsection (a)—

''(1) the delinquency shall be due to a circumstance beyond the control of the borrower, as defined in regulations issued by the Secretary, except that the regulations shall require that, if the value of the assets calculated under subsection (c)(2)(A)(ii) that may be realized through liquidation or other methods would produce enough income to make the delinquent loan current, the borrower shall not be eligible for assistance under subsection (a);

''(2) the borrower shall have acted in good faith with the Secretary in connection with the loan as defined in regulations issued by the Secretary;

''(3) the borrower shall present a preliminary plan to the Secretary that contains reasonable assumptions that demonstrate that the borrower will be able—

''(A) to meet the necessary family living and farm operating expenses of the borrower; and

''(B) to service all debts of the borrower, including restructured loans; and

''(4) the loan, if restructured, shall result in a net recovery to the Federal Government, during the term of the loan as restructured, that would be more than or equal to the net recovery to the Federal Government from an involuntary liquidation or foreclosure on the property securing the loan.

''(c) RESTRUCTURING DETERMINATIONS.—

''(1) DETERMINATION OF NET RECOVERY.—In determining the net recovery from the involuntary liquidation of a loan under this section, the Secretary shall calculate—

''(A) the recovery value of the collateral securing the loan, in accordance with paragraph (2); and

''(B) the value of the restructured loan, in accordance with paragraph (3).

''(2) RECOVERY VALUE.—For the purpose of paragraph (1), the recovery value of the collateral securing the loan shall be based on the difference between—

''(A)(i) the amount of the current appraised value of the interests of the borrower in the property securing the loan; and

''(ii) the value of the interests of the borrower in all other assets that are—

''(I) not essential for necessary family living expenses;

''(II) not essential to the operation of the farm; and

''(III) not exempt from judgment creditors or in a bankruptcy action under Federal or State law;

''(B) the estimated administrative, attorney, and other expenses associated with the liquidation and disposition of the loan and collateral, including—

''(i) the payment of prior liens;

''(ii) taxes and assessments, depreciation, management costs, the yearly percentage decrease or increase in the value of the property, and lost interest income, each calculated for the average holding period for the type of property involved;

''(iii) resale expenses, such as repairs, commissions, and advertising; and

''(iv) other administrative and attorney costs; and

''(C) the value, as determined by the Secretary, of any property not included in subparagraph (A)(i) if the property is specified in any security agreement with respect to the loan and the Secretary determines that the value of the property should be included for purposes of this section.

''(3) VALUE OF THE RESTRUCTURED LOAN.—

''(A) IN GENERAL.—For the purpose of paragraph (1), the value of the restructured loan shall be based on the present value of payments that the borrower would make to the Federal Government if the terms of the loan were modified under any combination of primary loan service programs to ensure that the borrower is able to meet the obligations and continue farming operations.

''(B) PRESENT VALUE.—For the purpose of calculating the present value referred to in subparagraph (A), the Secretary shall use a discount rate of not more than the current rate at the time of the calculation of 90-day Treasury bills.

''(C) CASH FLOW MARGIN.—For the purpose of assessing under subparagraph (A) the ability of a borrower to meet debt obligations and continue farming operations, the Secretary shall assume that the borrower needs up to 110 percent of the amount indicated for payment of farm operating expenses, debt service obligations, and family living expenses.

''(4) NOTIFICATION.—Not later than 90 days after receipt of a written request for restructuring from the borrower, the Secretary shall—

''(A) make the calculations specified in paragraphs (2) and (3);

''(B) notify the borrower in writing of the results of the calculations; and

''(C) provide documentation for the calculations.

''(5) RESTRUCTURING OF LOANS.—

''(A) IN GENERAL.—If the value of a restructured loan is greater than or equal to the recovery value of the collateral securing the loan, not later than 45 days after notifying the borrower under paragraph (4), the Secretary shall offer to restructure the loan obligations of the borrower under this subtitle through primary loan service programs that would enable the borrower to meet the obligations (as modified) under the loan and to continue the farming operations of the borrower.

''(B) RESTRUCTURING.—If the borrower accepts an offer under subparagraph (A), not later than 45 days after receipt of notice of acceptance, the Secretary shall restructure the loan accordingly.

''(6) TERMINATION OF LOAN OBLIGATIONS.—The obligations of a borrower to the Secretary under a loan shall terminate if—

''(A) the borrower satisfies the requirements of paragraphs (1) and (2) of subsection (b);

''(B) the value of the restructured loan is less than the recovery value; and

''(C) not later than 90 days after receipt of the notification described in paragraph (4)(B), the borrower pays (or obtains third-party financing to pay) the Secretary an amount equal to the current market value.

''(7) NEGOTIATION OF APPRAISAL.—

''(A) IN GENERAL.—In making a determination concerning restructuring under this subsection, the Secretary, at the request of the borrower, shall enter into negotiations with the borrower concerning appraisals required under this subsection.

''(B) INDEPENDENT APPRAISAL.—

''(i) IN GENERAL.—If the borrower, based on a separate current appraisal, objects to the decision of the Secretary regarding an appraisal, the borrower and the Secretary shall mutually agree, to the extent practicable, on an independent appraiser who shall conduct another appraisal of the property of the borrower.

''(ii) VALUE OF FINAL APPRAISAL.—The average of the 2 appraisals under clause (i) that are closest in value shall become the final appraisal under this paragraph.

''(iii) COST OF APPRAISAL.—The borrower and the Secretary shall each pay ½ of the cost of any independent appraisal.

''(d) PRINCIPAL AND INTEREST WRITE-DOWN.—

''(1) IN GENERAL.—

''(A) PRIORITY CONSIDERATION.—In selecting the restructuring alternatives to be used in the case of a borrower who has requested restructuring under this section, the Secretary shall give priority consideration to the use of a principal and interest write-down if other creditors of the borrower (other than any creditor who is fully collateralized) representing a substantial portion of the total debt of the borrower held by the creditors of the borrower, agree to participate in the development of the restructuring plan or agree to participate in a State mediation program.

''(B) FAILURE OF CREDITORS TO AGREE.—Failure of creditors to agree to participate in the restructuring plan or mediation program shall not preclude the use of a principal and interest write-down by the Secretary if the Secretary determines that restructuring results in the least cost to the Secretary.

''(2) PARTICIPATION OF CREDITORS.—Before eliminating the option to use debt write-down in the case of a borrower, the Secretary shall make a reasonable effort to contact the creditors of the borrower, either directly or through the borrower, and encourage the creditors to participate with the Secretary in the development of a restructuring plan for the borrower.

''(e) SHARED APPRECIATION ARRANGEMENTS.—

''(1) IN GENERAL.—As a condition of restructuring a loan in accordance with this section, the borrower of the loan may be required to enter into a shared appreciation arrangement that requires the repayment of amounts written off or set aside.

''(2) TERMS.—A shared appreciation agreement shall—

''(A) have a term not to exceed 10 years; and

''(B) provide for recapture based on the difference between the appraised values of the real security property at the time of restructuring and at the time of recapture.

''(3) PERCENTAGE OF RECAPTURE.—The amount of the appreciation to be recaptured by the Secretary shall be—

''(A) 75 percent of the appreciation in the value of the real security property if the recapture occurs not later than 4 years after the date of restructuring; and

''(B) 50 percent if the recapture occurs during the remainder of the term of the agreement.

''(4) TIME OF RECAPTURE.—Recapture shall take place on the date that is the earliest of—

''(A) the end of the term of the agreement;

''(B) the conveyance of the real security property;

''(C) the repayment of the loans; or

''(D) the cessation of farming operations by the borrower.

''(5) TRANSFER OF TITLE.—Transfer of title to the spouse of a borrower on the death of the borrower shall not be treated as a conveyance for the purpose of paragraph (4).

''(6) NOTICE OF RECAPTURE.—Not later than 12 months before the end of the term of a shared appreciation arrangement, the Secretary shall notify the borrower involved of the provisions of the arrangement.

''(7) FINANCING OF RECAPTURE PAYMENT.—

''(A) IN GENERAL.—The Secretary may amortize a recapture payment owed to the Secretary under this subsection.

''(B) TERM.—The term of an amortization under this paragraph may not exceed 25 years.

''(C) INTEREST RATE.—The interest rate applicable to an amortization under this paragraph may not exceed the rate applicable to a loan to reacquire homestead property less 100 basis points.

''(D) REAMORTIZATION.—

''(i) IN GENERAL.—The Secretary may modify the amortization of a recapture payment referred to in subparagraph (A) of this paragraph on which a payment has become delinquent if—

''(I) the default is due to circumstances beyond the control of the borrower; and

''(II) the borrower acted in good faith (as determined by the Secretary) in attempting to repay the recapture amount.

''(ii) LIMITATIONS.—

''(I) TERM OF REAMORTIZATION.—The term of a reamortization under this subparagraph may not exceed 25 years from the date of the original amortization agreement.

''(II) NO REDUCTION OR PRINCIPAL OR UNPAID INTEREST DUE.—A reamortization of a recapture payment under this subparagraph may not provide for reducing the outstanding principal or unpaid interest due on the recapture payment.

''(f) INTEREST RATES.—Any loan for farm ownership purposes, farm operating purposes, or disaster emergency purposes, other than a guaranteed loan, that is deferred, consolidated, rescheduled, or reamortized shall, notwithstanding any other provision of this subtitle, bear interest on the balance of the original loan and for the term of the original loan at a rate that is the lowest of—

''(1) the rate of interest on the original loan;

''(2) the rate being charged by the Secretary for loans, other than guaranteed loans, of the same type at the time at which the borrower applies for a deferral, consolidation, rescheduling, or reamortization; or

''(3) the rate being charged by the Secretary for loans, other than guaranteed loans, of the same type at the time of the deferral, consolidation, rescheduling, or reamortization.

''(g) PERIOD AND EFFECT.—

''(1) PERIOD.—The Secretary may consolidate or reschedule outstanding loans for payment over a period not to exceed 7 years (or, in the case of loans for farm operating purposes, 15 years) from the date of the consolidation or rescheduling.

''(2) EFFECT.—The amount of unpaid principal and interest of the prior loans so consolidated or rescheduled shall not create a new charge against any loan levels authorized by law.

''(h) PREREQUISITES TO FORECLOSURE OR LIQUIDATION.—No foreclosure or other similar action shall be taken to liquidate any loan determined to be ineligible for restructuring by the Secretary under this section—

''(1) until the borrower has been given the opportunity to appeal the decision; and

''(2) if the borrower appeals, the appeals process has been completed, and a determination has been made that the loan is ineligible for restructuring.

''(i) NOTICE OF INELIGIBILITY FOR RESTRUCTURING.—

''(1) IN GENERAL.—A notice of ineligibility for restructuring shall be sent to the borrower by registered or certified mail not later than 15 days after a determination of ineligibility.

''(2) CONTENTS.—The notice required under paragraph (1) shall contain—

''(A) the determination and the reasons for the determination;

''(B) the computations used to make the determination, including the calculation of the recovery value of the collateral securing the loan; and

''(C) a statement of the right of the borrower to appeal the decision to the appeals division, and to appear before a hearing officer.

''(j) INDEPENDENT APPRAISALS.—

''(1) IN GENERAL.—An appeal may include a request by the borrower for an independent appraisal of any property securing the loan.

''(2) PROCESS FOR APPRAISAL.—On a request under paragraph (1), the Secretary shall present the borrower with a list of 3 appraisers approved by the county supervisor, from which the borrower shall select an appraiser to conduct the appraisal.

''(3) COST.—The cost of an appraisal under this subsection shall be paid by the borrower.

''(4) RESULT.—The result of an appraisal under this subsection shall be considered in any final determination concerning the loan.

''(5) COPY.—A copy of any appraisal under this subsection shall be provided to the borrower.

''(k) PARTIAL LIQUIDATIONS.—If a partial liquidation of a delinquent loan is performed (with the prior consent of the Secretary) as part of loan servicing by a guaranteed lender under this title, the Secretary shall not require full liquidation of the loan for the lender to be eligible to receive payment on losses.

''(l) ONLY 1 WRITE-DOWN OR NET RECOVERY BUY-OUT PER BORROWER FOR A LOAN MADE AFTER JANUARY 6, 1988.—

''(1) IN GENERAL.—The Secretary may provide for each borrower not more than 1 write-down or net recovery buy-out under this section with respect to all loans made to the borrower after January 6, 1988.

''(2) SPECIAL RULE.—For purposes of paragraph (1), the Secretary shall treat any loan made on or before January 6, 1988, with respect to which a restructuring, write-down, or net recovery buy-out is provided under this section after January 6, 1988, as a loan made after January 6, 1988.

''(m) LIQUIDATION OF ASSETS.—The Secretary may not use the authority provided by this section to reduce or terminate any portion of the debt of the borrower that the borrower could pay through the liquidation of assets (or through the payment of the loan value of the assets, if the loan value is greater than the liquidation value) described in subsection (c)(2)(A)(ii).

''(n) LIFETIME LIMITATION ON DEBT FORGIVENESS PER BORROWER.—The Secretary may provide each borrower not more than $300,000 in debt forgiveness under this section.

"SEC. 3412. RELIEF FOR MOBILIZED MILITARY RESERVISTS FROM CERTAIN AGRICULTURAL LOAN OBLIGATIONS.

''(a) DEFINITION OF MOBILIZED MILITARY RESERVIST.—In this section, the term 'mobilized military reservist' means an individual who—

''(1) is on active duty under section 688, 12301(a), 12301(g), 12302, 12304, 12306, or 12406, or chapter 15 of title 10, United States Code, or any other provision of law during a war or during a national emergency declared by the President or Congress, regardless of the location at which the active duty service is performed; or

''(2) in the case of a member of the National Guard, is on full-time National Guard duty (as defined in section 101(d)(5) of title 10, United States Code) under a call to active service authorized by the President or the Secretary of Defense for a period of more than 30 consecutive days under section 502(f) of title 32, United States Code, for purposes of responding to a national emergency declared by the President and supported by Federal funds.

''(b) FORGIVENESS OF INTEREST PAYMENTS DUE WHILE BORROWER IS A MOBILIZED MILITARY RESERVIST.—Any requirement that a borrower of a direct loan made under this subtitle make any interest payment on the loan that would otherwise be required to be made while the borrower is a mobilized military reservist is rescinded.

''(c) DEFERRAL OF PRINCIPAL PAYMENTS DUE WHILE OR AFTER BORROWER IS A MOBILIZED MILITARY RESERVIST.—The due date of any payment of principal on a direct loan made to a borrower under this subtitle that would otherwise be required to be made while or after the borrower is a mobilized military reservist is deferred for a period equal in length to the period for which the borrower is a mobilized military reservist.

''(d) NONACCRUAL OF INTEREST.—Interest on a direct loan made to a borrower described in this section shall not accrue during the period the borrower is a mobilized military reservist.

''(e) BORROWER NOT CONSIDERED TO BE DELINQUENT OR RECEIVING DEBT FORGIVENESS.—Notwithstanding section 3425 or any other provision of this title, a borrower who receives assistance under this section shall not, as a result of the assistance, be considered to be delinquent or receiving debt forgiveness for purposes of receiving a direct or guaranteed loan under this subtitle.

"SEC. 3413. INTEREST RATE REDUCTION PROGRAM.

''(a) ESTABLISHMENT OF PROGRAM.—The Secretary shall establish and carry out in accordance with this section an interest rate reduction program for any loan guaranteed under this subtitle.

''(b) ENTERING INTO CONTRACTS.—The Secretary shall enter into a contract with, and make payments to, an institution to reduce, during the term of the contract, the interest rate paid by the borrower on the guaranteed loan if—

''(1) the borrower—

''(A) is unable to obtain credit elsewhere;

''(B) is unable to make payments on the loan in a timely manner; and

''(C) during the 24-month period beginning on the date on which the contract is entered into, has a total estimated cash income, including all farm and nonfarm income, that will equal or exceed the total estimated cash expenses, including all farm and nonfarm expenses, to be incurred by the borrower during the period; and

''(2) during the term of the contract, the lender reduces the annual rate of interest payable on the loan by a minimum percentage specified in the contract.

''(c) PAYMENTS.—

''(1) IN GENERAL.—Subject to paragraph (2), in return for a contract entered into by a lender under subsection (b) for the reduction of the interest rate paid on a loan, the Secretary shall make payments to the lender in an amount equal to not more than 100 percent of the cost of reducing the annual rate of interest payable on the loan.

''(2) LIMITATION.—Payments under paragraph (1) may not exceed the cost of reducing the rate by more than 400 basis points.

''(d) TERM.—The term of a contract entered into under this section to reduce the interest rate on a guaranteed loan may not exceed the outstanding term of the loan.

''(e) CONDITION ON FORECLOSURE.—Notwithstanding any other law, any contract of guarantee on a farm loan entered into under this subtitle shall contain a condition that the lender of the loan may not initiate a foreclosure action on the loan until 60 days after a determination is made with respect to the eligibility of the borrower to participate in the program established under this section.

"SEC. 3414. HOMESTEAD PROPERTY.

''(a) DEFINITIONS.—In this section:

''(1) ADMINISTRATOR.—The term 'Administrator' means the Administrator of the Small Business Administration.

''(2) BORROWER-OWNER.—The term 'borrower-owner' means—

''(A) a borrower-owner of a loan made or guaranteed by the Secretary or the Administrator who meets the eligibility requirements of subsection (c)(1); or

''(B) in a case in which an owner of homestead property pledged the property to secure the loan and the owner is different than the borrower, the owner.

''(3) FARM PROGRAM LOAN.—The term 'farm program loan' means a loan made by the Administrator under the Small Business Act (15 U.S.C. 631 et seq.) for any of the purposes authorized for loans under chapter 1 or 2.

''(4) HOMESTEAD PROPERTY.—The term 'homestead property' means—

''(A) the principal residence and adjoining property possessed and occupied by a borrower-owner, including a reasonable number of farm outbuildings located on the adjoining land that are useful to any occupant of the homestead; and

''(B) not more than 10 acres of adjoining land that is used to maintain the family of the borrower-owner.

''(b) RETENTION OF HOMESTEAD PROPERTY.—

''(1) IN GENERAL.—The Secretary or the Administrator shall, on application by a borrower-owner who meets the eligibility requirements of subsection (c)(1), permit the borrower-owner to retain possession and occupancy of homestead property under the terms set forth, and until the action described in this section has been completed, if—

''(A) the Secretary forecloses or takes into inventory property securing a loan made under this subtitle;

''(B) the Administrator forecloses or takes into inventory property securing a farm program loan made under the Small Business Act (15 U.S.C. 631 et seq.); or

''(C) the borrower-owner of a loan made by the Secretary or the Administrator files a petition in bankruptcy that results in the conveyance of the homestead property to the Secretary or the Administrator, or agrees to voluntarily liquidate or convey the property in whole or in part.

''(2) PERIOD OF OCCUPANCY.—Subject to subsection (c), the Secretary or the Administrator shall not grant a period of occupancy of less than 3 nor more than 5 years.

''(c) ELIGIBILITY.—

''(1) IN GENERAL.—To be eligible to occupy homestead property, a borrower-owner of a loan made by the Secretary or the Administrator shall—

''(A) apply for the occupancy not later than 30 days after the property is acquired by the Secretary or Administrator;

''(B) have received from farming operations gross farm income that is reasonably commensurate with—

''(i) the size and location of the farming unit of the borrower-owner; and

''(ii) local agricultural conditions (including natural and economic conditions), during at least 2 calendar years of the 6-year period preceding the calendar year in which the application is made;

''(C) have received from farming operations at least 60 percent of the gross annual income of the borrower-owner and any spouse of the borrower-owner during at least 2 calendar years of the 6-year period described in subparagraph (B);

''(D) have continuously occupied the homestead property during the 6-year period described in subparagraph (B), except that the requirement of this subparagraph may be waived if a borrower-owner, due to circumstances beyond the control of the borrower-owner, had to leave the homestead property for a period of time not to exceed 12 months during the 6-year period;

''(E) during the period of occupancy of the homestead property, pay a reasonable sum as rent for the property to the Secretary or the Administrator in an amount substantially equivalent to rents charged for similar residential properties in the area in which the homestead property is located;

''(F) during the period of the occupancy of the homestead property, maintain the property in good condition; and

''(G) meet such other reasonable and necessary terms and conditions as the Secretary may require.

''(2) DEFINITION OF FARMING OPERATIONS.—In subparagraphs (B) and (C) of paragraph (1), the term 'farming operations' includes rent paid by a lessee of agricultural land during a period in which the borrower-owner, due to circumstances beyond the control of the borrower-owner, is unable to actively farm the land.

''(3) TERMINATION OF RIGHTS.—

''(A) IN GENERAL.—For purposes of paragraph (1)(E), the failure of the borrower-owner to make a timely rental payment shall constitute cause for the termination of all rights of the borrower-owner to possession and occupancy of the homestead property under this section.

''(B) PROCEDURE FOR TERMINATION.—In effecting a termination under subparagraph (A), the Secretary shall—

''(i) afford the borrower-owner or lessee the notice and hearing procedural rights described in subtitle H of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6991 et seq.); and

''(ii) comply with any applicable State and local law governing eviction of a person from residential property.

''(4) RIGHTS OF BORROWER-OWNER.—

''(A) PERIOD OF OCCUPANCY.—Subject to subsection (b)(2), the period of occupancy allowed the borrower-owner of homestead property under this section shall be the period requested in writing by the borrower-owner.

''(B) RIGHT TO REACQUIRE.—

''(i) IN GENERAL.—During the period the borrower-owner occupies the homestead property, the borrower-owner shall have a right to reacquire the homestead property on such terms and conditions as the Secretary shall determine.

''(ii) SOCIALLY DISADVANTAGED BORROWER-OWNER.—During the period of occupancy of a

borrower-owner who is a socially disadvantaged farmer, the borrower-owner or a member of the immediate family of the borrower-owner shall have a right of first refusal to reacquire the homestead property on such terms and conditions as the Secretary shall determine.

''(iii) INDEPENDENT APPRAISAL.—The Secretary may not demand a payment for the homestead property that is in excess of the current market value of the homestead property as established by an independent appraisal.

''(iv) CONDUCT OF APPRAISAL.—An independent appraisal under clause (iii) shall be conducted by an appraiser selected by the borrower-owner, or, in the case of a borrower-owner who is a socially disadvantaged farmer, the immediate family member of the borrower-owner, from a list of 3 appraisers approved by the county supervisor.

''(5) TRANSFER OF RIGHTS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), no right of a borrower-owner under this section, and no agreement entered into between the borrower-owner and the Secretary for occupancy of the homestead property, shall be transferable or assignable by the borrower-owner or by operation of law.

''(B) DEATH OR INCOMPETENCY.—In the case of death or incompetency of the borrower-owner, the right and agreement shall be transferable to a spouse of the borrower-owner if the spouse agrees to comply with any terms and conditions of the right or agreement.

''(6) NOTIFICATION.—Not later than the date of acquisition of the property securing a loan made under this title, the Secretary shall notify the borrower-owner of the property of the availability of homestead protection rights under this section.

''(d) END OF PERIOD OF OCCUPANCY.—

''(1) IN GENERAL.—At the end of the period of occupancy allowed a borrower-owner under subsection (c), the Secretary or the Administrator shall grant to the borrower-owner a right of first refusal to reacquire the homestead property on such terms and conditions (which may include payment of principal in installments) as the Secretary or the Administrator shall determine.

''(2) TERMS AND CONDITIONS.—The terms and conditions granted under paragraph (1) may not be less favorable than those offered by the Secretary or Administrator or intended by the Secretary or Administrator to be offered to any other buyer.

''(e) MAXIMUM PAYMENT OF PRINCIPAL.—

''(1) IN GENERAL.—At the time a reacquisition agreement is entered into, the Secretary or the Administrator may not demand a total payment of principal that is in excess of the value of the homestead property.

''(2) DETERMINATION OF VALUE.—To the maximum extent practicable, the value of the homestead property shall be determined by an independent appraisal made during the 180 day period beginning on the date of receipt of the application of the borrower-owner to retain possession and occupancy of the homestead property.

''(f) TITLE NOT NEEDED TO ENTER INTO CONTRACTS.—The Secretary may enter into a contract authorized by this section before the Secretary acquires title to the homestead property that is the subject of the contract.

''(g) STATE LAW PREVAILS.—In the event of a conflict between this section and a provision of State law relating to the right of a borrower-owner to designate for separate sale or redeem part or all of the real property securing a loan foreclosed on by a lender to the borrower-owner, the provision of State law shall prevail.

''SEC. 3415. TRANSFER OF INVENTORY LAND.

''(a) IN GENERAL.—Subject to subsection (b), the Secretary may transfer to a Federal or State agency, for conservation purposes, any real property, or interest in real property, administered by the Secretary under this subtitle—

''(1) with respect to which the rights of all prior owners and operators have expired;

''(2) that is eligible to be disposed of in accordance with section 3409; and

''(3) that—

''(A) has marginal value for agricultural production;

''(B) is environmentally sensitive; or

''(C) has special management importance.

''(b) CONDITIONS.—The Secretary may not transfer any property or interest in property under subsection (a) unless—

''(1) at least 2 public notices are given of the transfer;

''(2) if requested, at least 1 public meeting is held prior to the transfer; and

''(3) the Governor and at least 1 elected county official of the State and county in which the property is located are consulted prior to the transfer.

''SEC. 3416. TARGET PARTICIPATION RATES.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—The Secretary shall establish annual target participation rates, on a county-wide basis, that shall ensure that members of socially disadvantaged groups shall—

''(A) receive loans made or guaranteed under chapter 1; and

''(B) have the opportunity to purchase or lease farmland acquired by the Secretary under this subtitle.

''(2) GROUP POPULATION.—Except as provided in paragraph (3), in establishing the target rates, the Secretary shall take into consideration—

''(A) the portion of the population of the county made up of the socially disadvantaged groups; and

''(B) the availability of inventory farmland in the county.

''(3) GENDER.—In the case of gender, target participation rates shall take into consideration the number of current and potential socially disadvantaged farmers in a State in proportion to the total number of farmers in the State.

''(b) RESERVATION AND ALLOCATION.—

''(1) RESERVATION.—To the maximum extent practicable, the Secretary shall reserve sufficient loan funds made available under chapter 1 for use by members of socially disadvantaged groups identified under target participation rates established under subsection (a).

''(2) ALLOCATION.—The Secretary shall allocate the loans on the basis of the proportion of members of socially disadvantaged groups in a county and the availability of inventory farmland, with the greatest amount of loan funds being distributed in the county with the greatest proportion of socially disadvantaged group members and the greatest quantity of available inventory farmland.

''(3) INDIAN RESERVATIONS.—In distributing loan funds in counties within the boundaries of an Indian reservation, the Secretary shall allocate the funds on a reservation-wide basis.

''(c) OPERATING LOANS.—

''(1) ESTABLISHMENT.—

''(A) IN GENERAL.—The Secretary shall establish annual target participation rates that shall ensure that socially disadvantaged farmers receive loans made or guaranteed under chapter 2.

''(B) CONSIDERATIONS.—In establishing the target rates, the Secretary shall consider the number of socially disadvantaged farmers in a State in proportion to the total number of farmers in the State.

''(2) RESERVATION AND ALLOCATION.—

''(A) IN GENERAL.—To the maximum extent practicable, the Secretary shall reserve and allocate the proportion of the loan funds of each State made available under chapter 2 that is equal to the target participation rate of the State for use by the socially disadvantaged farmers in the State.

''(B) DISTRIBUTION.—To the maximum extent practicable, the Secretary shall distribute the total loan funds reserved under subparagraph (A) on a county-by-county basis according to the number of socially disadvantaged farmers in the county.

''(C) REALLOCATION OF UNUSED FUNDS.—Any funds reserved and allocated under this paragraph but not used within a State shall, to the extent necessary to satisfy pending applications under this title, be available for use by socially disadvantaged farmers in other States, as determined by the Secretary, and any remaining funds shall be reallocated within the State.

''(d) REPORT.—The Secretary shall prepare and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the annual target participation rates and the success in meeting the rates.

''(e) IMPLEMENTATION CONSISTENT WITH SUPREME COURT HOLDING.—Not later than 180 days after April 4, 1996, the Secretary shall ensure that the implementation of this section is consistent with the holding of the Supreme Court in Adarand Constructors, Inc. v. Federico Pena, Secretary of Transportation, 115 S. Ct. 2097 (1995).

''SEC. 3417. COMPROMISE OR ADJUSTMENT OF DEBTS OR CLAIMS BY GUARANTEED LENDER.

''(a) LOSS BY LENDER.—If the lender of a guaranteed farmer program loan takes any action described in section 3903(a)(4) with respect to the loan and the Secretary approves the action, for purposes of the guarantee, the lender shall be treated as having sustained a loss equal to the amount by which—

''(1) the outstanding balance of the loan immediately before the action; exceeds

''(2) the outstanding balance of the loan immediately after the action.

''(b) NET PRESENT VALUE OF LOAN.—The Secretary shall approve the taking of an action described in section 3903(a)(4) by the lender of a guaranteed farmer program loan with respect to the loan if the action reduces the net present value of the loan to an amount equal to not less than the greater of—

''(1) the greatest net present value of a loan the borrower could reasonably be expected to repay; and

''(2) the difference between—

''(A) the greatest amount that the lender of the loan could reasonably expect to recover from the borrower through bankruptcy, or liquidation of the property securing the loan; and

''(B) all reasonable and necessary costs and expenses that the lender of the loan could reasonably expect to incur to preserve or dispose of the property (including all associated legal and property management costs) in the course of such a bankruptcy or liquidation.

''(c) NO LIMITATION ON AUTHORITY.—This section shall not limit the authority of the Secretary to enter into a shared appreciation arrangement with a borrower under section 3411(e).

''SEC. 3418. WAIVER OF MEDIATION RIGHTS BY BORROWERS.

''The Secretary may not make or guarantee any farmer program loan to a farm borrower on the condition that the borrower waive any right under the mediation program of any State.

"SEC. 3419. BORROWER TRAINING.

''(a) IN GENERAL.—The Secretary shall contract to provide educational training to all borrowers of direct loans made under this subtitle in financial and farm management concepts associated with commercial farming.

''(b) CONTRACT.—

''(1) IN GENERAL.—The Secretary may contract with a State or private provider of farm management and credit counseling services (including a community college, the extension service of a State, a State department of agriculture, or a nonprofit organization) to carry out this section.

''(2) CONSULTATION.—The Secretary may consult with the chief executive officer of a State concerning the identity of the contracting organization and the process for contracting.

''(c) ELIGIBILITY FOR LOANS.—

''(1) IN GENERAL.—Subject to paragraph (2), to be eligible to obtain a direct or guaranteed loan under this subtitle, a borrower shall be required to obtain management assistance under this section, appropriate to the management ability of the borrower during the determination of eligibility for the loan.

''(2) LOAN CONDITIONS.—The need of a borrower who satisfies the criteria set out in section 3101(b)(1)(B) or 3201(b)(1)(B) for management assistance under this section shall not be cause for denial of eligibility of the borrower for a direct or guaranteed loan under this subtitle.

''(d) GUIDELINES AND CURRICULUM.—The Secretary shall issue regulations establishing guidelines and curriculum for the borrower training program established under this section.

''(e) PAYMENT.—A borrower—

''(1) shall pay for training received under this section; and

''(2) may use funds from operating loans made under chapter 2 to pay for the training.

''(f) WAIVERS.—

''(1) IN GENERAL.—The Secretary may waive the requirements of this section for an individual borrower on a determination that the borrower demonstrates adequate knowledge in areas described in this section.

''(2) CRITERIA.—The Secretary shall establish criteria providing for the application of paragraph (1) consistently in all counties nationwide.

"SEC. 3420. LOAN ASSESSMENTS.

''(a) IN GENERAL.—After an applicant is determined to be eligible for assistance under this subtitle, the Secretary shall evaluate, in accordance with regulations issued by the Secretary, the farming plan and financial situation of each qualified farmer applicant.

''(b) DETERMINATIONS.—In evaluating the farming plan and financial situation of an applicant under this section, the Secretary shall determine—

''(1) the amount that the applicant needs to borrow to carry out the proposed farming plan;

''(2) the rate of interest that the applicant would need to be able to cover expenses and build an adequate equity base;

''(3) the goals of the proposed farming plan of the applicant;

''(4) the financial viability of the plan and any changes that are necessary to make the plan viable; and

''(5) whether assistance is necessary under this title and, if so, the amount of the assistance.

''(c) CONTRACT.—The Secretary may contract with a third party (including an entity that is eligible to provide borrower training under section 3419(b)) to conduct a loan assessment under this section.

''(d) REVIEW OF LOANS.—

''(1) IN GENERAL.—Loan assessments conducted under this section shall include biannual review of direct loans, and periodic review (as determined necessary by the Secretary) of guaranteed loans, made under this title to assess the progress of a borrower in meeting the goals for the farm operation.

''(2) CONTRACTS.—The Secretary may contract with an entity that is eligible to provide borrower training under section 3419(b) to conduct a loan review under paragraph (1).

''(3) PROBLEM ASSESSMENTS.—If a borrower is delinquent in payments on a direct or guaranteed loan made under this title, the Secretary or the contracting entity shall determine the cause of, and action necessary to correct, the delinquency.

''(e) GUIDELINES.—The Secretary shall issue regulations providing guidelines for loan assessments conducted under this section.

"SEC. 3421. SUPERVISED CREDIT.

''The Secretary shall provide adequate training to employees of the Farm Service Agency on credit analysis and financial and farm management—

''(1) to better acquaint the employees with what constitutes adequate financial data on which to base a direct or guaranteed loan approval decision; and

''(2) to ensure proper supervision of farmer program loans.

"SEC. 3422. MARKET PLACEMENT.

''The Secretary shall establish a market placement program for a qualified beginning farmer and any other borrower of farmer program loans that the Secretary believes has a reasonable chance of qualifying for commercial credit with a guarantee provided under this subtitle.

"SEC. 3423. RECORDKEEPING OF LOANS BY GENDER OF BORROWER.

''The Secretary shall classify, by gender, records of applicants for loans and loan guarantees under this subtitle.

"SEC. 3424. CROP INSURANCE REQUIREMENT.

''(a) IN GENERAL.—As a condition of obtaining any benefit (including a direct loan, loan guarantee, or payment) described in subsection (b), a borrower shall be required to obtain at least catastrophic risk protection insurance coverage under section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) for the crop and crop year for which the benefit is sought, if the coverage is offered by the Federal Crop Insurance Corporation.

''(b) APPLICABLE BENEFITS.—Subsection (a) shall apply to—

''(1) a farm ownership loan under section 3102;

''(2) an operating loan under section 3202; and

''(3) an emergency loan under section 3301.

"SEC. 3425. LOAN AND LOAN SERVICING LIMITATIONS.

''(a) DELINQUENT BORROWERS PROHIBITED FROM OBTAINING DIRECT OPERATING LOANS.—The Secretary may not make a direct operating loan under chapter 2 to a borrower who is delinquent on any loan made or guaranteed under this subtitle.

''(b) LOANS PROHIBITED FOR BORROWERS THAT HAVE RECEIVED DEBT FORGIVENESS.—

''(1) PROHIBITIONS.—Except as provided in paragraph (2)—

''(A) the Secretary may not make a loan under this subtitle to a borrower that has received debt forgiveness on a loan made or guaranteed under this subtitle; and

''(B) the Secretary may not guarantee a loan under this subtitle to a borrower that has received—

''(i) debt forgiveness after April 4, 1996, on a loan made or guaranteed under this subtitle; or

''(ii) received debt forgiveness on more than 3 occasions on or before April 4, 1996.

''(2) EXCEPTIONS.—

''(A) IN GENERAL.—The Secretary may make a direct or guaranteed farm operating loan for paying annual farm operating expenses of a borrower who—

''(i) was restructured with a write-down under section 3411;

''(ii) is current on payments under a confirmed reorganization plan under chapters 1 11, 12, or 13 of title 11 of the United States Code; or

''(iii) received debt forgiveness on not more than 1 occasion resulting directly and primarily from a major disaster or emergency designated by the President on or after April 4, 1996, under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

''(B) EMERGENCY LOANS.—The Secretary may make an emergency loan under section 3301 to a borrower that—

''(i) on or before April 4, 1996, received not more than 1 debt forgiveness on a loan made or guaranteed under this subtitle; and

''(ii) after April 4, 1996, has not received debt forgiveness on a loan made or guaranteed under this subtitle.

''(c) NO MORE THAN 1 DEBT FORGIVENESS FOR A BORROWER ON A DIRECT LOAN.—The Secretary may not provide to a borrower debt forgiveness on a direct loan made under this subtitle if the borrower has received debt forgiveness on another direct loan made under this subtitle.

"SEC. 3426. SHORT FORM CERTIFICATION OF FARM PROGRAM BORROWER COMPLIANCE.

''The Secretary shall develop and use a consolidated short form for farmer program loan borrowers to use in certifying compliance with any applicable provision of law (including a regulation) that serves as an eligibility prerequisite for a loan made under this subtitle.

"SEC. 3427. UNDERWRITING FORMS AND STANDARDS.

''In the administration of this subtitle, the Secretary shall, to the extent practicable, use underwriting forms, standards, practices, and terminology similar to the forms, standards, practices, and terminology used by lenders in the private sector.

"SEC. 3428. BEGINNING FARMER INDIVIDUAL DEVELOPMENT ACCOUNTS PILOT PROGRAM.

''(a) DEFINITIONS.—In this section:

''(1) DEMONSTRATION PROGRAM.—The term 'demonstration program' means a demonstration program carried out by a qualified entity under the pilot program established in subsection (b)(1).

''(2) ELIGIBLE PARTICIPANT.—The term 'eligible participant' means a qualified beginning farmer that—

''(A) lacks significant financial resources or assets; and

''(B) has an income that is less than—

''(i) 80 percent of the median income of the State in which the farmer resides; or

''(ii) 200 percent of the most recent annual Federal Poverty Income Guidelines published by the Department of Health and Human Services for the State.

''(3) INDIVIDUAL DEVELOPMENT ACCOUNT.—The term 'individual development account' means a savings account described in subsection (b)(4)(A).

''(4) QUALIFIED ENTITY.—

''(A) IN GENERAL.—The term 'qualified entity' means—

''(i) 1 or more organizations—

''(I) described in section 501(c)(3) of the Internal Revenue Code of 1986; and

''(II) exempt from taxation under section 501(a) of such Code; or

''(ii) a State, local, or tribal government submitting an application jointly with an organization described in clause (i).

''(B) NO PROHIBITION ON COLLABORATION.—An organization described in subparagraph (A)(i) may collaborate with a financial institution or for-profit community development corporation to carry out the purposes of this section.

''(b) PILOT PROGRAM.—

''(1) IN GENERAL.—The Secretary shall establish a pilot program to be known as the 'New Farmer Individual Development Accounts Pilot Program' under which the Secretary shall work through qualified entities to establish demonstration programs—

''(A) of at least 5 years in duration; and

''(B) in at least 15 States.

''(2) COORDINATION.—The Secretary shall operate the pilot program through and in coordination with the farmer program loans of the Farm Service Agency.

''(3) RESERVE FUNDS.—

''(A) IN GENERAL.—A qualified entity carrying out a demonstration program under this section shall establish a reserve fund consisting of a non-Federal match of 50 percent of the total amount of the grant awarded to the demonstration program under this section.

''(B) FEDERAL FUNDS.—After the qualified entity has deposited the non-Federal matching funds described in subparagraph (A) in the reserve fund, the Secretary shall provide the total amount of the grant awarded under this section to the demonstration program for deposit in the reserve fund.

''(C) USE OF FUNDS.—Of the funds deposited under subparagraph (B) in the reserve fund established for a demonstration program, the qualified entity carrying out the demonstration program—

''(i) may use up to 10 percent for administrative expenses; and

''(ii) shall use the remainder in making matching awards described in paragraph (4)(B)(ii)(I).

''(D) INTEREST.—Any interest earned on amounts in a reserve fund established under subparagraph (A) may be used by the qualified entity as additional matching funds for, or to administer, the demonstration program.

''(E) GUIDANCE.—The Secretary shall issue guidance regarding the investment requirements of reserve funds established under this paragraph.

''(F) REVERSION.—On the date on which all funds remaining in any individual development account established by a qualified entity have reverted under paragraph (5)(B)(ii) to the reserve fund established by the qualified entity, there shall revert to the Treasury of the United States a percentage of the amount (if any) in the reserve fund equal to—

''(i) the amount of Federal funds deposited in the reserve fund under subparagraph (B) that were not used for administrative expenses; divided by

''(ii) the total amount of funds deposited in the reserve fund.

''(4) INDIVIDUAL DEVELOPMENT ACCOUNTS.—

''(A) IN GENERAL.—A qualified entity receiving a grant under this section shall establish and administer individual development accounts for eligible participants.

''(B) CONTRACT REQUIREMENTS.—To be eligible to receive funds under this section from a qualified entity, an eligible participant shall enter into a contract with only 1 qualified entity under which—

''(i) the eligible participant agrees—

''(I) to deposit a certain amount of funds of the eligible participant in a personal savings account, as prescribed by the contractual agreement between the eligible participant and the qualified entity;

''(II) to use the funds described in subclause (I) only for 1 or more eligible expenditures described in paragraph (5)(A); and

''(III) to complete financial training; and

''(ii) the qualified entity agrees—

''(I) to deposit, not later than 1 month after an amount is deposited pursuant to clause (i)(I), at least a 100-percent, and up to a 200-percent, match of that amount into the individual development account established for the eligible participant; and

''(II) with uses of funds proposed by the eligible participant.

''(C) LIMITATION.—

''(i) IN GENERAL.—A qualified entity administering a demonstration program under this section may provide not more than $6,000 for each fiscal year in matching funds to the individual development account established by the qualified entity for an eligible participant.

''(ii) TREATMENT OF AMOUNT.—An amount provided under clause (i) shall not be considered to be a gift or loan for mortgage purposes.

''(5) ELIGIBLE EXPENDITURES.—

''(A) IN GENERAL.—An eligible expenditure described in this subparagraph is an expenditure—

''(i) to purchase farmland or make a down payment on an accepted purchase offer for farmland;

''(ii) to make mortgage payments on farmland purchased pursuant to clause (i), for up to 180 days after the date of the purchase;

''(iii) to purchase breeding stock, fruit or nut trees, or trees to harvest for timber; and

''(iv) for other similar expenditures, as determined by the Secretary.

''(B) TIMING.—

''(i) IN GENERAL.—An eligible participant may make an eligible expenditure at any time during the 2-year period beginning on the date on which the last matching funds are provided under paragraph (4)(B)(ii)(I) to the individual development account established for the eligible participant.

''(ii) UNEXPENDED FUNDS.—At the end of the period described in clause (i), any funds remaining in an individual development account established for an eligible participant shall revert to the reserve fund of the demonstration program under which the account was established.

''(c) APPLICATIONS.—

''(1) IN GENERAL.—A qualified entity that seeks to carry out a demonstration program under this section may submit to the Secretary an application at such time, in such form, and containing such information as the Secretary may prescribe.

''(2) CRITERIA.—In considering whether to approve an application to carry out a demonstration program under this section, the Secretary shall assess—

''(A) the degree to which the demonstration program described in the application is likely to aid eligible participants in successfully pursuing new farming opportunities;

''(B) the experience and ability of the qualified entity to responsibly administer the demonstration program;

''(C) the experience and ability of the qualified entity in recruiting, educating, and assisting eligible participants to increase economic independence and pursue or advance farming opportunities;

''(D) the aggregate amount of direct funds from non-Federal public sector and private sources that are formally committed to the demonstration program as matching contributions;

''(E) the adequacy of the plan of the qualified entity to provide information relevant to an evaluation of the demonstration program; and

''(F) such other factors as the Secretary considers to be appropriate.

''(3) PREFERENCES.—In considering an application to conduct a demonstration program under this section, the Secretary shall give preference to an application from a qualified entity that demonstrates—

''(A) a track record of serving clients targeted by the program, including, as appropriate, socially disadvantaged farmers; and

''(B) expertise in dealing with financial management aspects of farming.

''(4) APPROVAL.—Not later than 1 year after the date of enactment of this section, in accordance with this section, the Secretary shall, on a competitive basis, approve such applications to conduct demonstration programs as the Secretary considers appropriate.

''(5) TERM OF AUTHORITY.—If the Secretary approves an application to carry out a demonstration program, the Secretary shall authorize the applicant to carry out the project for a period of 5 years, plus an additional 2 years to make eligible expenditures in accordance with subsection (b)(5)(B).

''(d) GRANT AUTHORITY.—

''(1) IN GENERAL.—The Secretary shall make a grant to a qualified entity authorized to carry out a demonstration program under this section.

''(2) MAXIMUM AMOUNT OF GRANTS.—The aggregate amount of grant funds provided to a demonstration program carried out under this section shall not exceed $250,000.

''(3) TIMING OF GRANT PAYMENTS.—The Secretary shall pay the amounts awarded under a grant made under this section—

''(A) on the awarding of the grant; or

''(B) pursuant to such payment plan as the qualified entity may specify.

''(e) REPORTS.—

''(1) ANNUAL PROGRESS REPORTS.—

''(A) IN GENERAL.—Not later than 60 days after the end of the calendar year in which the Secretary authorizes a qualified entity to carry out a demonstration program under this section, and annually thereafter until the conclusion of the demonstration program, the qualified entity shall prepare an annual report that includes, for the period covered by the report—

''(i) an evaluation of the progress of the demonstration program;

''(ii) information about the demonstration program, including the eligible participants and the individual development accounts that have been established; and

''(iii) such other information as the Secretary may require.

''(B) SUBMISSION OF REPORTS.—A qualified entity shall submit each report required under subparagraph (A) to the Secretary.

''(2) REPORTS BY THE SECRETARY.—Not later than 1 year after the date on which all demonstration programs under this section are concluded, the Secretary shall submit to Congress a final report that describes the results and findings of all reports and evaluations carried out under this section.

''(f) ANNUAL REVIEW.—The Secretary may conduct an annual review of the financial records of a qualified entity—

''(1) to assess the financial soundness of the qualified entity; and

''(2) to determine the use of grant funds made available to the qualified entity under this section.

''(g) REGULATIONS.—In carrying out this section, the Secretary may promulgate regulations to ensure that the program includes provisions for—

''(1) the termination of demonstration programs;

''(2) control of the reserve funds in the case of such a termination;

''(3) transfer of demonstration programs to other qualified entities; and

''(4) remissions from a reserve fund to the Secretary in a case in which a demonstration program is terminated without transfer to a new qualified entity.

''(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 2012 through 2017.

''SEC. 3429. FARMER LOAN PILOT PROJECTS.

''(a) IN GENERAL.—The Secretary may conduct pilot projects of limited scope and duration that are consistent with this subtitle to evaluate processes and techniques that may improve the efficiency and effectiveness of the programs carried out under this subtitle

''(b) NOTIFICATION.—The Secretary shall—

''(1) not less than 60 days before the date on which the Secretary initiates a pilot project under subsection (a), submit notice of the proposed pilot project to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate; and

''(2) consider any recommendations or feedback provided to the Secretary in response to the notice provided under paragraph (1).

''SEC. 3430. AUTHORIZATION OF APPROPRIATIONS AND ALLOCATION OF FUNDS.

''(a) AUTHORIZATION FOR LOANS.—

''(1) IN GENERAL.—The Secretary may make or guarantee loans under chapters 1 and 2 from the Agricultural Credit Insurance Fund for not more than $4,226,000,000 for each of fiscal years 2012 through 2017, of which, for each fiscal year—

''(A) $1,200,000,000 shall be for direct loans, of which—

''(i) $350,000,000 shall be for farm ownership loans; and

''(ii) $850,000,000 shall be for operating loans; and

''(B) $3,026,000,000 shall be for guaranteed loans, of which—

''(i) $1,000,000,000 shall be for guarantees of farm ownership loans; and

''(ii) $2,026,000,000 shall be for guarantees of operating loans.

''(2) BEGINNING FARMERS.—

''(A) DIRECT LOANS.—

''(i) FARM OWNERSHIP LOANS.—

''(I) IN GENERAL.—Of the amounts made available under paragraph (1) for direct farm ownership loans, the Secretary shall reserve an amount that is not less than 75 percent of the total amount for qualified beginning farmers.

''(II) DOWN PAYMENT LOANS; JOINT FINANCING ARRANGEMENTS.—Of the amounts reserved for a fiscal year under subclause (I), the Secretary shall reserve an amount not less than ⅔ of the amount for the down payment loan program under section 3107 and joint financing arrangements under section 3105 until April 1 of the fiscal year.

''(ii) OPERATING LOANS.—Of the amounts made available under paragraph (1) for direct operating loans, the Secretary shall reserve for qualified beginning farmers for each of fiscal years 2012 through 2017, an amount that is not less than 50 percent of the total amount.

''(iii) FUNDS RESERVED UNTIL SEPTEMBER 1.—Except as provided in clause (i)(II), funds reserved for qualified beginning farmers under this subparagraph for a fiscal year shall be reserved only until September 1 of the fiscal year.

''(B) GUARANTEED LOANS.—

''(i) FARM OWNERSHIP LOANS.—Of the amounts made available under paragraph (1) for guarantees of farm ownership loans, the Secretary shall reserve an amount that is not less than 40 percent of the total amount for qualified beginning farmers.

''(ii) OPERATING LOANS.—Of the amounts made available under paragraph (1) for guarantees of operating loans, the Secretary shall reserve 40 percent for qualified beginning farmers.

''(iii) FUNDS RESERVED UNTIL APRIL 1.—Funds reserved for qualified beginning farmers under this subparagraph for a fiscal year shall be reserved only until April 1 of the fiscal year.

''(C) RESERVED FUNDS FOR ALL QUALIFIED BEGINNING FARMERS.—If a qualified beginning farmer meets the eligibility criteria for receiving a direct or guaranteed loan under section 3101, 3107, or 3201, the Secretary shall make or guarantee the loan if sufficient funds reserved under this paragraph are available to make or guarantee the loan.

''(3) TRANSFER FOR DOWN PAYMENT LOANS.—

''(A) IN GENERAL.—Subject to subparagraph (B)—

''(i) beginning on August 1 of each fiscal year, the Secretary shall use available unsubsidized guaranteed farm operating loan funds to provide direct farm ownership loans approved by the Secretary to qualified beginning farmers under the down payment loan program established under section 3107, if sufficient direct farm ownership loan funds are not otherwise available; and

''(ii) beginning on September 1 of each fiscal year, the Secretary shall use available unsubsidized guaranteed farm operating loan funds to provide direct farm ownership loans approved by the Secretary to qualified beginning farmers, if sufficient direct farm ownership loan funds are not otherwise available.

''(B) LIMITATION.—The Secretary shall limit the transfer of funds under subparagraph (A) so that all guaranteed farm operating loans that have been approved, or will be approved, by the Secretary during the fiscal year will be made to the extent of available amounts.

''(4) TRANSFER FOR CREDIT SALES OF FARM INVENTORY PROPERTY.—

''(A) IN GENERAL.—Subject to subparagraphs (B) and (C), beginning on September 1 of each fiscal year, the Secretary may use available funds made available under chapter 3 for the fiscal year to fund the credit sale of farm real estate in the inventory of the Secretary.

''(B) SUPPLEMENTAL APPROPRIATIONS.—The transfer authority provided under subparagraph (A) shall not apply to any funds made available to the Secretary for any fiscal year under an Act making supplemental appropriations.

''(C) LIMITATION.—The Secretary shall limit the transfer of funds under subparagraph (A) so that all emergency disaster loans that have been approved, or will be approved, by the Secretary during the fiscal year will be made to the extent of available amounts.

''(5) AVAILABILITY OF FUNDS.—Funds made available to carry out this subtitle shall remain available until expended.

''(b) COST PROJECTIONS.—

''(1) IN GENERAL.—The Secretary shall develop long-term cost projections for loan program authorizations required under subsection (a).

''(2) ANALYSIS.—Each projection under paragraph (1) shall include analyses of—

''(A) the long-term costs of the lending levels that the Secretary requests to be authorized under subsection (a); and

''(B) the long-term costs for increases in lending levels beyond those requested to be authorized, based on increments of $10,000,000 or such other levels as the Secretary considers appropriate.

''(3) SUBMISSION TO CONGRESS.—The Secretary shall submit to the Committees on Agriculture and Appropriations of the House of Representatives and the Committees on Agriculture, Nutrition, and Forestry and Appropriations of the Senate reports containing the long-term cost projections for the 3-year period beginning with fiscal year 1983 and each 3-year period thereafter at the time the requests for authorizations for those periods are submitted to Congress.

''(c) LOW-INCOME, LIMITED-RESOURCE BORROWERS.—

''(1) RESERVE.—Notwithstanding any other provision of law, not less than 25 percent of the loans for farm ownership purposes for each fiscal year under this subtitle shall be for low-income, limited-resource borrowers.

''(2) NOTIFICATION.—The Secretary shall provide notification to farm borrowers under this subtitle in the normal course of loan making and loan servicing operations, of the provisions of this subtitle relating to low-income, limited-resource borrowers and the procedures by which persons may apply for loans under the low-income, limited-resource borrower program.''.

Subtitle B—Miscellaneous

SEC. 5101. STATE AGRICULTURAL MEDIATION PROGRAMS.

Section 506 of the Agricultural Credit Act of 1987 (7 U.S.C. 5106) is amended by striking ''2015'' and inserting ''2017''.

SEC. 5102. LOANS TO PURCHASERS OF HIGHLY FRACTIONATED LAND.

The first section of Public Law 91–229 (25 U.S.C. 488) is amended in subsection (b)(1) by inserting ''or to intermediaries in order to establish revolving loan funds for the purchase of highly fractionated land under that section'' before the period at the end.

SEC. 5103. REMOVAL OF DUPLICATIVE APPRAISALS.

Notwithstanding any other law (including regulations), in making loans under the first section of Public Law 91–229 (25 U.S.C. 488), borrowers who are Indian tribes, members of Indian tribes, or tribal corporations shall only be required to obtain 1 appraisal under an appraisal standard recognized as of the date of enactment of this Act by the Secretary or the Secretary of the Interior.

TITLE VI—RURAL DEVELOPMENT

Subtitle A—Reorganization of the Consolidated Farm and Rural Development Act

SEC. 6001. REORGANIZATION OF THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.

Title III of the Agricultural Act of 1961 (7 U.S.C. 1921 et seq.) is amended to read as follows:

''TITLE III—AGRICULTURAL CREDIT

''SEC. 3001. SHORT TITLE; TABLE OF CONTENTS.

''(a) SHORT TITLE.—This title may be cited as the 'Consolidated Farm and Rural Development Act'.

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

''TITLE III—AGRICULTURAL CREDIT

''Sec. 3001. Short title; table of contents.
''Sec. 3002. Definitions.

''Subtitle A—Farmer Loans, Servicing, and Other Assistance

''CHAPTER 1—FARM OWNERSHIP LOANS

''Sec. 3101. Farm ownership loans.
''Sec. 3102. Purposes of loans.
''Sec. 3103. Conservation loan and loan guarantee program.
''Sec. 3104. Loan maximums.
''Sec. 3105. Repayment requirements for farm ownership loans.
''Sec. 3106. Limited-resource loans.
''Sec. 3107. Downpayment loan program.
''Sec. 3108. Beginning farmer and socially disadvantaged farmer contract land sales program.

''CHAPTER 2—OPERATING LOANS

''Sec. 3201. Operating loans.
''Sec. 3202. Purposes of loans.
''Sec. 3203. Restrictions on loans.
''Sec. 3204. Terms of loans.

''CHAPTER 3—EMERGENCY LOANS

''Sec. 3301. Emergency loans.

''Sec. 3302. Purposes of loans.
''Sec. 3303. Terms of loans.
''Sec. 3304. Production losses.

''CHAPTER 4—GENERAL FARMER LOAN PROVISIONS

''Sec. 3401. Agricultural Credit Insurance Fund.
''Sec. 3402. Guaranteed farmer loans.
''Sec. 3403. Provision of information to borrowers.
''Sec. 3404. Notice of loan service programs.
''Sec. 3405. Planting and production history guidelines.
''Sec. 3406. Special conditions and limitations on loans.
''Sec. 3407. Graduation of borrowers.
''Sec. 3408. Debt adjustment and credit counseling.
''Sec. 3409. Security servicing.
''Sec. 3410. Contracts on loan security properties.
''Sec. 3411. Debt restructuring and loan servicing.
''Sec. 3412. Relief for mobilized military reservists from certain agricultural loan obligations.
''Sec. 3413. Interest rate reduction program.
''Sec. 3414. Homestead property.
''Sec. 3415. Transfer of inventory land.
''Sec. 3416. Target participation rates.
''Sec. 3417. Compromise or adjustment of debts or claims by guaranteed lender.
''Sec. 3418. Waiver of mediation rights by borrowers.
''Sec. 3419. Borrower training.
''Sec. 3420. Loan assessments.
''Sec. 3421. Supervised credit.
''Sec. 3422. Market placement.
''Sec. 3423. Recordkeeping of loans by gender of borrower.
''Sec. 3424. Crop insurance requirement.
''Sec. 3425. Loan and loan servicing limitations.
''Sec. 3426. Short form certification of farm program borrower compliance.
''Sec. 3427. Underwriting forms and standards.
''Sec. 3428. Beginning farmer individual development accounts pilot program.
''Sec. 3429. Farmer loan pilot projects.
''Sec. 3430. Authorization of appropriations and allocation of funds.

''Subtitle B—Rural Development

''CHAPTER 1—RURAL COMMUNITY PROGRAMS

''Sec. 3501. Water and waste disposal loans, loan guarantees, and grants.
''Sec. 3502. Community facilities loans, loan guarantees, and grants.
''Sec. 3503. Health care services.

''CHAPTER 2—RURAL BUSINESS AND COOPERATIVE DEVELOPMENT

''Sec. 3601. Business programs.
''Sec. 3602. Rural business investment program.

''CHAPTER 3—GENERAL RURAL DEVELOPMENT PROVISIONS

''Sec. 3701. General provisions for loans and grants.
''Sec. 3702. Strategic economic and community development.
''Sec. 3703. Guaranteed rural development loans.
''Sec. 3704. Rural Development Insurance Fund.
''Sec. 3705. Rural economic area partnership zones.
''Sec. 3706. Streamlining applications and improving accessibility of rural development programs.

''CHAPTER 4—DELTA REGIONAL AUTHORITY

''Sec. 3801. Definitions.
''Sec. 3802. Delta Regional Authority.
''Sec. 3803. Economic and community development grants.
''Sec. 3804. Supplements to Federal grant programs.
''Sec. 3805. Local development districts; certification and administrative expenses.
''Sec. 3806. Distressed counties and areas and nondistressed counties.
''Sec. 3807. Development planning process.
''Sec. 3808. Program development criteria.
''Sec. 3809. Approval of development plans and projects.
''Sec. 3810. Consent of States.
''Sec. 3811. Records.
''Sec. 3812. Annual report.
''Sec. 3813. Authorization of appropriations.
''Sec. 3814. Termination of authority.

''CHAPTER 5—NORTHERN GREAT PLAINS REGIONAL AUTHORITY

''Sec. 3821. Definitions.
''Sec. 3822. Northern Great Plains Regional Authority.
''Sec. 3823. Interstate cooperation for economic opportunity and efficiency.
''Sec. 3824. Economic and community development grants.
''Sec. 3825. Supplements to Federal grant programs.
''Sec. 3826. Multistate and local development districts and organizations and Northern Great Plains Inc.
''Sec. 3827. Distressed counties and areas and nondistressed counties.
''Sec. 3828. Development planning process.
''Sec. 3829. Program development criteria.
''Sec. 3830. Approval of development plans and projects.
''Sec. 3831. Consent of States.
''Sec. 3832. Records.
''Sec. 3833. Annual report.
''Sec. 3834. Authorization of appropriations.
''Sec. 3835. Termination of authority.

''Subtitle C—General Provisions

''Sec. 3901. Full faith and credit.
''Sec. 3902. Purchase and sale of guaranteed portions of loans.
''Sec. 3903. Administration.
''Sec. 3904. Loan moratorium and policy on foreclosures.
''Sec. 3905. Oil and gas royalty payments on loans.
''Sec. 3906. Taxation.
''Sec. 3907. Conflicts of interest.
''Sec. 3908. Loan summary statements.
''Sec. 3909. Certified lenders program.
''Sec. 3910. Loans to resident aliens.
''Sec. 3911. Expedited clearing of title to inventory property.
''Sec. 3912. Prohibition on use of loans for certain purposes.
''Sec. 3913. Transfer of land to Secretary.
''Sec. 3914. Competitive sourcing limitations.
''Sec. 3915. Regulations.

''SEC. 3002. DEFINITIONS.

''In this title (unless the context otherwise requires):

''(1) ABLE TO OBTAIN CREDIT ELSEWHERE.—The term 'able to obtain credit elsewhere' means able to obtain a loan from a production credit association, a Federal land bank, or other responsible cooperative or private credit source (or, in the case of a borrower under section 3106, the borrower may be able to obtain a loan under section 3101) at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time.

''(2) AGRICULTURAL CREDIT INSURANCE FUND.—The term 'Agricultural Credit Insurance Fund' means the fund established under section 3401.

''(3) APPROVED LENDER.—The term 'approved lender' means—

''(A) a lender approved prior to October 28, 1992, by the Secretary under the approved lender program established by exhibit A to subpart B of part 1980 of title 7, Code of Federal Regulations (as in effect on January 1, 1991); or

''(B) a lender certified under section 3909.

''(4) AQUACULTURE.—The term 'aquaculture' means the culture or husbandry of aquatic animals or plants by private industry for commercial purposes, including the culture and growing of fish by private industry for the purpose of creating or augmenting publicly owned and regulated stocks of fish.

''(5) BEGINNING FARMER.—The term 'beginning farmer' has the meaning given the term by the Secretary.

''(6) BORROWER.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'borrower' means an individual or entity who has an outstanding obligation to the Secretary under any loan made or guaranteed under this title, without regard to whether the loan has been accelerated.

''(B) EXCLUSIONS.—The term 'borrower' does not include an individual or entity all of whose loans and accounts have been foreclosed on or liquidated, voluntarily or otherwise.

''(7) COUNTY COMMITTEE.—The term 'county committee' means the appropriate county committee established under section 8(b)(5) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)(5)).

''(8) DEBT FORGIVENESS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'debt forgiveness' means reducing or terminating a loan made or guaranteed under this title, in a manner that results in a loss to the Secretary, through—

''(i) writing down or writing off a loan under section 3411;

''(ii) compromising, adjusting, reducing, or charging-off a debt or claim under section 3903;

''(iii) paying a loss on a guaranteed loan under this title; or

''(iv) discharging a debt as a result of bankruptcy.

''(B) LOAN RESTRUCTURING.—The term 'debt forgiveness' does not include consolidation, rescheduling, reamortization, or deferral.

''(9) DEPARTMENT.—The term 'Department' means the Department of Agriculture.

''(10) DIRECT LOAN.—The term 'direct loan' means a loan made by the Secretary from appropriated funds.

''(11) ENTITY.—The term 'entity' means a corporation, farm cooperative, partnership, joint operation, governmental entity, or other legal organization, as determined by the Secretary.

''(12) FARM.—The term 'farm' means an operation involved in—

''(A) the production of an agricultural commodity;

''(B) ranching; or

''(C) aquaculture.

''(13) FARMER.—The term 'farmer' means an individual or entity engaged primarily and directly in—

''(A) the production of an agricultural commodity;

''(B) ranching; or

''(C) aquaculture.

''(14) FARMER PROGRAM LOAN.—The term 'farmer program loan' means—

''(A) a farm ownership loan under section 3101;

''(B) a conservation loan under section 3103;

''(C) an operating loan under section 3201;

''(D) an emergency loan under section 3301;

''(E) an economic emergency loan under section 202 of the Emergency Agricultural

Credit Adjustment Act of 1978 (7 U.S.C. prec. 1961 note; Public Law 95-334);

''(F) a loan for a farm service building under section 502 of the Housing Act of 1949 (42 U.S.C. 1472);

''(G) an economic opportunity loan under section 602 of the Economic Opportunity Act of 1964 (Public Law 88–452; 42 U.S.C. 2942 note) (as it existed before the amendment made by section 683(a) of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97–35; 95 Stat. 519));

''(H) a softwood timber loan under section 608 of the Agricultural Programs Adjustment Act of 1984 (7 U.S.C. 1981 note; Public Law 98–258); or

''(I) any other loan described in section 343(a)(10) of this title (as it existed before the amendment made by section 2 of the Agriculture Reform, Food, and Jobs Act of 2012) that is outstanding on the date of enactment of that Act.

''(15) FARM SERVICE AGENCY.—The term 'Farm Service Agency' means the offices of the Farm Service Agency to which the Secretary delegates responsibility to carry out this title.

''(16) GOVERNMENTAL ENTITY.—The term 'governmental entity' means any agency of the United States, a State, or a unit of local government of a State, or subdivision thereof.

''(17) GUARANTEE.—The term 'guarantee' means guaranteeing the payment of a loan originated, held, and serviced by a private financial agency, or lender, approved by the Secretary.

''(18) HIGHLY ERODIBLE LAND.—The term 'highly erodible land' has the meaning given the term in section 1201(a) of the Food Security Act of 1985 (16 U.S.C. 3801(a)).

''(19) HOMESTEAD RETENTION.—The term 'homestead retention' means homestead retention as authorized under section 3414.

''(20) INDIAN TRIBE.—The term 'Indian tribe' means a Federal and State-recognized Indian tribe or other federally recognized Indian tribal group (including a Tribal College or University, as defined in section 316(b) of the Higher Education Act of 1965 (20 U.S.C. 1059c(b)).

''(21) LOAN SERVICE PROGRAM.—The term 'loan service program' means, with respect to a farmer program loan borrower, a primary loan service program or a homestead retention program.

''(22) NATURAL OR MAJOR DISASTER OR EMERGENCY.—The term 'natural or major disaster or emergency' means—

''(A) a disaster due to nonmanmade causes declared by the Secretary; or

''(B) a major disaster or emergency designated by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

''(23) PRIMARY LOAN SERVICE PROGRAM.—The term 'primary loan service program' means, with respect to a farmer program loan—

''(A) loan consolidation, rescheduling, or reamortization;

''(B) interest rate reduction, including the use of the limited resource program;

''(C) loan restructuring, including deferral, set aside, or writing down of the principal or accumulated interest charges, or both, of the loan; or

''(D) any combination of actions described in subparagraphs (A), (B), and (C).

''(24) PRIME FARMLAND.—The term 'prime farmland' means prime farmland and unique farmland (as defined in subsections (a) and (b) of section 657.5 of title 7, Code of Federal Regulations (1980)).

''(25) PROJECT.—For purposes of section 3501, the term 'project' includes a facility providing central service or a facility serving an individual property, or both.

''(26) QUALIFIED BEGINNING FARMER.—The term 'qualified beginning farmer' means an applicant, regardless of whether the applicant is participating in a program under section 3107, who—

''(A) is eligible for assistance under this title;

''(B) has not operated a farm, or has operated a farm for not more than 10 years;

''(C) in the case of a cooperative, corporation, partnership, or joint operation, has members, stockholders, partners, or joint operators who are all related to each other by blood or marriage;

''(D) in the case of a farmer who is the owner and operator of a farm—

''(i) in the case of a loan made to an individual, individually or with the immediate family of the applicant—

''(I) materially and substantially participates in the operation of the farm; and

''(II) provides substantial day-to-day labor and management of the farm, consistent with the practices in the State or county in which the farm is located; or

''(ii)(I) in the case of a loan made to a cooperative, corporation, partnership, or joint operation, has members, stockholders, partners, or joint operators who materially and substantially participate in the operation of the farm; and

''(II) in the case of a loan made to a corporation, has stockholders who all qualify individually as beginning farmers;

''(E) in the case of an applicant seeking to become an owner and operator of a farm—

''(i) in the case of a loan made to an individual, individually or with the immediate family of the applicant, will—

''(I) materially and substantially participate in the operation of the farm; and

''(II) provide substantial day-to-day labor and management of the farm, consistent with the practices in the State or county in which the farm is located; or

''(ii)(I) in the case of a loan made to a cooperative, corporation, partnership, or joint operation, will have members, stockholders, partners, or joint operators who will materially and substantially participate in the operation of the farm; and

''(II) in the case of a loan made to a corporation, has stockholders who will all qualify individually as beginning farmers;

''(F) agrees to participate in such loan assessment, borrower training, and financial management programs as the Secretary may require;

''(G)(i) does not own farm land; or

''(ii) directly or through interests in family farm corporations, owns farm land, the aggregate acreage of which does not exceed 30 percent of the average acreage of the farms, as the case may be, in the county in which the farm operations of the applicant are located, as reported in the most recent census of agriculture taken in accordance with the Census of Agriculture Act of 1997 (7 U.S.C. 2204g et seq.), except that this subparagraph shall not apply to a loan made or guaranteed under chapter 2 of subtitle A; and

''(H) demonstrates that the available resources of the applicant and any spouse of the applicant are not sufficient to enable the applicant to farm on a viable scale.

''(27) RECREATIONAL PURPOSE.—For purposes of section 3410, the term 'recreational purpose' has the meaning provided by the Secretary, but shall include hunting.

''(28) RURAL AND RURAL AREA.—

''(A) IN GENERAL.—Subject to any determination made under subparagraph (B), the terms 'rural' and 'rural area' mean any area other than—

''(i) a city or town that has a population of greater than 50,000 inhabitants; and

''(ii) any urbanized area contiguous and adjacent to a city or town described in clause (i).

''(B) DETERMINATION OF AREAS RURAL IN CHARACTER.—

''(i) IN GENERAL.—If part of an area described in subparagraph (A)(ii) was eligible under the definitions of the terms 'rural' and 'rural area' in section 343 (as in effect on the day before the date of enactment of the Agriculture Reform, Food, and Jobs Act of 2012) for community facility, water and waste disposal, and broadband programs, that area shall remain eligible unless the Secretary, acting through the Under Secretary for Rural Development (referred to in this subparagraph as the 'Under Secretary'), determines the area is no longer rural, based on the criteria described in clause (iii).

''(ii) OTHER AREAS.—On petition of a unit of local government in an urbanized area described in subparagraph (A)(ii), or on the initiative of the Under Secretary, the Under Secretary may determine that part of an area is rural, based on the criteria described in clause (iii).

''(iii) CRITERIA.—In making a determination under clause (i), the Under Secretary shall consider—

''(I) population density;

''(II) economic conditions, favoring a rural determination for areas facing—

''(aa) chronic unemployment in excess of statewide averages;

''(bb) sudden loss of employment from natural disaster or the loss of a significant employer in the area; or

''(cc) chronic poverty demonstrated at the census block or county level compared to statewide median household income; and

''(III) commuting patterns, favoring a rural determination for areas that can demonstrate higher proportions of the population living and working in the area.

''(iv) ADMINISTRATION.—In carrying out this subparagraph, the Under Secretary shall—

''(I) not delegate the authority to carry out this subparagraph;

''(II) not make a determination under clause (i) until the date that is 3 years after the date of enactment of the Agriculture Reform, Food, and Jobs Act of 2012;

''(III) consult with the applicable rural development State or regional director of the Department and the Governor of the respective State;

''(IV) provide an opportunity to appeal to the Under Secretary a determination made under this subparagraph;

''(V) release to the public notice of a petition filed or initiative of the Under Secretary under this subparagraph not later than 30 days after receipt of the petition or the commencement of the initiative, as appropriate;

''(VI) make a determination under this subparagraph not less than 15 days, and not more than 60 days, after the release of the notice under subclause (V); and

''(VII) submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report on actions taken to carry out this subparagraph.

''(v) HAWAII AND PUERTO RICO.—Notwithstanding any other provision of this subsection, within the areas of the County of Honolulu, Hawaii, and the Commonwealth of Puerto Rico, the Under Secretary may designate any part of the areas as a rural area if the Under Secretary determines that the part is not urban in character, other than any area included in the Honolulu Census Designated Place or the San Juan Census Designated Place.

''(C) EXCLUSIONS.—Notwithstanding any other provision of this paragraph, in determining which census blocks in an urbanized area are not in a rural area (as defined in this paragraph), the Secretary shall exclude any cluster of census blocks that would otherwise be considered not in a rural area only because the cluster is adjacent to not more than 2 census blocks that are otherwise considered not in a rural area under this paragraph.

''(29) SEASONED DIRECT LOAN BORROWER.—The term 'seasoned direct loan borrower' means a borrower who could reasonably be expected to qualify for commercial credit using criteria determined by the Secretary.

''(30) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

''(31) SOCIALLY DISADVANTAGED FARMER.—The term 'socially disadvantaged farmer' means a farmer who is a member of a socially disadvantaged group.

''(32) SOCIALLY DISADVANTAGED GROUP.—The term 'socially disadvantaged group' means a group whose members have been subjected to racial, ethnic, or gender prejudice because of the identity of the members as members of a group without regard to the individual qualities of the members.

''(33) SOLAR ENERGY.—The term 'solar energy' means energy derived from sources (other than fossil fuels) and technologies included in the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5901 et seq.).

''(34) STATE.—The term 'State' means—

''(A) in this title (other than subtitle A), each of the 50 States, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau; and

''(B) in subtitle A, each of the 50 States, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and, to the extent the Secretary determines it to be feasible and appropriate, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

''(35) STATE BEGINNING FARMER PROGRAM.—The term 'State beginning farmer program' means any program that is—

''(A) carried out by, or under contract with, a State; and

''(B) designed to assist qualified beginning farmers in obtaining the financial assistance necessary to enter agriculture and establish viable farming operations.

''(36) VETERAN.—The term 'veteran' has the meaning given the term in section 101 of title 38, United States Code.

''(37) WETLAND.—The term 'wetland' has the meaning given the term in section 1201(a) of the Food Security Act of 1985 (16 U.S.C. 3801(a)).

''(38) WILDLIFE.—The term 'wildlife' means fish or wildlife (as defined in section 2(a) of the Lacey Act Amendments of 1981 (16 U.S.C. 3371(a))).

"Subtitle B—Rural Development

"CHAPTER 1—RURAL COMMUNITY PROGRAMS

"SEC. 3501. WATER AND WASTE DISPOSAL LOANS, LOAN GUARANTEES, AND GRANTS.

''(a) IN GENERAL.—The Secretary may make grants and loans and issue loan guarantees (including a guarantee of a loan financed by the net proceeds of a bond described in section 142(a) of the Internal Revenue Code of 1986) to eligible entities described in subsection (b) for projects in rural areas that primarily serve rural residents to provide for—

''(1) the development, storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste; and

''(2) financial assistance and other aid in the planning of projects for purposes described in paragraph (1).

''(b) ELIGIBLE ENTITIES.—Entities eligible for assistance described in subsection (a) are—

''(1) associations (including corporations not operated for profit);

''(2) Indian tribes;

''(3) public and quasi-public agencies; and

''(4) in the case of a project to attach an individual property in a rural area to a water system to alleviate a health risk, an individual.

''(c) LOAN AND LOAN GUARANTEE REQUIREMENTS.—In connection with loans made or guaranteed under this section, the Secretary shall require the applicant—

''(1) to certify in writing, and the Secretary shall determine, that the applicant is unable to obtain sufficient credit elsewhere to finance the actual needs of the applicant at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time; and

''(2) to furnish an appropriate written financial statement.

''(d) GRANT AMOUNTS.—

''(1) MAXIMUM.—Except as otherwise provided in this subsection, the amount of any grant made under this section shall not exceed 75 percent of the development cost of the project for which the grant is provided.

''(2) GRANT RATE.—The Secretary shall establish the grant rate for each project in conformity with regulations issued by the Secretary that shall provide for a graduated scale of grant rates that establish higher rates for projects in communities that have—

''(A) lower community population;

''(B) higher rates of outmigration; and

''(C) lower income levels.

''(3) LOCAL SHARE REQUIREMENTS.—Grants made under this section may be used to pay the local share requirements of another Federal grant-in-aid program to the extent permitted under the law providing for the grant-in-aid program.

''(e) SPECIAL GRANTS.—

''(1) REVOLVING FUNDS FOR FINANCING WATER AND WASTEWATER PROJECTS.—

''(A) IN GENERAL.—The Secretary may make grants to qualified, nonprofit entities in rural areas to capitalize revolving funds for the purpose of providing financing to eligible entities for—

''(i) predevelopment costs associated with proposed water and wastewater projects or with existing water and wastewater systems; and

''(ii) short-term costs incurred for replacement equipment, small-scale extension services, or other small capital projects that are not part of the regular operations and maintenance activities of existing water and wastewater systems.

''(B) MAXIMUM AMOUNT OF FINANCING.—The amount of financing made to an eligible entity under this paragraph shall not exceed—

''(i) $100,000 for costs described in subparagraph (A)(i); and

''(ii) $100,000 for costs described in subparagraph (A)(ii).

''(C) TERM.—The term of financing provided to an eligible entity under this paragraph shall not exceed 10 years.

''(D) ADMINISTRATION.—The Secretary shall limit the amount of grant funds that may be used by a grant recipient for administrative costs incurred under this paragraph.

''(E) ANNUAL REPORT.—A nonprofit entity receiving a grant under this paragraph shall submit to the Secretary an annual report that describes the number and size of communities served and the type of financing provided.

''(F) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph $30,000,000 for each of fiscal years 2013 through 2017.

''(2) EMERGENCY AND IMMINENT COMMUNITY WATER ASSISTANCE PROGRAM.—

''(A) IN GENERAL.—The Secretary shall provide grants in accordance with this paragraph to assist the residents of rural areas and small communities to secure adequate quantities of safe water—

''(i) after a significant decline in the quantity or quality of water available from the water supplies of the rural areas and small communities, or when such a decline is imminent; or

''(ii) when repairs, partial replacement, or significant maintenance efforts on established water systems would remedy—

''(I) an acute or imminent shortage of quality water; or

''(II) a significant or imminent decline in the quantity or quality of water that is available.

''(B) PRIORITY.—In carrying out subparagraph (A), the Secretary shall—

''(i) give priority to projects described in subparagraph (A)(i); and

''(ii) provide at least 70 percent of all grants under this paragraph to those projects.

''(C) ELIGIBILITY.—To be eligible to obtain a grant under this paragraph, an applicant shall—

''(i) be a public or private nonprofit entity; and

''(ii) in the case of a grant made under subparagraph (A)(i), demonstrate to the Secretary that the decline referred to in that subparagraph occurred, or will occur, not later than 2 years after the date on which the application was filed for the grant.

''(D) USES.—

''(i) IN GENERAL.—Grants made under this paragraph may be used—

''(I) for waterline extensions from existing systems, laying of new waterlines, repairs, significant maintenance, digging of new wells, equipment replacement, and hook and tap fees;

''(II) for any other appropriate purpose associated with developing sources of, treating, storing, or distributing water;

''(III) to assist communities in complying with the requirements of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) or the Safe Drinking Water Act (42 U.S.C. 300f et seq.); and

''(IV) to provide potable water to communities through other means.

''(ii) JOINT PROPOSALS.—

''(I) IN GENERAL.—Subject to the restrictions in subparagraph (E), nothing in this paragraph precludes rural communities from submitting joint proposals for emergency water assistance.

''(II) CONSIDERATION OF RESTRICTIONS.—The restrictions in subparagraph (E) shall be considered in the aggregate, depending on the number of communities involved.

''(E) RESTRICTIONS.—

''(i) MAXIMUM INCOME.—No grant provided under this paragraph shall be used to assist any rural area or community that has a median household income in excess of the State nonmetropolitan median household income according to the most recent decennial census of the United States.

''(ii) SET-ASIDE FOR SMALLER COMMUNITIES.—Not less than 50 percent of the funds allocated under this paragraph shall be allocated to rural communities with populations that do not exceed 3,000 inhabitants.

''(F) MAXIMUM GRANTS.—Grants made under this paragraph may not exceed—

''(i) in the case of each grant made under subparagraph (A)(i), $500,000; and

''(ii) in the case of each grant made under subparagraph (A)(ii), $150,000.

''(G) FULL FUNDING.—Subject to subparagraph (F), grants under this paragraph shall be made in an amount equal to 100 percent of the costs of the projects conducted under this paragraph.

''(H) APPLICATION.—

''(i) NATIONALLY COMPETITIVE APPLICATION PROCESS.—

''(I) IN GENERAL.—The Secretary shall develop a nationally competitive application process to award grants under this paragraph.

''(II) REQUIREMENTS.—The process shall include criteria for evaluating applications, including population, median household income, and the severity of the decline, or imminent decline, in the quantity or quality of water.

''(ii) TIMING OF REVIEW OF APPLICATIONS.—

''(I) SIMPLIFIED APPLICATION.—The application process developed by the Secretary under clause (i) shall include a simplified application form that will permit expedited consideration of an application for a grant filed under this paragraph.

''(II) PRIORITY REVIEW.—In processing applications for any water or waste grant or loan authorized under this section, the Secretary shall afford priority processing to an application for a grant under this paragraph to the extent funds will be available for an award on the application at the conclusion of priority processing.

''(III) TIMING.—The Secretary shall, to the maximum extent practicable, review and act on an application under this paragraph not later than 60 days after the date on which the application is submitted to the Secretary.

''(I) FUNDING.—

''(i) RESERVATION.—

''(I) IN GENERAL.—For each fiscal year, not less than 3 nor more than 5 percent of the total amount made available to carry out this section for the fiscal year shall be reserved for grants under this paragraph.

''(II) RELEASE.—Funds reserved under subclause (I) for a fiscal year shall be reserved only until July 1 of the fiscal year.

''(ii) AUTHORIZATION OF APPROPRIATIONS.—In addition to funds made available under clause (i), there is authorized to be appropriated to carry out this paragraph $35,000,000 for each of fiscal years 2013 through 2017.

''(3) WATER AND WASTE FACILITY LOANS AND GRANTS TO ALLEVIATE HEALTH RISKS.—

''(A) DEFINITION OF COOPERATIVE.—In this paragraph, the term 'cooperative' means a cooperative formed specifically for the purpose of the installation, expansion, improvement, or operation of water supply or waste disposal facilities or systems.

''(B) LOANS AND GRANTS TO PERSONS OTHER THAN INDIVIDUALS.—

''(i) IN GENERAL.—The Secretary shall make or guarantee loans and make grants to provide for the conservation, development, use, and control of water (including the extension or improvement of existing water supply systems) and the installation or improvement of drainage or waste disposal facilities and essential community facilities, including necessary related equipment, training, and technical assistance to—

''(I) rural water supply corporations, cooperatives, or similar entities;

''(II) Indian tribes on Federal or State reservations and other federally recognized Indian tribes;

''(III) rural or native villages in the State of Alaska;

''(IV) native tribal health consortiums;

''(V) public agencies; and

''(VI) Native Hawaiian Home Lands.

''(ii) ELIGIBLE PROJECTS.—Loans and grants described in clause (i) shall be available only to provide the described water and waste facilities and services to communities whose residents face significant health risks, as determined by the Secretary, due to the fact that a significant proportion of the residents of the community do not have access to, or are not served by, adequate affordable—

''(I) water supply systems; or

''(II) waste disposal facilities.

''(iii) MATCHING REQUIREMENTS.—For entities described under subclauses (III), (IV), or (V) of clause (i) to be eligible to receive a grant for water supply systems or waste disposal facilities, the State in which the project will occur shall provide 25 percent in matching funds from non-Federal sources.

''(iv) CERTAIN AREAS TARGETED.—

''(I) IN GENERAL.—Loans and grants under clause (i) shall be made only if the loan or grant funds will be used primarily to provide water or waste services, or both, to residents of a county or census area—

''(aa) the per capita income of the residents of which is not more than 70 percent of the national average per capita income, as determined by the Department of Commerce; and

''(bb) the unemployment rate of the residents of which is not less than 125 percent of the national average unemployment rate, as determined by the Bureau of Labor Statistics.

''(II) EXCEPTIONS.—Notwithstanding subclause (I), loans and grants under clause (i) may also be made if the loan or grant funds will be used primarily to provide water or waste services, or both, to residents of—

''(aa) a rural area that was recognized as a colonia as of October 1, 1989; or

''(bb) an area described under subclause (II), (III), or (VI) of clause (i).

''(C) LOANS AND GRANTS TO INDIVIDUALS.—

''(i) IN GENERAL.—The Secretary shall make or guarantee loans and make grants to individuals who reside in a community described in subparagraph (B)(i) for the purpose of extending water supply and waste disposal systems, connecting the systems to the residences of the individuals, or installing plumbing and fixtures within the residences of the individuals to facilitate the use of the water supply and waste disposal systems.

''(ii) INTEREST.—Loans described in clause (i) shall be at a rate of interest no greater than the Federal Financing Bank rate on loans of a similar term at the time the loans are made.

''(iii) AMORTIZATION.—The repayment of loans described in clause (i) shall be amortized over the expected life of the water supply or waste disposal system to which the residence of the borrower will be connected.

''(iv) MANNER IN WHICH LOANS AND GRANTS ARE TO BE MADE.—Loans and grants to individuals under clause (i) shall be made—

''(I) directly to the individuals by the Secretary; or

''(II) to the individuals through the rural water supply corporation, cooperative, or similar entity, or public agency, providing the water supply or waste disposal services, pursuant to regulations issued by the Secretary.

''(D) PREFERENCE.—The Secretary shall give preference in the awarding of loans and grants under subparagraphs (B) and (C) to entities described in clause (i) of subparagraph (B) that propose to provide water supply or waste disposal services to the residents of Indian reservations, rural or native villages in the State of Alaska, Native Hawaiian Home Lands, and those rural subdivisions commonly referred to as colonias, that are characterized by substandard housing, inadequate roads and drainage, and a lack of adequate water or waste facilities.

''(E) RELATIONSHIP TO OTHER AUTHORITY.—Notwithstanding any other provision of law, the head of any Federal agency may enter into interagency agreements with Federal, State, tribal, and other entities to share resources, including transferring and accepting funds, equipment, or other supplies, to carry out the activities described in this paragraph.

''(F) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated—

''(i) for grants under this paragraph, $60,000,000 for each fiscal year;

''(ii) for loans under this paragraph, $60,000,000 for each fiscal year; and

''(iii) in addition to grants provided under clause (i), for grants under this section to benefit Indian tribes, $20,000,000 for each fiscal year.

''(4) SOLID WASTE MANAGEMENT GRANTS.—

''(A) IN GENERAL.—The Secretary may make grants to nonprofit organizations for the provision of regional technical assistance to local and regional governments and related agencies for the purpose of reducing or eliminating pollution of water resources and improving the planning and management of solid waste disposal facilities in rural areas.

''(B) TECHNICAL ASSISTANCE GRANT AMOUNTS.—Grants made under this paragraph for the provision of technical assistance shall be made for 100 percent of the cost of the technical assistance.

''(C) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph $10,000,000 for each of fiscal years 2013 through 2017

''(5) RURAL WATER AND WASTEWATER TECHNICAL ASSISTANCE AND TRAINING PROGRAMS.—

''(A) GRANTS TO NONPROFITS.—

''(i) IN GENERAL.—The Secretary may make grants to nonprofit organizations to enable the organizations to provide to associations that provide water and wastewater services in rural areas technical assistance and training—

''(I) to identify, and evaluate alternative solutions to, problems relating to the obtaining, storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas;

''(II) to prepare applications to receive financial assistance for any purpose specified in subsection (a)(1) from any public or private source; and

''(III) to improve the operation and maintenance practices at any existing works for the storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas.

''(ii) SELECTION PRIORITY.—In selecting recipients of grants to be made under clause (i), the Secretary shall give priority to nonprofit organizations that have experience in providing the technical assistance and training described in clause (i) to associations serving rural areas in which—

''(I) residents have low income; and

''(II) water supply systems or waste facilities are unhealthful.

''(iii) FUNDING.—

''(I) IN GENERAL.—Except as provided in subclause (II), not less than 1 nor more than 3 percent of any funds made available to carry out water and waste disposal projects described in subsection (a) for any fiscal year shall be reserved for grants under this paragraph.

''(II) EXCEPTION.—The minimum amount specified in subclause (I) shall not apply if the aggregate amount of grant funds requested by applications that qualify for grants received by the Secretary from eligible nonprofit organizations for the fiscal year totals less than 1 percent of those funds.

''(B) RURAL WATER AND WASTEWATER CIRCUIT RIDER PROGRAM.—

''(i) IN GENERAL.—The Secretary shall continue a national rural water and wastewater circuit rider program that—

''(I) is consistent with the activities and results of the program conducted before January 1, 2012, as determined by the Secretary; and

''(II) received funding from the Secretary, acting through the Administrator of the Rural Utilities Service.

''(ii) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subparagraph $25,000,000 for fiscal year 2013 and each fiscal year thereafter.

''(6) SEARCH PROGRAM.—

''(A) IN GENERAL.—The Secretary may establish a Special Evaluation Assistance for Rural Communities and Households (SEARCH) program to make predevelopment planning grants for feasibility studies, design assistance, and technical assistance, to financially distressed communities in rural areas with populations of 2,500 or fewer inhabitants for water and waste disposal projects described in this section.

''(B) TERMS.—

''(i) DOCUMENTATION.—With respect to grants made under this paragraph, the Secretary shall require the lowest quantity of documentation practicable.

''(ii) MATCHING.—Notwithstanding any other provision of this section, the Secretary may fund up to 100 percent of the eligible costs of grants provided under this paragraph, as determined by the Secretary.

''(iii) FUNDING.—The Secretary may use not more than 4 percent of the total amount of funds made available for a fiscal year for water, waste disposal, and essential community facility activities under this chapter to carry out this paragraph.

''(C) RELATIONSHIP TO OTHER AUTHORITY.—

''(i) IN GENERAL.—The funds and authorities provided under this paragraph are in addition to any other funds or authorities the Secretary may have to carry out activities described in this section.

''(ii) AUTHORIZED ACTIVITIES.—The Secretary may furnish financial assistance or other aid in planning projects for the purposes described in subparagraph (A).

''(f) PRIORITY.—In making grants and loans, and guaranteeing loans, for water, wastewater, and waste disposal projects under this section, the Secretary shall give priority consideration to projects that serve rural communities that, as determined by the Secretary—

''(1) have a population of less than 5,500 permanent residents;

''(2) have a community water, wastewater, or waste disposal system that—

''(A) is experiencing—

''(i) an unanticipated reduction in the quality of water, the quantity of water, or the ability to deliver water; or

''(ii) some other deterioration in the supply of water to the community;

''(B) is not adequate to meet the needs of the community; and

''(C) requires immediate corrective action;

''(3) are experiencing outmigration;

''(4) have a high percentage of low-income residents; or

''(5) are isolated from other significant population centers.

''(g) CURTAILMENT OR LIMITATION OF SERVICE PROHIBITED.—The service provided or made available through any such association shall not be curtailed or limited by inclusion of the area served by such association within the boundaries of any municipal corporation or other public body, or by the granting of any private franchise for similar service within such area during the term of such loan; nor shall the happening of any such event be the basis of requiring such association to secure any franchise, license, or permit as a condition to continuing to serve the area served by the association at the time of the occurrence of such event.

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

''SEC. 3502. COMMUNITY FACILITIES LOANS, LOAN GUARANTEES, AND GRANTS.

''(a) IN GENERAL.—The Secretary may make grants and loans and issue loan guarantees (including a guarantee of a loan financed by the net proceeds of a bond described in section 142(a) of the Internal Revenue Code of 1986) to eligible entities described in subsection (b) for projects in rural areas that primarily serve rural residents to provide for—

''(1) essential community facilities, including—

''(A) necessary equipment;

''(B) recreational developments; and

''(2) financial assistance and other assistance in the planning of projects for purposes described in this section.

''(b) ELIGIBLE ENTITIES.—Entities eligible for assistance described in subsection (a) are—

''(1) associations (including corporations not operated for profit);

''(2) Indian tribes (including groups of individuals described in paragraph (4) of section 815 of the Native American Programs Act of 1974 (42 U.S.C. 2992c)); and

''(3) public and quasi-public agencies.

''(c) LOAN AND LOAN GUARANTEE REQUIREMENTS.—

''(1) IN GENERAL.—In connection with loans made or guaranteed under this section, the Secretary shall require the applicant—

''(A) to certify in writing, and the Secretary shall determine, that the applicant is unable to obtain sufficient credit elsewhere to finance the actual needs of the applicant; and

''(B) to furnish an appropriate written financial statement.

''(2) DEBT RESTRUCTURING AND LOAN SERVICING FOR COMMUNITY FACILITY LOANS.—The Secretary shall establish and implement a program that is similar to the program established under section 3411, except that the debt restructuring and loan servicing procedures shall apply to delinquent community facility program loans to a hospital or health care facility under subsection (a).

''(d) GRANT AMOUNTS.—

''(1) MAXIMUM.—Except as otherwise provided in this subsection, the amount of any grant made under this section shall not exceed 75 percent of the development cost of the project for which the grant is provided.

''(2) GRANT RATE.—The Secretary shall establish the grant rate for each project in conformity with regulations issued by the Secretary that shall provide for a graduated scale of grant rates that establish higher rates for projects in communities that have—

''(A) low community population;

''(B) high rates of outmigration; and

''(C) low income levels.

''(3) LOCAL SHARE REQUIREMENTS.—Grants made under this section may be used to pay the local share requirements of another Federal grant-in-aid program to the extent permitted under the law providing for the grant-in-aid program.

''(e) PRIORITY.—In making grants and loans, and guaranteeing loans under this section, the Secretary shall give priority consideration to projects that serve rural communities that—

''(1) have a population of less than 20,000 permanent residents;

''(2) are experiencing outmigration;

''(3) have a high percentage of low-income residents; or

''(4) are isolated from other significant population centers.

''(f) TRIBAL COLLEGES AND UNIVERSITIES.—

''(1) IN GENERAL.—The Secretary may make grants to an entity that is a Tribal College or University (as defined in section 316(b) of the Higher Education Act of 1965 (20 U.S.C. 1059c(b))) to provide the Federal share of the cost of developing specific Tribal College or University essential community facilities in rural areas.

''(2) FEDERAL SHARE.—The Secretary shall establish the maximum percentage of the cost of the project that may be covered by a grant under this subsection, except that the Secretary may not require non-Federal financial support in an amount that is greater than 5 percent of the total cost of the project.

''(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $10,000,000 for each of fiscal years 2013 through 2017.

''(g) TECHNICAL ASSISTANCE FOR COMMUNITY FACILITIES PROJECTS.—

''(1) IN GENERAL.—Subject to paragraph (2), the Secretary may use funds made available for community facilities programs authorized under this section to provide technical assistance to applicants and participants for community facilities programs.

''(2) FUNDING.—The Secretary may use not more than 3 percent of the amount of funds made available to participants for a fiscal year for a community facilities program to provide technical assistance described in paragraph (1).

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

''SEC. 3503. HEALTH CARE SERVICES.

''(a) PURPOSE.—The purpose of this section is to address the continued unmet health needs in the Delta region through cooperation among health care professionals, institutions of higher education, research institutions, and other individuals and entities in the region.

''(b) DEFINITION OF ELIGIBLE ENTITY.—In this section, the term 'eligible entity' means a consortium of regional institutions of higher education, academic health and research institutes, and economic development entities located in the Delta region that have experience in addressing the health care issues in the region.

''(c) GRANTS.—To carry out the purpose described in subsection (a), the Secretary may award a grant to an eligible entity for—

''(1) the development of—

''(A) health care services;

''(B) health education programs; and

''(C) health care job training programs; and

''(2) the development and expansion of public health-related facilities in the Delta region to address longstanding and unmet health needs of the region.

''(d) USE.—As a condition of the receipt of the grant, the eligible entity shall use the grant to fund projects and activities described in subsection (c), based on input solicited from local governments, public health care providers, and other entities in the Delta region.

''(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section $3,000,000 for each of fiscal years 2013 through 2017.

''CHAPTER 2—RURAL BUSINESS AND COOPERATIVE DEVELOPMENT

''SEC. 3601. BUSINESS PROGRAMS.

''(a) RURAL BUSINESS DEVELOPMENT GRANTS.—

''(1) IN GENERAL.—The Secretary may make grants under this subsection to eligible entities described in paragraph (2) in rural areas that primarily serve rural areas for purposes described in paragraph (3).

''(2) ELIGIBLE ENTITIES.—The Secretary may make grants under this subsection to—

''(A) governmental entities;

''(B) Indian tribes; and

''(C) nonprofit entities.

''(3) ELIGIBLE PURPOSES FOR GRANTS.—Eligible entities that receive grants under this subsection may use the grant funds for—

''(A) business opportunity projects that—

''(i) identify and analyze business opportunities;

''(ii) identify, train, and provide technical assistance to existing or prospective rural entrepreneurs and managers;

''(iii) assist in the establishment of new rural businesses and the maintenance of existing businesses, including through business support centers;

''(iv) conduct regional, community, and local economic development planning and coordination, and leadership development; and

''(v) establish centers for training, technology, and trade that will provide training to rural businesses in the use of interactive communications technologies to develop international trade opportunities and markets; and

''(B) projects that support the development of business enterprises that finance or facilitate—

''(i) the development of small and emerging private business enterprise;

''(ii) the establishment, expansion, and operation of rural distance learning networks;

''(iii) the development of rural learning programs that provide educational instruction or job training instruction related to potential employment or job advancement to adult students; and

''(iv) the provision of technical assistance and training to rural communities for the purpose of improving passenger transportation services or facilities.

''(4) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this subsection $65,000,000 for each of fiscal years 2013 through 2017, to remain available until expended.

''(b) VALUE-ADDED AGRICULTURAL PRODUCER GRANTS.—

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

''(A) MID-TIER VALUE CHAIN.—The term 'mid-tier value chain' means a local and regional supply network that links independent producers with businesses and cooperatives that market value-added agricultural products in a manner that—

''(i) targets and strengthens the profitability and competitiveness of small- and medium-sized farms that are structured as family farms; and

''(ii) obtains agreement from an eligible agricultural producer group, farmer cooperative, or majority-controlled producer-based business venture that is engaged in the value chain on a marketing strategy.

''(B) PRODUCER.—The term 'producer' means a farmer.

''(C) VALUE-ADDED AGRICULTURAL PRODUCT.—The term 'value-added agricultural product' means any agricultural commodity or product—

''(i) that—

''(I) has undergone a change in physical state;

''(II) was produced in a manner that enhances the value of the agricultural commodity or product, as demonstrated through a business plan that shows the enhanced value, as determined by the Secretary;

''(III) is physically segregated in a manner that results in the enhancement of the value of the agricultural commodity or product;

''(IV) is a source of farm-based renewable energy, including E–85 fuel; or

''(V) is aggregated and marketed as a locally produced agricultural food product; and

''(ii) for which, as a result of the change in physical state or the manner in which the agricultural commodity or product was produced, marketed, or segregated—

''(I) the customer base for the agricultural commodity or product is expanded; and

''(II) a greater portion of the revenue derived from the marketing, processing, or physical segregation of the agricultural commodity or product is available to the producer of the commodity or product.

''(2) GRANTS.—

''(A) IN GENERAL.—The Secretary may make grants under this subsection to—

''(i) independent producers of value-added agricultural products; and

''(ii) an agricultural producer group, farmer cooperative, or majority-controlled producer-based business venture, as determined by the Secretary.

''(B) GRANTS TO A PRODUCER.—A grantee under subparagraph (A)(i) shall use the grant—

''(i) to develop a business plan or perform a feasibility study to establish a viable marketing opportunity (including through mid-tier value chains) for value-added agricultural products; or

''(ii) to provide capital to establish alliances or business ventures that allow the producer to better compete in domestic or international markets.

''(C) GRANTS TO AN AGRICULTURAL PRODUCER GROUP, COOPERATIVE OR PRODUCER-BASED BUSINESS VENTURE.—A grantee under subparagraph (A)(ii) shall use the grant—

''(i) to develop a business plan for viable marketing opportunities in emerging markets for a value-added agricultural product; or

''(ii) to develop strategies that are intended to create marketing opportunities in emerging markets for the value-added agricultural product.

''(D) AWARD SELECTION.—

''(i) PRIORITY.—In awarding grants under this subsection, the Secretary shall give priority to projects—

''(I) that contribute to increasing opportunities for operators of small- and medium-sized farms that are structured as family farms; or

''(II) at least ¼ of the recipients of which are beginning farmers or socially disadvantaged farmers.

''(ii) RANKING.—In evaluating and ranking proposals under this subsection, the Secretary shall provide substantial weight to the priorities described in clause (i).

''(E) AMOUNT OF GRANT.—

''(i) IN GENERAL.—The total amount provided to a grant recipient under this subsection shall not exceed $500,000.

''(ii) MAJORITY-CONTROLLED, PRODUCER-BASED BUSINESS VENTURES.—The total amount of all grants provided to majority-controlled, producer-based business ventures under this subsection for a fiscal year shall not exceed 10 percent of the amount of funds used to make all grants for the fiscal year under this subsection.

''(F) TERM.—The term of a grant under this paragraph shall not exceed 3 years.

''(G) SIMPLIFIED APPLICATION.—The Secretary shall offer a simplified application form and process for project proposals requesting less than $50,000 under this subsection.

''(3) FUNDING.—

''(A) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $40,000,000 for each of fiscal years 2013 through 2017.

''(B) RESERVATION OF FUNDS FOR PROJECTS TO BENEFIT BEGINNING FARMERS, SOCIALLY DISADVANTAGED FARMERS, AND MID-TIER VALUE CHAINS.—

''(i) IN GENERAL.—The Secretary shall reserve 10 percent of the amounts made available for each fiscal year under this subsection to fund projects that benefit beginning farmers or socially disadvantaged farmers.

''(ii) MID-TIER VALUE CHAINS.—The Secretary shall reserve 10 percent of the amounts made available for each fiscal year under this subsection to fund applications of eligible entities described in paragraph (2) that propose to develop mid-tier value chains.

''(iii) UNOBLIGATED AMOUNTS.—Any amounts in the reserves for a fiscal year established under clauses (i) and (ii) that are not obligated by June 30 of the fiscal year shall be available to the Secretary to make grants under this subsection to eligible entities in any State, as determined by the Secretary.

''(c) RURAL COOPERATIVE DEVELOPMENT GRANTS.—

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

''(A) NONPROFIT INSTITUTION.—The term 'nonprofit institution' means any organization or institution, including an accredited institution of higher education, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

''(B) UNITED STATES.—The term 'United States' means—

''(i) the several States; and

''(ii) the District of Columbia.

''(2) GRANTS.—The Secretary shall make grants under this subsection to nonprofit institutions for the purpose of enabling the nonprofit institutions to establish and operate centers for rural cooperative development.

''(3) GOALS.—The goals of a center funded under this subsection shall be to facilitate the creation of jobs in rural areas through the development of new rural cooperatives, value -added processing, and rural businesses.

''(4) APPLICATION.—

''(A) IN GENERAL.—Any nonprofit institution seeking a grant under paragraph (2) shall submit to the Secretary an application containing a plan for the establishment and operation by the institution of 1 or more centers for cooperative development.

''(B) REQUIREMENTS.—The Secretary may approve an application if the plan contains the following:

''(i) A provision that substantiates that the center will effectively serve rural areas in the United States.

''(ii) A provision that the primary objective of the center will be to improve the economic condition of rural areas through cooperative development.

''(iii) A description of the activities that the center will carry out to accomplish the objective, which may include programs—

''(I) for applied research and feasibility studies that may be useful to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center;

''(II) for the collection, interpretation, and dissemination of information that may be useful to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center;

''(III) providing training and instruction for individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center;

''(IV) providing loans and grants to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center;

''(V) providing technical assistance, research services, and advisory services to individuals, cooperatives, small businesses, and other similar entities in rural areas served by the center; and

''(VI) providing for the coordination of services and sharing of information by the center.

''(iv) A description of the contributions that the activities are likely to make to the improvement of the economic conditions of the rural areas for which the center will provide services.

''(v) Provisions that the center, in carrying out the activities, will seek, if appropriate, the advice, participation, expertise, and assistance of representatives of business, industry, educational institutions, the Federal Government, and State and local governments.

''(vi) Provisions that the center will take all practicable steps to develop continuing sources of financial support for the center, particularly from sources in the private sector.

''(vii) Provisions for—

''(I) monitoring and evaluating the activities by the nonprofit institution operating the center; and

''(II) accounting for funds received by the institution under this section.

''(5) AWARDING GRANTS.—

''(A) IN GENERAL.—Grants made under paragraph (2) shall be made on a competitive basis.

''(B) PREFERENCE.—In making grants under paragraph (2), the Secretary shall give preference to grant applications providing for the establishment of centers for rural cooperative development that—

''(i) demonstrate a proven track record in carrying out activities to promote and assist the development of cooperatively and mutually owned businesses;

''(ii) demonstrate previous expertise in providing technical assistance in rural areas to promote and assist the development of cooperatively and mutually owned businesses;

''(iii) demonstrate the ability to assist in the retention of businesses, facilitate the establishment of cooperatives and new cooperative approaches, and generate employment opportunities that will improve the economic conditions of rural areas;

''(iv) commit to providing technical assistance and other services to underserved and economically distressed areas in rural areas of the United States;

''(v) demonstrate a commitment to—

''(I) networking with and sharing the results of the efforts of the center with other cooperative development centers and other organizations involved in rural economic development efforts; and

''(II) developing multiorganization and multistate approaches to addressing the economic development and cooperative needs of rural areas; and

''(vi) commit to providing a 25 percent matching contribution with private funds and in-kind contributions, except that the Secretary shall not require non-Federal financial support in an amount that is greater than 5 percent in the case of a 1994 institution (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382)).

''(6) GRANT PERIOD.—

''(A) IN GENERAL.—A grant awarded to a center that has received no prior funding under this subsection shall be made for a period of 1 year.

''(B) MULTIYEAR GRANTS.—If the Secretary determines it to be in the best interest of the program, the Secretary shall award grants for a period of more than 1 year, but not more than 3 years, to a center that has successfully met the requirements of paragraph (5)(B), as determined by the Secretary.

''(7) AUTHORITY TO EXTEND GRANT PERIOD.—The Secretary may extend for 1 additional 12-month period the period during which a grantee may use a grant made under this subsection.

''(8) TECHNICAL ASSISTANCE TO PREVENT EXCESSIVE UNEMPLOYMENT OR UNDEREMPLOYMENT.—

''(A) IN GENERAL.—In carrying out this subsection, the Secretary may provide technical assistance to alleviate or prevent conditions of excessive unemployment, underemployment, outmigration, or low employment growth in economically distressed rural areas that the Secretary determines have a substantial need for the assistance.

''(B) INCLUSIONS.—The assistance may include planning and feasibility studies, management and operational assistance, and studies evaluating the need for the development potential of projects that increase employment and improve economic growth in the areas.

''(9) GRANTS TO DEFRAY ADMINISTRATIVE COSTS.—

''(A) IN GENERAL.—The Secretary may make grants to defray not to exceed 75 percent of the costs incurred by organizations and public bodies to carry out projects for which grants or loans are made under this subsection.

''(B) COST-SHARING.—For purposes of determining the non-Federal share of the costs, the Secretary shall include contributions in cash and in kind, fairly evaluated, including premises, equipment, and services.

''(10) COOPERATIVE RESEARCH PROGRAM.—The Secretary shall offer to enter into a cooperative research agreement with 1 or more qualified academic institutions in each fiscal year to conduct research on the effects of all types of cooperatives on the national economy.

''(11) ADDRESSING NEEDS OF MINORITY COMMUNITIES.—

''(A) IN GENERAL.—If the total amount appropriated under paragraph (13) for a fiscal year exceeds $7,500,000, the Secretary shall reserve an amount equal to 20 percent of the total amount appropriated for grants for cooperative development centers, individual cooperatives, or groups of cooperatives—

''(i) that serve socially disadvantaged groups; and

''(ii) a majority of the boards of directors or governing boards of which are comprised of individuals who are members of socially disadvantaged groups.

''(B) INSUFFICIENT APPLICATIONS.—To the extent there are insufficient applications to carry out subparagraph (A), the Secretary shall use the funds as otherwise authorized by this subsection.

''(12) INTERAGENCY WORKING GROUP.—Not later than 90 days after the date of enactment of the Agriculture Reform, Food, and Jobs Act of 2012, the Secretary shall coordinate and chair an interagency working group to foster cooperative development and ensure coordination with Federal agencies and national and local cooperative organizations that have cooperative programs and interests.

''(13) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $50,000,000 for each of fiscal years 2013 through 2017.

''(d) APPROPRIATE TECHNOLOGY TRANSFER FOR RURAL AREAS PROGRAM.—

''(1) DEFINITION OF NATIONAL NONPROFIT AGRICULTURAL ASSISTANCE INSTITUTION.—In this subsection, the term 'national nonprofit agricultural assistance institution' means an organization that—

''(A) is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under 501(a) of that Code;

''(B) has staff and offices in multiple regions of the United States;

''(C) has experience and expertise in operating national agricultural technical assistance programs;

''(D) expands markets for the agricultural commodities produced by producers through the use of practices that enhance the environment, natural resource base, and quality of life; and

''(E) improves the economic viability of agricultural operations.

''(2) ESTABLISHMENT.—The Secretary shall establish a national appropriate technology transfer for rural areas program to assist agricultural producers that are seeking information—

''(A) to reduce input costs;

''(B) to conserve energy resources;

''(C) to diversify operations through new energy crops and energy generation facilities; and

''(D) to expand markets for agricultural commodities produced by the producers by using practices that enhance the environment, natural resource base, and quality of life.

''(3) IMPLEMENTATION.—

''(A) IN GENERAL.—The Secretary shall carry out the program under this subsection by making a grant to, or offering to enter into a cooperative agreement with, a national nonprofit agricultural assistance institution.

''(B) GRANT AMOUNT.—A grant made, or cooperative agreement entered into, under subparagraph (A) shall provide 100 percent of the cost of providing information described in paragraph (2).

''(4) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $5,000,000 for each of fiscal years 2013 through 2017.

''(e) BUSINESS AND INDUSTRY DIRECT AND GUARANTEED LOANS.—

''(1) DEFINITION OF BUSINESS AND INDUSTRY LOAN.—In this section, the term 'business and industry loan' means a direct loan that is made, or a loan that is guaranteed, by the Secretary under this subsection.

''(2) LOAN PURPOSES.—The Secretary may make business and industry loans to public, private, or cooperative organizations organized for profit or nonprofit, private investment funds that invest primarily in cooperative organizations, or to individuals—

''(A) to improve, develop, or finance business, industry, and employment and improve the economic and environmental climate in rural communities, including pollution abatement and control;

''(B) to conserve, develop, and use water for aquaculture purposes in rural areas; and

''(C) to reduce the reliance on nonrenewable energy resources by encouraging the development and construction of renewable energy systems (including solar energy systems, wind energy systems, and anaerobic digestors for the purpose of energy generation), including the modification of existing systems, in rural areas.

''(3) LOAN GUARANTEES FOR CERTAIN LOANS.—The Secretary may guarantee loans made under this subsection to finance the issuance of bonds for the projects described in paragraph (2).

''(4) MAXIMUM AMOUNT OF PRINCIPAL.—

''(A) IN GENERAL.—Except as otherwise provided in this paragraph, no loan may be made or guaranteed under this subsection that exceeds $25,000,000 in principal amount.

''(B) LIMITATIONS ON LOAN GUARANTEES FOR COOPERATIVE ORGANIZATIONS.—

''(i) PRINCIPAL AMOUNT.—Subject to clause (ii), the principal amount of a business and industry loan made to a cooperative organization and guaranteed under this subsection shall not exceed $40,000,000.

''(ii) USE.—To be eligible for a guarantee under this subsection for a business and industry loan made to a cooperative organization, the principal amount of the loan in excess of $25,000,000 shall be used to carry out a project that is in a rural area and—

''(I) provides for the value-added processing of agricultural commodities; or

''(II) significantly benefits 1 or more entities eligible for assistance for the purposes described in paragraph (2), as determined by the Secretary.

''(iii) APPLICATIONS.—If a cooperative organization submits an application for a guarantee under this paragraph, the Secretary shall make the determination whether to approve the application, and the Secretary may not delegate this authority.

''(iv) MAXIMUM AMOUNT.—The total amount of business and industry loans made to cooperative organizations and guaranteed for a fiscal year under this subsection with principal amounts that are in excess of $25,000,000 may not exceed 10 percent of the total amount of business and industry loans guaranteed for the fiscal year under this subsection.

''(5) FEES.—The Secretary may assess a 1-time fee and an annual renewal fee for any guaranteed business and industry loan in an amount that does not exceed 3 percent of the guaranteed principal portion of the loan.

''(6) INTANGIBLE ASSETS.—In determining whether a cooperative organization is eligible for a guaranteed business and industry loan, the Secretary may consider the market value of a properly appraised brand name, patent, or trademark of the cooperative.

''(7) LOAN APPRAISALS.—The Secretary may require that any appraisal made in connection with a business and industry loan be conducted by a specialized appraiser that uses standards that are comparable to standards used for similar purposes in the private sector, as determined by the Secretary.

''(8) LOAN GUARANTEES FOR THE PURCHASE OF COOPERATIVE STOCK.—

''(A) IN GENERAL.—The Secretary may guarantee a business and industry loan to individual farmers to purchase capital stock of a farmer cooperative established for the purpose of processing an agricultural commodity.

''(B) PROCESSING CONTRACTS DURING INITIAL PERIOD.—A cooperative described in subparagraph (A) for which a farmer receives a guarantee to purchase stock under that subparagraph may contract for services to process agricultural commodities or otherwise process value added for the period beginning on the date of the startup of the cooperative in order to provide adequate time for the planning and construction of the processing facility of the cooperative.

''(C) FINANCIAL INFORMATION.—Financial information required by the Secretary from a farmer as a condition of making a business and industry loan guarantee under this paragraph shall be provided in the manner generally required by commercial agricultural lenders in the applicable area.

''(9) LOANS TO COOPERATIVES.—

''(A) ELIGIBILITY.—

''(i) IN GENERAL.—The Secretary may make or guarantee a business and industry loan to a cooperative organization that is headquartered in a metropolitan area if the loan is—

''(I) used for a project or venture described in paragraph (2) that is located in a rural area; or

''(II) a loan guarantee that meets the requirements of paragraph (10).

''(ii) EQUITY.—The Secretary may guarantee a loan made for the purchase of preferred stock or similar equity issued by a cooperative organization or a fund that invests primarily in cooperative organizations, if the guarantee significantly benefits 1 or more entities eligible for assistance for the purposes described in paragraph (2)(A), as determined by the Secretary.

''(B) REFINANCING.—A cooperative organization that is eligible for a business and industry loan shall be eligible to refinance an existing business and industry loan with a lender if—

''(i) the cooperative organization—

''(I) is current and performing with respect to the existing loan; and

''(II)(aa) is not, and has not been, in payment default, with respect to the existing loan; or

''(bb) has not converted any of the collateral with respect to the existing loan; and

''(ii) there is adequate security or full collateral for the refinanced loan.

''(10) LOAN GUARANTEES IN NONRURAL AREAS.—The Secretary may guarantee a business and industry loan to a cooperative organization for a facility that is not located in a rural area if—

''(A) the primary purpose of the loan guarantee is for a facility to provide value-added processing for agricultural producers that are located within 80 miles of the facility;

''(B) the applicant demonstrates to the Secretary that the primary benefit of the loan guarantee will be to provide employment for residents of a rural area; and

''(C) the total amount of business and industry loans guaranteed for a fiscal year under this paragraph does not exceed 10 percent of the business and industry loans guaranteed for the fiscal year under this subsection.

''(11) LOCALLY OR REGIONALLY PRODUCED AGRICULTURAL FOOD PRODUCTS.—

''(A) DEFINITIONS.—In this paragraph:

''(i) LOCALLY OR REGIONALLY PRODUCED AGRICULTURAL FOOD PRODUCT.—The term 'locally or regionally produced agricultural food product' means any agricultural food product that is raised, produced, and distributed in—

''(I) the locality or region in which the final product is marketed, so that the total distance that the product is transported is less than 400 miles from the origin of the product; or

''(II) the State in which the product is produced.

''(ii) UNDERSERVED COMMUNITY.—The term 'underserved community' means a community (including an urban or rural community and an Indian tribal community) that, as determined by the Secretary, has—

''(I) limited access to affordable, healthy foods, including fresh fruits and vegetables, in grocery retail stores or farmer-to-consumer direct markets; and

''(II) a high rate of hunger or food insecurity or a high poverty rate.

''(B) LOAN AND LOAN GUARANTEE PROGRAM.—

''(i) IN GENERAL.—The Secretary shall make or guarantee loans to individuals, cooperatives, cooperative organizations, businesses, and other entities to establish and facilitate enterprises that process, distribute, aggregate, store, and market locally or regionally produced agricultural food products to support community development and farm income.

''(ii) REQUIREMENT.—The recipient of a loan or loan guarantee under this paragraph shall include in an appropriate agreement with retail and institutional facilities to which the recipient sells locally or regionally produced agricultural food products a requirement to inform consumers of the retail or institutional facilities that the consumers are purchasing or consuming locally or regionally produced agricultural food products.

''(iii) PRIORITY.—In making or guaranteeing a loan under this paragraph, the Secretary shall give priority to projects that have components benefitting underserved communities.

''(iv) REPORTS.—Not later than 2 years after the date of enactment of the Agriculture Reform, Food, and Jobs Act of 2012 and annually thereafter, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, and publish on the Internet, a report that describes projects carried out using loans or loan guarantees made under clause (i), including—

''(I) summary information about all projects;

''(II) the characteristics of the communities served; and

''(III) resulting benefits.

''(v) RESERVATION OF FUNDS.—For each of fiscal years 2012 through 2017, the Secretary shall reserve not less than 5 percent of the total amount of funds made available to carry out this subsection to carry out this paragraph until April 1 of the fiscal year.

''(vi) OUTREACH.—The Secretary shall develop and implement an outreach plan to publicize the availability of loans and loan guarantees under this paragraph, working closely with rural cooperative development centers, credit unions, community development financial institutions, regional economic development authorities, and other financial and economic development entities.

''(12) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $75,000,000 for each of fiscal years 2013 through 2017.

''(f) RELENDING PROGRAMS.—

''(1) INTERMEDIATE RELENDING PROGRAM.—

''(A) IN GENERAL.—The Secretary may make or guarantee loans to eligible entities described in subparagraph (B) so that the eligible entities may relend the funds to individuals and entities for the purposes described in subparagraph (C).

''(B) ELIGIBLE ENTITIES.—Entities eligible for loans and loan guarantees described in subparagraph (A) are—

''(i) public agencies;

''(ii) Indian tribes;

''(iii) cooperatives; and

''(iv) nonprofit corporations.

''(C) ELIGIBLE PURPOSES.—The proceeds from loans made or guaranteed by the Secretary pursuant to subparagraph (A) may be relent by eligible entities for projects that—

''(i) predominately serve communities in rural areas; and

''(ii) as determined by the Secretary—

''(I) promote community development;

''(II) establish new businesses;

''(III) establish and support microlending programs; and

''(IV) create or retain employment opportunities.

''(D) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $50,000,000 for each of fiscal years 2013 through 2017.

''(2) RURAL MICROENTREPRENEUR ASSISTANCE PROGRAM.—

''(A) DEFINITIONS.—In this paragraph:

''(i) MICROENTREPRENEUR.—The term 'microentrepreneur' means an owner and operator, or prospective owner and operator, of a rural microenterprise who is unable to obtain sufficient training, technical assistance, or credit other than under this subsection, as determined by the Secretary.

''(ii) MICROENTERPRISE DEVELOPMENT ORGANIZATION.—The term 'microenterprise development organization' means an organization that is—

''(I) a nonprofit entity;

''(II) an Indian tribe, the tribal government of which certifies to the Secretary that—

''(aa) no microenterprise development organization serves the Indian tribe; and

''(bb) no rural microentrepreneur assistance program exists under the jurisdiction of the Indian tribe;

''(III) a public institution of higher education; or

''(IV) a collaboration of rural nonprofit entities serving a region or State, if 1 lead nonprofit entity is the sole underwriter of all loans and is responsible for associated risks.

''(iii) MICROLOAN.—The term 'microloan' means a business loan of not more than $50,000 that is provided to a rural microenterprise.

''(iv) PROGRAM.—The term 'program' means the rural microentrepreneur assistance program established under subparagraph (B).

''(v) RURAL MICROENTERPRISE.—The term 'rural microenterprise' means a business entity with not more than 10 full-time equivalent employees located in a rural area.

''(vi) TRAINING.—The term 'training' means teaching broad business principles or general business skills in a group or public setting.

''(vii) TECHNICAL ASSISTANCE.—The term 'technical assistance' means working with a business client in a 1-to-1 manner to provide business and financial management counseling, assist in the preparation of business or marketing plans, or provide other skills tailored to an individual microentrepreneur.

''(B) RURAL MICROENTREPRENEUR ASSISTANCE PROGRAM.—

''(i) ESTABLISHMENT.—The Secretary shall establish a rural microentrepreneur assistance program to provide loans and grants to support microentrepreneurs in the development and ongoing success of rural microenterprises.

''(ii) PURPOSE.—The purpose of the program is to provide microentrepreneurs with—

''(I) the skills necessary to establish new rural microenterprises; and

''(II) continuing technical and financial assistance related to the successful operation of rural microenterprises.

''(iii) LOANS.—

''(I) IN GENERAL.—The Secretary shall make loans to microenterprise development organizations for the purpose of providing fixed-interest rate microloans to microentrepreneurs for startup and growing rural microenterprises.

''(II) LOAN TERMS.—A loan made by the Secretary to a microenterprise development organization under this subparagraph shall—

''(aa) be for a term not to exceed 20 years; and

''(bb) bear an annual interest rate of at least 1 percent.

''(III) LOAN LOSS RESERVE FUND.—The Secretary shall require each microenterprise development organization that receives a loan under this subparagraph to—

''(aa) establish a loan loss reserve fund; and

''(bb) maintain the reserve fund in an amount equal to at least 5 percent of the outstanding balance of such loans owed by the microenterprise development organization, until all obligations owed to the Secretary under this subparagraph are repaid.

''(IV) DEFERRAL OF INTEREST AND PRINCIPAL.—The Secretary may permit the deferral of payments on principal and interest due on a loan to a microenterprise development organization made under this paragraph for a 2-year period beginning on the date on which the loan is made.

''(iv) GRANTS TO SUPPORT RURAL MICROENTERPRISE DEVELOPMENT.—

''(I) IN GENERAL.—The Secretary shall make grants to microenterprise development organizations—

''(aa) to provide training and technical assistance, and other related services to rural microentrepreneurs; and

''(bb) to carry out such other projects and activities as the Secretary determines appropriate to further the purposes of the program.

''(II) SELECTION.—In making grants under subclause (I), the Secretary shall—

''(aa) place an emphasis on microenterprise development organizations that serve microentrepreneurs that are located in rural areas that have suffered significant outward migration, as determined by the Secretary; and

''(bb) ensure, to the maximum extent practicable, that grant recipients include microenterprise development organizations of varying sizes and that serve racially and ethnically diverse populations.

''(v) GRANTS TO ASSIST MICROENTREPRENEURS.—

''(I) IN GENERAL.—The Secretary shall make annual grants to microenterprise development organizations to provide technical assistance to microentrepreneurs that—

''(aa) received a loan from the microenterprise development organization under subparagraph (B)(iii); or

''(bb) are seeking a loan from the microenterprise development organization under subparagraph (B)(iii).

''(II) MAXIMUM AMOUNT OF TECHNICAL ASSISTANCE GRANT.—The maximum amount of a grant under this clause shall be in an amount equal to not more than 25 percent of the total outstanding balance of microloans made by the microenterprise development organization under clause (iii), as of the date the grant is awarded.

''(vi) ADMINISTRATIVE EXPENSES.—Not more than 10 percent of a grant received by a microenterprise development organization for a fiscal year under this subparagraph may be used to pay administrative expenses.

''(C) ADMINISTRATION.—

''(i) MATCHING REQUIREMENT.—As a condition of any grant made under clauses (iv) and (v) of subparagraph (B), the Secretary shall require the microenterprise development organization to match not less than 15 percent of the total amount of the grant in the form of matching funds (including community development block grants), indirect costs, or in-kind goods or services.

''(ii) OVERSIGHT.—At a minimum, not later than December 1 of each fiscal year, a microenterprise development organization that receives a loan or grant under this section shall provide to the Secretary such information as the Secretary may require to ensure that assistance provided under this section is used for the purposes for which the loan or grant was made.

''(D) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph $40,000,000 for each of fiscal years 2013 through 2017.

''SEC. 3602. RURAL BUSINESS INVESTMENT PROGRAM.

''(a) DEFINITIONS.—In this section:

''(1) ARTICLES.—The term 'articles' means articles of incorporation for an incorporated body or the functional equivalent or other similar documents specified by the Secretary for other business entities.

''(2) DEVELOPMENTAL VENTURE CAPITAL.—The term 'developmental venture capital' means capital in the form of equity capital investments in rural business investment companies with an objective of fostering economic development in rural areas.

''(3) EMPLOYEE WELFARE BENEFIT PLAN; PENSION PLAN.—

''(A) IN GENERAL.—The terms 'employee welfare benefit plan' and 'pension plan' have the meanings given the terms in section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002).

''(B) INCLUSIONS.—The terms 'employee welfare benefit plan' and 'pension plan' include—

''(i) public and private pension or retirement plans subject to this subtitle; and

''(ii) similar plans not covered by this subtitle that have been established, and that are maintained, by the Federal Government or any State (including by a political subdivision, agency, or instrumentality of the Federal Government or a State) for the benefit of employees.

''(4) EQUITY CAPITAL.—The term 'equity capital' means common or preferred stock or a similar instrument, including subordinated debt with equity features.

''(5) LEVERAGE.—The term 'leverage' includes—

''(A) debentures purchased or guaranteed by the Secretary;

''(B) participating securities purchased or guaranteed by the Secretary; and

''(C) preferred securities outstanding as of the date of enactment of the Agriculture Reform, Food, and Jobs Act of 2012.

''(6) LICENSE.—The term 'license' means a license issued by the Secretary in accordance with in subsection (d)(5).

''(7) LIMITED LIABILITY COMPANY.—The term 'limited liability company' means a business entity that is organized and operating in accordance with a State limited liability company law approved by the Secretary.

''(8) MEMBER.—The term 'member' means, with respect to a rural business investment company that is a limited liability company, a holder of an ownership interest, or a person otherwise admitted to membership in the limited liability company.

''(9) OPERATIONAL ASSISTANCE.—The term 'operational assistance' means management, marketing, and other technical assistance that assists a rural business concern with business development.

''(10) PARTICIPATION AGREEMENT.—The term 'participation agreement' means an agreement, between the Secretary and a rural business investment company granted final approval under subsection (d)(5), that requires the rural business investment company to make investments in smaller enterprises in rural areas.

''(11) PRIVATE CAPITAL.—

''(A) IN GENERAL.—The term 'private capital' means the total of—

''(i)(I) the paid-in capital and paid-in surplus of a corporate rural business investment company;

''(II) the contributed capital of the partners of a partnership rural business investment company; or

''(III) the equity investment of the members of a limited liability company rural business investment company; and

''(ii) unfunded binding commitments from investors that meet criteria established by the Secretary to contribute capital to the rural business investment company, except that—

''(I) unfunded commitments may be counted as private capital for purposes of approval by the Secretary of any request for leverage; but

''(II) leverage shall not be funded based on the commitments.

''(B) EXCLUSIONS.—The term 'private capital' does not include—

''(i) any funds borrowed by a rural business investment company from any source;

''(ii) any funds obtained through the issuance of leverage; or

''(iii) any funds obtained directly or indirectly from the Federal Government or any State (including by a political subdivision, agency, or instrumentality of the Federal Government or a State), except for—

''(I) funds obtained from the business revenues (excluding any governmental appropriation) of any Federally chartered or government-sponsored enterprise established prior to the date of enactment of the Agriculture Reform, Food, and Jobs Act of 2012;

''(II) funds invested by an employee welfare benefit plan or pension plan; and

''(III) any qualified nonprivate funds (if the investors of the qualified nonprivate funds do not control, directly or indirectly, the management, board of directors, general partners, or members of the rural business investment company).

''(12) QUALIFIED NONPRIVATE FUNDS.—The term 'qualified nonprivate funds' means any—

''(A) funds directly or indirectly invested in any applicant or rural business investment company on or before the date of enactment of the Agriculture Reform, Food, and Jobs Act of 2012 by any Federal agency, other than the Department, under a provision of law explicitly mandating the inclusion of those funds in the definition of the term 'private capital'; and

''(B) funds invested in any applicant or rural business investment company by 1 or more entities of any State (including by a political subdivision, agency, or instrumentality of the State and including any guarantee extended by those entities) in an aggregate amount that does not exceed 33 percent of the private capital of the applicant or rural business investment company.

''(13) RURAL BUSINESS CONCERN.—The term 'rural business concern' means—

''(A) a public, private, or cooperative for-profit or nonprofit organization;

''(B) a for-profit or nonprofit business controlled by an Indian tribe; or

''(C) any other person or entity that primarily operates in a rural area, as determined by the Secretary.

''(14) RURAL BUSINESS INVESTMENT COMPANY.—The term 'rural business investment company' means a company that—

''(A) has been granted final approval by the Secretary under subsection (d)(5); and

''(B) has entered into a participation agreement with the Secretary.

''(15) SMALLER ENTERPRISE.—

''(A) IN GENERAL.—The term 'smaller enterprise' means any rural business concern that, together with its affiliates—

''(i) has—

''(I) a net financial worth of not more than $6,000,000, as of the date on which assistance is provided under this section to the rural business concern; and

''(II) except as provided in subparagraph (B), an average net income for the 2-year period preceding the date on which assistance is provided under this section to the rural business concern, of not more than $2,000,000, after Federal income taxes (excluding any carryover losses); or

''(ii) satisfies the standard industrial classification size standards established by the Administrator of the Small Business Administration for the industry in which the rural business concern is primarily engaged.

''(B) EXCEPTION.—For purposes of subparagraph (A)(i)(II), if the rural business concern is not required by law to pay Federal income taxes at the enterprise level, but is required to pass income through to the shareholders, partners, beneficiaries, or other equitable owners of the business concern, the net income of the business concern shall be determined by allowing a deduction in an amount equal to the total of—

''(i) if the rural business concern is not required by law to pay State (and local, if any) income taxes at the enterprise level, the product obtained by multiplying—

''(I) the net income (determined without regard to this subparagraph); by

''(II) the marginal State income tax rate (or by the combined State and local income tax rates, as applicable) that would have applied if the business concern were a corporation; and

''(ii) the product obtained by multiplying—

''(I) the net income (so determined) less any deduction for State (and local) income taxes calculated under clause (i); by

''(II) the marginal Federal income tax rate that would have applied if the rural business concern were a corporation.

''(b) PURPOSES.—The purposes of the Rural Business Investment Program established under this section are—

''(1) to promote economic development and the creation of wealth and job opportunities in rural areas and among individuals living in those areas by encouraging developmental venture capital investments in smaller enterprises primarily located in rural areas; and

''(2) to establish a developmental venture capital program, with the mission of addressing the unmet equity investment needs of small enterprises located in rural areas, by authorizing the Secretary—

''(A) to enter into participation agreements with rural business investment companies;

''(B) to guarantee debentures of rural business investment companies to enable each rural business investment company to make developmental venture capital investments in smaller enterprises in rural areas; and

''(C) to make grants to rural business investment companies, and to other entities, for the purpose of providing operational assistance to smaller enterprises financed, or expected to be financed, by rural business investment companies.

''(c) ESTABLISHMENT.—In accordance with this subtitle, the Secretary shall establish a Rural Business Investment Program, under which the Secretary may—

''(1) enter into participation agreements with companies granted final approval under subsection (d)(5) for the purposes described in subsection (b);

''(2) guarantee the debentures issued by rural business investment companies as provided in subsection (e); and

''(3) make grants to rural business investment companies, and to other entities, under subsection (h).

''(d) SELECTION OF RURAL BUSINESS INVESTMENT COMPANIES.—

''(1) ELIGIBILITY.—A company shall be eligible to apply to participate, as a rural business investment company, in the program established under this section if—

''(A) the company is a newly formed for-profit entity or a newly formed for-profit subsidiary of such an entity;

''(B) the company has a management team with experience in community development financing or relevant venture capital financing; and

''(C) the company will invest in enterprises that will create wealth and job opportunities in rural areas, with an emphasis on smaller enterprises.

''(2) APPLICATION.—To participate, as a rural business investment company, in the program established under this section, a company meeting the eligibility requirements of paragraph (1) shall submit an application to the Secretary that includes—

''(A) a business plan describing how the company intends to make successful developmental venture capital investments in identified rural areas;

''(B) information regarding the community development finance or relevant venture capital qualifications and general reputation of the management of the company;

''(C) a description of how the company intends to work with community-based organizations and local entities (including local economic development companies, local lenders, and local investors) and to seek to address the unmet equity capital needs of the communities served;

''(D) a proposal describing how the company intends to use the grant funds provided under this section to provide operational assistance to smaller enterprises financed by the company, including information regarding whether the company intends to use licensed professionals, as necessary, on the staff of the company or from an outside entity;

''(E) with respect to binding commitments to be made to the company under this section, an estimate of the ratio of cash to in-kind contributions;

''(F) a description of the criteria to be used to evaluate whether and to what extent the company meets the purposes of the program established under this section;

''(G) information regarding the management and financial strength of any parent firm, affiliated firm, or any other firm essential to the success of the business plan of the company; and

''(H) such other information as the Secretary may require.

''(3) STATUS.—Not later than 90 days after the initial receipt by the Secretary of an application under this subsection, the Secretary shall provide to the applicant a written report describing the status of the application and any requirements remaining for completion of the application.

''(4) MATTERS CONSIDERED.—In reviewing and processing any application under this subsection, the Secretary shall—

''(A) determine whether—

''(i) the applicant meets the requirements of paragraph (5); and

''(ii) the management of the applicant is qualified and has the knowledge, experience, and capability necessary to comply with this section;

''(B) take into consideration—

''(i) the need for and availability of financing for rural business concerns in the geographic area in which the applicant is to commence business;

''(ii) the general business reputation of the owners and management of the applicant; and

''(iii) the probability of successful operations of the applicant, including adequate profitability and financial soundness; and

''(C) not take into consideration any projected shortage or unavailability of grant funds or leverage.

''(5) APPROVAL; LICENSE.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary may approve an applicant to operate as a rural business investment company under this subtitle and license the applicant as a rural business investment company, if—

''(i) the Secretary determines that the application satisfies the requirements of paragraph (2);

''(ii) the area in which the rural business investment company is to conduct its operations, and establishment of branch offices or agencies (if authorized by the articles), are approved by the Secretary; and

''(iii) the applicant enters into a participation agreement with the Secretary.

''(B) CAPITAL REQUIREMENTS.—

''(i) IN GENERAL.—Notwithstanding any other provision of this section, the Secretary

may approve an applicant to operate as a rural business investment company under this section and designate the applicant as a rural business investment company, if the Secretary determines that the applicant—

''(I) has private capital as determined by the Secretary;

''(II) would otherwise be approved under this section, except that the applicant does not satisfy the requirements of subsection (i)(3); and

''(III) has a viable business plan that—

''(aa) reasonably projects profitable operations; and

''(bb) has a reasonable timetable for achieving a level of private capital that satisfies the requirements of subsection (i)(3).

''(ii) LEVERAGE.—An applicant approved under clause (i) shall not be eligible to receive leverage under this section until the applicant satisfies the requirements of section 3602(i)(3).

''(iii) GRANTS.—An applicant approved under clause (i) shall be eligible for grants under subsection (h) in proportion to the private capital of the applicant, as determined by the Secretary.

''(e) DEBENTURES.—

''(1) IN GENERAL.—The Secretary may guarantee the timely payment of principal and interest, as scheduled, on debentures issued by any rural business investment company.

''(2) TERMS AND CONDITIONS.—The Secretary may make guarantees under this subsection on such terms and conditions as the Secretary considers appropriate, except that the term of any debenture guaranteed under this section shall not exceed 15 years.

''(3) FULL FAITH AND CREDIT OF THE UNITED STATES.—Section 3901 shall apply to any guarantee under this subsection.

''(4) MAXIMUM GUARANTEE.—Under this subsection, the Secretary may—

''(A) guarantee the debentures issued by a rural business investment company only to the extent that the total face amount of outstanding guaranteed debentures of the rural business investment company does not exceed the lesser of—

''(i) 300 percent of the private capital of the rural business investment company; or

''(ii) $105,000,000; and

''(B) provide for the use of discounted debentures.

''(f) ISSUANCE AND GUARANTEE OF TRUST CERTIFICATES.—

''(1) ISSUANCE.—The Secretary may issue trust certificates representing ownership of all or a fractional part of debentures issued by a rural business investment company and guaranteed by the Secretary under this section, if the certificates are based on and backed by a trust or pool approved by the Secretary and composed solely of guaranteed debentures.

''(2) GUARANTEE.—

''(A) IN GENERAL.—The Secretary may, under such terms and conditions as the Secretary considers appropriate, guarantee the timely payment of the principal of and interest on trust certificates issued by the Secretary or agents of the Secretary for purposes of this subsection.

''(B) LIMITATION.—Each guarantee under this paragraph shall be limited to the extent of principal and interest on the guaranteed debentures that compose the trust or pool.

''(C) PREPAYMENT OR DEFAULT.—

''(i) IN GENERAL.—

''(I) AUTHORITY TO PREPAY.—A debenture may be prepaid at any time without penalty.

''(II) REDUCTION OF GUARANTEE.—Subject to subclause (I), if a debenture in a trust or pool is prepaid, or in the event of default of such a debenture, the guarantee of timely payment of principal and interest on the trust certificates shall be reduced in proportion to the amount of principal and interest the prepaid debenture represents in the trust or pool.

''(ii) INTEREST.—Interest on prepaid or defaulted debentures shall accrue and be guaranteed by the Secretary only through the date of payment of the guarantee.

''(iii) REDEMPTION.—At any time during the term of a trust certificate, the trust certificate may be called for redemption due to prepayment or default of all debentures.

''(3) FULL FAITH AND CREDIT OF THE UNITED STATES.—Section 3901 shall apply to any guarantee of a trust certificate issued by the Secretary under this section.

''(4) SUBROGATION AND OWNERSHIP RIGHTS.—

''(A) SUBROGATION.—If the Secretary pays a claim under a guarantee issued under this section, the claim shall be subrogated fully to the rights satisfied by the payment.

''(B) OWNERSHIP RIGHTS.—No Federal, State, or local law shall preclude or limit the exercise by the Secretary of the ownership rights of the Secretary in a debenture residing in a trust or pool against which 1 or more trust certificates are issued under this subsection.

''(5) MANAGEMENT AND ADMINISTRATION.—

''(A) REGISTRATION.—The Secretary shall provide for a central registration of all trust certificates issued under this subsection.

''(B) CREATION OF POOLS.—The Secretary may—

''(i) maintain such commercial bank accounts or investments in obligations of the United States as may be necessary to facilitate the creation of trusts or pools backed by debentures guaranteed under this subtitle; and

''(ii) issue trust certificates to facilitate the creation of those trusts or pools.

''(C) FIDELITY BOND OR INSURANCE REQUIREMENT.—Any agent performing functions on behalf of the Secretary under this paragraph shall provide a fidelity bond or insurance in such amount as the Secretary considers to be necessary to fully protect the interests of the United States.

''(D) REGULATION OF BROKERS AND DEALERS.—The Secretary may regulate brokers and dealers in trust certificates issued under this subsection.

''(E) ELECTRONIC REGISTRATION.—Nothing in this paragraph prohibits the use of a book-entry or other electronic form of registration for trust certificates issued under this subsection.

''(g) FEES.—

''(1) IN GENERAL.—The Secretary may charge a fee that does not exceed $500 with respect to any guarantee or grant issued under this section.

''(2) TRUST CERTIFICATE.—Notwithstanding paragraph (1), the Secretary shall not collect a fee for any guarantee of a trust certificate under subsection (f), except that any agent of the Secretary may collect a fee that does not exceed $500 for the functions described in subsection (f)(5)(B).

''(3) LICENSE.—

''(A) IN GENERAL.—Except as provided in subparagraph (C), the Secretary may prescribe fees to be paid by each applicant for a license to operate as a rural business investment company under this section.

''(B) USE OF AMOUNTS.—Fees collected under this paragraph—

''(i) shall be deposited in the account for salaries and expenses of the Secretary;

''(ii) are authorized to be appropriated solely to cover the costs of licensing examinations; and

''(iii) shall—

''(I) in the case of a license issued before the date of enactment of the Agriculture Reform, Food, and Jobs Act of 2012, not exceed $500 for any fee collected under this paragraph; and

''(II) in the case of a license issued after the date of enactment of the Agriculture Reform, Food, and Jobs Act of 2012, be a rate as determined by the Secretary.

''(C) PROHIBITION ON COLLECTION OF CERTAIN FEES.—In the case of a license described in subparagraph (A) that was approved before July 1, 2007, the Secretary shall not collect any fees due on or after the date of enactment of the Agriculture Reform, Food, and Jobs Act of 2012.

''(h) OPERATIONAL ASSISTANCE GRANTS.—

''(1) IN GENERAL.—In accordance with this subsection, the Secretary may make grants to rural business investment companies and to other entities, as authorized by this section, to provide operational assistance to smaller enterprises financed, or expected to be financed, by the entities.

''(2) TERMS.—Grants made under this subsection shall be made over a multiyear period (not to exceed 10 years) under such terms as the Secretary may require.

''(3) USE OF FUNDS.—The proceeds of a grant made under this subsection may be used by the rural business investment company receiving the grant only to provide operational assistance in connection with an equity or prospective equity investment in a business located in a rural area.

''(4) SUBMISSION OF PLANS.—A rural business investment company shall be eligible for a grant under this subsection only if the rural business investment company submits to the Secretary, in such form and manner as the Secretary may require, a plan for use of the grant.

''(5) GRANT AMOUNT.—

''(A) RURAL BUSINESS INVESTMENT COMPANIES.—The amount of a grant made under this subsection to a rural business investment company shall be equal to the lesser of—

''(i) 10 percent of the private capital raised by the rural business investment company; or

''(ii) $1,000,000.

''(6) OTHER ENTITIES.—The amount of a grant made under this subsection to any entity other than a rural business investment company shall be equal to the resources (in cash or in kind) raised by the entity in accordance with the requirements applicable to rural business investment companies under this section.

''(i) RURAL BUSINESS INVESTMENT COMPANIES.—

''(1) ORGANIZATION.—For purposes of this subsection, a rural business investment company shall—

''(A) be an incorporated body, a limited liability company, or a limited partnership organized and chartered or otherwise existing under State law solely for the purpose of performing the functions and conducting the activities authorized by this section; and

''(B)(i) if incorporated, have succession for a period of not less than 30 years unless earlier dissolved by the shareholders of the rural business investment company; and

''(ii) if a limited partnership or a limited liability company, have succession for a period of not less than 10 years; and

''(iii) possess the powers reasonably necessary to perform the functions and conduct the activities.

''(2) ARTICLES.—The articles of any rural business investment company—

''(A) shall specify in general terms—

''(i) the purposes for which the rural business investment company is formed;

''(ii) the name of the rural business investment company;

''(iii) the 1 or more areas in which the operations of the rural business investment company are to be carried out;

''(iv) the place where the principal office of the rural business investment company is to be located; and

''(v) the amount and classes of the shares of capital stock of the rural business investment company;

''(B) may contain any other provisions consistent with this section that the rural business investment company may determine appropriate to adopt for the regulation of the business of the rural business investment company and the conduct of the affairs of the rural business investment company; and

''(C) shall be subject to the approval of the Secretary.

''(3) CAPITAL REQUIREMENTS.—

''(A) IN GENERAL.—Each rural business investment company shall be required to meet the capital requirements as provided by the Secretary.

''(B) TIME FRAME.—Each rural business investment company shall have a period of 2 years to meet the capital requirements of this paragraph.

''(C) ADEQUACY.—In addition to the requirements of subparagraph (A), the Secretary shall—

''(i) determine whether the private capital of each rural business investment company is adequate to ensure a reasonable prospect that the rural business investment company will be operated soundly and profitably, and managed actively and prudently in accordance with the articles of the rural business investment company;

''(ii) determine that the rural business investment company will be able to comply with the requirements of this section;

''(iii) require that at least 75 percent of the capital of each rural business investment company is invested in rural business concerns;

''(iv) ensure that the rural business investment company is designed primarily to meet equity capital needs of the businesses in which the rural business investment company invests and not to compete with traditional small business financing by commercial lenders; and

''(v) require that the rural business investment company makes short-term non-equity investments of less than 5 years only to the extent necessary to preserve an existing investment.

''(4) DIVERSIFICATION OF OWNERSHIP.—The Secretary shall ensure that the management of each rural business investment company licensed after the date of enactment of the Agriculture Reform, Food, and Jobs Act of 2012 is sufficiently diversified from and unaffiliated with the ownership of the rural business investment company so as to ensure independence and objectivity in the financial management and oversight of the investments and operations of the rural business investment company.

''(j) FINANCIAL INSTITUTION INVESTMENTS.—

''(1) IN GENERAL.—Except as otherwise provided in this subsection and notwithstanding any other provision of law, the following banks, associations, and institutions are eligible both to establish and invest in any rural business investment company or in any entity established to invest solely in rural business investment companies:

''(A) Any bank or savings association the deposits of which are insured under the Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.), including an investment pool created entirely by such bank or savings association.

''(B) Any Farm Credit System institution described in subsection 1.2(a) of the Farm Credit Act of 1971 (12 U.S.C. 2002(a)).

''(2) LIMITATION.—No bank, association, or institution described in paragraph (1) may make investments described in paragraph (1) that are greater than 5 percent of the capital and surplus of the bank, association, or institution.

''(3) LIMITATION ON RURAL BUSINESS INVESTMENT COMPANIES CONTROLLED BY FARM CREDIT SYSTEM INSTITUTIONS.—If a Farm Credit System institution described in section 1.2(a) of the Farm Credit Act of 1971 (12 U.S.C. 2002(a)) holds more than 25 percent of the shares of a rural business investment company, either alone or in conjunction with other System institutions (or affiliates), the rural business investment company shall not provide equity investments in, or provide other financial assistance to, entities that are not otherwise eligible to receive financing from the Farm Credit System under that Act (12 U.S.C. 2001 et seq.).

''(k) EXAMINATIONS.—

''(1) IN GENERAL.—Each rural business investment company that participates in the program established under this section shall be subject to examinations made at the direction of the Secretary in accordance with this subsection.

''(2) ASSISTANCE OF PRIVATE SECTOR ENTITIES.—An examination under this subsection may be conducted with the assistance of a private sector entity that has the qualifications and the expertise necessary to conduct such an examination.

''(3) COSTS.—

''(A) IN GENERAL.—The Secretary may assess the cost of an examination under this section, including compensation of the examiners, against the rural business investment company examined.

''(B) PAYMENT.—Any rural business investment company against which the Secretary assesses costs under this subparagraph shall pay the costs.

''(4) DEPOSIT OF FUNDS.—Funds collected under this subsection shall—

''(A) be deposited in the account that incurred the costs for carrying out this subsection;

''(B) be made available to the Secretary to carry out this subsection, without further appropriation; and

''(C) remain available until expended.

''(l) REPORTING REQUIREMENTS.—

''(1) RURAL BUSINESS INVESTMENT COMPANIES.—Each entity that participates in a program established under this section shall provide to the Secretary such information as the Secretary may require, including—

''(A) information relating to the measurement criteria that the entity proposed in the program application of the rural business investment company; and

''(B) in each case in which the entity under this section makes an investment in, or a loan or grant to, a business that is not located in a rural area, a report on the number and percentage of employees of the business who reside in those areas.

''(2) PUBLIC REPORTS.—

''(A) IN GENERAL.—The Secretary shall prepare and make available to the public an annual report on the programs established under this section, including detailed information on—

''(i) the number of rural business investment companies licensed by the Secretary during the previous fiscal year;

''(ii) the aggregate amount of leverage that rural business investment companies have received from the Federal Government during the previous fiscal year;

''(iii) the aggregate number of each type of leveraged instruments used by rural business investment companies during the previous fiscal year and how each number compares to previous fiscal years;

''(iv) the number of rural business investment company licenses surrendered and the number of rural business investment companies placed in liquidation during the previous fiscal year, identifying the amount of leverage each rural business investment company has received from the Federal Government and the type of leverage instruments each rural business investment company has used;

''(v) the amount of losses sustained by the Federal Government as a result of operations under this section during the previous fiscal year and an estimate of the total losses that the Federal Government can reasonably expect to incur as a result of the operations during the current fiscal year;

''(vi) actions taken by the Secretary to maximize recoupment of funds of the Federal Government expended to implement and administer the Rural Business Investment Program under this section during the previous fiscal year and to ensure compliance with the requirements of this section (including regulations);

''(vii) the amount of Federal Government leverage that each licensee received in the previous fiscal year and the types of leverage instruments each licensee used;

''(viii) for each type of financing instrument, the sizes, types of geographic locations, and other characteristics of the small business investment companies using the instrument during the previous fiscal year, including the extent to which the investment companies have used the leverage from each instrument to make loans or equity investments in rural areas; and

''(ix) the actions of the Secretary to carry out this section

''(B) PROHIBITION.—In compiling the report required under subparagraph (A), the Secretary may not—

''(i) compile the report in a manner that permits identification of any particular type of investment by an individual rural business investment company or small business concern in which a rural business investment company invests; or

''(ii) release any information that is prohibited under section 1905 of title 18, United States Code.

''(m) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $25,000,000 for the period of fiscal years 2008 through 2017.''.

''CHAPTER 3—GENERAL RURAL DEVELOPMENT PROVISIONS

''SEC. 3701. GENERAL PROVISIONS FOR LOANS AND GRANTS.

''(a) PERIOD FOR REPAYMENT.—Unless otherwise specifically provided for in this subtitle, the period for repayment of a loan under this subtitle shall not exceed 40 years.

''(b) INTEREST RATES.—

''(1) IN GENERAL.—Except as otherwise provided in this title, the interest rate on a loan under this subtitle shall be determined by the Secretary at a rate—

''(A) not to exceed a sum obtained by adding—

''(i) the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturity of the loan; and

''(ii) an amount not to exceed 1 percent, as determined by the Secretary; and

''(B) adjusted to the nearest ⅛ of 1 percent.

''(2) WATER AND WASTE FACILITY LOANS AND COMMUNITY FACILITIES LOANS.—

''(A) IN GENERAL.—Notwithstanding any provision of State law limiting the rate or amount of interest that may be charged, taken, received, or reserved, except as provided in subparagraph (C) and paragraph (5), the interest rate on a loan (other than a guaranteed loan) to a public body or nonprofit association (including an Indian tribe) for a water or waste disposal facility or essential community facility shall be determined by the Secretary at a rate not to exceed—

''(i) the current market yield on outstanding municipal obligations with remaining periods to maturity comparable to the average maturity for the loan, and adjusted to the nearest ⅛ of 1 percent;

''(ii) 5 percent per year for a loan that is for the upgrading of a facility or construction of a new facility as required to meet applicable health or sanitary standards in—

''(I) an area in which the median family income of the persons to be served by the facility is below the poverty line (as defined in section 673 of the Community Services Block Grant Act (42 U.S.C. 9902)); and

''(II) any areas the Secretary may designate in which a significant percentage of the persons to be served by the facilities are low income persons, as determined by the Secretary; and

''(iii) 7 percent per year for a loan for a facility that does not qualify for the 5 percent per year interest rate prescribed in clause (ii) but that is located in an area in a State in which the median household income of the persons to be served by the facility does not exceed 100 percent of the statewide nonmetropolitan median household income for the State.

''(B) HEALTH CARE AND RELATED FACILITIES.—Notwithstanding subparagraph (A), the Secretary shall establish a rate for a loan for a health care or related facility that is—

''(i) based solely on the income of the area to be served; and

''(ii) otherwise consistent with subparagraph (A).

''(C) INTEREST RATES FOR WATER AND WASTE DISPOSAL FACILITIES LOANS.—

''(i) IN GENERAL.—Except as provided in clause (ii) and notwithstanding subparagraph (A), in the case of a direct loan for a water or waste disposal facility—

''(I) in the case of a loan that would be subject to the 5 percent interest rate limitation under subparagraph (A), the Secretary shall establish the interest rate at a rate that is equal to 60 percent of the current market yield for outstanding municipal obligations with remaining periods to maturity comparable to the average maturity of the loan, adjusted to the nearest ⅛ of 1 percent; and

''(II) in the case of a loan that would be subject to the 7 percent limitation under subparagraph (A), the Secretary shall establish the interest rate at a rate that is equal to 80 percent of the current market yield for outstanding municipal obligations with remaining periods to maturity comparable to the average maturity of the loan, adjusted to the nearest ⅛ of 1 percent.

''(ii) EXCEPTION.—Clause (i) does not apply to a loan for a specific project that is the subject of a loan that has been approved, but not closed, as of the date of enactment of the Agriculture Reform, Food, and Jobs Act of 2012.

''(3) INTEREST RATES ON BUSINESS AND OTHER LOANS.—

''(A) IN GENERAL.—Except as provided in paragraph (4), the interest rates on loans under sections 3501(a)(1) (other than guaranteed loans and loans as described in paragraph (2)(A)) shall be as determined by the Secretary in accordance with subparagraph (B).

''(B) MINIMUM RATE.—The interest rates described in subparagraph (A) shall be not less than the sum obtained by adding—

''(i) such rates as determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, adjusted in the judgment of the Secretary of the Treasury to provide for rates comparable to the rates prevailing in the private market for similar loans and considering the insurance by the Secretary of the loans; and

''(ii) an additional charge, prescribed by the Secretary, to cover the losses of the Secretary and cost of administration, which shall be deposited in the Rural Development Insurance Fund, and further adjusted to the nearest ⅛ of 1 percent.

''(4) INTEREST RATES ADJUSTMENTS.—

''(A) ADJUSTMENTS.—Notwithstanding any other provision of this subsection, in the case of loans (other than guaranteed loans) made or guaranteed under the authorities of this title specified in subparagraph (C) for activities that involve the use of prime farmland, the interest rates shall be the interest rates otherwise applicable under this section increased by 2 percent per year.

''(B) PRIME FARMLAND.—

''(i) IN GENERAL.—Wherever practicable, construction by a State, municipality, or other political subdivision of local government that is supported by loans described in subparagraph (A) shall be placed on land that is not prime farmland, in order to preserve the maximum practicable quantity of prime farmlands for production of food and fiber.

''(ii) INCREASED RATE.—In any case in which other options exist for the siting of construction described in clause (i) and the governmental authority still desires to carry out the construction on prime farmland, the 2-percent interest rate increase provided by this paragraph shall apply, but that increased interest rate shall not apply where such other options do not exist.

''(C) APPLICABLE AUTHORITIES.—The authorities referred to in subparagraph (A) are—

''(i) the provisions of section 3502(a) relating to loans for recreational developments and essential community facilities;

''(ii) section 3601(e)(2)(A); and

''(iii) section 3601(c).

''(c) PAYMENT OF CHARGES.—A borrower of a loan made or guaranteed under this subtitle shall pay such fees and other charges as the Secretary may require, and prepay to the Secretary such taxes and insurance as the Secretary may require, on such terms and conditions as the Secretary may prescribe.

''(d) SECURITY.—

''(1) IN GENERAL.—The Secretary shall take as security for an obligation entered into in connection with a loan made under this subtitle such security as the Secretary may require.

''(2) LIENS TO UNITED STATES.—An instrument for security under paragraph (1) may constitute a lien running to the United States notwithstanding the fact that the note for the security may be held by a lender other than the United States.

''(3) MULTIPLE LOANS.—A borrower may use the same collateral to secure 2 or more loans made or guaranteed under this subtitle, except that the outstanding amount of the loans may not exceed the total value of the collateral.

''(e) LEGAL COUNSEL FOR SMALL LOANS.—In the case of a loan of less than $500,000 made or guaranteed under section 3501 that is evidenced by a note or mortgage (as distinguished from a bond issue), the borrower shall not be required to appoint bond counsel to review the legal validity of the loan if the Secretary has available legal counsel to perform the review.

''SEC. 3702. STRATEGIC ECONOMIC AND COMMUNITY DEVELOPMENT.

''(a) PRIORITY.—In the case of any rural development program authorized by this subtitle, the Secretary may give priority to applications that are otherwise eligible and support strategic community and economic development plans on a multijurisdictional basis, as approved by the Secretary.

''(b) EVALUATION.—In evaluating strategic applications, the Secretary shall give a higher priority to strategic applications for a plan described in subsection (a) that demonstrate—

''(1) the plan was developed through the collaboration of multiple stakeholders in the service area of the plan, including the participation of combinations of stakeholders such as State, local, and tribal governments, nonprofit institutions, institutions of higher education, and private entities;

''(2) an understanding of the applicable regional resources that could support the plan, including natural resources, human resources, infrastructure, and financial resources;

''(3) investment from other Federal agencies;

''(4) investment from philanthropic organizations; and

''(5) clear objectives for the plan and the ability to establish measurable performance measures and to track progress toward meeting the objectives.

''SEC. 3703. GUARANTEED RURAL DEVELOPMENT LOANS.

''(a) IN GENERAL.—The Secretary may provide financial assistance to a borrower for a purpose provided in this subtitle by guaranteeing a loan made by any Federal or State chartered bank, savings and loan association, cooperative lending agency, or other legally organized lending agency.

''(b) INTEREST RATE.—The interest rate payable by a borrower on the portion of a guaranteed loan that is sold by a lender to the secondary market under this subtitle may be lower than the interest rate charged on the portion retained by the lender.

''(c) MAXIMUM GUARANTEE OF 90 PERCENT.—Except as provided in subsections (d) and (e), a loan guarantee under this subtitle shall be for not more than 90 percent of the principal and interest due on the loan.

''(d) REFINANCED LOANS GUARANTEED AT 95 PERCENT.—The Secretary shall guarantee 95 percent of—

''(1) in the case of a loan that solely refinances a direct loan made under this subtitle, the principal and interest due on the loan on the date of the refinancing; or

''(2) in the case of a loan that is used for multiple purposes, the portion of the loan that refinances the principal and interest due on a direct loan made under this subtitle that is outstanding on the date on which the loan is guaranteed.

''(e) RISK OF LOSS.—

''(1) IN GENERAL.—Subject to subsection (b), the Secretary may not make a loan under section 3501 or 3601 unless the Secretary determines that no other lender is willing to make the loan and assume 10 percent of the potential loss to be sustained from the loan.

''(2) EXCEPTION FOR NONPROFIT GROUPS.—Paragraph (1) shall not apply to a public body or nonprofit association, including an Indian tribe.

''SEC. 3704. RURAL DEVELOPMENT INSURANCE FUND.

''(a) DEFINITION OF RURAL DEVELOPMENT LOAN.—In this section, the term 'rural development loan' means a loan provided for by section 3501 or 3601.

''(b) ESTABLISHMENT.—There is established in the Treasury of the United States a fund to be known as the 'Rural Development Insurance Fund' that shall be used by the Secretary to discharge the obligations of the Secretary under contracts making or guaranteeing rural development loans.

''SEC. 3705. RURAL ECONOMIC AREA PARTNERSHIP ZONES.

''(a) IN GENERAL.—The Secretary may designate additional areas as rural economic

area partnership zones to be assisted under this chapter—

''(1) through an open, competitive process; and

''(2) with priority given to rural areas—

''(A) with excessive unemployment or underemployment, a high percentage of low-income residents, or high rates of outmigration, as determined by the Secretary; and

''(B) that the Secretary determines have a substantial need for assistance.

''(b) REQUIREMENTS.—The Secretary shall carry out those rural economic area partnership zones administratively in effect on the date of enactment of the Agriculture Reform, Food, and Jobs Act of 2012 in accordance with the terms and conditions contained in the memoranda of agreement entered into by the Secretary for the rural economic area partnership zones.

''SEC. 3706. STREAMLINING APPLICATIONS AND IMPROVING ACCESSIBILITY OF RURAL DEVELOPMENT PROGRAMS.

''The Secretary shall expedite the process of creating user-friendly and accessible application forms and procedures prioritizing programs and applications at the individual level with an emphasis on utilizing current technology including online applications and submission processes.

''CHAPTER 4—DELTA REGIONAL AUTHORITY

''SEC. 3801. DEFINITIONS.

''In this chapter:

''(1) AUTHORITY.—The term 'Authority' means the Delta Regional Authority established by section 3802.

''(2) FEDERAL GRANT PROGRAM.—The term 'Federal grant program' means a Federal grant program to provide assistance in—

''(A) acquiring or developing land;

''(B) constructing or equipping a highway, road, bridge, or facility; or

''(C) carrying out other economic development activities.

''(3) REGION.—The term 'region' means the Lower Mississippi (as defined in section 4 of the Delta Development Act (42 U.S.C. 3121 note; Public Law 100–460)).

''SEC. 3802. DELTA REGIONAL AUTHORITY.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—There is established the Delta Regional Authority.

''(2) COMPOSITION.—The Authority shall be composed of—

''(A) a Federal member, to be appointed by the President, with the advice and consent of the Senate; and

''(B) the Governor (or a designee of the Governor) of each State in the region that elects to participate in the Authority.

''(3) COCHAIRPERSONS.—The Authority shall be headed by—

''(A) the Federal member, who shall serve as—

''(i) the Federal cochairperson; and

''(ii) a liaison between the Federal Government and the Authority; and

''(B) a State cochairperson, who shall be—

''(i) a Governor of a participating State in the region; and

''(ii) elected by the State members for a term of not less than 1 year.

''(4) ALABAMA.—Notwithstanding any other provision of law, the State of Alabama shall be a full member of the Authority and shall be entitled to all rights and privileges that the membership affords to all other participating States in the Authority.

''(b) ALTERNATE MEMBERS.—

''(1) STATE ALTERNATES.—The State member of a participating State may have a single alternate, who shall be—

''(A) a resident of that State; and

''(B) appointed by the Governor of the State.

''(2) ALTERNATE FEDERAL COCHAIRPERSON.—The President shall appoint an alternate Federal cochairperson.

''(3) QUORUM.—A State alternate shall not be counted toward the establishment of a quorum of the Authority in any instance in which a quorum of the State members is required to be present.

''(4) DELEGATION OF POWER.—No power or responsibility of the Authority specified in paragraphs (2) and (3) of subsection (c), and no voting right of any Authority member, shall be delegated to any person—

''(A) who is not an Authority member; or

''(B) who is not entitled to vote in Authority meetings.

''(c) VOTING.—

''(1) IN GENERAL.—A decision by the Authority shall require a majority vote of the Authority (not including any member representing a State that is delinquent under subsection (g)(2)(C)) to be effective.

''(2) QUORUM.—A quorum of State members shall be required to be present for the Authority to make any policy decision, including—

''(A) a modification or revision of an Authority policy decision;

''(B) approval of a State or regional development plan; and

''(C) any allocation of funds among the States.

''(3) PROJECT AND GRANT PROPOSALS.—The approval of project and grant proposals shall be—

''(A) a responsibility of the Authority; and

''(B) conducted in accordance with section 3809.

''(4) VOTING BY ALTERNATE MEMBERS.—An alternate member shall vote in the case of the absence, death, disability, removal, or resignation of the Federal or State representative for which the alternate member is an alternate.

''(d) DUTIES.—The Authority shall—

''(1) develop, on a continuing basis, comprehensive and coordinated plans and programs to establish priorities and approve grants for the economic development of the region, giving due consideration to other Federal, State, and local planning and development activities in the region;

''(2) review, and where appropriate amend, priorities in a development plan for the region (including 5-year regional outcome targets);

''(3) assess the needs and assets of the region based on available research, demonstrations, investigations, assessments, and evaluations of the region prepared by Federal, State, and local agencies, universities, local development districts, and other nonprofit groups;

''(4) formulate and recommend to the Governors and legislatures of States that participate in the Authority forms of interstate cooperation;

''(5) work with State and local agencies in developing appropriate model legislation;

''(6)(A) enhance the capacity of, and provide support for, local development districts in the region; or

''(B) if no local development district exists in an area in a participating State in the region, foster the creation of a local development district;

''(7) encourage private investment in industrial, commercial, and other economic development projects in the region; and

''(8) cooperate with and assist State governments with economic development programs of participating States.

''(e) ADMINISTRATION.—In carrying out subsection (d), the Authority may—

''(1) hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute a description of the proceedings and reports on actions by the Authority as the Authority considers appropriate;

''(2) authorize, through the Federal or State cochairperson or any other member of the Authority designated by the Authority, the administration of oaths if the Authority determines that testimony should be taken or evidence received under oath;

''(3) request from any Federal, State, or local department or agency such information as may be available to or procurable by the department or agency that may be of use to the Authority in carrying out duties of the Authority;

''(4) adopt, amend, and repeal bylaws, rules, and regulations governing the conduct of Authority business and the performance of Authority duties;

''(5) request the head of any Federal department or agency to detail to the Authority such personnel as the Authority requires to carry out duties of the Authority, each such detail to be without loss of seniority, pay, or other employee status;

''(6) request the head of any State department or agency or local government to detail to the Authority such personnel as the Authority requires to carry out duties of the Authority, each such detail to be without loss of seniority, pay, or other employee status;

''(7) provide for coverage of Authority employees in a suitable retirement and employee benefit system by—

''(A) making arrangements or entering into contracts with any participating State government; or

''(B) otherwise providing retirement and other employee benefit coverage;

''(8) accept, use, and dispose of gifts or donations of services or real, personal, tangible, or intangible property;

''(9) enter into and perform such contracts, leases, cooperative agreements, or other transactions as are necessary to carry out Authority duties, including any contracts, leases, or cooperative agreements with—

''(A) any department, agency, or instrumentality of the United States;

''(B) any State (including a political subdivision, agency, or instrumentality of the State); or

''(C) any person, firm, association, or corporation; and

''(10) establish and maintain a central office and field offices at such locations as the Authority may select.

''(f) FEDERAL AGENCY COOPERATION.—A Federal agency shall—

''(1) cooperate with the Authority; and

''(2) provide, on request of the Federal cochairperson, appropriate assistance in carrying out this chapter, in accordance with applicable Federal laws (including regulations).

''(g) ADMINISTRATIVE EXPENSES.—

''(1) IN GENERAL.—Administrative expenses of the Authority (except for the expenses of the Federal cochairperson, including expenses of the alternate and staff of the Federal cochairperson, which shall be paid solely by the Federal Government) shall be paid—

''(A) by the Federal Government, in an amount equal to 50 percent of the administrative expenses; and

''(B) by the States in the region participating in the Authority, in an amount equal to 50 percent of the administrative expenses.

''(2) STATE SHARE.—

''(A) IN GENERAL.—The share of administrative expenses of the Authority to be paid by each State shall be determined by the Authority.

''(B) NO FEDERAL PARTICIPATION.—The Federal cochairperson shall not participate or vote in any decision under subparagraph (A).

''(C) DELINQUENT STATES.—If a State is delinquent in payment of the State's share of administrative expenses of the Authority under this subsection—

''(i) no assistance under this chapter shall be furnished to the State (including assistance to a political subdivision or a resident of the State); and

''(ii) no member of the Authority from the State shall participate or vote in any action by the Authority.

''(h) COMPENSATION.—

''(1) FEDERAL COCHAIRPERSON.—The Federal cochairperson shall be compensated by the Federal Government at level III of the Executive Schedule in subchapter II of chapter 53 of title 5, United States Code.

''(2) ALTERNATE FEDERAL COCHAIRPERSON.—The alternate Federal cochairperson—

''(A) shall be compensated by the Federal Government at level V of the Executive Schedule described in paragraph (1); and

''(B) when not actively serving as an alternate for the Federal cochairperson, shall perform such functions and duties as are delegated by the Federal cochairperson.

''(3) STATE MEMBERS AND ALTERNATES.—

''(A) IN GENERAL.—A State shall compensate each member and alternate representing the State on the Authority at the rate established by law of the State.

''(B) NO ADDITIONAL COMPENSATION.—No State member or alternate member shall receive any salary, or any contribution to or supplementation of salary from any source other than the State for services provided by the member or alternate to the Authority.

''(4) DETAILED EMPLOYEES.—

''(A) IN GENERAL.—No person detailed to serve the Authority under subsection (e)(6) shall receive any salary or any contribution to or supplementation of salary for services provided to the Authority from—

''(i) any source other than the State, local, or intergovernmental department or agency from which the person was detailed; or

''(ii) the Authority.

''(B) VIOLATION.—Any person that violates this paragraph shall be fined not more than $5,000, imprisoned not more than 1 year, or both.

''(C) APPLICABLE LAW.—The Federal cochairperson, the alternate Federal cochairperson, and any Federal officer or employee detailed to duty on the Authority under subsection (e)(5) shall not be subject to subparagraph (A), but shall remain subject to sections 202 through 209 of title 18, United States Code.

''(5) ADDITIONAL PERSONNEL.—

''(A) COMPENSATION.—

''(i) IN GENERAL.—The Authority may appoint and fix the compensation of an executive director and such other personnel as are necessary to enable the Authority to carry out the duties of the Authority.

''(ii) EXCEPTION.—Compensation under clause (i) shall not exceed the maximum rate for the Senior Executive Service under section 5382 of title 5, United States Code, including any applicable locality-based comparability payment that may be authorized under section 5304(h)(2)(C) of that title.

''(B) EXECUTIVE DIRECTOR.—The executive director shall be responsible for—

''(i) the carrying out of the administrative duties of the Authority;

''(ii) direction of the Authority staff; and

''(iii) such other duties as the Authority may assign.

''(C) NO FEDERAL EMPLOYEE STATUS.—No member, alternate, officer, or employee of the Authority (except the Federal cochairperson of the Authority, the alternate and staff for the Federal cochairperson, and any Federal employee detailed to the Authority under subsection (e)(5)) shall be considered to be a Federal employee for any purpose.

''(i) CONFLICTS OF INTEREST.—

''(1) IN GENERAL.—Except as provided under paragraph (2), no State member, alternate, officer, or employee of the Authority shall participate personally and substantially as a member, alternate, officer, or employee of the Authority, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in any proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other matter in which, to knowledge of the member, alternate, officer, or employee, there is a financial interest of—

''(A) the member, alternate, officer, or employee;

''(B) the spouse, minor child, partner, or organization (other than a State or political subdivision of the State) of the member, alternate, officer, or employee, in which the member, alternate, officer, or employee is serving as officer, director, trustee, partner, or employee; or

''(C) any person or organization with whom the member, alternate, officer, or employee is negotiating or has any arrangement concerning prospective employment.

''(2) DISCLOSURE.—Paragraph (1) shall not apply if the State member, alternate, officer, or employee—

''(A) immediately advises the Authority of the nature and circumstances of the proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter presenting a potential conflict of interest;

''(B) makes full disclosure of the financial interest; and

''(C) before the proceeding concerning the matter presenting the conflict of interest, receives a written determination by the Authority that the interest is not so substantial as to be likely to affect the integrity of the services that the Authority may expect from the State member, alternate, officer, or employee.

''(3) VIOLATION.—Any person that violates this subsection shall be fined not more than $10,000, imprisoned not more than 2 years, or both.

''(j) VALIDITY OF CONTRACTS, LOANS, AND GRANTS.—The Authority may declare void any contract, loan, or grant of or by the Authority in relation to which the Authority determines that there has been a violation of any provision under subsection (h)(4), subsection (i), or sections 202 through 209 of title 18, United States Code.

''SEC. 3803. ECONOMIC AND COMMUNITY DEVELOPMENT GRANTS.

''(a) IN GENERAL.—The Authority may approve grants to States and public and nonprofit entities for projects, approved in accordance with section 3809—

''(1) to develop the transportation infrastructure of the region for the purpose of facilitating economic development in the region (except that grants for this purpose may only be made to a State or local government);

''(2) to assist the region in obtaining the job training, employment-related education, and business development (with an emphasis on entrepreneurship) that are needed to build and maintain strong local economies;

''(3) to provide assistance to severely distressed and underdeveloped areas that lack financial resources for improving basic public services;

''(4) to provide assistance to severely distressed and underdeveloped areas that lack financial resources for equipping industrial parks and related facilities; and

''(5) to otherwise achieve the purposes of this chapter.

''(b) FUNDING.—

''(1) IN GENERAL.—Funds for grants under subsection (a) may be provided—

''(A) entirely from appropriations to carry out this section;

''(B) in combination with funds available under another Federal or Federal grant program; or

''(C) from any other source.

''(2) PRIORITY OF FUNDING.—To best build the foundations for long-term economic development and to complement other Federal and State resources in the region, Federal funds available under this chapter shall be focused on the activities in the following order or priority:

''(A) Basic public infrastructure in distressed counties and isolated areas of distress.

''(B) Transportation infrastructure for the purpose of facilitating economic development in the region.

''(C) Business development, with emphasis on entrepreneurship.

''(D) Job training or employment-related education, with emphasis on use of existing public educational institutions located in the region.

''SEC. 3804. SUPPLEMENTS TO FEDERAL GRANT PROGRAMS.

''(a) FINDING.—Congress finds that certain States and local communities of the region, including local development districts, may be unable to take maximum advantage of Federal grant programs for which the States and communities are eligible because—

''(1) the States or communities lack the economic resources to provide the required matching share; or

''(2) there are insufficient funds available under the applicable Federal law authorizing the Federal grant program to meet pressing needs of the region.

''(b) FEDERAL GRANT PROGRAM FUNDING.—Notwithstanding any provision of law limiting the Federal share, the areas eligible for assistance, or the authorizations of appropriations of any Federal grant program, and in accordance with subsection (c), the Authority, with the approval of the Federal cochairperson and with respect to a project to be carried out in the region—

''(1) may increase the Federal share of the costs of a project under the Federal grant program to not more than 90 percent (except as provided in section 3806(b)); and

''(2) shall use amounts made available to carry out this chapter to pay the increased Federal share.

''(c) CERTIFICATIONS.—

''(1) IN GENERAL.—In the case of any project for which all or any portion of the basic Federal share of the costs of the project is proposed to be paid under this section, no Federal contribution shall be made until the Federal official administering the Federal law that authorizes the Federal grant program certifies that the project—

''(A) meets (except as provided in subsection (b)) the applicable requirements of the applicable Federal grant program; and

''(B) could be approved for Federal contribution under the Federal grant program if funds were available under the law for the project.

''(2) CERTIFICATION BY AUTHORITY.—

''(A) IN GENERAL.—The certifications and determinations required to be made by the Authority for approval of projects under this Act in accordance with section 3809 shall be—

''(i) controlling; and

''(ii) accepted by the Federal agencies.

''(B) ACCEPTANCE BY FEDERAL COCHAIRPERSON.—In the case of any project described in paragraph (1), any finding, report, certification, or documentation required to be submitted with respect to the project to the

head of the department, agency, or instrumentality of the Federal Government responsible for the administration of the Federal grant program under which the project is carried out shall be accepted by the Federal cochairperson.

"SEC. 3805. LOCAL DEVELOPMENT DISTRICTS; CERTIFICATION AND ADMINISTRATIVE EXPENSES.

''(a) DEFINITION OF LOCAL DEVELOPMENT DISTRICT.—In this section, the term 'local development district' means an entity that—

''(1) is—

''(A) a planning district in existence on the date of enactment of the Agriculture Reform, Food, and Jobs Act of 2012 that is recognized by the Secretary; or

''(B) if an entity described in subparagraph (A) does not exist—

''(i) organized and operated in a manner that ensures broad-based community participation and an effective opportunity for other nonprofit groups to contribute to the development and implementation of programs in the region;

''(ii) governed by a policy board with at least a simple majority of members consisting of elected officials or employees of a general purpose unit of local government who have been appointed to represent the government;

''(iii) certified to the Authority as having a charter or authority that includes the economic development of counties or parts of counties or other political subdivisions within the region—

''(I) by the Governor of each State in which the entity is located; or

''(II) by the State officer designated by the appropriate State law to make the certification; and

''(iv)(I) a nonprofit incorporated body organized or chartered under the law of the State in which the entity is located;

''(II) a nonprofit agency or instrumentality of a State or local government;

''(III) a public organization established before December 21, 2000, under State law for creation of multi-jurisdictional, area-wide planning organizations; or

''(IV) a nonprofit association or combination of bodies, agencies, and instrumentalities described in subclauses (I) through (III); and

''(2) has not, as certified by the Federal cochairperson—

''(A) inappropriately used Federal grant funds from any Federal source; or

''(B) appointed an officer who, during the period in which another entity inappropriately used Federal grant funds from any Federal source, was an officer of the other entity.

''(b) GRANTS TO LOCAL DEVELOPMENT DISTRICTS.—

''(1) IN GENERAL.—The Authority shall make grants for administrative expenses under this section.

''(2) CONDITIONS FOR GRANTS.—

''(A) MAXIMUM AMOUNT.—The amount of any grant awarded under paragraph (1) shall not exceed 80 percent of the administrative expenses of the local development district receiving the grant.

''(B) MAXIMUM PERIOD.—No grant described in paragraph (1) shall be awarded to a State agency certified as a local development district for a period greater than 3 years.

''(C) LOCAL SHARE.—The contributions of a local development district for administrative expenses may be in cash or in kind, fairly evaluated, including space, equipment, and services.

''(c) DUTIES OF LOCAL DEVELOPMENT DISTRICTS.—A local development district shall—

''(1) operate as a lead organization serving multicounty areas in the region at the local level; and

''(2) serve as a liaison between State and local governments, nonprofit organizations (including community-based groups and educational institutions), the business community, and citizens that—

''(A) are involved in multijurisdictional planning;

''(B) provide technical assistance to local jurisdictions and potential grantees; and

''(C) provide leadership and civic development assistance.

"SEC. 3806. DISTRESSED COUNTIES AND AREAS AND NONDISTRESSED COUNTIES.

''(a) DESIGNATIONS.—Each year, the Authority, in accordance with such criteria as the Authority may establish, shall designate—

''(1) as distressed counties, counties in the region that are the most severely and persistently distressed and underdeveloped and have high rates of poverty or unemployment;

''(2) as nondistressed counties, counties in the region that are not designated as distressed counties under paragraph (1); and

''(3) as isolated areas of distress, areas located in nondistressed counties (as designated under paragraph (2)) that have high rates of poverty or unemployment.

''(b) DISTRESSED COUNTIES.—

''(1) IN GENERAL.—The Authority shall allocate at least 75 percent of the appropriations made available under section 3813 for programs and projects designed to serve the needs of distressed counties and isolated areas of distress in the region.

''(2) FUNDING LIMITATIONS.—The funding limitations under section 3804(b) shall not apply to a project providing transportation or basic public services to residents of 1 or more distressed counties or isolated areas of distress in the region.

''(c) NONDISTRESSED COUNTIES.—

''(1) IN GENERAL.—Except as provided in this subsection, no funds shall be provided under this chapter for a project located in a county designated as a nondistressed county under subsection (a)(2).

''(2) EXCEPTIONS.—

''(A) IN GENERAL.—The funding prohibition under paragraph (1) shall not apply to grants to fund the administrative expenses of local development districts under section 3805(b).

''(B) MULTICOUNTY PROJECTS.—The Authority may waive the application of the funding prohibition under paragraph (1) to a multicounty project that includes participation by a nondistressed county; or any other type of project if the Authority determines that the project could bring significant benefits to areas of the region outside a nondistressed county.

''(C) ISOLATED AREAS OF DISTRESS.—For a designation of an isolated area of distress for assistance to be effective, the designation shall be supported—

''(i) by the most recent Federal data available; or

''(ii) if no recent Federal data are available, by the most recent data available through the government of the State in which the isolated area of distress is located.

''(d) TRANSPORTATION AND BASIC PUBLIC INFRASTRUCTURE.—The Authority shall allocate at least 50 percent of any funds made available under section 3813 for transportation and basic public infrastructure projects authorized under paragraphs (1) and (3) of section 3803(a).

"SEC. 3807. DEVELOPMENT PLANNING PROCESS.

''(a) STATE DEVELOPMENT PLAN.—In accordance with policies established by the Authority, each State member shall submit a development plan for the area of the region represented by the State member.

''(b) CONTENT OF PLAN.—A State development plan submitted under subsection (a) shall reflect the goals, objectives, and priorities identified in the regional development plan developed under section 3802(d)(2).

''(c) CONSULTATION WITH INTERESTED LOCAL PARTIES.—In carrying out the development planning process (including the selection of programs and projects for assistance), a State may—

''(1) consult with—

''(A) local development districts; and

''(B) local units of government; and

''(2) take into consideration the goals, objectives, priorities, and recommendations of the entities described in paragraph (1).

''(d) PUBLIC PARTICIPATION.—

''(1) IN GENERAL.—The Authority and applicable State and local development districts shall encourage and assist, to the maximum extent practicable, public participation in the development, revision, and implementation of all plans and programs under this chapter.

''(2) REGULATIONS.—The Authority shall develop guidelines for providing public participation described in paragraph (1), including public hearings.

"SEC. 3808. PROGRAM DEVELOPMENT CRITERIA.

''(a) IN GENERAL.—In considering programs and projects to be provided assistance under this chapter and in establishing a priority ranking of the requests for assistance provided by the Authority, the Authority shall follow procedures that ensure, to the maximum extent practicable, consideration of—

''(1) the relationship of the project or class of projects to overall regional development;

''(2) the per capita income and poverty and unemployment rates in an area;

''(3) the financial resources available to the applicants for assistance seeking to carry out the project, with emphasis on ensuring that projects are adequately financed to maximize the probability of successful economic development;

''(4) the importance of the project or class of projects in relation to other projects or classes of projects that may be in competition for the same funds;

''(5) the prospects that the project for which assistance is sought will improve, on a continuing rather than a temporary basis, the opportunities for employment, the average level of income, or the economic development of the area served by the project; and

''(6) the extent to which the project design provides for detailed outcome measurements by which grant expenditures and the results of the expenditures may be evaluated.

''(b) NO RELOCATION ASSISTANCE.—

''(1) IN GENERAL.—Except as provided in paragraph (2), no financial assistance authorized by this chapter shall be used to assist a person or entity in relocating from 1 area to another.

''(2) OUTSIDE BUSINESSES.—Financial assistance under this chapter may be used as otherwise authorized by this title to attract businesses from outside the region to the region.

''(c) REDUCTION OF FUNDS.—Funds may be provided for a program or project in a State under this chapter only if the Authority determines that the level of Federal or State financial assistance provided under a law other than this chapter, for the same type of program or project in the same area of the State within the region, will not be reduced as a result of funds made available by this chapter.

"SEC. 3809. APPROVAL OF DEVELOPMENT PLANS AND PROJECTS.

''(a) IN GENERAL.—A State or regional development plan or any multistate subregional plan that is proposed for development under this chapter shall be reviewed and approved by the Authority.

''(b) EVALUATION BY STATE MEMBER.—An application for a grant or any other assistance for a project under this chapter shall be

made through and evaluated for approval by the State member of the Authority representing the applicant.

''(c) CERTIFICATION.—An application for a grant or other assistance for a project shall be approved only on certification by the State member that the application for the project—

''(1) describes ways in which the project complies with any applicable State development plan;

''(2) meets applicable criteria under section 3808;

''(3) provides adequate assurance that the proposed project will be properly administered, operated, and maintained; and

''(4) otherwise meets the requirements of this chapter.

''(d) APPROVAL OF GRANT APPLICATIONS.—On certification by a State member of the Authority of an application for a grant or other assistance for a specific project under this section, an affirmative vote of the Authority under section 3802(c) shall be required for approval of the application.

''SEC. 3810. CONSENT OF STATES.

''Nothing in this chapter requires any State to engage in or accept any program under this chapter without the consent of the State.

''SEC. 3811. RECORDS.

''(a) RECORDS OF THE AUTHORITY.—

''(1) IN GENERAL.—The Authority shall maintain accurate and complete records of all transactions and activities of the Authority.

''(2) AVAILABILITY.—All records of the Authority shall be available for audit and examination by the Comptroller General of the United States and the Inspector General of the Department of Agriculture (including authorized representatives of the Comptroller General and the Inspector General of the Department of Agriculture).

''(b) RECORDS OF RECIPIENTS OF FEDERAL ASSISTANCE.—

''(1) IN GENERAL.—A recipient of Federal funds under this chapter shall, as required by the Authority, maintain accurate and complete records of transactions and activities financed with Federal funds and report on the transactions and activities to the Authority.

''(2) AVAILABILITY.—All records required under paragraph (1) shall be available for audit by the Comptroller General of the United States, the Inspector General of the Department of Agriculture, and the Authority (including authorized representatives of the Comptroller General, the Inspector General of the Department of Agriculture, and the Authority).

''SEC. 3812. ANNUAL REPORT.

''Not later than 180 days after the end of each fiscal year, the Authority shall submit to the President and to Congress a report describing the activities carried out under this chapter.

''SEC. 3813. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—There is authorized to be appropriated to the Authority to carry out this chapter $30,000,000 for each of fiscal years 2012 through 2017, to remain available until expended.

''(b) ADMINISTRATIVE EXPENSES.—Not more than 5 percent of the amount appropriated under subsection (a) for a fiscal year shall be used for administrative expenses of the Authority.

''SEC. 3814. TERMINATION OF AUTHORITY.

''This chapter and the authority provided under this chapter expire on October 1, 2017.

''CHAPTER 5—NORTHERN GREAT PLAINS REGIONAL AUTHORITY

''SEC. 3821. DEFINITIONS.

''In this chapter:

''(1) AUTHORITY.—The term 'Authority' means the Northern Great Plains Regional Authority established by section 3822.

''(2) FEDERAL GRANT PROGRAM.—The term 'Federal grant program' means a Federal grant program to provide assistance in—

''(A) implementing the recommendations of the Northern Great Plains Rural Development Commission established by the Northern Great Plains Rural Development Act (7 U.S.C. 2661 note; Public Law 103–318);

''(B) acquiring or developing land;

''(C) constructing or equipping a highway, road, bridge, or facility;

''(D) carrying out other economic development activities; or

''(E) conducting research activities related to the activities described in subparagraphs (A) through (D).

''(3) REGION.—The term 'region' means the States of Iowa, Minnesota, Missouri (other than counties included in the Delta Regional Authority), Nebraska, North Dakota, and South Dakota.

''SEC. 3822. NORTHERN GREAT PLAINS REGIONAL AUTHORITY.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—There is established the Northern Great Plains Regional Authority.

''(2) COMPOSITION.—The Authority shall be composed of—

''(A) a Federal member, to be appointed by the President, by and with the advice and consent of the Senate;

''(B) the Governor (or a designee of the Governor) of each State in the region that elects to participate in the Authority; and

''(C) a member of an Indian tribe, who shall be a chairperson of an Indian tribe in the region or a designee of such a chairperson, to be appointed by the President, by and with the advice and consent of the Senate.

''(3) COCHAIRPERSONS.—The Authority shall be headed by—

''(A) the Federal member, who shall serve as—

''(i) the Federal cochairperson; and

''(ii) a liaison between the Federal Government and the Authority;

''(B) a State cochairperson, who shall be—

''(i) a Governor of a participating State in the region; and

''(ii) elected by the State members for a term of not less than 1 year; and

''(C) the member of an Indian tribe, who shall serve as—

''(i) the tribal cochairperson; and

''(ii) a liaison between the governments of Indian tribes in the region and the Authority.

''(4) FAILURE TO CONFIRM.—

''(A) FEDERAL MEMBER.—Notwithstanding any other provision of this section, if a Federal member described in paragraph (2)(A) has not been confirmed by the Senate by not later than 180 days after the date of enactment of the Agriculture Reform, Food, and Jobs Act of 2012, the Authority may organize and operate without the Federal member.

''(B) TRIBAL COCHAIRPERSON.—In the case of the tribal cochairperson, if no tribal cochairperson is confirmed by the Senate, the regional authority shall consult and coordinate with the leaders of Indian tribes in the region concerning the activities of the Authority, as appropriate.

''(b) ALTERNATE MEMBERS.—

''(1) ALTERNATE FEDERAL COCHAIRPERSON.—The President shall appoint an alternate Federal cochairperson.

''(2) STATE ALTERNATES.—

''(A) IN GENERAL.—The State member of a participating State may have a single alternate, who shall be—

''(i) a resident of that State; and

''(ii) appointed by the Governor of the State.

''(B) QUORUM.—A State alternate member shall not be counted toward the establishment of a quorum of the members of the Authority in any case in which a quorum of the State members is required to be present.

''(3) ALTERNATE TRIBAL COCHAIRPERSON.—The President shall appoint an alternate tribal cochairperson, by and with the advice and consent of the Senate.

''(4) DELEGATION OF POWER.—No power or responsibility of the Authority specified in paragraphs (2) and (3) of subsection (c), and no voting right of any member of the Authority, shall be delegated to any person who is not—

''(A) a member of the Authority; or

''(B) entitled to vote in Authority meetings.

''(c) VOTING.—

''(1) IN GENERAL.—A decision by the Authority shall require a majority vote of the Authority (not including any member representing a State that is delinquent under subsection (g)(2)(D)) to be effective.

''(2) QUORUM.—A quorum of State members shall be required to be present for the Authority to make any policy decision, including—

''(A) a modification or revision of an Authority policy decision;

''(B) approval of a State or regional development plan; and

''(C) any allocation of funds among the States.

''(3) PROJECT AND GRANT PROPOSALS.—The approval of project and grant proposals shall be—

''(A) a responsibility of the Authority; and

''(B) conducted in accordance with section 3830.

''(4) VOTING BY ALTERNATE MEMBERS.—An alternate member shall vote in the case of the absence, death, disability, removal, or resignation of the Federal, State, or Indian tribe member for whom the alternate member is an alternate.

''(d) DUTIES.—The Authority shall—

''(1) develop, on a continuing basis, comprehensive and coordinated plans and programs for multistate cooperation to advance the economic and social well-being of the region and to approve grants for the economic development of the region, giving due consideration to other Federal, State, tribal, and local planning and development activities in the region;

''(2) review, and when appropriate amend, priorities in a development plan for the region (including 5-year regional outcome targets);

''(3) assess the needs and assets of the region based on available research, demonstrations, investigations, assessments, and evaluations of the region prepared by Federal, State, tribal, and local agencies, universities, regional and local development districts or organizations, and other nonprofit groups;

''(4) formulate and recommend to the Governors and legislatures of States that participate in the Authority forms of interstate cooperation for—

''(A) renewable energy development and transmission;

''(B) transportation planning and economic development;

''(C) information technology;

''(D) movement of freight and individuals within the region;

''(E) federally-funded research at institutions of higher education; and

''(F) conservation land management;

''(5) work with State, tribal, and local agencies in developing appropriate model legislation;

''(6) enhance the capacity of, and provide support for, multistate development and research organizations, local development organizations and districts, and resource conservation districts in the region;

''(7) encourage private investment in industrial, commercial, renewable energy, and other economic development projects in the region; and

''(8) cooperate with and assist State governments with economic development programs of participating States.

''(e) ADMINISTRATION.—In carrying out subsection (d), the Authority may—

''(1) hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute a description of the proceedings and reports on actions by the Authority as the Authority considers appropriate;

''(2) authorize, through the Federal, State, or tribal cochairperson or any other member of the Authority designated by the Authority, the administration of oaths if the Authority determines that testimony should be taken or evidence received under oath;

''(3) request from any Federal, State, tribal, or local agency such information as may be available to or procurable by the agency that may be of use to the Authority in carrying out the duties of the Authority;

''(4) adopt, amend, and repeal bylaws and rules governing the conduct of business and the performance of duties of the Authority;

''(5) request the head of any Federal agency to detail to the Authority such personnel as the Authority requires to carry out duties of the Authority, each such detail to be without loss of seniority, pay, or other employee status;

''(6) request the head of any State agency, tribal government, or local government to detail to the Authority such personnel as the Authority requires to carry out duties of the Authority, each such detail to be without loss of seniority, pay, or other employee status;

''(7) provide for coverage of Authority employees in a suitable retirement and employee benefit system by—

''(A) making arrangements or entering into contracts with any participating State government or tribal government; or

''(B) otherwise providing retirement and other employee benefit coverage;

''(8) accept, use, and dispose of gifts or donations of services or real, personal, tangible, or intangible property;

''(9) enter into and perform such contracts, leases, cooperative agreements, or other transactions as are necessary to carry out Authority duties, including any contracts, leases, or cooperative agreements with—

''(A) any department, agency, or instrumentality of the United States;

''(B) any State (including a political subdivision, agency, or instrumentality of the State);

''(C) any Indian tribe in the region; or

''(D) any person, firm, association, or corporation; and

''(10) establish and maintain a central office and field offices at such locations as the Authority may select.

''(f) FEDERAL AGENCY COOPERATION.—A Federal agency shall—

''(1) cooperate with the Authority; and

''(2) provide, on request of a cochairperson, appropriate assistance in carrying out this chapter, in accordance with applicable Federal laws (including regulations).

''(g) ADMINISTRATIVE EXPENSES.—

''(1) FEDERAL SHARE.—The Federal share of the administrative expenses of the Authority shall be—

''(A) for each of fiscal years 2012 and 2013, 100 percent;

''(B) for fiscal year 2014, 75 percent; and

''(C) for fiscal year 2015 and each fiscal year thereafter, 50 percent.

''(2) NON-FEDERAL SHARE.—

''(A) IN GENERAL.—The non-Federal share of the administrative expenses of the Authority shall be paid by non-Federal sources in the States that participate in the Authority.

''(B) SHARE PAID BY EACH STATE.—The share of administrative expenses of the Authority to be paid by non-Federal sources in each State shall be determined by the Authority.

''(C) NO FEDERAL PARTICIPATION.—The Federal cochairperson shall not participate or vote in any decision under subparagraph (B).

''(D) DELINQUENT STATES.—If a State is delinquent in payment of the State's share of administrative expenses of the Authority under this subsection—

''(i) no assistance under this chapter shall be provided to the State (including assistance to a political subdivision or a resident of the State); and

''(ii) no member of the Authority from the State shall participate or vote in any action by the Authority.

''(h) COMPENSATION.—

''(1) FEDERAL AND TRIBAL COCHAIRPERSONS.—The Federal cochairperson and the tribal cochairperson shall be compensated by the Federal Government at the annual rate of basic pay prescribed for level III of the Executive Schedule in subchapter II of chapter 53 of title 5, United States Code.

''(2) ALTERNATE FEDERAL AND TRIBAL COCHAIRPERSONS.—The alternate Federal cochairperson and the alternate tribal cochairperson—

''(A) shall be compensated by the Federal Government at the annual rate of basic pay prescribed for level V of the Executive Schedule described in paragraph (1); and

''(B) when not actively serving as an alternate, shall perform such functions and duties as are delegated by the Federal cochairperson or the tribal cochairperson, respectively.

''(3) STATE MEMBERS AND ALTERNATES.—

''(A) IN GENERAL.—A State shall compensate each member and alternate representing the State on the Authority at the rate established by State law.

''(B) NO ADDITIONAL COMPENSATION.—No State member or alternate member shall receive any salary, or any contribution to or supplementation of salary from any source other than the State for services provided by the member or alternate member to the Authority.

''(4) DETAILED EMPLOYEES.—

''(A) IN GENERAL.—No person detailed to serve the Authority under subsection (e)(6) shall receive any salary or any contribution to or supplementation of salary for services provided to the Authority from—

''(i) any source other than the State, tribal, local, or intergovernmental agency from which the person was detailed; or

''(ii) the Authority.

''(B) VIOLATION.—Any person that violates this paragraph shall be fined not more than $5,000, imprisoned not more than 1 year, or both.

''(C) APPLICABLE LAW.—The Federal cochairperson, the alternate Federal cochairperson, and any Federal officer or employee detailed to duty on the Authority under subsection (e)(5) shall not be subject to subparagraph (A), but shall remain subject to sections 202 through 209 of title 18, United States Code.

''(5) ADDITIONAL PERSONNEL.—

''(A) COMPENSATION.—

''(i) IN GENERAL.—The Authority may appoint and fix the compensation of an executive director and such other personnel as are necessary to enable the Authority to carry out the duties of the Authority.

''(ii) EXCEPTION.—Compensation under clause (i) shall not exceed the maximum rate for the Senior Executive Service under section 5382 of title 5, United States Code, including any applicable locality-based comparability payment that may be authorized under section 5304(h)(2)(C) of that title.

''(B) EXECUTIVE DIRECTOR.—The executive director shall be responsible for—

''(i) the carrying out of the administrative duties of the Authority;

''(ii) direction of the Authority staff; and

''(iii) such other duties as the Authority may assign.

''(C) NO FEDERAL EMPLOYEE STATUS.—No member, alternate, officer, or employee of the Authority (except the Federal cochairperson of the Authority, the alternate and staff for the Federal cochairperson, and any Federal employee detailed to the Authority under subsection (e)(5)) shall be considered to be a Federal employee for any purpose.

''(i) CONFLICTS OF INTEREST.—

''(1) IN GENERAL.—Except as provided under paragraph (2), no State member, Indian tribe member, State alternate, officer, or employee of the Authority shall participate personally and substantially as a member, alternate, officer, or employee of the Authority, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in any proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other matter in which, to knowledge of the member, alternate, officer, or employee, there is a financial interest of—

''(A) the member, alternate, officer, or employee;

''(B) the spouse, minor child, partner, or organization (other than a State or political subdivision of the State or the Indian tribe) of the member, alternate, officer, or employee, in which the member, alternate, officer, or employee is serving as officer, director, trustee, partner, or employee; or

''(C) any person or organization with whom the member, alternate, officer, or employee is negotiating or has any arrangement concerning prospective employment.

''(2) DISCLOSURE.—Paragraph (1) shall not apply if the State member, Indian tribe member, alternate, officer, or employee—

''(A) immediately advises the Authority of the nature and circumstances of the proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter presenting a potential conflict of interest;

''(B) makes full disclosure of the financial interest; and

''(C) before the proceeding concerning the matter presenting the conflict of interest, receives a written determination by the Authority that the interest is not so substantial as to be likely to affect the integrity of the services that the Authority may expect from the State member, Indian tribe member, alternate, officer, or employee.

''(3) VIOLATION.—Any person that violates this subsection shall be fined not more than $10,000, imprisoned not more than 2 years, or both.

''(j) VALIDITY OF CONTRACTS, LOANS, AND GRANTS.—The Authority may declare void any contract, loan, or grant of or by the Authority in relation to which the Authority determines that there has been a violation of any provision under subsection (h)(4) or subsection (i) of this chapter, or sections 202 through 209 of title 18, United States Code.

"SEC. 3823. INTERSTATE COOPERATION FOR ECONOMIC OPPORTUNITY AND EFFICIENCY.

''(a) IN GENERAL.—The Authority shall provide assistance to States in developing regional plans to address multistate economic issues, including plans—

''(1) to develop a regional transmission system for movement of renewable energy to markets outside the region;

''(2) to address regional transportation concerns, including the establishment of a Northern Great Plains Regional Transportation Working Group;

''(3) to encourage and support interstate collaboration on federally-funded research that is in the national interest; and

''(4) to establish a Regional Working Group on Agriculture Development and Transportation.

''(b) ECONOMIC ISSUES.—The multistate economic issues referred to in subsection (a) shall include—

''(1) renewable energy development and transmission;

''(2) transportation planning and economic development;

''(3) information technology;

''(4) movement of freight and individuals within the region;

''(5) federally-funded research at institutions of higher education; and

''(6) conservation land management.

"SEC. 3824. ECONOMIC AND COMMUNITY DEVELOPMENT GRANTS.

''(a) IN GENERAL.—The Authority may approve grants to States, Indian tribes, local governments, and public and nonprofit organizations for projects, approved in accordance with section 3830—

''(1) to assist the region in obtaining the job training, employment-related education, and business development (with an emphasis on entrepreneurship) that are needed to build and maintain strong local economies;

''(2) to develop the transportation, renewable energy transmission, and telecommunication infrastructure of the region for the purpose of facilitating economic development in the region (except that grants for this purpose may be made only to States, Indian tribes, local governments, and nonprofit organizations);

''(3) to provide assistance to severely distressed and underdeveloped areas that lack financial resources for improving basic public services;

''(4) to provide assistance to severely distressed and underdeveloped areas that lack financial resources for equipping industrial parks and related facilities; and

''(5) to otherwise achieve the purposes of this chapter.

''(b) FUNDING.—

''(1) IN GENERAL.—Funds for grants under subsection (a) may be provided—

''(A) entirely from appropriations to carry out this section;

''(B) in combination with funds available under another Federal grant program; or

''(C) from any other source.

''(2) PRIORITY OF FUNDING.—To best build the foundations for long-term economic development and to complement other Federal, State, and tribal resources in the region, Federal funds available under this chapter shall be focused on the following activities:

''(A) Basic public infrastructure in distressed counties and isolated areas of distress.

''(B) Transportation and telecommunication infrastructure for the purpose of facilitating economic development in the region.

''(C) Business development, with emphasis on entrepreneurship.

''(D) Job training or employment-related education, with emphasis on use of existing public educational institutions located in the region.

"SEC. 3825. SUPPLEMENTS TO FEDERAL GRANT PROGRAMS.

''(a) FINDING.—Congress finds that certain States and local communities of the region may be unable to take maximum advantage of Federal grant programs for which the States and communities are eligible because—

''(1) the States and communities lack the economic resources to provide the required matching share; or

''(2) there are insufficient funds available under the applicable Federal law authorizing the Federal grant program to meet pressing needs of the region.

''(b) FEDERAL GRANT PROGRAM FUNDING.—Notwithstanding any provision of law limiting the Federal share, the areas eligible for assistance, or the authorizations of appropriations, under any Federal grant program, and in accordance with subsection (c), the Authority, with the approval of the Federal cochairperson and with respect to a project to be carried out in the region—

''(1) may increase the Federal share of the costs of a project under any Federal grant program to not more than 90 percent (except as provided in section 3827(b)); and

''(2) shall use amounts made available to carry out this chapter to pay the increased Federal share.

''(c) CERTIFICATIONS.—

''(1) IN GENERAL.—In the case of any project for which all or any portion of the basic Federal share of the costs of the project is proposed to be paid under this section, no Federal contribution shall be made until the Federal official administering the Federal law that authorizes the Federal grant program certifies that the project—

''(A) meets (except as provided in subsection (b)) the applicable requirements of the applicable Federal grant program; and

''(B) could be approved for Federal contribution under the Federal grant program if funds were available under the law for the project.

''(2) CERTIFICATION BY AUTHORITY.—

''(A) IN GENERAL.—The certifications and determinations required to be made by the Authority for approval of projects under this Act in accordance with section 3830 shall be—

''(i) controlling; and

''(ii) accepted by the Federal agencies.

''(B) ACCEPTANCE BY FEDERAL COCHAIRPERSON.—In the case of any project described in paragraph (1), any finding, report, certification, or documentation required to be submitted with respect to the project to the head of the department, agency, or instrumentality of the Federal Government responsible for the administration of the Federal grant program under which the project is carried out shall be accepted by the Federal cochairperson.

"SEC. 3826. MULTISTATE AND LOCAL DEVELOPMENT DISTRICTS AND ORGANIZATIONS AND NORTHERN GREAT PLAINS INC.

''(a) DEFINITION OF MULTISTATE AND LOCAL DEVELOPMENT DISTRICT OR ORGANIZATION.—In this section, the term 'multistate and local development district or organization' means an entity—

''(1) that—

''(A) is a planning district that is recognized by the Economic Development Administration of the Department of Commerce; or

''(B) is—

''(i) organized and operated in a manner that ensures broad-based community participation and an effective opportunity for other nonprofit groups to contribute to the development and implementation of programs in the region;

''(ii) a nonprofit incorporated body organized or chartered under the law of the State in which the entity is located;

''(iii) a nonprofit agency or instrumentality of a State or local government;

''(iv) a public organization established before the date of enactment of the Agriculture Reform, Food, and Jobs Act of 2012 under State law for creation of multijurisdictional, area-wide planning organizations;

''(v) a nonprofit agency or instrumentality of a State that was established for the purpose of assisting with multistate cooperation; or

''(vi) a nonprofit association or combination of bodies, agencies, and instrumentalities described in clauses (ii) through (v); and

''(2) that has not, as certified by the Authority (in consultation with the Federal cochairperson or Secretary, as appropriate)—

''(A) inappropriately used Federal grant funds from any Federal source; or

''(B) appointed an officer who, during the period in which another entity inappropriately used Federal grant funds from any Federal source, was an officer of the other entity.

''(b) GRANTS TO MULTISTATE, LOCAL, OR REGIONAL DEVELOPMENT DISTRICTS AND ORGANIZATIONS.—

''(1) IN GENERAL.—The Authority may make grants for administrative expenses under this section to multistate, local, and regional development districts and organizations.

''(2) CONDITIONS FOR GRANTS.—

''(A) MAXIMUM AMOUNT.—The amount of any grant awarded under paragraph (1) shall not exceed 80 percent of the administrative expenses of the multistate, local, or regional development district or organization receiving the grant.

''(B) MAXIMUM PERIOD.—No grant described in paragraph (1) shall be awarded for a period of greater than 3 years.

''(3) LOCAL SHARE.—The contributions of a multistate, local, or regional development district or organization for administrative expenses may be in cash or in kind, fairly evaluated, including space, equipment, and services.

''(c) DUTIES.—

''(1) IN GENERAL.—Except as provided in paragraph (2), a local development district shall operate as a lead organization serving multicounty areas in the region at the local level.

''(2) DESIGNATION.—The Federal cochairperson may designate an Indian tribe or multijurisdictional organization to serve as a lead organization in such cases as the Federal cochairperson or Secretary, as appropriate, determines appropriate.

''(d) NORTHERN GREAT PLAINS INC.—Northern Great Plains Inc., a nonprofit corporation incorporated in the State of Minnesota to implement the recommendations of the Northern Great Plains Rural Development Commission established by the Northern Great Plains Rural Development Act (7 U.S.C. 2661 note; Public Law 103–318)—

''(1) shall serve as an independent, primary resource for the Authority on issues of concern to the region;

''(2) shall advise the Authority on development of international trade;

''(3) may provide research, education, training, and other support to the Authority; and

''(4) may carry out other activities on its own behalf or on behalf of other entities.

"SEC. 3827. DISTRESSED COUNTIES AND AREAS AND NONDISTRESSED COUNTIES.

''(a) DESIGNATIONS.—Each year, the Authority, in accordance with such criteria as the Authority may establish, shall designate—

''(1) as distressed counties, counties in the region that are the most severely and persistently distressed and underdeveloped and have high rates of poverty, unemployment, or outmigration;

''(2) as nondistressed counties, counties in the region that are not designated as distressed counties under paragraph (1); and

''(3) as isolated areas of distress, areas located in nondistressed counties (as designated under paragraph (2)) that have high rates of poverty, unemployment, or outmigration.

''(b) DISTRESSED COUNTIES.—

''(1) IN GENERAL.—The Authority shall allocate at least 50 percent of the appropriations made available under section 3834 for programs and projects designed to serve the needs of distressed counties and isolated areas of distress in the region.

''(2) FUNDING LIMITATIONS.—The funding limitations under section 3825(b) shall not apply to a project to provide transportation or telecommunication or basic public services to residents of 1 or more distressed counties or isolated areas of distress in the region.

''(c) TRANSPORTATION, TELECOMMUNICATION, RENEWABLE ENERGY, AND BASIC PUBLIC INFRASTRUCTURE.—The Authority shall allocate at least 50 percent of any funds made available under section 3834 for transportation, telecommunication, renewable energy, and basic public infrastructure projects authorized under paragraphs (1) and (3) of section 3824(a).

''SEC. 3828. DEVELOPMENT PLANNING PROCESS.

''(a) STATE DEVELOPMENT PLAN.—In accordance with policies established by the Authority, each State member shall submit a development plan for the area of the region represented by the State member.

''(b) CONTENT OF PLAN.—A State development plan submitted under subsection (a) shall reflect the goals, objectives, and priorities identified in the regional development plan developed under section 3823(d)(2).

''(c) CONSULTATION WITH INTERESTED LOCAL PARTIES.—In carrying out the development planning process (including the selection of programs and projects for assistance), a State may—

''(1) consult with—

''(A) multistate, regional, and local development districts and organizations; and

''(B) local units of government; and

''(2) take into consideration the goals, objectives, priorities, and recommendations of the entities described in paragraph (1).

''(d) PUBLIC PARTICIPATION.—

''(1) IN GENERAL.—The Authority and applicable multistate, regional, and local development districts and organizations shall encourage and assist, to the maximum extent practicable, public participation in the development, revision, and implementation of all plans and programs under this chapter.

''(2) REGULATIONS.—The Authority shall develop guidelines for providing public participation described in paragraph (1), including public hearings.

''SEC. 3829. PROGRAM DEVELOPMENT CRITERIA.

''(a) IN GENERAL.—In considering programs and projects to be provided assistance under this chapter, and in establishing a priority ranking of the requests for assistance provided to the Authority, the Authority shall follow procedures that ensure, to the maximum extent practicable, consideration of—

''(1) the relationship of the project or class of projects to overall multistate or regional development;

''(2) the per capita income and poverty and unemployment and outmigration rates in an area;

''(3) the financial resources available to the applicants for assistance seeking to carry out the project, with emphasis on ensuring that projects are adequately financed to maximize the probability of successful economic development;

''(4) the importance of the project or class of projects in relation to other projects or classes of projects that may be in competition for the same funds;

''(5) the prospects that the project for which assistance is sought will improve, on a continuing rather than a temporary basis, the opportunities for employment, the average level of income, or the economic development of the area to be served by the project; and

''(6) the extent to which the project design provides for detailed outcome measurements by which grant expenditures and the results of the expenditures may be evaluated.

''(b) NO RELOCATION ASSISTANCE.—

''(1) IN GENERAL.—Except as provided in paragraph (2), no financial assistance authorized by this chapter shall be used to assist a person or entity in relocating from 1 area to another.

''(2) OUTSIDE BUSINESSES.—Financial assistance under this chapter may be used as otherwise authorized by this title to attract businesses from outside the region to the region.

''(c) MAINTENANCE OF EFFORT.—Funds may be provided for a program or project in a State under this chapter only if the Authority determines that the level of Federal or State financial assistance provided under a law other than this chapter, for the same type of program or project in the same area of the State within the region, will not be reduced as a result of funds made available by this chapter.

''SEC. 3830. APPROVAL OF DEVELOPMENT PLANS AND PROJECTS.

''(a) IN GENERAL.—A State or regional development plan or any multistate subregional plan that is proposed for development under this chapter shall be reviewed by the Authority.

''(b) EVALUATION BY STATE MEMBER.—An application for a grant or any other assistance for a project under this chapter shall be made through and evaluated for approval by the State member of the Authority representing the applicant.

''(c) CERTIFICATION.—An application for a grant or other assistance for a project shall be approved only on certification by the State member that the application for the project—

''(1) describes ways in which the project complies with any applicable State development plan;

''(2) meets applicable criteria under section 3829;

''(3) provides adequate assurance that the proposed project will be properly administered, operated, and maintained; and

''(4) otherwise meets the requirements of this chapter.

''(d) VOTES FOR DECISIONS.—On certification by a State member of the Authority of an application for a grant or other assistance for a specific project under this section, an affirmative vote of the Authority under section 3822(c) shall be required for approval of the application.

''SEC. 3831. CONSENT OF STATES.

'' ''Nothing in this chapter requires any State to engage in or accept any program under this chapter without the consent of the State.

''SEC. 3832. RECORDS.

''(a) RECORDS OF THE AUTHORITY.—

''(1) IN GENERAL.—The Authority shall maintain accurate and complete records of all transactions and activities of the Authority.

''(2) AVAILABILITY.—All records of the Authority shall be available for audit and examination by the Comptroller General of the United States and the Inspector General of the Department of Agriculture (including authorized representatives of the Comptroller General and the Inspector General of the Department of Agriculture).

''(b) RECORDS OF RECIPIENTS OF FEDERAL ASSISTANCE.—

''(1) IN GENERAL.—A recipient of Federal funds under this chapter shall, as required by the Authority, maintain accurate and complete records of transactions and activities financed with Federal funds and report to the Authority on the transactions and activities to the Authority.

''(2) AVAILABILITY.—All records required under paragraph (1) shall be available for audit by the Comptroller General of the United States, the Inspector General of the Department of Agriculture, and the Authority (including authorized representatives of the Comptroller General, the Inspector General of the Department of Agriculture, and the Authority).

''(c) ANNUAL AUDIT.—The Inspector General of the Department of Agriculture shall audit the activities, transactions, and records of the Authority on an annual basis.

''SEC. 3833. ANNUAL REPORT.

''Not later than 180 days after the end of each fiscal year, the Authority shall submit to the President and to Congress a report describing the activities carried out under this chapter.

''SEC. 3834. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—There is authorized to be appropriated to the Authority to carry out this chapter $30,000,000 for each of fiscal years 2012 through 2017, to remain available until expended.

''(b) ADMINISTRATIVE EXPENSES.—Not more than 5 percent of the amount appropriated under subsection (a) for a fiscal year shall be used for administrative expenses of the Authority.

''(c) MINIMUM STATE SHARE OF GRANTS.—Notwithstanding any other provision of this chapter, for any fiscal year, the aggregate amount of grants received by a State and all persons or entities in the State under this chapter shall be not less than ⅓ of the product obtained by multiplying—

''(1) the aggregate amount of grants under this chapter for the fiscal year; and

''(2) the ratio that—

''(A) the population of the State (as determined by the Secretary of Commerce based on the most recent decennial census for which data are available); bears to

''(B) the population of the region (as so determined).

''SEC. 3835. TERMINATION OF AUTHORITY.

''The authority provided by this chapter terminates effective October 1, 2017.

''Subtitle C—General Provisions

''SEC. 3901. FULL FAITH AND CREDIT.

''(a) IN GENERAL.—A contract of insurance or guarantee executed by the Secretary under this title shall be an obligation supported by the full faith and credit of the United States.

''(b) CONTESTABILITY.—A contract of insurance or guarantee executed by the Secretary under this title shall be incontestable except for fraud or misrepresentation that the lender or any holder—

''(1) has actual knowledge of at the time the contract of insurance or guarantee is executed; or

''(2) participates in or condones.

''SEC. 3902. PURCHASE AND SALE OF GUARANTEED PORTIONS OF LOANS.

''(a) IN GENERAL.—Subject to subsections (b) and (c), the Secretary may purchase, on such terms and conditions as the Secretary

considers appropriate, the guaranteed portion of a loan guaranteed under this title, if the Secretary determines that an adequate secondary market is not available in the private sector.

''(b) MAXIMUM PAYMENT.—The Secretary may not pay for any guaranteed portion of a loan under subsection (a) in excess of an amount equal to the unpaid principal balance and accrued interest on the guaranteed portion of the loan.

''(c) SOURCES OF FUNDING.—The Secretary may use for the purchases—

''(1) funds from the Rural Development Insurance Fund with respect to rural development loans (as defined in section 3704(a)); and

''(2) funds from the Agricultural Credit Insurance Fund with respect to all other loans under this title.

''(d) SALE OF GUARANTEED LOANS.—

''(1) SALES.—

''(A) REGULATION.—

''(i) IN GENERAL.—The guaranteed portion of any loan made under this title may be sold by the lender, and by any subsequent holder, in accordance with such regulations governing the sales as the Secretary shall establish, subject to clauses (ii) and (iii).

''(ii) FEES TO BE PAID IN FULL.—All fees due the Secretary with respect to a guaranteed loan shall be paid in full before any sale.

''(iii) LOAN TO BE FULLY DISBURSED.—The loan shall be fully disbursed to the borrower before the sale.

''(B) POST-SALE.—After a loan is sold in the secondary market, the lender shall—

''(i) remain obligated under the guarantee agreement of the lender with the Secretary; and

''(ii) continue to service the loan in accordance with the terms and conditions of that agreement.

''(C) PROCEDURES.—The Secretary shall develop such procedures as are necessary for—

''(i) the facilitation, administration, and promotion of secondary market operations; and

''(ii) determining the increase of access of farmers to capital at reasonable rates and terms as a result of secondary market operations.

''(D) RIGHTS TO PREPAY.—This subsection does not impede or extinguish—

''(i) the right of the borrower or the successor in interest to the borrower to prepay (in whole or in part) any loan made under this title; or

''(ii) the rights of any party under any provision of this title.

''(2) ISSUE POOL CERTIFICATES.—

''(A) IN GENERAL.—The Secretary may, directly or through a market maker approved by the Secretary, issue pool certificates representing ownership of part or all of the guaranteed portion of any loan guaranteed by the Secretary under this title.

''(B) APPROVAL.—Certificates under subparagraph (A) shall be based on and backed by a pool established or approved by the Secretary and composed solely of the entire guaranteed portion of the loans.

''(C) GUARANTEE OF POOL.—On such terms and conditions as the Secretary considers appropriate, the Secretary may guarantee the timely payment of the principal and interest on pool certificates issued on behalf of the Secretary by approved market makers for purposes of this subsection.

''(D) LIMITATIONS.—A guarantee under subparagraph (C) shall be limited to the extent of principal and interest on the guaranteed portions of loans that compose the pool.

''(E) PREPAYMENT.—If a loan in a pool is prepaid, either voluntarily or by reason of default, the guarantee of timely payment of principal and interest on the pool certificates shall be reduced in proportion to the amount of principal and interest that the prepaid loan represents in the pool.

''(F) INTEREST ACCRUAL.—Interest on prepaid or defaulted loans shall accrue and be guaranteed by the Secretary only through the date of payment on the guarantee.

''(G) REDEMPTION.—During the term of the pool certificate, the certificate may be called for redemption due to prepayment or default of all loans constituting the pool.

''(H) FULL FAITH AND CREDIT.—The full faith and credit of the United States is pledged to the payment of all amounts that may be required to be paid under any guarantee of the pool certificates issued by approved market makers under this subsection.

''(I) FEES.—

''(i) IN GENERAL.—The Secretary shall not collect any fee for any guarantee under this subsection.

''(ii) SECRETARIAL FUNCTIONS.—Clause (i) does not preclude the Secretary from collecting a fee for the functions described in paragraph (3).

''(J) DEFAULT.—Not later than 30 days after a borrower of a guaranteed loan is in default of any principal or interest payment due for 60 days or more, the Secretary shall—

''(i) purchase the pool certificates representing ownership of the guaranteed portion of the loan; and

''(ii) pay the registered holder of the certificates an amount equal to the guaranteed portion of the loan represented by the certificate.

''(K) PAYMENT OF CLAIMS.—If the Secretary pays a claim under a guarantee issued under this subsection, the claim shall be subrogated fully to the rights satisfied by the payment, as may be provided by the Secretary.

''(L) APPLICATION OF LAWS.—No State or local law, and no Federal law, shall preclude or limit the exercise by the Secretary of the ownership rights of the Secretary in the portions of loans constituting the pool against which the certificates are issued.

''(3) DUTIES OF THE SECRETARY.—

''(A) IN GENERAL.—On the adoption of final rules and regulations, the Secretary shall—

''(i) provide for the central collection of registration information from all participating market makers for all loans and pool certificates sold under paragraphs (1) and (2), including, with respect to each original sale and any subsequent sale—

''(I) identification of the interest rate paid by the borrower to the lender;

''(II) the servicing fee of the lender;

''(III) disclosure of whether interest on the loan is at a fixed or variable rate;

''(IV) identification of each purchaser of a pool certificate;

''(V) the interest rate paid on the certificate; and

''(VI) such other information as the Secretary considers appropriate.

''(ii) before any sale, require the seller (as defined in subparagraph (B) to disclose to each prospective purchaser of the portion of a loan guaranteed under this title and to each prospective purchaser of a pool certificate issued under paragraph (2) information on the terms, conditions, and yield of such instrument;

''(iii) provide for adequate custody of any pooled guaranteed loans;

''(iv) take such actions as are necessary, in restructuring pools of the guaranteed portion of loans, to minimize the estimated costs of paying claims under guarantees issued under this subsection;

''(v) require each market maker—

''(I) to service all pools formed, and participations sold, by the market maker; and

''(II) to provide the Secretary with information relating to the collection and disbursement of all periodic payments, prepayments, and default funds from lenders, to or from the reserve fund that the Secretary shall establish to enable the timely payment guarantee to be self-funding, and from all beneficial holders; and

''(vi) regulate market makers in pool certificates sold under this subsection.

''(B) DEFINITION OF SELLER.—For purposes of subparagraph (A)(ii), if the instrument being sold is a loan, the term 'seller' does not include—

''(i) the person who made the loan; or

''(ii) any person who sells 3 or fewer guaranteed loans per year.

''(4) CONTRACT FOR SERVICES.—The Secretary may contract for goods and services to be used for the purposes of this subsection without regard to titles 5, 40, and 41, United States Code (including any regulations issued under those titles).

"SEC. 3903. ADMINISTRATION.

''(a) POWERS OF SECRETARY.—The Secretary may—

''(1)(A) administer the powers and duties of the Secretary through such national, area, State, or local offices and employees in the United States as the Secretary determines to be necessary; and

''(B) authorize an office to serve an area composed of 2 or more States if the Secretary determines that the volume of business in the area is not sufficient to justify separate State offices;

''(2)(A) accept and use voluntary and uncompensated services; and

''(B) with the consent of the agency concerned, use the officers, employees, equipment, and information of any agency of the Federal Government, or of any State, territory, or political subdivision;

''(3) subject to appropriations, make necessary expenditures for the purchase or hire of passenger vehicles, and such other facilities and services as the Secretary may from time to time find necessary for the proper administration of this title;

''(4) subject to subsection (b), compromise, adjust, reduce, or charge-off debts or claims (including debts and claims arising from loan guarantees), and adjust, modify, subordinate, or release the terms of security instruments, leases, contracts, and agreements entered into or administered by the Farm Service Agency, the Rural Utilities Service, the Rural Housing Service, the Rural Business-Cooperative Service, or successor agencies under this title, except for activities conducted under the Housing Act of 1949 (42 U.S.C. 1441 et seq.);

''(5) release mortgage and other contract liens if it appears that the mortgage and liens have no present or prospective value or that the enforcement of the mortgage and liens likely would be ineffectual or uneconomical;

''(6) obtain fidelity bonds protecting the Federal Government against fraud and dishonesty of officers and employees of the Farm Service Agency, the Rural Utilities Service, the Rural Housing Service, or the Rural Business-Cooperative Service in lieu of faithful performance of duties bonds under section 14 of title 6, United States Code, but otherwise in accordance with the section;

''(7) consent to—

''(A) long-term leases of facilities financed under this title notwithstanding the failure of the lessee to meet any of the requirements of this title if the long-term leases are necessary to ensure the continuation of services for which financing was extended to the lessor; and

''(B) the transfer of property securing any loan or financed by any loan or grant made or guaranteed by the Farm Service Agency,

the Rural Utilities Service, the Rural Housing Service, or the Rural Business-Cooperative Service under this title, or any other law administered by the Secretary, on such terms as the Secretary considers necessary to carry out the purpose of the loan or grant or to protect the financial interest of the Federal Government, provided that the Secretary shall document the consent of the Secretary for the transfer of the property of a borrower in the file of the borrower; and

''(8) notwithstanding that an area ceases, or has ceased, to be rural, in a rural area, or an eligible area, make loans and grants, and approve transfers and assumptions, under this title on the same basis as though the area still was rural in connection with property securing any loan made or guaranteed by the Secretary under this title or in connection with any property held by the Secretary under this title.

''(b) LOAN ADJUSTMENTS.—

''(1) NO LIQUIDATION OF PROPERTY.—The Secretary may not require liquidation of property securing any farmer program loan or acceleration of any payment required under any farmer program loan as a prerequisite to initiating an action authorized under subsection (a).

''(2) RELEASE OF PERSONAL LIABILITY.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary may release a borrower or other person obligated on a debt (other than debt incurred under the Housing Act of 1949 (42 U.S.C. 1441 et seq.)) from personal liability with or without payment of any consideration at the time of the compromise, adjustment, reduction, or charge-off of any claim.

''(B) EXCEPTION.—No compromise, adjustment, reduction, or charge-off of any claim may be made or carried out after the claim has been referred to the Attorney General, unless the Attorney General approves.

''(3) RURAL ELECTRIFICATION SECURITY INSTRUMENTS.—In the case of a security instrument entered into under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.), the Secretary shall notify the Attorney General of the intent of the Secretary to exercise the authority of the Secretary under paragraph (2).

''(c) SIMPLIFIED APPLICATION FORMS FOR LOAN GUARANTEES.—

''(1) IN GENERAL.—The Secretary shall provide to lenders a short, simplified application form for guarantees under this title of—

''(A) farmer program loans the principal amount of which is $125,000 or less; and

''(B) business and industry guaranteed loans under section 3601(a)(2)(A) the principal amount of which is—

''(i) in the case of a loan guarantee made during fiscal year 2002 or 2003, $400,000 or less; and

''(ii) in the case of a loan guarantee made during any subsequent fiscal year—

''(I) $400,000 or less; or

''(II) if the Secretary determines that there is not a significant increased risk of a default on the loan, $600,000 or less.

''(2) WATER AND WASTE DISPOSAL GRANTS AND LOANS.—The Secretary shall develop an application process that accelerates, to the maximum extent practicable, the processing of applications for water and waste disposal grants or direct or guaranteed loans under section 3501(a)(1) the grant award amount or principal loan amount, respectively, of which is $300,000 or less.

''(3) ADMINISTRATION.—In developing an application under this subsection, the Secretary shall—

''(A) consult with commercial and cooperative lenders; and

''(B) ensure that—

''(i) the form can be completed manually or electronically, at the option of the lender;

''(ii) the form minimizes the documentation required to accompany the form;

''(iii) the cost of completing and processing the form is minimal; and

''(iv) the form can be completed and processed in an expeditious manner.

''(d) USE OF ATTORNEYS FOR PROSECUTION OR DEFENSE OF CLAIMS.—The Secretary may use for the prosecution or defense of any claim or obligation described in subsection (a)(5) the Attorney General, the General Counsel of the Department, or a private attorney who has entered into a contract with the Secretary.

''(e) PRIVATE COLLECTION AGENCY.—The Secretary may use a private collection agency to collect a claim or obligation described in subsection (a)(5).

''(f) SECURITY SERVICING.—

''(1) IN GENERAL.—The Secretary may—

''(A) make advances, without regard to any loan or total indebtedness limitation, to preserve and protect the security for, or the lien or priority of the lien securing any loan or other indebtedness owing to or acquired by the Secretary under this title or under any other program administered by the Farm Service Agency, the Rural Utilities Service, the Rural Housing Service, or the Rural Business-Cooperative Service applicable program, as determined by the Secretary; and

''(B)(i) bid for and purchase at any execution, foreclosure, or other sale or otherwise acquire property on which the United States has a lien by reason of a judgment or execution arising from, or that is pledged, mortgaged, conveyed, attached, or levied on to secure the payment of, the indebtedness regardless of whether the property is subject to other liens;

''(ii) accept title to any property so purchased or acquired; and

''(iii) sell, manage, or otherwise dispose of the property in accordance with this subsection.

''(2) OPERATION OR LEASE OF REALTY.—Except as provided in subsections (c) and (e), real property administered under this title may be operated or leased by the Secretary for such period as the Secretary may consider necessary to protect the investment of the Federal Government in the property.

''(g) PAYMENTS TO LENDERS.—

''(1) REQUIREMENT.—Not later than 90 days after a court of competent jurisdiction confirms a plan of reorganization under chapter 12 of title 11, United States Code, for any borrower to whom a lender has made a loan guaranteed under this title, the Secretary shall pay the lender an amount estimated by the Secretary to be equal to the loss incurred by the lender for purposes of the guarantee.

''(2) PAYMENT TOWARD LOAN GUARANTEE.—Any amount paid to a lender under this subsection with respect to a loan guaranteed under this title shall be treated as payment towards satisfaction of the loan guarantee.

''SEC. 3904. LOAN MORATORIUM AND POLICY ON FORECLOSURES.

''(a) IN GENERAL.—In addition to any other authority that the Secretary may have to defer principal and interest and forgo foreclosure, the Secretary may permit, at the request of the borrower, the deferral of principal and interest on any outstanding loan made or guaranteed by the Secretary under this title, or under any other law administered by the Farm Service Agency, the Rural Utilities Service, the Rural Housing Service, or the Rural Business-Cooperative Service, and may forgo foreclosure of the loan, for such period as the Secretary considers necessary on a showing by the borrower that, due to circumstances beyond the control of the borrower, the borrower is temporarily unable to continue making payments of the principal and interest when due without unduly impairing the standard of living of the borrower.

''(b) INTEREST.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary may permit any loan deferred under this section to bear no interest during or after the deferral period.

''(2) EXCEPTION.—If the security instrument securing the loan is foreclosed, such interest as is included in the purchase price at the foreclosure shall become part of the principal and draw interest from the date of foreclosure at the rate prescribed by law.

''(c) MORATORIUM REGARDING CIVIL RIGHTS CLAIMS.—

''(1) IN GENERAL.—Except as otherwise provided in this subsection, effective beginning on May 22, 2008, there shall be in effect a moratorium, with respect to farmer program loans made under subtitle A, on all acceleration and foreclosure proceedings instituted by the Department against any farmer who—

''(A) has pending against the Department a claim of program discrimination that is accepted by the Department as valid; or

''(B) files a claim of program discrimination that is accepted by the Department as valid.

''(2) WAIVER OF INTEREST AND OFFSETS.—During the period of the moratorium, the Secretary shall waive the accrual of interest and offsets on all farmer program loans made under subtitle A, B, or C for which loan acceleration or foreclosure proceedings have been suspended under paragraph (1).

''(3) TERMINATION OF MORATORIUM.—The moratorium shall terminate with respect to a claim of discrimination by a farmer on the earlier of—

''(A) the date the Secretary resolves the claim; or

''(B) if the farmer appeals the decision of the Secretary on the claim to a court of competent jurisdiction, the date that the court renders a final decision on the claim.

''(4) FAILURE TO PREVAIL.—If a farmer does not prevail on a claim of discrimination described in paragraph (1), the farmer shall be liable for any interest and offsets that accrued during the period that loan acceleration or foreclosure proceedings have been suspended under paragraph (1).

''SEC. 3905. OIL AND GAS ROYALTY PAYMENTS ON LOANS.

''(a) IN GENERAL.—The Secretary shall permit a borrower of a loan made or guaranteed under this title to make a prospective payment on the loan with proceeds from—

''(1) the leasing of oil, gas, or other mineral rights to real property used to secure the loan; or

''(2) the sale of oil, gas, or other minerals removed from real property used to secure the loan, if the value of the rights to the oil, gas, or other minerals has not been used to secure the loan.

''(b) APPLICABILITY.—Subsection (a) shall not apply to a borrower of a loan made or guaranteed under this title with respect to which a liquidation or foreclosure proceeding was pending on December 23, 1985.

''SEC. 3906. TAXATION.

''(a) IN GENERAL.—Except as provided in subsection (b), all property subject to a lien held by the United States or the title to which is acquired or held by the Secretary under this title (other than property used for administrative purposes) shall be subject to taxation by State, territory, district, and local political subdivisions in the same manner and to the same extent as other property is taxed.

''(b) EXCEPTIONS.—No tax shall be imposed or collected as described in subsection (a) if the tax (whether as a tax on the instrument or in connection with conveying, transferring, or recording the instrument) is based on—

''(1) the value of any notes or mortgages or other lien instruments held by or transferred to the Secretary;

''(2) any notes or lien instruments administered under this title that are made, assigned, or held by a person otherwise liable for the tax; or

''(3) the value of any property conveyed or transferred to the Secretary.

''(c) FAILURE TO PAY OR COLLECT TAX.—The failure to pay or collect a tax under subsection (a) shall not—

''(1) be a ground for—

''(A) refusal to record or file an instrument; or

''(B) failure to provide notice; or

''(2) prevent the enforcement of the instrument in any Federal or State court.

''SEC. 3907. CONFLICTS OF INTEREST.

''(a) ACCEPTANCE OF CONSIDERATION PROHIBITED.—No officer, attorney, or other employee of the Department shall, directly or indirectly, be the beneficiary of or receive any fee, commission, gift, or other consideration for or in connection with any transaction or business under this title other than such salary, fee, or other compensation as the officer, attorney, or employee may receive as the officer, attorney, or employee.

''(b) ACQUISITION OF INTEREST IN LAND PROHIBITED.—

''(1) IN GENERAL.—Except as provided in paragraph (2), no officer or employee of the Department who acts on or reviews an application made by any person under this title for a loan to purchase land may acquire, directly or indirectly, any interest in the land for a period of 3 years after the date on which the action is taken or the review is made.

''(2) FORMER COUNTY COMMITTEE MEMBERS.—Paragraph (1) shall not apply to a former member of a county committee on a determination by the Secretary, prior to the acquisition of the interest, that the former member acted in good faith when acting on or reviewing the application.

''(c) CERTIFICATIONS ON LOANS TO FAMILY MEMBERS PROHIBITED.—No member of a county committee shall knowingly make or join in making any certification with respect to—

''(1) a loan to purchase any land in which the member, or any person related to the member within the second degree of consanguinity or affinity, has or may acquire any interest; or

''(2) any applicant related to the member within the second degree of consanguinity or affinity.

''(d) PENALTIES.—Any person violating this section shall, on conviction of the violation, be punished by a fine of not more than $2,000 or imprisonment for not more than 2 years, or both.

''SEC. 3908. LOAN SUMMARY STATEMENTS.

''(a) DEFINITION OF SUMMARY PERIOD.—In this section, the term 'summary period' means the period beginning on the date of issuance of the preceding loan summary statement and ending on the date of issuance of the current loan summary statement.

''(b) ISSUANCE OF STATEMENTS.—On the request of a borrower of a loan made (but not guaranteed) under this title, the Secretary shall issue to the borrower a loan summary statement that reflects the account activity during the summary period for each loan made under this title to the borrower, including—

''(1) the outstanding amount of principal due on each loan at the beginning of the summary period;

''(2) the interest rate charged on each loan;

''(3) the amount of payments made on, and the application of the payments to, each loan during the summary period and an explanation of the basis for the application of the payments;

''(4) the amount of principal and interest due on each loan at the end of the summary period;

''(5) the total amount of unpaid principal and interest on all loans at the end of the summary period;

''(6) any delinquency in the repayment of any loan;

''(7) a schedule of the amount and date of payments due on each loan; and

''(8) the procedure the borrower may use to obtain more information concerning the status of the loans.

''SEC. 3909. CERTIFIED LENDERS PROGRAM.

''(a) CERTIFIED LENDERS PROGRAM.—

''(1) IN GENERAL.—The Secretary shall establish a program under which the Secretary shall guarantee loans under this title that are made by lending institutions certified by the Secretary.

''(2) CERTIFICATION REQUIREMENTS.—The Secretary shall certify a lending institution that meets such criteria as the Secretary may prescribe in regulations, including the ability of the institution to properly make, service, and liquidate the loans of the institution.

''(3) CONDITION OF CERTIFICATION.—

''(A) IN GENERAL.—As a condition of the certification, the Secretary shall require the institution to undertake to service the loans guaranteed by the Secretary under this section, using standards that are not less stringent than generally accepted banking standards concerning loan servicing employed by prudent commercial or cooperative lenders.

''(B) MONITORING.—The Secretary shall, at least annually, monitor the performance of each certified lender to ensure that the conditions of the certification are being met.

''(4) EFFECT OF CERTIFICATION.—Notwithstanding any other provision of law:

''(A) AMOUNT OF LOAN GUARANTEE.—In the case of a loan made or guaranteed under subtitle A, the Secretary shall guarantee 80 percent of a loan made under this section by a certified lending institution as described in paragraph (1), subject to a determination that the borrower of the loan meets the eligibility requirements and such other criteria as may be applicable to loans guaranteed by the Secretary under other provisions of this title.

''(B) CERTIFICATIONS BY LENDING INSTITUTIONS.—In the case of loans to be guaranteed by the Secretary under this section, the Secretary shall permit certified lending institutions to make appropriate certifications (as provided by regulations issued by the Secretary)—

''(i) relating to issues such as creditworthiness, repayment ability, adequacy of collateral, and feasibility of farm operation; and

''(ii) that the borrower is in compliance with all requirements of law, including regulations issued by the Secretary.

''(C) APPROVAL PROCESS.—

''(i) IN GENERAL.—The Secretary shall approve or disapprove a guarantee not later than 14 days after the date that the lending institution applies to the Secretary for the guarantee.

''(ii) DISAPPROVAL.—If the Secretary disapproves the loan application during the 14-day period, the Secretary shall state, in writing, all of the reasons the application was disapproved.

''(5) RELATIONSHIP TO OTHER REQUIREMENTS.—Nothing in this section affects the responsibility of the Secretary to certify eligibility, review financial information, and otherwise assess an application.

''(b) PREFERRED CERTIFIED LENDERS PROGRAM.—

''(1) IN GENERAL.—The Secretary shall establish a Preferred Certified Lenders Program for lenders under this title who establish—

''(A) knowledge of, and experience under, the program established under subsection (a);

''(B) knowledge of the regulations concerning the guaranteed loan program; and

''(C) proficiency related to the certified lender program requirements.

''(2) REVOCATION OF DESIGNATION.—

''(A) IN GENERAL.—Subject to subparagraph (B), the designation of a lender as a Preferred Certified Lender shall be revoked at any time—

''(i) that the Secretary determines that the lender is not adhering to the rules and regulations applicable to the program; or

''(ii) if the loss experiences of a Preferred Certified Lender are excessive as compared to other Preferred Certified Lenders.

''(B) EFFECT.—A suspension or revocation under subparagraph (A) shall not affect any outstanding guarantee.

''(3) CONDITION OF CERTIFICATION.—As a condition of preferred certification, the Secretary shall require the institution to undertake to service the loans guaranteed by the Secretary under this subsection using generally accepted banking standards concerning loan servicing employed by prudent commercial or cooperative lenders.

''(4) MONITORING.—The Secretary shall, at least annually, monitor the performance of each Preferred Certified Lender to ensure that the conditions of certification are being met.

''(5) EFFECT OF PREFERRED LENDER CERTIFICATION.—

''(A) IN GENERAL.—Notwithstanding any other provision of law, the Secretary shall—

''(i) guarantee 80 percent of an approved loan made by a certified lending institution as described in this subsection, subject to a determination that the borrower meets the eligibility requirements or such other criteria as may be applicable to loans guaranteed by the Secretary under other provisions of this title;

''(ii) permit certified lending institutions—

''(I) to make all decisions, with respect to loans to be guaranteed by the Secretary under this subsection relating to credit worthiness, the closing, monitoring, collection and liquidation of loans; and

''(II) to accept appropriate certifications, as provided by regulations issued by the Secretary, that the borrower is in compliance with all requirements of law or regulations promulgated by the Secretary; and

''(iii) be considered to have guaranteed 80 percent of a loan made by a preferred certified lending institution as described in paragraph (1), if the Secretary fails to approve or reject the application of such institution within 14 calendar days after the date that the lending institution presented the application to the Secretary.

''(B) REQUIREMENT.—If the Secretary rejects an application under subparagraph (A)(iii) during the 14-day period, the Secretary shall state, in writing, the reasons the application was rejected.

''(c) ADMINISTRATION OF CERTIFIED LENDERS AND PREFERRED CERTIFIED LENDERS PROGRAMS.—The Secretary may administer the loan guarantee programs under subsections (a) and (b) through central offices established in States or in multi-State areas

''SEC. 3910. LOANS TO RESIDENT ALIENS.

''(a) IN GENERAL.—Notwithstanding the provisions of this title limiting the making of a loan to a citizen of the United States, the Secretary may make a loan under this title to an alien lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.).

''(b) REGULATIONS.—

''(1) IN GENERAL.—No loan may be made under this title to an alien referred to in subsection (a) until the Secretary issues regulations establishing the terms and conditions under which the alien may receive the loan.

''(2) REQUIREMENT.—The Secretary shall submit the regulations to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate at least 30 days prior to the date on which the regulations are published in the Federal Register.

''SEC. 3911. EXPEDITED CLEARING OF TITLE TO INVENTORY PROPERTY.

''(a) IN GENERAL.—The Secretary may employ local attorneys, on a case-by-case basis, to process all legal procedures necessary to clear the title to foreclosed properties in the inventory of the Department.

''(b) COMPENSATION.—Attorneys shall be compensated at not more than the usual and customary charges of the attorneys for the work.

''SEC. 3912. PROHIBITION ON USE OF LOANS FOR CERTAIN PURPOSES.

''(a) IN GENERAL.—Except as provided in subsections (b) and (c), the Secretary may not approve a loan under this title to drain, dredge, fill, level, or otherwise manipulate a wetland (as defined in section 1201(a) of the Food Security Act of 1985 (16 U.S.C. 3801(a))), or to engage in any activity that results in impairing or reducing the flow, circulation, or reach of water.

''(b) PRIOR ACTIVITY.—Subsection (a) does not apply in the case of—

''(1) an activity related to the maintenance of a previously converted wetland; or

''(2) in the case of an activity that had already commenced before November 28, 1990.

''(c) EXCEPTION.—This section shall not apply to a loan made or guaranteed under this title for a utility line.

''SEC. 3913. TRANSFER OF LAND TO SECRETARY.

''The President may at any time, in the discretion of the President, transfer to the Secretary any right, interest, or title held by the United States in any land acquired in the program of national defense and no longer needed for that purpose that the President finds suitable for the purposes of this title, and the Secretary shall dispose of the transferred land in the manner and subject to the terms and conditions of this title.

''SEC. 3914. COMPETITIVE SOURCING LIMITATIONS.

''The Secretary may not complete a study of, or enter into a contract with a private party to carry out, without specific authorization in a subsequent Act of Congress, a competitive sourcing activity of the Secretary, including support personnel of the Department, relating to rural development or farmer program loans.

''SEC. 3915. REGULATIONS.

''The Secretary may issue such regulations, prescribe such terms and conditions for making or guaranteeing loans, security instruments, and agreements, except as otherwise specified in this title, and make such delegations of authority as the Secretary considers necessary to carry out this title.''.

SEC. 6002. CONFORMING AMENDMENTS.

(a) Section 17(c) of the Rural Electrification Act of 1936 (7 U.S.C. 917(c)) is amended by striking paragraph (1) and inserting the following:

''(1) Subtitle B of the Consolidated Farm and Rural Development Act.''.

(b) Section 305(c)(2)(B)(i)(I) of the Rural Electrification Act of 1936 (7 U.S.C. 935(c)(2)(B)(i)(I)) is amended by striking ''section 307(a)(3)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(3)(A))'' and inserting ''section 3701(b)(2) of the Consolidated Farm and Rural Development Act''.

(c) Section 306F(a)(1) of the Rural Electrification Act of 1936 (7 U.S.C. 936f(a)(1)) is amended by striking subparagraph (B) and inserting the following:

''(B) chapter 1 of subtitle B of the Consolidated Farm and Rural Development Act.''.

(d) Section 2333(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa–2(d)) is amended—

(1) in paragraph (11), by adding ''and'' at the end;

(2) by striking paragraph (12); and

(3) by redesignating paragraph (13) as paragraph (12).

(e) Section 601(b) of the Rural Electrification Act of 1936 (7 U.S.C. 950bb(b)) is amended by striking paragraph (3).

(f) Section 602(5) of the Emergency Livestock Feed Assistance Act of 1988 (7 U.S.C. 1471(5)) is amended by striking ''section 355(e)(1)(D)(ii) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985(e)(1)(D)(ii))'' and inserting ''section 3409(c)(1)(A) of the Consolidated Farm and Rural Development Act)''.

(g) Section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) is amended—

(1) in subsection (b)(7)(A), by striking ''section 371 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008f)'' and inserting ''section 3424 of the Consolidated Farm and Rural Development Act''; and

(2) in subsection (n)(2), by striking ''subtitle C of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961 et seq.)'' and inserting ''chapter 3 of subtitle A of the Consolidated Farm and Rural Development Act''.

(h) Section 231(a) of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1632a(a)) is amended—

(1) in paragraph (1), by striking ''section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a))'' and inserting ''section 3002 of the Consolidated Farm and Rural Development Act''; and

(2) in paragraph (4), by striking ''section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e))'' and inserting ''section 3002 of the Consolidated Farm and Rural Development Act''.

(i) Section 14204(a) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 2008q–1(a)) is amended by striking ''an entity described in section 379C(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008q(a))'' and inserting ''an entity determined by the Secretary''.

(j) Section 607(c)(6) of the Rural Development Policy Act of 1972 (7 U.S.C. 2204b(c)(6)) is amended in the last sentence—

(1) by striking '', and'' and inserting ''and any''; and

(2) by striking ''required under section 306(a)(12) of the Consolidated Farm and Rural Development Act''.

(k) Section 901(b) of the Agricultural Act of 1970 (7 U.S.C. 2204b–1(b)) is amended by striking ''rural areas as defined in the private business enterprise exception in section 306(a)(7) of the Consolidated Farmers Home Administration Act of 1961, as amended (7 U.S.C. 1926)'' and inserting ''rural areas, as defined in section 3002 of the Consolidated Farm and Rural Development Act''.

(l) Section 14220 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 2206b) is amended by striking ''section 343(a)(13)(A) of the Consolidated Farm and Rural Development Act)'' and inserting ''section 3002 of the Consolidated Farm and Rural Development Act)''.

(m) Section 2501(c)(2)(D) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(c)(2)(D)) is amended by striking ''sections 355(a)(1) and 355(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(a)(1))'' and inserting ''paragraphs (1) and (3) of section 3416(a) of the Consolidated Farm and Rural Development Act''.

(n) Section 2501A(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279–1(b)) is amended by striking ''section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e))'' and inserting ''section 3002 of the Consolidated Farm and Rural Development Act''.

(o) Section 7405(c)(8)(B) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f(c)(8)(B)) is amended by striking ''section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e))'' and inserting ''section 3002 of the Consolidated Farm and Rural Development Act)''.

(p) Section 1101(d)(2)(A) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8711(d)(2)(A)) is amended by striking ''section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e))'' and inserting ''section 3002 of the Consolidated Farm and Rural Development Act)''.

(q) Section 1302(d)(2)(A) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8752(d)(2)(A)) is amended by striking ''section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e))'' and inserting ''section 3002 of the Consolidated Farm and Rural Development Act)''.

(r) Section 2375(g) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6613(g)) is amended by striking ''section 304(b), 306(a), or 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1924(b), 1926(a), and 1932(e))'' and inserting ''subtitle B of the Consolidated Farm and Rural Development Act''.

(s) Section 226B(a)(1) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6934(a)(1)) is amended by striking ''section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a))'' and inserting ''section 3002 of the Consolidated Farm and Rural Development Act''.

(t) Section 196(i)(3)(B) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333(i)(3)(B)) is amended by striking ''subtitle C of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961 et seq.)'' and inserting ''chapter 3 of subtitle A of the Consolidated Farm and Rural Development Act''.

(u) Section 9009(a)(1) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8109(a)(1)) is amended by striking ''section 343(a)(13)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(13)(A)))'' and inserting ''section 3002 of the Consolidated Farm and Rural Development Act''.

(v) Section 9011(c)(2)(B)(v) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8111(c)(2)(B)(v)) is amended by striking subclause (I)and inserting the following:

''(I) beginning farmers (as defined in accordance with section 3002 of the Consolidated Farm and Rural Development Act); or''.

(w) Section 7(b)(2)(B) of the Small Business Act (15 U.S.C. 636(b)(2)(B)) is amended by striking ''section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961)'' and inserting ''section 3301 of the Consolidated Farm and Rural Development Act''.

(x) Section 8(b)(5)(B)(iii)(III)(bb) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)(5)(B)(iii)(III)(bb)) is amended by striking ''section 355(e)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C.A. § 2003(e)(1))'' and inserting ''section 3002 of the Consolidated Farm and Rural Development Act)''.

(y) Section 10(b)(3) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2106(b)(3)) is amended in the last sentence by striking ''set out in the first clause of section 306(a)(7) of the Consolidated Farm and

Rural Development Act'' and inserting ''given the term in section 3002 of the Consolidated Farm and Rural Development Act''.

(z) Section 1201(a)(2) of the Food Security Act of 1985 (16 U.S.C. 3801(a)(2)) is amended by striking ''section 343(a)(8) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(8))'' and inserting ''section 3002 of the Consolidated Farm and Rural Development Act''.

(aa) Section 1238(2) of the Food Security Act of 1985 (16 U.S.C. 3838(2)) is amended by striking ''section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a))'' and inserting ''section 3002 of the Consolidated Farm and Rural Development Act''.

(bb) The first section of Public Law 91–229 (25 U.S.C. 488) is amended in subsection (a) by striking ''make loans from the Farmers Home Administration Direct Loan Account created by section 338(c), and to make and insure loans as provided in sections 308 and 309, of the Consolidated Farmers Home Administration Act of 1961, as amended (7 U.S.C. 1988(c), 1928, 1929),'' and inserting ''make loans under chapter 1 of subtitle A of the Consolidated Farm and Rural Development Act''.

(cc) Section 5 of Public Law 91–229 (25 U.S.C. 492) is amended by striking ''section 307(a)(3)(B) of the Consolidated Farmers Home Administration Act of 1961, as amended, and to the provisions of subtitle D of that Act except sections 340, 341, 342, and 343'' and inserting ''3105(b)(2) of the Consolidated Farm and Rural Development Act''.

(dd) Section 6(c) of Public Law 91–229 (25 U.S.C. 493(c)) is amended by striking ''section 333B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983b)'' and inserting ''subtitle H of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6991 et seq.)''.

(ee) Section 181(a)(2)(B)(ii) of the Internal Revenue Code of 1986 is amended by striking ''section 2009aa–1 of title 7, United States Code'' and inserting ''section 3801 of the Consolidated Farm and Rural Development Act''.

(ff) Section 515(b)(3) of the Housing Act of 1949 (42 U.S.C. 1485(b)(3)) is amended by striking ''all the provisions of section 309 and the second and third sentences of section 308 of the Consolidated Farmers Home Administration Act of 1961, including the authority in section 309(f)(1) of that Act'' and inserting ''section 3401 of the Consolidated Farm and Rural Development Act''.

(gg) Section 517(b) of the Housing Act of 1949 (42 U.S.C. 1487(b)) is amended in the third sentence by striking ''(7 U.S.C. 1929)'' and inserting ''under section 3401 of the Consolidated Farm and Rural Development Act''.

(hh) Section 3(8) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3122(8)) is amended—

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

''(B) the Delta Regional Authority established under chapter 4 of subtitle B of the Consolidated Farm and Rural Development Act;''; and

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

''(D) the Northern Great Plains Regional Authority established under chapter 5 of subtitle B of the Consolidated Farm and Rural Development Act.''.

(ii) Section 310(a) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5153(a)) is amended by striking paragraph (4) and inserting the following:

''(4) Chapter 1 of subtitle B of the Consolidated Farm and Rural Development Act.''.

(jj) Section 582(d)(1) of the National Flood Insurance Reform Act of 1994 (42 U.S.C. 5154a(d)(1)) is amended by striking ''section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a))'' and inserting ''section 3301(b) of the Consolidated Farm and Rural Development Act''.

(kk) Section 213(c)(1) of the Biomass Energy and Alcohol Fuels Act of 1980 (42 U.S.C. 8813(c)(1)) is amended in the first sentence by striking ''section 309 of the Consolidated Farm and Rural Development Act or the Rural Development Insurance Fund in section 309A of such Act'' and inserting ''under section 3401 of the Consolidated Farm and Rural Development Act or the Rural Development Insurance Fund under section 3704 of that Act''.

(ll) Section 1323(b)(2) of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 1932 note) is amended—

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

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

(3) by striking subparagraph (C).

Subtitle B—Rural Electrification

SEC. 6101. DEFINITION OF RURAL AREA.

Section 13(3) of the Rural Electrification Act of 1936 (7 U.S.C. 913(A)) is amended by striking subparagraph (A) and inserting the following:

''(A) any area described in section 3002(28)(A)(i) of the Consolidated Farm and Rural Development Act; and''.

SEC. 6102. GUARANTEES FOR BONDS AND NOTES ISSUED FOR ELECTRIFICATION OR TELEPHONE PURPOSES.

Section 313A(f) of the Rural Electrification Act of 1936 (7 U.S.C. 940c–1(f)) is amended by striking ''2012'' and inserting ''2017''.

SEC. 6103. EXPANSION OF 911 ACCESS.

Section 315(d) of the Rural Electrification Act of 1936 (7 U.S.C. 940e(d)) is amended by striking ''2012'' and inserting ''2017''.

SEC. 6104. ACCESS TO BROADBAND TELECOMMUNICATIONS SERVICES IN RURAL AREAS.

Section 601 of the Rural Electrification Act of 1936 (7 U.S.C. 950bb) is amended—

(1) in subsection (a), by striking ''loans and'' and inserting ''grants, loans, and'';

(2) in subsection (b), by striking paragraph (3) and inserting the following:

''(3) RURAL AREA.—The term 'rural area' means any area described in section 3002 of the Consolidated Farm and Rural Development Act.'';

(3) in subsection (c)—

(A) in the subsection heading, by striking ''LOANS AND'' and inserting ''GRANTS, LOANS, AND'';

(B) in paragraph (1), by inserting ''make grants and'' after ''Secretary shall'';

(C) by striking paragraph (2) and inserting the following:

''(2) PRIORITY.—

''(A) IN GENERAL.—In making grants or guaranteeing loans under paragraph (1), the Secretary shall give the highest priority to applicants that offer to provide broadband service to the greatest proportion of households that, prior to the provision of the broadband service, had no incumbent service provider.

''(B) OTHER.—After giving priority to the applicants described in subparagraph (A), the Secretary shall then give priority to projects that serve rural communities—

''(i) with a population of less than 20,000 permanent residents;

''(ii) experiencing outmigration;

''(iii) with a high percentage of low-income residents; and

''(iv) that are isolated from other significant population centers.''; and

(D) by adding at the end the following:

''(3) GRANT AMOUNTS.—

''(A) ELIGIBILITY.—To be eligible for a grant under this section, the project that is the subject of the grant shall be carried out in a rural area.

''(B) MAXIMUM.—Except as provided in subparagraph (D), the amount of any grant made under this section shall not exceed 50 percent of the development costs of the project for which the grant is provided.

''(C) GRANT RATE.—The Secretary shall establish the grant rate for each project in accordance with regulations issued by the Secretary that shall provide for a graduated scale of grant rates that establish higher rates for projects in communities that have—

''(i) remote locations;

''(ii) low community populations;

''(iii) low income levels; and

''(iv) developed the applications of the communities with the participation of combinations of stakeholders, including—

''(I) State, local, and tribal governments;

''(II) nonprofit institutions;

''(III) institutions of higher education;

''(IV) private entities; and

''(V) philanthropic organizations.

''(D) SECRETARIAL AUTHORITY TO ADJUST.—The Secretary may make grants of up to 75 percent of the development costs of the project for which the grant is provided to an eligible entity if the Secretary determines that the project serves a remote or low income area that does not have access to broadband service from any provider of broadband service (including the applicant).'';

(4) in subsection (d)—

(A) in paragraph (1)(A)—

(i) in the matter preceding clause (i), by striking ''loan or'' and inserting ''grant, loan, or'';

(ii) in clause (ii), by striking ''a loan application'' and inserting ''an application''; and

(iii) in clause (iii)—

(I) by striking ''the loan application'' and inserting ''the application''; and

(II) by striking ''proceeds from the loan made or guaranteed under this section are'' and inserting ''assistance under this section is'';

(B) in paragraph (2)(A), in the matter preceding clause (i)—

(i) by striking ''the proceeds of a loan made or guaranteed'' and inserting ''assistance''; and

(ii) by striking ''for the loan or loan guarantee'' and inserting ''of the eligible entity'';

(C) by striking ''loan or'' each place it appears in paragraphs (2)(B), (3)(A), (4), (5), and (6) and inserting ''grant, loan, or'';

(D) in paragraph (7), by striking ''a loan application'' and inserting ''an application''; and

(E) by adding at the end the following:

''(8) TRANSPARENCY AND REPORTING.—The Secretary—

''(A) shall require any entity receiving assistance under this section to submit quarterly, in a format specified by the Secretary, a report that describes—

''(i) the use by the entity of the assistance; and

''(ii) the progress towards fulfilling the objectives for which the assistance was granted;

''(B) shall maintain a fully searchable database, accessible on the Internet at no cost to the public, that contains, at a minimum—

''(i) a list of each entity that has applied for assistance under this section;

''(ii) a description of each application, including the status of each application;

''(iii) for each entity receiving assistance under this section—

''(I) the name of the entity;

''(II) the type of assistance being received;

''(III) the purpose for which the entity is receiving the assistance; and

''(IV) each quarterly report submitted under subparagraph (A); and

''(iv) such other information as is sufficient to allow the public to understand and monitor assistance provided under this section;

''(C) may, in addition to other authority under applicable law, deobligate awards to grantees that demonstrate an insufficient level of performance, or wasteful or fraudulent spending, as defined in advance by the Secretary, and award those funds competitively to new or existing applicants consistent with this section; and

''(D) may establish additional reporting and information requirements for any recipient of any assistance under this section so as to ensure compliance with this section.'';

(5) in subsection (f), by striking ''make a loan or loan guarantee'' and inserting ''provide assistance'';

(6) in subsection (j)—

(A) in the matter preceding paragraph (1), by striking ''loan and loan guarantee'';

(B) in paragraph (1), by inserting ''grants and'' after ''number of'';

(C) in paragraph (2)—

(i) in subparagraph (A), by striking ''loan''; and

(ii) in subparagraph (B), by striking ''loans and'' and inserting ''grants, loans, and''; and

(D) in paragraph (3), by striking ''loan'';

(7) in subsection (k)(1)—

(A) by striking ''$25,000,000'' and inserting ''$50,000,000''; and

(B) by striking ''2012'' and inserting ''2017''; and

(8) in subsection (*l*)—

(A) by striking ''loan or'' and inserting ''grant, loan, or''; and

(B) by striking ''2012'' and inserting ''2017''.

Subtitle C—Miscellaneous

SEC. 6201. DISTANCE LEARNING AND TELEMEDICINE.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 2335A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa-5) is amended by striking ''2012'' and inserting ''2017''.

(b) CONFORMING AMENDMENT.—Section 1(b) of Public Law 102–551 (7 U.S.C. 950aaa note) is amended by striking ''2012'' and inserting ''2017''.

SEC. 6202. RURAL ENERGY SAVINGS PROGRAM.

Subtitle E of title VI of the Farm Security and Rural Investment Act of 2002 (Public Law 107–171; 116 Stat. 424) is amended by adding at the end the following:

''SEC. 6407. RURAL ENERGY SAVINGS PROGRAM.

''(a) PURPOSE.—The purpose of this section is to create jobs, promote rural development, and help rural families and small businesses achieve cost savings by providing loans to qualified consumers to implement durable cost-effective energy efficiency measures.

''(b) DEFINITIONS.—In this section:

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

''(A) any public power district, public utility district, or similar entity, or any electric cooperative described in section 501(c)(12) or 1381(a)(2) of the Internal Revenue Code of 1986, that borrowed and repaid, prepaid, or is paying an electric loan made or guaranteed by the Rural Utilities Service (or any predecessor agency);

''(B) any entity primarily owned or controlled by 1 or more entities described in subparagraph (A); or

''(C) any other entity that is an eligible borrower of the Rural Utility Service, as determined under section 1710.101 of title 7, Code of Federal Regulations (or a successor regulation).

''(2) ENERGY EFFICIENCY MEASURES.—The term 'energy efficiency measures' means, for or at property served by an eligible entity, structural improvements and investments in cost-effective, commercial technologies to increase energy efficiency.

''(3) QUALIFIED CONSUMER.—The term 'qualified consumer' means a consumer served by an eligible entity that has the ability to repay a loan made under subsection (d), as determined by the eligible entity.

''(4) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture, acting through the Administrator of the Rural Utilities Service.

''(c) LOANS TO ELIGIBLE ENTITIES.—

''(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall make loans to eligible entities that agree to use the loan funds to make loans to qualified consumers for the purpose of implementing energy efficiency measures.

''(2) REQUIREMENTS.—

''(A) IN GENERAL.—As a condition of receiving a loan under this subsection, an eligible entity shall—

''(i) establish a list of energy efficiency measures that is expected to decrease energy use or costs of qualified consumers;

''(ii) prepare an implementation plan for use of the loan funds, including use of any interest to be received pursuant to subsection (d)(1)(A);

''(iii) provide for appropriate measurement and verification to ensure—

''(I) the effectiveness of the energy efficiency loans made by the eligible entity; and

''(II) that there is no conflict of interest in carrying out this section; and

''(iv) demonstrate expertise in effective use of energy efficiency measures at an appropriate scale.

''(B) REVISION OF LIST OF ENERGY EFFICIENCY MEASURES.—Subject to the approval of the Secretary, an eligible entity may update the list required under subparagraph (A)(i) to account for newly available efficiency technologies.

''(C) EXISTING ENERGY EFFICIENCY PROGRAMS.—An eligible entity that, at any time before the date that is 60 days after the date of enactment of this section, has established an energy efficiency program for qualified consumers may use an existing list of energy efficiency measures, implementation plan, or measurement and verification system of that program to satisfy the requirements of subparagraph (A) if the Secretary determines the list, plan, or systems are consistent with the purposes of this section.

''(3) NO INTEREST.—A loan under this subsection shall bear no interest.

''(4) REPAYMENT.—With respect to a loan under paragraph (1)—

''(A) the term shall not exceed 20 years from the date on which the loan is closed; and

''(B) except as provided in paragraph (6), the repayment of each advance shall be amortized for a period not to exceed 10 years.

''(5) AMOUNT OF ADVANCES.—Any advance of loan funds to an eligible entity in any single year shall not exceed 50 percent of the approved loan amount.

''(6) SPECIAL ADVANCE FOR START-UP ACTIVITIES.—

''(A) IN GENERAL.—In order to assist an eligible entity in defraying the appropriate start-up costs (as determined by the Secretary) of establishing new programs or modifying existing programs to carry out subsection (d), the Secretary shall allow an eligible entity to request a special advance.

''(B) AMOUNT.—No eligible entity may receive a special advance under this paragraph for an amount that is greater than 4 percent of the loan amount received by the eligible entity under paragraph (1).

''(C) REPAYMENT.—Repayment of the special advance—

''(i) shall be required during the 10-year period beginning on the date on which the special advance is made; and

''(ii) at the election of the eligible entity, may be deferred to the end of the 10-year period.

''(7) LIMITATION.—All special advances shall be made under a loan described in paragraph (1) during the first 10 years of the term of the loan.

''(d) LOANS TO QUALIFIED CONSUMERS.—

''(1) TERMS OF LOANS.—Loans made by an eligible entity to qualified consumers using loan funds provided by the Secretary under subsection (c)—

''(A) may bear interest, not to exceed 3 percent, to be used for purposes that include—

''(i) to establish a loan loss reserve; and

''(ii) to offset personnel and program costs of eligible entities to provide the loans;

''(B) shall finance energy efficiency measures for the purpose of decreasing energy usage or costs of the qualified consumer by an amount that ensures, to the maximum extent practicable, that a loan term of not more than 10 years will not pose an undue financial burden on the qualified consumer, as determined by the eligible entity;

''(C) shall not be used to fund purchases of, or modifications to, personal property unless the personal property is or becomes attached to real property (including a manufactured home) as a fixture;

''(D) shall be repaid through charges added to the electric bill for the property for, or at which, energy efficiency measures are or will be implemented, on the condition that this requirement does not prohibit—

''(i) the voluntary prepayment of a loan by the owner of the property; or

''(ii) the use of any additional repayment mechanisms that are—

''(I) demonstrated to have appropriate risk mitigation features, as determined by the eligible entity; or

''(II) required if the qualified consumer is no longer a customer of the eligible entity; and

''(E) shall require an energy audit by an eligible entity to determine the impact of proposed energy efficiency measures on the energy costs and consumption of the qualified consumer.

''(2) CONTRACTORS.—In addition to any other qualified general contractor, eligible entities may serve as general contractors.

''(e) CONTRACT FOR MEASUREMENT AND VERIFICATION, TRAINING, AND TECHNICAL ASSISTANCE.—

''(1) IN GENERAL.—Not later than 90 days after the date of enactment of this section, the Secretary—

''(A) shall establish a plan for measurement and verification, training, and technical assistance of the program; and

''(B) may enter into 1 or more contracts with a qualified entity for the purposes of—

''(i) providing measurement and verification activities; and

''(ii) developing a program to provide technical assistance and training to the employees of eligible entities to carry out this section.

''(2) USE OF SUBCONTRACTORS AUTHORIZED.—A qualified entity that enters into a contract under paragraph (1) may use subcontractors to assist the qualified entity in carrying out the contract.

''(f) FAST START DEMONSTRATION PROJECTS.—

''(1) IN GENERAL.—The Secretary shall offer to enter into agreements with eligible entities (or groups of eligible entities) that have energy efficiency programs described in subsection (c)(2)(C) to establish an energy efficiency loan demonstration projects consistent with the purposes of this section.

''(2) EVALUATION CRITERIA.—In determining which eligible entities to award loans under this section, the Secretary shall take into consideration eligible entities that—

''(A) implement approaches to energy audits and investments in energy efficiency measures that yield measurable and predictable savings;

''(B) use measurement and verification processes to determine the effectiveness of energy efficiency loans made by eligible entities;

''(C) include training for employees of eligible entities, including any contractors of such entities, to implement or oversee the activities described in subparagraphs (A) and (B);

''(D) provide for the participation of a majority of eligible entities in a State;

''(E) reduce the need for generating capacity;

''(F) provide efficiency loans to—

''(i) in the case of a single eligible entity, not fewer than 20,000 consumers; or

''(ii) in the case of a group of eligible entities, not fewer than 80,000 consumers; and

''(G) serve areas in which, as determined by the Secretary, a large percentage of consumers reside—

''(i) in manufactured homes; or

''(ii) in housing units that are more than 50 years old.

''(3) DEADLINE FOR IMPLEMENTATION.—To the maximum extent practicable, the Secretary shall enter into agreements described in paragraph (1) by not later than 90 days after the date of enactment of this section.

''(4) EFFECT ON AVAILABILITY OF LOANS NATIONALLY.—Nothing in this subsection shall delay the availability of loans to eligible entities on a national basis beginning not later than 180 days after the date of enactment of this section.

''(5) ADDITIONAL DEMONSTRATION PROJECT AUTHORITY.—

''(A) IN GENERAL.—The Secretary may conduct demonstration projects in addition to the project required by paragraph (1).

''(B) INAPPLICABILITY OF CERTAIN CRITERIA.—The additional demonstration projects may be carried out without regard to subparagraphs (D), (F), or (G) of paragraph (2).

''(g) ADDITIONAL AUTHORITY.—The authority provided in this section is in addition to any other authority of the Secretary to offer loans under any other law.

''(h) EFFECTIVE PERIOD.—Subject to the availability of funds and except as otherwise provided in this section, the loans and other expenditures required to be made under this section shall be available until expended, with the Secretary authorized to make new loans as loans are repaid.

''(i) REGULATIONS.—

''(1) IN GENERAL.—Except as otherwise provided in this subsection, not later than 180 days after the date of enactment of this section, the Secretary shall promulgate such regulations as are necessary to implement this section.

''(2) PROCEDURE.—The promulgation of the regulations and administration of this section shall be made without regard to—

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

''(B) chapter 35 of title 44, United States Code (commonly known as the 'Paperwork Reduction Act').

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

''(4) INTERIM REGULATIONS.—Notwithstanding paragraphs (1) and (2), to the extent regulations are necessary to carry out any provision of this section, the Secretary shall implement such regulations through the promulgation of an interim rule.''.

TITLE VII—RESEARCH, EXTENSION, AND RELATED MATTERS

Subtitle A—National Agricultural Research, Extension, and Teaching Policy Act of 1977

SEC. 7101. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 1408(h) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(h)) is amended by striking ''2012'' and inserting ''2017''.

(b) DUTIES OF NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.—Section 1408(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(c)) is amended—

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

(2) in paragraph (4)(C), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(5) consult with industry groups on agricultural research, extension, education, and economics, and make recommendations to the Secretary based on that consultation.''.

SEC. 7102. SPECIALTY CROP COMMITTEE.

Section 1408A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123a) is amended—

(1) in subsection (b)—

(A) by striking ''Individuals'' and inserting the following:

''(1) ELIGIBILITY.—Individuals'';

(B) by striking ''Members'' and inserting the following:

''(2) SERVICE.—Members''; and

(C) by adding at the end the following:

''(3) DIVERSITY.—Membership of the specialty crops committee shall reflect diversity in the specialty crops represented.'';

(2) in subsection (c), by adding at the end the following:

''(6) Analysis of alignment of specialty crop committee recommendations with specialty crop research initiative grants awarded under section 412(d) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7632).'';

(3) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively;

(4) by inserting after subsection (c) the following:

''(d) CONSULTATION WITH SPECIALTY CROP INDUSTRY.—In studying the scope and effectiveness of programs under subsection (a), the specialty crops committee shall consult on an ongoing basis with diverse sectors of the specialty crop industry.''; and

(5) in subsection (f) (as redesignated by paragraph (3)), by striking ''subsection (d)'' and inserting ''subsection (e)''.

SEC. 7103. VETERINARY SERVICES GRANT PROGRAM.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by inserting after section 1415A (7 U.S.C. 3151a) the following:

''SEC. 1415B. VETERINARY SERVICES GRANT PROGRAM.

''(a) DEFINITIONS.—In this section:

''(1) QUALIFIED ENTITY.—The term 'qualified entity' means—

''(A) a for-profit or nonprofit entity located in the United States that operates a veterinary clinic providing veterinary services—

''(i) in a rural area, as defined in section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)); and

''(ii) in response to a veterinarian shortage situation;

''(B) a State, national, allied, or regional veterinary organization or specialty board recognized by the American Veterinary Medical Association;

''(C) a college or school of veterinary medicine accredited by the American Veterinary Medical Association;

''(D) a university research foundation or veterinary medical foundation;

''(E) a department of veterinary science or department of comparative medicine accredited by the Department of Education;

''(F) a State agricultural experiment station; and

''(G) a State, local, or tribal government agency.

''(2) VETERINARIAN SHORTAGE SITUATION.—The term 'veterinarian shortage situation' means a veterinarian shortage situation determined by the Secretary under section 1415A(b).

''(b) ESTABLISHMENT OF PROGRAM.—

''(1) COMPETITIVE GRANTS.—The Secretary shall carry out a program to make competitive grants to qualified entities that carry out programs or activities described in paragraph (2) for the purpose of developing, implementing, and sustaining veterinary services.

''(2) ELIGIBILITY REQUIREMENTS.—To be eligible to receive a grant described in paragraph (1), a qualified entity shall carry out programs or activities that the Secretary determines will—

''(A) substantially relieve veterinarian shortage situations;

''(B) support or facilitate private veterinary practices engaged in public health activities; or

''(C) support or facilitate the practices of veterinarians who are participating in or have successfully completed a service requirement under section 1415A(a)(2).

''(c) AWARD PROCESSES AND PREFERENCES.—

''(1) APPLICATION, EVALUATION, AND INPUT PROCESSES.—In administering the grant program under this section, the Secretary shall—

''(A) use an appropriate application and evaluation process, as determined by the Secretary; and

''(B) seek the input of interested persons.

''(2) GRANT PREFERENCES.—In selecting recipients of grants to be used for any of the purposes described in paragraphs (2) through (6) of subsection (d), the Secretary shall give a preference to qualified entities that provide documentation of coordination with other qualified entities, with respect to any such purpose.

''(3) ADDITIONAL PREFERENCES.—In awarding grants under this section, the Secretary may develop additional preferences by taking into account the amount of funds available for grants and the purposes for which the grant funds will be used.

''(4) APPLICABILITY OF OTHER PROVISIONS.—Sections 1413B, 1462(a), 1469(a)(3), 1469(c), and 1470 apply to the administration of the grant program under this section.

''(d) USE OF GRANTS TO RELIEVE VETERINARIAN SHORTAGE SITUATIONS AND SUPPORT VETERINARY SERVICES.—A qualified entity may use funds provided by grants under this section to relieve veterinarian shortage situations and support veterinary services for the following purposes:

''(1) To assist veterinarians with establishing or expanding practices for the purpose of—

''(A) equipping veterinary offices;

''(B) sharing in the reasonable overhead costs of the practices, as determined by the Secretary; or

''(C) establishing mobile veterinary facilities in which a portion of the facilities will address education or extension needs.

''(2) To promote recruitment (including for programs in secondary schools), placement, and retention of veterinarians, veterinary technicians, students of veterinary medicine, and students of veterinary technology.

''(3) To allow veterinary students, veterinary interns, externs, fellows, and residents, and veterinary technician students to cover expenses (other than the types of expenses described in 1415A(c)(5)) to attend training programs in food safety or food animal medicine.

''(4) To establish or expand accredited veterinary education programs (including faculty recruitment and retention), veterinary residency and fellowship programs, or veterinary internship and externship programs carried out in coordination with accredited colleges of veterinary medicine.

''(5) To assess veterinarian shortage situations and the preparation of applications submitted to the Secretary for designation as a veterinarian shortage situation under section 1415A(b).

''(6) To provide continuing education and extension, including veterinary telemedicine and other distance-based education, for veterinarians, veterinary technicians, and other health professionals needed to strengthen veterinary programs and enhance food safety.

''(e) SPECIAL REQUIREMENTS FOR CERTAIN GRANTS.—

''(1) TERMS OF SERVICE REQUIREMENTS.—

''(A) IN GENERAL.—Grants provided under this section for the purpose specified in subsection (d)(1) shall be subject to an agreement between the Secretary and the grant recipient that includes a required term of service for the recipient, as established by the Secretary.

''(B) CONSIDERATIONS.—In establishing a term of service under subparagraph (A), the Secretary shall consider only—

''(i) the amount of the grant awarded; and

''(ii) the specific purpose of the grant.

''(2) BREACH REMEDIES.—

''(A) IN GENERAL.—An agreement under paragraph (1) shall provide remedies for any breach of the agreement by the grant recipient, including repayment or partial repayment of the grant funds, with interest.

''(B) WAIVER.—The Secretary may grant a wavier of the repayment obligation for breach of contract if the Secretary determines that the grant recipient demonstrates extreme hardship or extreme need.

''(C) TREATMENT OF AMOUNTS RECOVERED.—Funds recovered under this paragraph shall—

''(i) be credited to the account available to carry out this section; and

''(ii) remain available until expended.

''(f) COST-SHARING REQUIREMENTS.—

''(1) RECIPIENT SHARE.—Subject to paragraph (2), to be eligible to receive a grant under this section, a qualified entity shall provide matching non-Federal funds, either in cash or in-kind support, in an amount equal to not less than 25 percent of the Federal funds provided by the grant.

''(2) WAIVER.—The Secretary may establish, by regulation, conditions under which the cost-sharing requirements of paragraph (1) may be reduced or waived.

''(g) PROHIBITION ON USE OF GRANT FUNDS FOR CONSTRUCTION.—Funds made available for grants under this section may not be used—

''(1) to construct a new building or facility; or

''(2) to acquire, expand, remodel, or alter an existing building or facility, including site grading and improvement and architect fees.

''(h) REGULATIONS.—Not later than 1 year after the date of enactment of this section, the Secretary shall promulgate regulations to carry out this section.

''(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section $10,000,000 for fiscal year 2013 and each fiscal year thereafter, to remain available until expended.''.

SEC. 7104. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURE SCIENCES EDUCATION.

Section 1417(m) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(m)) is amended by striking ''section $60,000,000'' and all that follows and inserting the following: ''section—

''(1) $60,000,000 for each of fiscal years 1990 through 2012; and

''(2) $40,000,000 for each of fiscal years 2013 through 2017.''.

SEC. 7105. AGRICULTURAL AND FOOD POLICY RESEARCH CENTERS.

Section 1419A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3155) is amended—

(1) in the section heading, by inserting ''**AGRICULTURAL AND FOOD**'' before ''**POLICY**'';

(2) in subsection (a), in the matter preceding paragraph (1)—

(A) by striking ''Secretary may'' and inserting ''Secretary shall, acting through the Office of the Chief Economist,''; and

(B) by inserting ''with a history of providing unbiased, nonpartisan economic analysis to Congress'' after ''subsection (b)'';

(3) in subsection (b), by striking ''other research institutions'' and all that follows through ''shall be eligible'' and inserting ''other public research institutions and organizations shall be eligible'';

(4) in subsection (c)—

(A) in the matter preceding paragraph (1), by inserting '', with preference given to policy research centers having extensive databases, models, and demonstrated experience in providing Congress with agricultural market projections, rural development analysis, agricultural policy analysis, and baseline projections at the farm, multiregional, national, and international levels,'' after ''with this section''; and

(B) in paragraph (2) by inserting ''applied'' after ''theoretical''; and

(5) by striking subsection (d) and inserting the following: ''

''(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for fiscal year 2012 and each fiscal year thereafter.''.

SEC. 7106. EDUCATION GRANTS TO ALASKA NATIVE SERVING INSTITUTIONS AND NATIVE HAWAIIAN SERVING INSTITUTIONS.

Section 1419B of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3156) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking ''(or grants without regard to any requirement for competition)''; and

(B) in paragraph (3), by striking ''2012'' and inserting ''2017''; and

(2) in subsection (b)(1), by striking ''(or grants without regard to any requirement for competition)''; and

(3) in paragraph (3), by striking ''2012'' and inserting ''2017''.

SEC. 7107. NUTRITION EDUCATION PROGRAM.

Section 1425(f) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175(f)) is amended by striking ''2012'' and inserting ''2017''.

SEC. 7108. CONTINUING ANIMAL HEALTH AND DISEASE RESEARCH PROGRAMS.

Section 1433 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195) is amended by striking the section designation and heading and all that follows through subsection (a) and inserting the following:

''SEC. 1433. APPROPRIATIONS FOR CONTINUING ANIMAL HEALTH AND DISEASE RESEARCH PROGRAMS.

''(a) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated to support continuing animal health and disease research programs at eligible institutions such sums as are necessary, but not to exceed $25,000,000 for each of fiscal years 1991 through 2017.

''(2) USE OF FUNDS.—Funds made available under this section shall be used—

''(A) to meet the expenses of conducting animal health and disease research, publishing and disseminating the results of such research, and contributing to the retirement of employees subject to the Act of March 4, 1940 (7 U.S.C. 331);

''(B) for administrative planning and direction; and

''(C) to purchase equipment and supplies necessary for conducting research described in subparagraph (A).''.

SEC. 7109. GRANTS TO UPGRADE AGRICULTURAL AND FOOD SCIENCES FACILITIES AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY.

Section 1447(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b(b)) is amended by striking ''2012'' and inserting ''2017''.

SEC. 7110. GRANTS TO UPGRADE AGRICULTURAL AND FOOD SCIENCES FACILITIES AND EQUIPMENT AT INSULAR AREA LAND-GRANT INSTITUTIONS.

Section 1447B(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b–2(d)) is amended by striking ''2012'' and inserting ''2017''.

SEC. 7111. HISPANIC-SERVING INSTITUTIONS.

Section 1455(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3241(c)) is amended by striking ''2012'' and inserting ''2017''.

SEC. 7112. COMPETITIVE GRANTS FOR INTERNATIONAL AGRICULTURAL SCIENCE AND EDUCATION PROGRAMS.

Section 1459A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292b) is amended by striking subsection (c) and inserting the following: ''

''(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

''(1) such sums as are necessary for each of fiscal years 1999 through 2012; and

''(2) $5,000,000 for each of fiscal years 2013 through 2017.''.

SEC. 7113. UNIVERSITY RESEARCH.

Section 1463 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311) is amended in each of subsections (a) and (b) by striking ''2012'' each place it appears and inserting ''2017''.

SEC. 7114. EXTENSION SERVICE.

Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended by striking ''2012'' and inserting ''2017''.

SEC. 7115. SUPPLEMENTAL AND ALTERNATIVE CROPS.

(a) AUTHORIZATION OF APPROPRIATIONS AND TERMINATION.—Section 1473D of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d) is amended—

(1) in subsection (a), by striking ''2012'' and inserting ''2017''; and

(2) by adding at the end the following:

''(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

''(1) such sums as are necessary for fiscal year 2012; and

''(2) $1,000,000 for each of fiscal years 2013 through 2017.''.

(b) COMPETITIVE GRANTS.—Section 1473D(c)(1) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d(c)(1)) is amended by striking ''use such research funding, special or competitive grants, or other means, as the Secretary determines,'' and inserting ''make competitive grants''.

SEC. 7116. CAPACITY BUILDING GRANTS FOR NLGCA INSTITUTIONS.

Section 1473F(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319i(b)) is amended by striking ''2012'' and inserting ''2017''.

SEC. 7117. AQUACULTURE ASSISTANCE PROGRAMS.

(a) COMPETITIVE GRANTS.—Section 1475(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3322(b)) is amended in the matter preceding paragraph (1) by inserting ''competitive'' before ''grants''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 1477 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3324) is amended to read as follows: ''

''SEC. 1477. AUTHORIZATION OF APPROPRIATIONS.

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

''(1) $7,500,000 for each of fiscal years 1991 through 2012; and

''(2) $5,000,000 for each of fiscal years 2013 through 2017.

''(b) PROHIBITION ON USE.—Funds made available under this section may not be used to acquire or construct a building.''.

SEC. 7118. RANGELAND RESEARCH PROGRAMS.

Section 1483(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3336(a)) is amended by striking ''subtitle'' and all that follows and inserting the following: ''subtitle—

''(1) $10,000,000 for each of fiscal years 1991 through 2012; and

''(2) $2,000,000 for each of fiscal years 2013 through 2017.''.

SEC. 7119. SPECIAL AUTHORIZATION FOR BIOSECURITY PLANNING AND RESPONSE.

Section 1484(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3351(a)) is amended by striking ''response such sums as are necessary'' and all that follows and inserting the following: ''response—

''(1) such sums as are necessary for each of fiscal years 2002 through 2012; and

''(2) $20,000,000 for each of fiscal years 2013 through 2017.''.

SEC. 7120. DISTANCE EDUCATION AND RESIDENT INSTRUCTION GRANTS PROGRAM FOR INSULAR AREA INSTITUTIONS OF HIGHER EDUCATION.

(a) DISTANCE EDUCATION GRANTS FOR INSULAR AREAS.—

(1) COMPETITIVE GRANTS.—Section 1490(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3362(a)) is amended by striking ''or noncompetitive''.

(2) AUTHORIZATION OF APPROPRIATIONS.—Section 1490(f) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3362(f)) is amended by striking ''section'' and all that follows and inserting the following: ''section—

''(1) such sums as are necessary for each of fiscal years 2002 through 2012; and

''(2) $2,000,000 for each of fiscal years 2013 through 2017.''.

(b) RESIDENT INSTRUCTION GRANTS FOR INSULAR AREAS.—Section 1491(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3363(c)) is amended by striking ''such sums as are necessary'' and all that follows and inserting the following: ''to carry out this section—

''(1) such sums as are necessary for each of fiscal years 2002 through 2012; and

''(2) $2,000,000 for each of fiscal years 2013 through 2017.''.

Subtitle B—Food, Agriculture, Conservation, and Trade Act of 1990

SEC. 7201. BEST UTILIZATION OF BIOLOGICAL APPLICATIONS.

Section 1624 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5814) is amended—

(1) by striking ''$40,000,000 for each fiscal year''; and

(2) by inserting ''$40,000,000 for each of fiscal years 2012 through 2017'' after ''chapter''.

SEC. 7202. INTEGRATED MANAGEMENT SYSTEMS.

Section 1627 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5821) is amended by striking subsection (d) and inserting the following:

''(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section through the National Institute of Food and Agriculture $20,000,000 for each of fiscal years 2012 through 2017.''.

SEC. 7203. SUSTAINABLE AGRICULTURE TECHNOLOGY DEVELOPMENT AND TRANSFER PROGRAM.

Section 1628 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5831) is amended by striking subsection (f) and inserting the following:

''(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as are necessary for each of fiscal years 2012 through 2017.''.

SEC. 7204. NATIONAL TRAINING PROGRAM.

Section 1629 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5832) is amended by striking subsection (i) and inserting the following:

''(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out the National Training Program $20,000,000 for each of fiscal years 2012 through 2017.''.

SEC. 7205. NATIONAL GENETICS RESOURCES PROGRAM.

Section 1635(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amended—

(1) by striking ''such funds as may be necessary''; and

(2) by striking ''subtitle'' and all that follows and inserting the following: ''subtitle—

''(1) such sums as are necessary for each of fiscal years 1991 through 2012; and

''(2) $1,000,000 for each of fiscal years 2013 through 2017.''.

SEC. 7206. NATIONAL AGRICULTURAL WEATHER INFORMATION SYSTEM.

Section 1641(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5855(c)) is amended by inserting ''and $1,000,000 for each of fiscal years 2013 through 2017'' before the period at the end.

SEC. 7207. HIGH-PRIORITY RESEARCH AND EXTENSION INITIATIVES.

Section 1672 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925) is amended—

(1) in the first sentence of subsection (a), by striking ''subsections (e) through (i) of''; (2) in subsection (b)(2)—

(A) by striking the first sentence and inserting the following:

''(A) IN GENERAL.—To facilitate the making of research and extension grants under subsection (d), the Secretary may appoint a task force to make recommendations to the Secretary.''; and

(B) in the second sentence, by striking ''The Secretary may not incur costs in excess of $1,000 for any fiscal year in connection with each'' and inserting the following:

''(B) COSTS.—The Secretary may not incur costs in excess of $1,000 for any fiscal year in connection with a'';

(3) in subsection (e)—

(A) by striking paragraphs (1) through (5), (7), (8), (11) through (39), (41) through (43), (47), (48), (51), and (52); and

(B) by redesignating paragraphs (6), (9), (10), (40), (44), (45), (46), (49), and (50) as paragraphs (1), (2), (3), (4), (5), (6), (7), (8), and (9), respectively;

(4) by striking subsections (f), (g), and (i);

(5) by inserting after subsection (e) the following:

''(f) PULSE HEALTH INITIATIVE.—

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

''(A) INITIATIVE.—The term 'Initiative' means the pulse health initiative established by paragraph (2).

''(B) PULSE.—The term 'pulse' means dry beans, dry peas, lentils, and chickpeas or garbanzo beans.

''(2) ESTABLISHMENT.—Notwithstanding any other provision of law, during the period beginning on the date of enactment of the Agriculture Reform, Food, and Jobs Act of 2012 and ending on September 30, 2017, the Secretary shall carry out a pulse crop health and extension initiative to address the critical needs of the pulse crop industry by developing and disseminating science-based tools and information, including—

''(A) research in health and nutrition, such as—

''(i) identifying global dietary patterns of pulse crops in relation to population health;

''(ii) researching pulse crop diets and the ability of the diets to reduce obesity and associated chronic disease (including cardiovascular disease, type 2 diabetes, and cancer); and

''(iii) identifying the underlying mechanisms of the health benefits of pulse crop consumption (including disease biomarkers, bioactive components, and relevant plant genetic components to enhance the health promoting value of pulse crops);

''(B) research in functionality, such as—

''(i) improving the functional properties of pulse crops and pulse fractions;

''(ii) developing new and innovative technologies to improve pulse crops as an ingredient in food products; and

''(iii) developing nutrient-dense food product solutions to ameliorate chronic disease and enhance food security worldwide;

''(C) research in sustainability to enhance global food security, such as—

''(i) plant breeding, genetics and genomics to improve productivity, nutrient density, and phytonutrient content for a growing world population;

''(ii) pest and disease management, including resistance to pests and diseases resulting in reduced application management strategies; and

''(iii) improving nitrogen fixation to reduce the carbon and energy footprint of agriculture;

''(D) optimizing pulse cropping systems to reduce water usage; and

''(E) education and technical service, such as—

''(i) providing technical expertise to help food companies include nutrient-dense pulse crops in innovative and healthy foods; and

''(ii) establishing an educational program to encourage the consumption and production of pulse crops in the United States and other countries.

''(3) ELIGIBLE ENTITIES.—The Secretary may carry out the Initiative through—

''(A) Federal agencies, including the Agricultural Research Service and the National Institute of Food and Agriculture;

''(B) National Laboratories;

''(C) institutions of higher education;

''(D) research institutions or organizations;

''(E) private organizations or corporations;

''(F) State agricultural experiment stations;

''(G) individuals; or

''(H) groups consisting of 2 or more entities or individuals described in subparagraphs (A) through (G).

''(4) RESEARCH PROJECT GRANTS.—

''(A) IN GENERAL.—In carrying out this subsection, the Secretary shall award grants on a competitive basis.

''(B) IN GENERAL.—The Secretary shall—

''(i) seek and accept proposals for grants;

''(ii) determine the relevance and merit of proposals through a system of peer review, in consultation with the pulse crop industry; and

''(iii) award grants on the basis of merit, quality, and relevance.

''(C) PRIORITIES.—In making grants under this subsection, the Secretary shall provide a higher priority to projects that—

''(i) are multistate, multiinstitutional, and multidisciplinary; and

''(ii) include explicit mechanisms to communicate results to the pulse crop industry and the public.

''(5) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $25,000,000 for each of fiscal years 2013 through 2017.

''(g) TRAINING COORDINATION FOR FOOD AND AGRICULTURE PROTECTION.—

''(1) IN GENERAL.—The Secretary shall make grants and enter into contracts or cooperative agreements with eligible entities described in paragraph (2) for the purposes of establishing a Comprehensive Food Safety Training Network.

''(2) ELIGIBILITY.—

''(A) IN GENERAL.—For purposes of this subsection, an eligible entity is a multiinstitutional consortium that includes—

''(i) a nonprofit institution that provides administering food protection training; and

''(ii) 1 or more training centers in institutions of higher education that have demonstrated expertise in developing and delivering community-based training in food and agricultural safety and defense.

''(B) REQUIREMENTS.—To ensure that coordination and administration is provided across all the disciplines and provide comprehensive food protection training, the Secretary may only consider an entire consortium collectively rather than on an institution-by-institution basis.

''(C) MEMBERSHIP.—An eligible entity may alter the consortium membership to meet specific training expertise needs.

''(3) DUTIES OF ELIGIBLE ENTITY.—As a condition of the receipt of assistance under this subsection, an eligible entity, in cooperation with the Secretary, shall establish and maintain the network for an internationally integrated training system to enhance protection of the United States food supply, including, at a minimum—

''(A) developing curricula and a training network to provide basic, technical, management, and leadership training to regulatory and public health officials, producers, processors, and other agrifood businesses;

''(B) serving as the hub for the administration of an open training network;

''(C) implementing standards to ensure the delivery of quality training through a national curricula;

''(D) building and overseeing a nationally recognized instructor cadre to ensure the availability of highly qualified instructors;

''(E) reviewing training proposed through the National Institute of Food and Agriculture and other relevant Federal agencies that report to the Secretary on the quality and content of proposed and existing courses;

''(F) assisting Federal agencies in the implementation of food protection training requirements including requirements contained in the Agriculture Reform, Food, and Jobs Act of 2012, the FDA Food Safety Modernization Act (Public Law 111–353; 124 Stat. 3885), and amendments made by those Acts; and

''(G) performing evaluation and outcome-based studies to provide to the Secretary feedback on the effectiveness and impact of training and metrics on jurisdictions and sectors within the food safety system.

''(4) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2013 through 2017, to remain available until expended.'';

(6) in subsection (h), by striking ''2012'' each place it appears and inserting ''2017'';

(7) by redesignating subsection (j) as subsection (i); and

(8) in subsection (i) (as so redesignated), by striking ''2012'' and inserting ''2017''.

SEC. 7208. ORGANIC AGRICULTURE RESEARCH AND EXTENSION INITIATIVE.

Section 1672B of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by inserting '', education,'' after ''support research'';

(B) in paragraph (1), by inserting ''and improvement'' after ''development'';

(C) in paragraph (2), by striking ''to producers and processors who use organic methods'' and inserting ''of organic agricultural production and methods to producers, processors, and rural communities'';

(D) in paragraph (5), by inserting ''and researching solutions to'' after ''identifying'';

and

(E) in paragraph (6), by striking ''and marketing'' and inserting '', marketing, and food safety'';

(2) by striking subsection (e);

(3) by redesignating subsection (f) as subsection (e); and

(4) in subsection (e) (as so redesignated)—

(A) in paragraph (1)—

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

(ii) in subparagraph (B), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(C) $16,000,000 for each of fiscal years 2013 through 2017.''; and

(B) in paragraph (2), by striking ''2012'' and inserting ''2017''.

SEC. 7209. FARM BUSINESS MANAGEMENT.

Section 1672D(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925f(d)) is amended by striking ''such sums as are necessary to carry out this section.'' and inserting the following: ''to carry out this section—

''(1) such sums as are necessary for fiscal year 2012; and

''(2) $5,000,000 for each of fiscal years 2013 through 2017.''.

SEC. 7210. REGIONAL CENTERS OF EXCELLENCE.

Subtitle H of the Food, Agriculture, Conservation, and Trade Act of 1990 is amended by inserting after section 1672D (7 U.S.C. 5925) the following:

''SEC. 1673. REGIONAL CENTERS OF EXCELLENCE.

''(a) ESTABLISHMENT.—The Secretary may prioritize regional centers of excellence established for specific agricultural commodities for the receipt of funding.

''(b) COMPOSITION.—A regional center of excellence shall be composed of 1 or more colleges and universities (including land-grant institutions, schools of forestry, schools of veterinary medicine, or NLGCA Institutions (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103))) that provide financial support to the regional center of excellence.

''(c) CRITERIA FOR REGIONAL CENTERS OF EXCELLENCE.—The criteria for consideration to be a regional center of excellence shall include efforts—

''(1) to ensure coordination and cost-effectiveness by reducing unnecessarily duplicative efforts regarding research, teaching, and extension;

''(2) to leverage available resources by using public/private partnerships among agricultural industry groups, institutions of higher education, and the Federal Government;

''(3) to implement teaching initiatives to increase awareness and effectively disseminate solutions to target audiences through extension activities;

''(4) to increase the economic returns to rural communities by identifying, attracting, and directing funds to high-priority agricultural issues; and

''(5) to improve teaching capacity and infrastructure at colleges and universities (including land-grant institutions, schools of forestry, and schools of veterinary medicine, and NLGCA Institutions).

''(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2013 through 2017.''.

SEC. 7211. ASSISTIVE TECHNOLOGY PROGRAM FOR FARMERS WITH DISABILITIES.

Section 1680(c)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933(c)(1)) is amended—

(1) by striking ''is'' and inserting ''are''; and

(2) by striking ''section'' and all that follows and inserting the following: ''section—

''(A) $6,000,000 for each of fiscal years 1999 through 2012; and

''(B) $5,000,000 for each of fiscal years 2013 through 2017.''.

SEC. 7212. NATIONAL RURAL INFORMATION CENTER CLEARINGHOUSE.

Section 2381(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125b(e)) is amended by striking ''2012'' and inserting ''2017''.

Subtitle C—Agricultural Research, Extension, and Education Reform Act of 1998

SEC. 7301. RELEVANCE AND MERIT OF AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION FUNDED BY THE DEPARTMENT.

Section 103(a)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7613(a)(2)) is amended—

(1) by striking the paragraph designation and heading and inserting the following:

''(2) RELEVANCE AND MERIT REVIEW OF RESEARCH, EXTENSION, AND EDUCATION GRANTS.—'';

(2) in subparagraph (A)—

(A) by inserting ''relevance and'' before ''merit''; and

(B) by striking ''extension or education'' and inserting, ''research, extension, or education''; and

(3) in subparagraph (B) by inserting ''on a continuous basis'' after ''procedures''.

SEC. 7302. INTEGRATED RESEARCH, EDUCATION, AND EXTENSION COMPETITIVE GRANTS PROGRAM.

Section 406(f) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626(f)) is amended by striking ''2012'' and inserting ''2017''.

SEC. 7303. SUPPORT FOR RESEARCH REGARDING DISEASES OF WHEAT, TRITICALE, AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM OR BY TILLETIA INDICA.

Section 408(e) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7628(e)) is amended by striking ''such sums as may be necessary for each of fiscal years 1999 through 2012'' and inserting ''$10,000,000 for each of fiscal years 2013 through 2017''.

SEC. 7304. GRANTS FOR YOUTH ORGANIZATIONS.

Section 410(d) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7630(d)) is amended by striking ''section such sums as are necessary'' and all that follows and inserting the following: ''section—

''(1) such sums as are necessary for each of fiscal years 2008 through 2012; and

''(2) $3,000,000 for each of fiscal years 2013 through 2017.''.

SEC. 7305. SPECIALTY CROP RESEARCH INITIATIVE.

Section 412 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7632) is amended—

(1) in subsection (b)(3), by inserting ''handling and processing,'' after ''production efficiency,'';

(2) in subsection (e)—

(A) in paragraph (1)—

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

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

(iii) by inserting after subparagraph (C) the following:

''(D) consult with the specialty crops committee authorized under section 1408A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123a) during the peer and merit review process.''; and

(B) in paragraph (3), by striking ''non-Federal'' and all that follows through the end of the paragraph and inserting ''other sources in an amount that is at least equal to the amount provided by a grant received under this section.''; and

(3) in subsection (h)—

(A) in paragraph (1)—

(i) by striking ''(1) IN GENERAL.—Of the funds'' and inserting the following:

''(1) MANDATORY FUNDING.—

''(A) IN GENERAL.—Of the funds''; and

(ii) by adding at the end the following:

''(B) SUBSEQUENT FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section—

''(i) $25,000,000 for fiscal year 2013;

''(ii) $30,000,000 for each of fiscal years 2014 and 2015;

''(iii) $65,000,000 for fiscal year 2016; and

''(iv) $50,000,000 for fiscal year 2017 and each fiscal year thereafter.''; and

(B) in paragraph (2), by striking ''2012'' and inserting ''2017''.

SEC. 7306. FOOD ANIMAL RESIDUE AVOIDANCE DATABASE PROGRAM.

Section 604(e) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7642(e)) is amended by striking ''2012'' and inserting ''2017''.

SEC. 7307. OFFICE OF PEST MANAGEMENT POLICY.

Section 614(f) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7653(f)) is amended—

(1) by striking ''such sums as are necessary''; and

(2) by striking ''section'' and all that follows and inserting the following: ''section—

''(1) such sums as are necessary for each of fiscal years 1999 through 2012; and

''(2) $3,000,000 for each of fiscal years 2013 through 2017.''.

SEC. 7308. AUTHORIZATION OF REGIONAL INTEGRATED PEST MANAGEMENT CENTERS.

Subtitle B of title VI of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7651 et seq.) is amended by adding at the end the following:

''SEC. 621. AUTHORIZATION OF REGIONAL INTEGRATED PEST MANAGEMENT CENTERS.

''(a) IN GENERAL.—There are established 4 regional integrated pest management centers (referred to in this section as the 'Centers'), which shall be located at such specific locations in the north central, northeastern, southern, and western regions of the United States as the Secretary shall specify.

''(b) PURPOSES.—The purposes of the Centers shall be—

''(1) to strengthen the connection of the Department with production agriculture, research, and extension programs, and agricultural stakeholders throughout the United States;

''(2) to increase the effectiveness of providing pest management solutions for the private and public sectors;

''(3) to quickly respond to information needs of the public and private sectors; and

''(4) to improve communication among the relevant stakeholders.

''(c) DUTIES.—In meeting the purposes described in subsection (b) and otherwise carrying out this section, the Centers shall—

''(1) develop regional strategies to address pest management needs;

''(2) assist the Department and partner institutions of the Department in identifying, prioritizing, and coordinating a national pest management research, extension, and education program implemented on a regional basis;

''(3) establish a national pest management communication network that includes—

''(A) the agencies of the Department and other government agencies;

''(B) scientists at institutions of higher education; and

''(C) stakeholders focusing on pest management issues;

''(4) serve as regional hubs responsible for ensuring efficient access to pest management expertise and data available through institutions of higher education; and

''(5) on behalf of the Department, manage grants that can be most effectively and efficiently delivered at the regional level, as determined by the Secretary.''.

Subtitle D—Other Laws

SEC. 7401. CRITICAL AGRICULTURAL MATERIALS ACT.

Section 16(a) of the Critical Agricultural Materials Act (7 U.S.C. 178n(a)) is amended—

(1) by striking ''such sums as are necessary''; and

(2) by striking ''Act'' and all that follows and inserting the following: ''Act—

''(1) such sums as are necessary for each of fiscal years 1991 through 2012; and

''(2) $2,000,000 for each of fiscal years 2013 through 2017.''.

SEC. 7402. EQUITY IN EDUCATIONAL LAND-GRANT STATUS ACT OF 1994.

(a) DEFINITION OF 1994 INSTITUTIONS.—Section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended to read as follows:

''SEC. 532. DEFINITION OF 1994 INSTITUTIONS.

''In this part, the term '1994 Institutions' means any 1 of the following:

''(1) Aaniiih Nakoda College.

''(2) Bay Mills Community College.

''(3) Blackfeet Community College.

''(4) Cankdeska Cikana Community College.

''(5) Chief Dull Knife Memorial College.

''(6) College of Menominee Nation.

''(7) College of the Muscogee Nation.

''(8) Comanche Nation College.

''(9) D-Q University.

''(10) Dine College.

''(11) Fond du Lac Tribal and Community College.

''(12) Fort Berthold Community College.

''(13) Fort Peck Community College.

''(14) Haskell Indian Nations University.

''(15) Ilisagvik College.

''(16) Institute of American Indian and Alaska Native Culture and Arts Development.

''(17) Keweenaw Bay Ojibwa Community College.

''(18) Lac Courte Oreilles Ojibwa Community College.

''(19) Leech Lake Tribal College.

''(20) Little Big Horn College.

''(21) Little Priest Tribal College.

''(22) Navajo Technical College.

''(23) Nebraska Indian Community College.

''(24) Northwest Indian College.

''(25) Oglala Lakota College.

''(26) Saginaw Chippewa Tribal College.

''(27) Salish Kootenai College.

''(28) Sinte Gleska University.

''(29) Sisseton Wahpeton College.

''(30) Sitting Bull College.

''(31) Southwestern Indian Polytechnic Institute.

''(32) Stone Child College.

''(33) Tohono O'odham Community College.

''(34) Turtle Mountain Community College.

''(35) United Tribes Technical College.

''(36) White Earth Tribal and Community College.''.

(b) ENDOWMENT FOR 1994 INSTITUTIONS.—

(1) IN GENERAL.—Section 533 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended—

(A) in subsection (a)(2)(A)(ii), by striking ''of such Act as added by section 534(b)(1) of this part'' and inserting ''of that Act (7 U.S.C. 343(b)(3)) and for programs for children, youth, and families at risk and for Federally recognized tribes implemented under section 3(d) of that Act (7 U.S.C. 343(d))''; and

(B) in subsection (b), in the first sentence by striking ''2012'' and inserting ''2017''.

(2) CONFORMING AMENDMENT.—Section 3(d) of the Smith-Lever Act (7 U.S.C. 343(d)) is amended in the second sentence by inserting ''and, in the case of programs for children, youth, and families at risk and for Federally recognized tribes, the 1994 Institutions (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382)),'' before ''may compete for''.

(c) INSTITUTIONAL CAPACITY BUILDING GRANTS.—Section 535 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended by striking ''2012'' each place it appears in subsections (b)(1) and (c) and inserting ''2017''.

(d) RESEARCH GRANTS.——

(1) AUTHORIZATION OF APPROPRIATIONS.—Section 536(c) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended in the first sentence by striking ''2012'' and inserting ''2017''.

(2) RESEARCH GRANT REQUIREMENTS.—Section 536(b) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301

note; Public Law 103–382) is amended by striking ''with at least 1 other land-grant college or university'' and all that follows and inserting the following: ''with— ''

''(1) the Agricultural Research Service of the Department of Agriculture; or

''(2) at least 1—

''(A) other land-grant college or university (exclusive of another 1994 Institution);

''(B) non-land-grant college of agriculture (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)); or

''(C) cooperating forestry school (as defined in that section).''.

(e) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (d)(2) take effect on October 1, 2012.

SEC. 7403. RESEARCH FACILITIES ACT.

Section 6(a) of the Research Facilities Act (7 U.S.C. 390d(a)) is amended by striking ''2012'' and inserting ''2017''.

SEC. 7404. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANT ACT.

Section 2 of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i) is amended—

(1) in subsection (b)(11)(A), in the matter preceding clause (i), by striking ''2012'' and inserting ''2017''; and

(2) by adding at the end the following:

''(l) STREAMLINING GRANT APPLICATION PROCESS.—Not later than 1 year after the date of enactment of this subsection, the Secretary shall submit to Congress a report that includes—

''(1) an analysis of barriers that exist in the competitive grants process administered by the National Institute of Food and Agriculture that prevent eligible institutions and organizations with limited institutional capacity from successfully applying and competing for competitive grants; and

''(2) specific recommendations for future steps that the Department can take to streamline the competitive grants application process so as to remove the barriers and increase the success rates of applicants described in paragraph (1).''.

SEC. 7405. ENHANCED USE LEASE AUTHORITY PILOT PROGRAM UNDER DEPARTMENT OF AGRICULTURE REORGANIZATION ACT OF 1994.

Section 308(b)(6) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 3125a note; Public Law 103–354) is amended by striking subparagraph (A) and inserting the following:

''(A) on September 30, 2017; or''.

SEC. 7406. RENEWABLE RESOURCES EXTENSION ACT OF 1978.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 6 of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1675) is amended in the first sentence by striking ''2012'' and inserting ''2017''.

(b) TERMINATION DATE.—Section 8 of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1671 note; Public Law 95–306) is amended by striking ''2012'' and inserting ''2017''.

SEC. 7407. NATIONAL AQUACULTURE ACT OF 1980.

Section 10 of the National Aquaculture Act of 1980 (16 U.S.C. 2809) is amended by striking ''2012'' each place it appears and inserting ''2017''.

SEC. 7408. BEGINNING FARMER AND RANCHER DEVELOPMENT PROGRAM UNDER FARM SECURITY AND RURAL INVESTMENT ACT OF 2002.

Section 7405 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f) is amended—

(1) in subsection (c)(8)—

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

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

(C) by adding at the end the following:

''(D) beginning farmers and ranchers who are veterans (as defined in section 101 of title 38, United States Code).''; and

(2) in subsection (h)—

(A) in paragraph (1)—

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

(ii) in subparagraph (B), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(C) $50,000,000 for fiscal year 2013, to remain available until expended.''; and

(B) in paragraph (2), by striking ''2012'' and inserting ''2017''.

Subtitle E—Food, Conservation, and Energy Act of 2008

PART I—AGRICULTURAL SECURITY

SEC. 7501. AGRICULTURAL BIOSECURITY COMMUNICATION CENTER.

Section 14112 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8912) is amended by striking subsection (c) and inserting the following:

''(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section—

''(1) such sums as are necessary for each of fiscal years 2008 through 2012; and

''(2) $2,000,000 for each of fiscal years 2013 through 2017.''.

SEC. 7502. ASSISTANCE TO BUILD LOCAL CAPACITY IN AGRICULTURAL BIOSECURITY PLANNING, PREPARATION, AND RESPONSE.

Section 14113 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8913) is amended—

(1) in subsection (a)(2)—

(A) by striking ''such sums as may be necessary''; and

(B) by striking ''subsection'' and all that follows and inserting the following: ''subsection—

''(1) such sums as are necessary for each of fiscal years 2008 through 2012; and

''(2) $15,000,000 for each of fiscal years 2013 through 2017.''; and

(2) in subsection (b)(2), by striking ''is authorized to be appropriated to carry out this subsection'' and all that follows and inserting the following: ''are authorized to be appropriated to carry out this subsection—

''(1) $25,000,000 for each of fiscal years 2008 through 2012; and

''(2) $15,000,000 for each of fiscal years 2013 through 2017.''.

SEC. 7503. RESEARCH AND DEVELOPMENT OF AGRICULTURAL COUNTERMEASURES.

Section 14121(b) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8921(b)) is amended by striking ''is authorized to be appropriated to carry out this section'' and all that follows and inserting the following: ''are authorized to be appropriated to carry out this section—

''(1) $50,000,000 for each of fiscal years 2008 through 2012; and

''(2) $15,000,000 for each of fiscal years 2013 through 2017.''.

SEC. 7504. AGRICULTURAL BIOSECURITY GRANT PROGRAM.

Section 14122(e) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8922(e)) is amended—

(1) by striking ''such sums as are necessary''; and

(2) by striking ''section'' and all that follows and inserting the following: ''section—

''(1) such sums as are necessary for each of fiscal years 2008 through 2012, to remain available until expended; and

''(2) $5,000,000 for each of fiscal years 2013 through 2017, to remain available until expended.''.

PART II—MISCELLANEOUS

SEC. 7511. GRAZINGLANDS RESEARCH LABORATORY.

Section 7502 of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 112 Stat. 2019) is amended by striking ''for the 5-year period beginning on the date of enactment of this Act'' and inserting ''until September 30, 2017''.

SEC. 7512. BUDGET SUBMISSION AND FUNDING.

Section 7506 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 7614c) is amended—

(1) in subsection (a)—

(A) by striking ''(a) DEFINITION OF COMPETITIVE PROGRAMS.—In this section, the term''; and inserting the following:

''(a) DEFINITIONS.—In this section:

''(1) COMPETITIVE PROGRAMS.—The term''; and

(B) by adding at the end the following:

''(2) COVERED PROGRAM.—The term 'covered program' means—

''(A) each research program carried out by the Agricultural Research Service or the Economic Research Service for which annual appropriations are requested in the annual budget submission of the President; and

''(B) each competitive program (as defined in section 251(f)(1) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6971(f)(1))) carried out by the National Institute of Food and Agriculture for which annual appropriations are requested in the annual budget submission of the President.

''(3) REQUEST FOR AWARDS.—The term 'request for awards' means a funding announcement published by the National Institute of Food and Agriculture that provides detailed information on funding opportunities at the Institute, including the purpose, eligibility, restriction, focus areas, evaluation criteria, regulatory information, and instructions on how to apply for such opportunities.''; and

(2) by adding at the end the following:

''(e) ADDITIONAL PRESIDENTIAL BUDGET SUBMISSION REQUIREMENT.—

''(1) IN GENERAL.—Each year, the President shall submit to Congress, together with the annual budget submission of the President, the information described in paragraph (2) for each funding request for a covered program.

''(2) INFORMATION DESCRIBED.—The information described in this paragraph includes—

''(A) baseline information, including with respect to each covered program—

''(i) the funding level for the program for the fiscal year preceding the year the annual budget submission of the President is submitted;

''(ii) the funding level requested in the annual budget submission of the President, including any increase or decrease in the funding level; and

''(iii) an explanation justifying any change from the funding level specified in clause (i) to the level specified in clause (ii);

''(B) with respect to each covered program that is carried out by the Economic Research Service or the Agricultural Research Service, the location and staff years of the program;

''(C) the proposed funding levels to be allocated to, and the expected publication date, scope, and allocation level for, each request for awards to be published under—

''(i) each priority area specified in section 2(b)(2) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(2));

''(ii) each research and extension project carried out under section 1621(a) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5811(a));

''(iii) each grant awarded under section 1672B(a) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b(a));

''(iv) each grant awarded under section 412(b) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7632(b)); and

''(v) each grant awarded under 7405(c)(1) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f(c)(1)); or

''(D) any other information the Secretary determines will increase congressional oversight with respect to covered programs.

''(3) PROHIBITION.—Unless the President submits the information described in paragraph (2)(C) for a fiscal year, the President may not carry out any program during the fiscal year that is authorized under—

''(A) section 2(b) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b));

''(B) section 1621 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5811);

''(C) section 1672B of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b);

''(D) section 411 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7631); or

''(E) section 7405 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f).

''(f) REPORT OF THE SECRETARY OF AGRICULTURE.—Each year on a date that is not later than the date on which the President submits the annual budget submission, the Secretary shall submit to Congress a report containing a description of the agricultural research, extension, and education activities carried out by the Federal Government during the fiscal year that immediately precedes the year for which the report is submitted, including—

''(1) a review of the extent to which those activities—

''(A) are duplicative or overlap within the Department of Agriculture; or

''(B) are similar to activities carried out by—

''(i) other Federal agencies;

''(ii) the States (including the District of Columbia, the Commonwealth of Puerto Rico and other territories or possessions of the United States);

''(iii) institutions of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)); or

''(iv) the private sector; and

''(2) for each report submitted under this section on or after January 1, 2013, a 5-year projection of national priorities with respect to agricultural research, extension, and education, taking into account both domestic and international needs.''.

SEC. 7513. NATURAL PRODUCTS RESEARCH PROGRAM.

Section 7525 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 5937) is amended by striking subsection (e) and inserting the following:

''(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $7,000,000 for each of fiscal years 2013 through 2017.''.

SEC. 7514. SUN GRANT PROGRAM.

(a) IN GENERAL.—Section 7526 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8114) is amended—

(1) in subsection (a)(4)(B), by striking ''the Department of Energy'' and inserting ''other appropriate Federal agencies (as determined by the Secretary)'';

(2) in subsection (b)(1)—

(A) in subparagraph (A), by striking ''at South Dakota State University'';

(B) in subparagraph (B), by striking ''at the University of Tennessee at Knoxville'';

(C) in subparagraph (C), by striking ''at Oklahoma State University'';

(D) in subparagraph (D), by striking ''at Oregon State University'';

(E) in subparagraph (E), by striking ''at Cornell University''; and

(F) in subparagraph (F), by striking ''at the University of Hawaii'';

(3) in subsection (c)(1)—

(A) in subparagraph (B), by striking ''multistate'' and all that follows through ''technology implementation'' and inserting ''integrated, multistate research, extension, and education programs on technology development and technology implementation'';

(B) by striking subparagraph (C); and

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

(4) in subsection (d)—

(A) in paragraph (1)—

(i) by striking ''gasification'' and inserting ''bioproducts''; and

(ii) by striking ''the Department of Energy'' and inserting ''other appropriate Federal agencies'';

(B) by striking paragraph (2);

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

(D) in paragraph (1), by striking ''in accordance with paragraph (2)''; and

(5) in subsection (g), by striking ''2012'' and inserting ''2017''.

(b) CONFORMING AMENDMENTS.—Section 7526(f) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8114(f)) is amended—

(1) in paragraph (1), by striking ''subsection (c)(1)(D)(i)'' and inserting ''subsection (c)(1)(C)(i)''; and

(2) in paragraph (2), by striking ''subsection (d)(1)'' and inserting ''subsection (d)''.

Subtitle F—Miscellaneous

SEC. 7601. FOUNDATION FOR FOOD AND AGRICULTURE RESEARCH.

(a) DEFINITIONS.—In this section:

(1) BOARD.—The term ''Board'' means the Board of Directors described in subsection (e).

(2) DEPARTMENT.—The term ''Department'' means the Department of Agriculture.

(3) FOUNDATION.—The term ''Foundation'' means the Foundation for Food and Agriculture Research established under subsection (b).

(4) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(b) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary shall establish a nonprofit corporation to be known as the ''Foundation for Food and Agriculture Research''.

(2) STATUS.—The Foundation shall not be an agency or instrumentality of the United States Government.

(c) PURPOSES.—The purposes of the Foundation shall be—

(1) to advance the research mission of the Department by supporting agricultural research activities focused on addressing key problems of national and international significance including—

(A) plant health, production, and plant products;

(B) animal health, production, and products;

(C) food safety, nutrition, and health;

(D) renewable energy, natural resources, and the environment;

(E) agricultural and food security;

(F) agriculture systems and technology; and

(G) agriculture economics and rural communities; and

(2) to foster collaboration with agricultural researchers from the Federal Government, institutions of higher education, industry, and nonprofit organizations.

(d) DUTIES.—

(1) IN GENERAL.—The Foundation shall—

(A) award grants to, or enter into contracts, memoranda of understanding, or cooperative agreements with, scientists and entities, which may include agricultural research agencies in the Department, university consortia, public-private partnerships, institutions of higher education, nonprofit organizations, and industry, to efficiently and effectively advance the goals and priorities of the Foundation;

(B) in consultation with the Secretary—

(i) identify existing and proposed Federal intramural and extramural research and development programs relating to the purposes of the Foundation described in subsection (c); and

(ii) coordinate Foundation activities with those programs so as to minimize duplication of existing efforts;

(C) identify unmet and emerging agricultural research needs after reviewing the Roadmap for Agricultural Research, Education and Extension as required by section 7504 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 7614a);

(D) facilitate technology transfer and release of information and data gathered from the activities of the Foundation to the agricultural research community;

(E) promote and encourage the development of the next generation of agricultural research scientists; and

(F) carry out such other activities as the Board determines to be consistent with the purposes of the Foundation.

(2) AUTHORITY.—Subject to paragraph (3), the Foundation shall be the sole entity responsible for carrying out the duties enumerated in this subsection.

(3) RELATIONSHIP TO OTHER ACTIVITIES.—The activities described in paragraph (1) shall be supplemental to any other activities at the Department and shall not preempt any authority or responsibility of the Department under another provision of law.

(e) BOARD OF DIRECTORS.—

(1) ESTABLISHMENT.—The Foundation shall be governed by a Board of Directors.

(2) COMPOSITION.—

(A) IN GENERAL.—The Board shall be composed of appointed and ex-officio, nonvoting members.

(B) EX-OFFICIO MEMBERS.—The ex-officio members of the Board shall be the following individuals or designees:

(i) The Secretary.

(ii) The Under Secretary of Agriculture for Research, Education, and Economics.

(iii) The Administrator of the Agricultural Research Service.

(iv) The Director of the National Institute of Food and Agriculture.

(v) The Director of the National Science Foundation.

(C) APPOINTED MEMBERS.—

(i) IN GENERAL.—The ex-officio members of the Board under subparagraph (B) shall, by majority vote, appoint to the Board 15 individuals, of whom—

(I) 8 shall be selected from a list of candidates to be provided by the National Academy of Sciences; and

(II) 7 shall be selected from lists of candidates provided by industry.

(ii) REQUIREMENTS.—

(I) EXPERTISE.—The ex-officio members shall ensure that a majority of the members of the Board have actual experience in agricultural research and, to the extent practicable, represent diverse sectors of agriculture.

(II) LIMITATION.—No employee of the Federal Government may serve as an appointed member of the Board under this subparagraph.

(III) NOT FEDERAL EMPLOYMENT.—Appointment to the Board under this subparagraph shall not constitute Federal employment.

(iii) AUTHORITY.—All appointed members of the Board shall be voting members.

(D) CHAIR.—The Board shall, from among the members of the Board, designate an individual to serve as Chair of the Board.

(3) INITIAL MEETING.—Not later than 60 days after the date of enactment of this Act, the Secretary shall convene a meeting of the ex-officio members of the Board—

(A) to incorporate the Foundation; and

(B) to appoint the members of the Board in accordance with paragraph (2)(C)(i).

(4) DUTIES.—

(A) IN GENERAL.—The Board shall—

(i) establish bylaws for the Foundation that, at a minimum, include—

(I) policies for the selection of future Board members, officers, employees, agents, and contractors of the Foundation;

(II) policies, including ethical standards, for—

(aa) the acceptance, solicitation, and disposition of donations and grants to the Foundation; and

(bb) the disposition of assets of the Foundation, including appropriate limits on the ability of donors to designate, by stipulation or restriction, the use or recipient of donated funds;

(III) policies that would subject all employees, fellows, trainees, and other agents of the Foundation (including members of the Board) to the conflict of interest standards under section 208 of title 18, United States Code;

(IV) policies for writing, editing, printing, publishing, and vending of books and other materials;

(V) policies for the conduct of the general operations of the Foundation, including a cap on administrative expenses for recipients of a grant, contract, or cooperative agreement from the Foundation; and

(VI) specific duties for the Executive Director;

(ii) prioritize and provide overall direction for the activities of the Foundation;

(iii) evaluate the performance of the Executive Director; and

(iv) carry out any other necessary activities regarding the Foundation.

(B) ESTABLISHMENT OF BYLAWS.—In establishing bylaws under subparagraph (A)(i), the Board shall ensure that the bylaws do not—

(i) reflect unfavorably on the ability of the Foundation to carry out the duties of the Foundation in a fair and objective manner; or

(ii) compromise, or appear to compromise, the integrity of any governmental agency or program, or any officer or employee employed by or involved in a governmental agency or program.

(5) TERMS AND VACANCIES.—

(A) TERMS.—

(i) IN GENERAL.—The term of each member of the Board appointed under paragraph (2)(C) shall be 5 years.

(ii) PARTIAL TERMS.—If a member of the Board does not serve the full term applicable under clause (i), the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

(iii) TRANSITION.—A member of the Board may continue to serve after the expiration of the term of the member until a successor is appointed.

(B) VACANCIES.—Any vacancy in the membership of the Board shall be filled in the manner in which the original position was made and shall not affect the power of the remaining members to execute the duties of the Board.

(6) COMPENSATION.—Members of the Board may not receive compensation for service on the Board but may be reimbursed for travel, subsistence, and other necessary expenses incurred in carrying out the duties of the Board.

(7) MEETINGS AND QUORUM.—A majority of the members of the Board shall constitute a quorum for purposes of conducting business of the Board.

(f) ADMINISTRATION.—

(1) EXECUTIVE DIRECTOR.—

(A) IN GENERAL.—The Board shall hire an Executive Director who shall carry out such duties and responsibilities as the Board may prescribe.

(B) SERVICE.—The Executive Director shall serve at the pleasure of the Board.

(2) ADMINISTRATIVE POWERS.—

(A) IN GENERAL.—In carrying out this section, the Board, acting through the Executive Director, may—

(i) adopt, alter, and use a corporate seal, which shall be judicially noticed;

(ii) hire, promote, compensate, and discharge 1 or more officers, employees, and agents, as may be necessary, and define the duties of the officers, employees, and agents;

(iii) solicit and accept any funds, gifts, grants, devises, or bequests of real or personal property made to the Foundation, including such support from private entities;

(iv) prescribe the manner in which—

(I) real or personal property of the Foundation is acquired, held, and transferred;

(II) general operations of the Foundation are to be conducted; and

(III) the privileges granted to the Board by law are exercised and enjoyed;

(v) with the consent of the applicable executive department or independent agency, use the information, services, and facilities of the department or agency in carrying out this section;

(vi) enter into contracts with public and private organizations for the writing, editing, printing, and publishing of books and other material;

(vii) hold, administer, invest, and spend any gift, devise, or bequest of real or personal property made to the Foundation;

(viii) enter into such contracts, leases, cooperative agreements, and other transactions as the Board considers appropriate to conduct the activities of the Foundation;

(ix) modify or consent to the modification of any contract or agreement to which the Foundation is a party or in which the Foundation has an interest;

(x) take such action as may be necessary to obtain patents and licenses for devices and procedures developed by the Foundation and employees of the Foundation;

(xi) sue and be sued in the corporate name of the Foundation, and complain and defend in courts of competent jurisdiction;

(xii) appoint other groups of advisors as may be determined necessary to carry out the functions of the Foundation; and

(xiii) exercise such other incidental powers as are necessary to carry out the duties and functions of the Foundation in accordance with this section

(B) LIMITATION.—No appointed member of the Board or officer or employee of the Foundation or of any program established by the Foundation (other than ex-officio members of the Board) shall exercise administrative control over any Federal employee

(3) RECORDS.—

(A) AUDITS.—The Foundation shall—

(i) provide for annual audits of the financial condition of the Foundation; and

(ii) make the audits, and all other records, documents, and other papers of the Foundation, available to the Secretary and the Comptroller General of the United States for examination or audit.

(B) REPORTS.—

(i) ANNUAL REPORT ON FOUNDATION.—

(I) IN GENERAL.—Not later than 5 months following the end of each fiscal year, the Foundation shall publish a report for the preceding fiscal year that includes—

(aa) a description of Foundation activities, including accomplishments; and

(bb) a comprehensive statement of the operations and financial condition of the Foundation.

(II) FINANCIAL CONDITION.—Each report under subclause (I) shall include a description of all gifts or grants to the Foundation of real or personal property or money, which shall include—

(aa) the source of the gifts or grants; and

(bb) any restrictions on the purposes for which the gift or grant may be used.

(III) AVAILABILITY.—The Foundation shall—

(aa) make copies of each report submitted under subclause (I) available for public inspection; and

(bb) on request, provide a copy of the report to any individual.

(IV) PUBLIC MEETING.—The Board shall hold an annual public meeting to summarize the activities of the Foundation.

(ii) GRANT REPORTING.—Any recipient of a grant under subsection (d)(1)(A) shall provide the Foundation with a report at the conclusion of any research or studies conducted the describes the results of the research or studies, including any data generated.

(4) INTEGRITY.—

(A) IN GENERAL.—To ensure integrity in the operations of the Foundation, the Board shall develop and enforce procedures relating to standards of conduct, financial disclosure statements, conflict of interest (including recusal and waiver rules), audits, and any other matters determined appropriate by the Board.

(B) FINANCIAL CONFLICTS OF INTEREST.—Any individual who is an officer, employee, or member of the Board is prohibited from any participation in deliberations by the Foundation of a matter that would directly or predictably affect any financial interest of—

(i) the individual;

(ii) a relative (as defined in section 109 of the Ethics in Government Act of 1978 (5 U.S.C. App.)) of that individual; or

(iii) a business organization or other entity in which the individual has an interest, including an organization or other entity with which the individual is negotiating employment.

(5) INTELLECTUAL PROPERTY.—The Board shall adopt written standards to govern ownership of any intellectual property rights derived from the collaborative efforts of the Foundation.

(6) LIABILITY.—The United States shall not be liable for any debts, defaults, acts, or omissions of the Foundation nor shall the full faith and credit of the United States extend to any obligations of the Foundation.

(g) FUNDS.—

(1) MANDATORY FUNDING.—

(A) IN GENERAL.—On October 1, 2012, of the funds of the Commodity Credit Corporation, the Secretary shall transfer to the Foundation to carry out this section $100,000,000, to remain available until expended under the conditions described in subparagraph (B).

(B) CONDITIONS ON EXPENDITURE.—The Foundation may use the funds made available under subparagraph (A) to carry out the purposes of the Foundation only to the extent that the Foundation secures an equal amount of non-Federal matching funds for each expenditure.

(C) PROHIBITION ON CONSTRUCTION.—None of the funds made available under subparagraph (A) may be used for construction.

(2) SEPARATION OF FUNDS.—The Executive Director shall ensure that any funds received under paragraph (1) are held in separate accounts from funds received from nongovernmental entities as described in subsection (f)(2)(A)(iii).

TITLE VIII—FORESTRY

Subtitle A—Repeal of Certain Forestry Programs

SEC. 8001. FOREST LAND ENHANCEMENT PROGRAM.

(a) REPEAL.—Section 4 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103) is repealed.

(b) CONFORMING AMENDMENT.—Section 8002 of the Farm Security and Rural Investment Act of 2002 (Public Law 107–171; 16 U.S.C. 2103 note) is amended by striking subsection (a).

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2012.

SEC. 8002. WATERSHED FORESTRY ASSISTANCE PROGRAM.

(a) REPEAL.—Section 6 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103b) is repealed.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.

SEC. 8003. EXPIRED COOPERATIVE NATIONAL FOREST PRODUCTS MARKETING PROGRAM.

Section 18 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2112) is repealed.

SEC. 8004. HISPANIC-SERVING INSTITUTION AGRICULTURAL LAND NATIONAL RESOURCES LEADERSHIP PROGRAM.

(a) REPEAL.—Section 8402 of the Food, Conservation, and Energy Act of 2008 (16 U.S.C. 1649a) is repealed.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.

SEC. 8005. TRIBAL WATERSHED FORESTRY ASSISTANCE PROGRAM.

(a) REPEAL.—Section 303 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6542) is repealed.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on October 1, 2012.

Subtitle B—Reauthorization of Cooperative Forestry Assistance Act of 1978 Programs

SEC. 8101. STATE-WIDE ASSESSMENT AND STRATEGIES FOR FOREST RESOURCES.

Section 2A(f)(1) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101a(f)(1)) is amended by striking ''2012'' and inserting ''2017''.

SEC. 8102. FOREST STEWARDSHIP PROGRAM.

Section 5(h) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103a(h)) is amended by striking ''such sums as may be necessary thereafter'' and inserting ''$50,000,000 for each of fiscal years 2013 through 2017''.

SEC. 8103. FOREST LEGACY PROGRAM.

Section 7 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103c) is amended by striking subsection (m) and inserting the following:

''(m) FUNDING.—

''(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $200,000,000 for each of fiscal years 2013 through 2017.

''(2) ADDITIONAL FUNDING SOURCES.—In addition to any funds appropriated for each fiscal year to carry out this section, the Secretary may use any other Federal funds available to the Secretary.''.

SEC. 8104. COMMUNITY FOREST AND OPEN SPACE CONSERVATION PROGRAM.

Section 7A of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103d) is amended by striking subsection (g) and inserting the following:

''(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $50,000,000 for each of fiscal years 2013 through 2017.''.

SEC. 8105. URBAN AND COMMUNITY FORESTRY ASSISTANCE.

Section 9(i) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2105(i)) is amended by striking ''such sums as may be necessary for each fiscal year thereafter'' and inserting ''$50,000,000 for each of fiscal years 2013 through 2017''.

Subtitle C—Reauthorization of Other Forestry-related Laws

SEC. 8201. RURAL REVITALIZATION TECHNOLOGIES.

Section 2371(d)(2) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6601(d)(2)) is amended by striking ''2012'' and inserting ''2017''.

SEC. 8202. OFFICE OF INTERNATIONAL FORESTRY.

Section 2405 of the Global Climate Change Prevention Act of 1990 (7 U.S.C. 6704) is amended by striking subsection (d) and inserting the following:

''(d) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated—

''(1) such sums as are necessary for each of fiscal years 1996 through 2012; and

''(2) $10,000,000 for each of fiscal years 2013 through 2017.''.

SEC. 8203. INSECT INFESTATIONS AND RELATED DISEASES.

(a) FINDINGS AND PURPOSES.—Section 401 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6551) is amended—

(1) in subsection (a)—

(A) by redesignating paragraphs (3) through (12) as paragraphs (4) through (13), respectively; and

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

''(3) the mountain pine beetle is—

''(A) threatening and ravaging forests throughout the Western region of the United States, including Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, and South Dakota;

''(B) reaching epidemic populations and severely impacting over 41,000,000 acres in western forests; and

''(C) deteriorating forest health in national forests and, when combined with drought, disease, and storm damage, is resulting in extreme fire hazards in national forests across the Western United States and endangering the economic stability of surrounding adjacent communities, ranches, and parks;''; and

(2) in subsection (b)—

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

(B) in paragraph (3), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(4) to provide for designation of treatment areas pursuant to section 405.''.

(b) DESIGNATION OF TREATMENT AREAS.—Title IV of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6551 et seq.) is amended—

(1) by redesignating sections 405 and 406 (16 U.S.C. 6555, 6556) as sections 406 and 407, respectively; and

(2) by inserting after section 404 (16 U.S.C. 6554) the following:

''SEC. 405. DESIGNATION OF TREATMENT AREAS.

''(a) DESIGNATION OF TREATMENT AREAS.—Not later than 60 days after the date of enactment of the Agriculture Reform, Food, and Jobs Act of 2012, the Secretary shall designate treatment areas on at least 1 national forest in each State, if requested by the Governor of the State, that the Secretary determines, based on annual forest health surveys, are experiencing declining forest health due to insect or disease infestation.

''(b) TREATMENT OF AREAS.—The Secretary may carry out treatments to address the insect or disease infestation in the areas designated under subsection (a) in accordance with sections 104, 105, 106, and 401.

''(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $100,000,000 for each of fiscal years 2013 through 2017.''.

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 407 of the Healthy Forests Restoration Act of 2003 (as redesignated by subsection (b)(1)) is amended by striking ''2008'' and inserting ''2017''.

SEC. 8204. STEWARDSHIP END RESULT CONTRACTING PROJECTS.

(a) IN GENERAL.—Title VI of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6591) is amended by adding at the end the following:

''SEC. 602. STEWARDSHIP END RESULT CONTRACTING PROJECTS.

''(a) DEFINITIONS.—In this section:

''(1) CHIEF.—The term 'Chief' means the Chief of the Forest Service.

''(2) DIRECTOR.—The term 'Director' means the Director of the Bureau of Land Management.

''(b) PROJECTS.—The Chief and the Director, via agreement or contract as appropriate, may enter into stewardship contracting projects with private persons or other public or private entities to perform services to achieve land management goals for the national forests and the public lands that meet local and rural community needs.

''(c) LAND MANAGEMENT GOALS.—The land management goals of a project under subsection (b) may include—

''(1) road and trail maintenance or obliteration to restore or maintain water quality;

''(2) soil productivity, habitat for wildlife and fisheries, or other resource values;

''(3) setting of prescribed fires to improve the composition, structure, condition, and health of stands or to improve wildlife habitat;

''(4) removing vegetation or other activities to promote healthy forest stands, reduce fire hazards, or achieve other land management objectives;

''(5) watershed restoration and maintenance;

''(6) restoration and maintenance of wildlife and fish; or

''(7) control of noxious and exotic weeds and reestablishing.

''(d) AGREEMENTS OR CONTRACTS.—

''(1) PROCUREMENT PROCEDURE.—A source for performance of an agreement or contract under subsection (b) shall be selected on a best-value basis, including consideration of source under other public and private agreements or contracts.

''(2) CONTRACT FOR SALE OF PROPERTY.—A contract entered into under this section may, at the discretion of the Secretary of Agriculture, be considered a contract for the sale of property under such terms as the Secretary may prescribe without regard to any other provision of law.

''(3) TERM.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the Chief and the Director may enter into a contract under subsection (b) in accordance with section 3903 of title 41, United States Code.

''(B) MAXIMUM.—The period of the contract under subsection (b) may exceed 5 years but may not exceed 10 years.

''(4) OFFSETS.—

''(A) IN GENERAL.—The Chief and the Director may apply the value of timber or other

forest products removed as an offset against the cost of services received under the agreement or contract described in subsection (b).

''(B) METHODS OF APPRAISAL.—The value of timber or other forest products used as an offset under subparagraph (A)—

''(i) shall be determined using appropriate methods of appraisal commensurate with the quantity of products to be removed; and

''(ii) may—

''(I) be determined using a unit of measure appropriate to the contracts; and

''(II) may include valuing products on a per-acre basis.

''(5) RELATION TO OTHER LAWS.—Notwithstanding subsections (d) and (g) of section 14 of the National Forest Management Act of 1976 (16 U.S.C. 472a), the Chief may enter into an agreement or contract under subsection (b).

''(6) CONTRACTING OFFICER.—Notwithstanding any other provision of law, the Secretary or the Secretary of the Interior may determine the appropriate contracting officer to enter into and administer an agreement or contract under subsection (b).

''(e) RECEIPTS.—

''(1) IN GENERAL.—The Chief and the Director may collect monies from an agreement or contract under subsection (b) if the collection is a secondary objective of negotiating the contract that will best achieve the purposes of this section.

''(2) USE.—Monies from an agreement or contract under subsection (b)—

''(A) may be retained by the Chief and the Director; and

''(B) shall be available for expenditure without further appropriation at the project site from which the monies are collected or at another project site.

''(3) RELATION TO OTHER LAWS.—

''(A) IN GENERAL.—Notwithstanding any other provision of law, the value of services received by the Chief or the Director under a stewardship contract project conducted under this section, and any payments made or resources provided by the contractor, Chief, or Director shall not be considered monies received from the National Forest System or the public lands.

''(B) KNUTSON-VANDERBERG ACT.—The Act of June 9, 1930 (commonly known as the 'Knutson-Vanderberg Act') (16 U.S.C. 576 et seq.) shall not apply to any agreement or contract under subsection (b).

''(f) COSTS OF REMOVAL.—Notwithstanding the fact that a contractor did not harvest the timber, the Chief may collect deposits from a contractor covering the costs of removal of timber or other forest products under—

''(1) the Act of August 11, 1916 (16 U.S.C. 490); and

''(2) and the Act of June 30, 1914 (16 U.S.C. 498).

''(g) PERFORMANCE AND PAYMENT GUARANTEES.—

''(1) IN GENERAL.—The Chief and the Director may require performance and payment bonds under sections 28.103–2 and 28.103–3 of the Federal Acquisition Regulation, in an amount that the contracting officer considers sufficient to protect the investment in receipts by the Federal Government generated by the contractor from the estimated value of the forest products to be removed under a contract under subsection (b).

''(2) EXCESS OFFSET VALUE.—If the offset value of the forest products exceeds the value of the resource improvement treatments, the Chief and the Director may—

''(A) collect any residual receipts under the Act of June 9, 1930 (commonly known as the 'Knutson-Vanderberg Act') (16 U.S.C. 576 et seq.); and

''(B) apply the excess to other authorized stewardship projects.

''(h) MONITORING AND EVALUATION.—

''(1) IN GENERAL.—The Chief and the Director shall establish a multiparty monitoring and evaluation process that accesses the stewardship contracting projects conducted under this section.

''(2) PARTICIPANTS.—Other than the Chief and Director, participants in the process described in paragraph (1) may include—

''(A) any cooperating governmental agencies, including tribal governments; and

''(B) any other interested groups or individuals.

''(i) REPORTING.—Not later than 1 year after the date of enactment of this section, and annually thereafter, the Chief and the Director shall report to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives on—

''(1) the status of development, execution, and administration of agreements or contracts under subsection (b);

''(2) the specific accomplishments that have resulted; and

''(3) the role of local communities in the development of agreements or contract plans.''.

(b) CONFORMING AMENDMENT.—Section 347 of the Department of the Interior and Related Agencies Appropriations Act, 1999 (16 U.S.C. 2104 note; Public Law 105–277) is repealed.

SEC. 8205. HEALTHY FORESTS RESERVE PROGRAM.

(a) DEFINITION OF ACREAGE OWNED BY INDIAN TRIBES.—Section 502(e)(3) of the Healthy Forests Restoration Act (16 U.S.C. 6572(e)(3)) is amended—

(1) in subparagraph (C), by striking ''subparagraphs (A) and (B)'' and inserting ''clauses (i) and (ii)'';

(2) by redesignating subparagraphs (A) through (C) as clauses (i) through (iii), respectively, and indenting appropriately; and

(3) by striking ''In the case of'' and inserting the following:

''(A) DEFINITION OF ACREAGE OWNED BY INDIAN TRIBES.—In this paragraph, the term 'acreage owned by Indian tribes' includes—

''(i) land that is held in trust by the United States for Indian tribes or individual Indians;

''(ii) land, the title to which is held by Indian tribes or individual Indians subject to Federal restrictions against alienation or encumbrance;

''(iii) land that is subject to rights of use, occupancy, and benefit of certain Indian tribes;

''(iv) land that is held in fee title by an Indian tribe; or

''(v) land that is owned by a native corporation formed under section 17 of the Act of June 18, 1934 (commonly known as the 'Indian Reorganization Act') (25 U.S.C. 477) or section 8 of the Alaska Native Claims Settlement Act (43 U.S.C. 1607); or

''(vi) a combination of 1 or more types of land described in clauses (i) through (v).

''(B) ENROLLMENT OF ACREAGE.—In the case of''.

(b) CHANGE IN FUNDING SOURCE FOR HEALTHY FORESTS RESERVE PROGRAM.—Section 508 of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6578) is amended—

(1) in subsection (a), by striking ''IN GENERAL'' and inserting ''FISCAL YEARS 2009 THROUGH 2012'';

(2) by redesignating subsection (b) as subsection (d); and

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

''(b) FISCAL YEARS 2013 THROUGH 2017.—There is authorized to be appropriated to the Secretary of Agriculture to carry out this section $9,750,000 for each of fiscal years 2013 through 2017.

''(c) ADDITIONAL SOURCE OF FUNDS.—In addition to funds appropriated pursuant to the authorization of appropriations in subsection (b) for a fiscal year, the Secretary may use such amount of the funds appropriated for that fiscal year to carry out the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590a et seq.) as the Secretary determines necessary to cover the cost of technical assistance, management, and enforcement responsibilities for land enrolled in the healthy forests reserve program pursuant to subsections (a) and (b) of section 504.''.

Subtitle D—Miscellaneous Provisions

SEC. 8301. MCINTIRE-STENNIS COOPERATIVE FORESTRY ACT.

(a) 1890 WAIVERS.—Section 4 of Public Law 87–788 (commonly known as the ''McIntire-Stennis Cooperative Forestry Act'') (16 U.S.C. 582a–3) is amended by inserting ''The matching funds requirement shall not be applicable to eligible 1890 Institutions (as defined in section 2 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7601)) if the allocation is below $200,000.'' before ''The Secretary is authorized'' in the second sentence.

(b) PARTICIPATION.—Section 8 of Public Law 87–788 (commonly known as the ''McIntire-Stennis Cooperative Forestry Act'') (16 U.S.C. 582a–7) is amended by inserting 'the Federated States of Micronesia, American Samoa, the Northern Mariana Islands, the District of Columbia,' before 'and Guam' ''.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2012.

SEC. 8302. REVISION OF STRATEGIC PLAN FOR FOREST INVENTORY AND ANALYSIS.

(a) REVISION REQUIRED.—Not later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall revise the strategic plan for forest inventory and analysis initially prepared pursuant to section 3(e) of the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1642(e)) to address the requirements imposed by subsection (b).

(b) ELEMENTS OF REVISED STRATEGIC PLAN.—In revising the strategic plan, the Secretary of Agriculture shall describe in detail the organization, procedures, and funding needed to achieve each of the following:

(1) Complete the transition to a fully annualized forest inventory program and include inventory and analysis of interior Alaska.

(2) Implement an annualized inventory of trees in urban settings, including the status and trends of trees and forests, and assessments of their ecosystem services, values, health, and risk to pests and diseases.

(3) Report information on renewable biomass supplies and carbon stocks at the local, State, regional, and national level, including by ownership type.

(4) Engage State foresters and other users of information from the forest inventory and analysis in reevaluating the list of core data variables collected on forest inventory and analysis plots with an emphasis on demonstrated need.

(5) Improve the timeliness of the timber product output program and accessibility of the annualized information on that database.

(6) Foster greater cooperation among the forest inventory and analysis program, research station leaders, and State foresters and other users of information from the forest inventory and analysis.

(7) Availability of and access to non-Federal resources to improve information analysis and information management.

(8) Collaborate with the Natural Resources Conservation Service, National Aeronautics and Space Administration, National Oceanic

and Atmospheric Administration, and United States Geological Survey to integrate remote sensing, spatial analysis techniques, and other new technologies in the forest inventory and analysis program.

(9) Understand and report on changes in land cover and use.

(10) Expand existing programs to promote sustainable forest stewardship through increased understanding, in partnership with other Federal agencies, of the over 10 million family forest owners, their demographics, and the barriers to forest stewardship.

(11) Implement procedures to improve the statistical precision of estimates at the sub-State level.

(c) SUBMISSION OF REVISED STRATEGIC PLAN.—The Secretary of Agriculture shall submit the revised strategic plan to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

TITLE IX—ENERGY

SEC. 9001. DEFINITION OF RENEWABLE CHEMICAL.

Section 9001 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8101) is amended—

(1) by redesignating paragraphs (13) and (14) as paragraphs (14) and (15) respectively; and

(2) by inserting after paragraph (12) the following:

''(13) RENEWABLE CHEMICAL.—The term 'renewable chemical' means a monomer, polymer, plastic, formulated product, or chemical substance produced from renewable biomass.''.

SEC. 9002. BIOBASED MARKETS PROGRAM.

(a) IN GENERAL.—Section 9002 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8102) is amended—

(1) in subsection (a)—

(A) in paragraph (2)(A)(i)—

(i) in subclause (I), by striking ''and'' at the end;

(ii) in subclause (II)(bb), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(III) establish a targeted biobased-only procurement requirement under which the procuring agency shall issue a certain number of biobased-only contracts when the procuring agency is purchasing products, or purchasing services that include the use of products, that are included in a biobased product category designated by the Secretary.''; and

(B) in paragraph (3)—

(i) in subparagraph (B)—

(I) in clause (v), by inserting ''as determined to be necessary by the Secretary based on the availability of data,'' before ''provide information'';

(II) by redesignating clauses (v) and (vi) as clauses (vii) and (viii), respectively; and

(III) by inserting after clause (iv) the following:

''(v) require reporting of quantities and types of biobased products purchased by procuring agencies;

''(vi) focus on products that apply an innovative approach to growing, harvesting, procuring, processing, or manufacturing biobased products regardless of the date of entry of the products into the marketplace;''; and

(ii) by adding at the end the following:

''(F) REQUIRED DESIGNATIONS.—Not later than 1 year after the date of enactment of this subparagraph, the Secretary shall begin to designate intermediate ingredients or feedstocks and assembled and finished biobased products in the guidelines issued under this paragraph.'';

(2) in subsection (b)—

(A) in paragraph (3)—

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

''(A) IN GENERAL.—The Secretary''; and

(ii) by adding at the end the following:

''(B) AUDITING AND COMPLIANCE.—The Secretary may carry out such auditing and compliance activities as the Secretary determines to be necessary to ensure compliance with subparagraph (A).''; and

(B) by adding at the end the following:

''(4) ASSEMBLED AND FINISHED PRODUCTS.—Not later than 1 year after the date of enactment of this paragraph, the Secretary shall begin issuing criteria for determining which assembled and finished products may qualify to receive the label under paragraph (1).'';

(3) by redesignating subsections (d), (e), (f), (g), and (h) as subsections (e), (f), (g), (i), and (j), respectively;

(4) by inserting after subsection (c) the following:

''(d) OUTREACH, EDUCATION, AND PROMOTION.—

''(1) IN GENERAL.—The Secretary may engage in outreach, educational, and promotional activities intended to increase knowledge, awareness, and benefits of biobased products.

''(2) AUTHORIZED ACTIVITIES.—In carrying out this subsection, the Secretary may—

''(A) conduct consumer education and outreach (including consumer and awareness surveys);

''(B) conduct outreach to and support for State and local governments interested in implementing biobased purchasing programs;

''(C) partner with industry and nonprofit groups to produce educational and outreach materials and conduct educational and outreach events;

''(D) sponsor special conferences and events to bring together buyers and sellers of biobased products; and

''(E) support pilot and demonstration projects.'';

(5) in subsection (h) (as redesignated by paragraph (3))—

(A) in paragraph (2)—

(i) in the matter preceding subparagraph (A) by striking ''The report'' and inserting ''Each report under paragraph (1)'';

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

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

(iv) by adding at the end the following:

''(C) the progress made by other Federal agencies in compliance with the biobased procurement requirements, including the quantity of purchases made; and

''(D) the status of outreach, educational, and promotional activities carried out by the Secretary under subsection (d), including the attainment of specific milestones and overall results.''; and

(B) by adding at the end the following:

''(3) ECONOMIC IMPACT STUDY AND REPORT.—

''(A) IN GENERAL.—The Secretary shall conduct a study to assess the economic impact of the biobased products industry, including—

''(i) the quantity of biobased products sold;

''(ii) the value of the biobased products;

''(iii) the quantity of jobs created;

''(iv) the quantity of petroleum displaced;

''(v) other environmental benefits; and

''(vi) areas in which the use or manufacturing of biobased products could be more effectively used, including identifying any technical and economic obstacles and recommending how those obstacles can be overcome.

''(B) REPORT.—Not later than 180 days after the date of enactment of this subparagraph, the Secretary shall submit to Congress a report describing the results of the study conducted under subparagraph (A).''.

(6) by inserting after subsection (g) (as redesignated by paragraph (3)) the following:

''(h) FOREST PRODUCTS LABORATORY COORDINATION.—In determining whether products are eligible for the 'USDA Certified Biobased Product' label, the Secretary (acting through the Forest Products Laboratory) shall—

''(1) review and approve forest-related products for which an application is submitted for the program;

''(2) expedite the approval of innovative products resulting from technology developed by the Forest Products Laboratory or partners of the Laboratory; and

''(3) provide appropriate technical assistance to applicants, as determined by the Secretary.''; and

(7) in subsection (j) (as redesignated by paragraph (3))—

(A) in the heading of paragraph (1), by inserting ''FOR FISCAL YEARS 2008 THROUGH 2012'' after ''FUNDING'';

(B) in the heading of paragraph (2), by inserting ''FOR FISCAL YEARS 2009 THROUGH 2012'' after ''FUNDING''; and

(C) by adding at the end the following:

''(3) FISCAL YEARS 2013 THROUGH 2017.—There is authorized to be appropriated to carry out this section $2,000,000 for each of fiscal years 2013 through 2017.

''(4) MANDATORY FUNDING FOR FISCAL YEARS 2013 THROUGH 2017.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section $3,000,000 for each of fiscal years 2013 through 2017.''.

(b) CONFORMING AMENDMENT.—Section 944(c)(2)(A) of the Energy Policy Act of 2005 (42 U.S.C. 16253(c)(2)(A)) is amended by striking ''section 9002(h)(1)'' and inserting ''section 9002(b)''.

SEC. 9003. BIOREFINERY, RENEWABLE CHEMICAL, AND BIOBASED PRODUCT MANUFACTURING ASSISTANCE.

(a) PROGRAM ADJUSTMENTS.—

(1) IN GENERAL.—Section 9003 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8103) is amended—

(A) in the section heading, by inserting ''**, RENEWABLE CHEMICAL, AND BIOBASED PRODUCT MANUFACTURING**'' after ''**BIOREFINERY**'';

(B) in subsection (a), in the matter preceding paragraph (1), by inserting ''renewable chemicals, and biobased product manufacturing'' after ''advanced biofuels,'';

(C) in subsection (b)—

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

(ii) by inserting before paragraph (2) (as so redesignated) the following:

''(1) BIOBASED PRODUCT MANUFACTURING.—The term 'biobased product manufacturing' means development, construction, and retrofitting of technologically new commercial-scale processing and manufacturing equipment and required facilities that will be used to convert renewable chemicals and other biobased outputs of biorefineries into end-user products on a commercial scale.''; and

(D) in subsection (c)—

(i) in paragraph (1), by striking ''and'' at the end;

(ii) in paragraph (2), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(3) grants and loan guarantees to fund the development and construction of renewable chemical and biobased product manufacturing facilities.''.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on October 1, 2012.

(b) FUNDING.—Section 9003(h) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8103(h)) is amended—

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

''(1) MANDATORY FUNDING.—

''(A) IN GENERAL.—Subject to subparagraph (B), of the funds of the Commodity Credit Corporation, the Secretary shall use for the cost of loan guarantees under this section, to remain available until expended—

''(i) $100,000,000 for fiscal year 2013; and

''(ii) $58,000,000 for each of fiscal years 2014 and 2015.

''(B) BIOBASED PRODUCT MANUFACTURING.—Of the total amount of funds made available for the period of fiscal years 2013 through 2015 under subparagraph (A), the Secretary use for the cost of loan guarantees under this section not more than $25,000,000 to promote biobased product manufacturing.''; and

(2) in paragraph (2), by striking ''2012'' and inserting ''2017''.

SEC. 9004. REPEAL OF REPOWERING ASSISTANCE PROGRAM AND TRANSFER OF REMAINING FUNDS.

(a) REPEAL.—Subject to subsection (b), section 9004 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8104) is repealed.

(b) USE OF REMAINING FUNDING FOR RURAL ENERGY FOR AMERICA PROGRAM.—Funds made available pursuant to subsection (d) of section 9004 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8104) that are unobligated on the day before the date of enactment of this section shall—

(1) remain available until expended;

(2) be used by the Secretary of Agriculture to carry out financial assistance for energy efficiency improvements and renewable energy systems under section 9007(a)(2) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107(a)(2)); and

(3) be in addition to any other funds made available to carry out that program.

SEC. 9005. BIOENERGY PROGRAM FOR ADVANCED BIOFUELS.

Section 9005(g) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8105(g)) is amended—

(1) in the heading of paragraph (1), by inserting ''FOR FISCAL YEARS 2009 THROUGH 2012'' after ''FUNDING'';

(2) in the heading of paragraph (2), by inserting ''FOR FISCAL YEARS 2009 THROUGH 2012'' after ''FUNDING'';

(3) by redesignating paragraph (3) as paragraph (4); and

(4) by inserting after paragraph (2) the following:

''(3) FISCAL YEARS 2013 THROUGH 2017.—There is authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2013 through 2017.''.

SEC. 9006. BIODIESEL FUEL EDUCATION PROGRAM.

Section 9006(d) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8106(d)) is amended—

(1) by striking ''(d) FUNDING.—Of the funds'' and inserting ''(d) FUNDING.—

''(1) FISCAL YEARS 2008 THROUGH 2012.—Of the funds''; and

(2) by adding at the end the following:

''(2) FISCAL YEARS 2013 THROUGH 2017.—There is authorized to be appropriated to carry out this section $1,000,000 for each of fiscal years 2013 through 2017.

''(3) MANDATORY FUNDING FOR FISCAL YEARS 2013 THROUGH 2017.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section $1,000,000 for each of fiscal years 2013 through 2017.''.

SEC. 9007. RURAL ENERGY FOR AMERICA PROGRAM.

(a) PROGRAM ADJUSTMENTS.—

(1) IN GENERAL.—Section 9007 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107) is amended—

(A) in subsection (b)(2)—

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

(ii) by redesignating subparagraph (D) as subparagraph (E); and

(iii) by inserting after subparagraph (C) the following:

''(D) a council (as defined in section 1528 of the Agriculture and Food Act of 1981 (16 U.S.C. 3451)); and''; and

(B) in subsection (c)—

(i) in paragraph (1)(A), by inserting '', such as for agricultural and associated residential purposes'' after ''electricity'';

(ii) by striking paragraph (3);

(iii) by redesignating paragraph (4) as paragraph (3);

(iv) in paragraph (3) (as so redesignated), by striking subparagraph (A) and inserting the following:

''(A) GRANTS.—The amount of a grant under this subsection shall not exceed the lesser of—

''(i) $500,000; and

''(ii) 25 percent of the cost of the activity carried out using funds from the grant.''; and

(v) by adding at the end the following:

''(4) TIERED APPLICATION PROCESS.—

''(A) IN GENERAL.—In providing loan guarantees and grants under this subsection, the Secretary shall use a 3-tiered application process that reflects the size of proposed projects in accordance with this paragraph.

''(B) TIER 1.—The Secretary shall establish a separate application process for projects for which the cost of the activity funded under this subsection is not more than $80,000.

''(C) TIER 2.—The Secretary shall establish a separate application process for projects for which the cost of the activity funded under this subsection is greater than $80,000 but less than $200,000.

''(D) TIER 3.—The Secretary shall establish a separate application process for projects for which the cost of the activity funded under this subsection is equal to or greater than $200,000.

''(E) APPLICATION PROCESS.—The Secretary shall establish an application, evaluation, and oversight process that is the most simplified for tier I projects and more comprehensive for each subsequent tier.''.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on October 1, 2012.

(b) FUNDING.—Section 9007(g) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107(g)) is amended—

(1) in the heading of paragraph (1), by inserting ''FOR FISCAL YEARS 2009 THROUGH 2012'' after ''FUNDING'';

(2) in the heading of paragraph (2), by inserting ''FOR FISCAL YEARS 2009 THROUGH 2012'' after ''FUNDING'';

(3) in the heading of paragraph (3), by inserting ''FOR FISCAL YEARS 2009 THROUGH 2012'' after ''FUNDING''; and

(4) by adding at the end the following:

''(4) FISCAL YEARS 2013 THROUGH 2017.—There is authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2013 through 2017.

''(5) MANDATORY FUNDING FOR FISCAL YEARS 2013 THROUGH 2017.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section $48,200,000 for each of fiscal years 2013 through 2017.''.

SEC. 9008. BIOMASS RESEARCH AND DEVELOPMENT.

Section 9008(h) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8108(h)) is amended—

(1) in the heading of paragraph (1), by inserting ''FOR FISCAL YEARS 2009 THROUGH 2012'' after ''FUNDING'';

(2) in the heading of paragraph (2), by inserting ''FOR FISCAL YEARS 2009 THROUGH 2012'' after ''FUNDING''; and

(3) by adding at the end the following:

''(3) FISCAL YEARS 2013 THROUGH 2017.—There is authorized to be appropriated to carry out this section $30,000,000 for each of fiscal years 2013 through 2017.

''(4) MANDATORY FUNDING FOR FISCAL YEARS 2013 THROUGH 2017.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section $26,000,000 for each of fiscal years 2013 through 2017.''.

SEC. 9009. FEEDSTOCK FLEXIBILITY PROGRAM FOR BIOENERGY PRODUCERS.

Section 9010(b) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8110(b)) is amended—

(1) in paragraph (1)(A), by striking ''2012'' and inserting ''2017''; and

(2) in paragraph (2)(A), by striking ''2012'' and inserting ''2017''.

SEC. 9010. BIOMASS CROP ASSISTANCE PROGRAM.

Section 9011 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8111) is amended to read as follows:

''SEC. 9011. BIOMASS CROP ASSISTANCE PROGRAM.

''(a) DEFINITIONS.—In this section:

''(1) BCAP.—The term 'BCAP' means the Biomass Crop Assistance Program established under this section.

''(2) BCAP PROJECT AREA.—The term 'BCAP project area' means an area that—

''(A) has specified boundaries that are submitted to the Secretary by the project sponsor and subsequently approved by the Secretary;

''(B) includes producers with contract acreage that will supply a portion of the renewable biomass needed by a biomass conversion facility; and

''(C) is physically located within an economically practicable distance from the biomass conversion facility.

''(3) CONTRACT ACREAGE.—The term 'contract acreage' means eligible land that is covered by a BCAP contract entered into with the Secretary.

''(4) ELIGIBLE CROP.—

''(A) IN GENERAL.—The term 'eligible crop' means a crop of renewable biomass.

''(B) EXCLUSIONS.—The term 'eligible crop' does not include—

''(i) any crop that is eligible to receive payments under title I of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8702 et seq.) or an amendment made by that title;

''(ii) any plant that is invasive or noxious or species or varieties of plants that credible risk assessment tools or other credible sources determine are potentially invasive, as determined by the Secretary in consultation with other appropriate Federal or State departments and agencies; or

''(iii) algae.

''(5) ELIGIBLE LAND.—

''(A) IN GENERAL.—The term 'eligible land' includes—

''(i) agricultural and nonindustrial private forest lands (as defined in section 5(c) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103a(c))); and

''(ii) land enrolled in the agricultural conservation easement program established under subtitle H of title XII of the Food Security Act of 1985.

''(B) EXCLUSIONS.—The term 'eligible land' does not include—

''(i) Federal- or State-owned land;

''(ii) land that is native sod, as of the date of enactment of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8701 et seq.);

''(iii) land enrolled in the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the

Food Security Act of 1985 (16 U.S.C. 3831 et seq.);

''(iv) land enrolled in the Agricultural Conservation Easement Program established under subtitle H of title XII of that Act; or

''(v) land enrolled in the conservation reserve program or the Agricultural Conservation Easement Program under a contract that will expire at the end of the current fiscal year.

''(6) ELIGIBLE MATERIAL.—

''(A) IN GENERAL.—The term 'eligible material' means renewable biomass harvested directly from the land, including crop residue from any crop that is eligible to receive payments under title I of the Agriculture Reform, Food, and Jobs Act of 2012 or an amendment made by that title.

''(B) INCLUSIONS.—The term 'eligible material' shall only include—

''(i) eligible material that is collected or harvested by the eligible material owner—

''(I) directly from—

''(aa) National Forest System;

''(bb) Bureau of Land Management land;

''(cc) non-Federal land; or

''(dd) land owned by an individual Indian or Indian tribe that is held in trust by the United States for the benefit of the individual Indian or Indian tribe or subject to a restriction against alienation imposed by the United States;

''(II) in a manner that is consistent with—

''(aa) a conservation plan;

''(bb) a forest stewardship plan; or

''(cc) a plan that the Secretary determines is equivalent to a plan described in item (aa) or (bb) and consistent with Executive Order 13112 (42 U.S.C. 4321 note; relating to invasive species);

''(ii) if woody eligible material, woody eligible material that is produced on land other than contract acreage that—

''(I) is a byproduct of a preventative treatment that is removed to reduce hazardous fuel or to reduce or contain disease or insect infestation; and

''(II) if harvested from Federal land, is harvested in accordance with section 102(e) of the Healthy Forests Restoration Act of 2003 (16 U.S.C. 6512(e)); and

''(iii) eligible material that is delivered to a qualified biomass conversion facility to be used for heat, power, biobased products, research, or advanced biofuels.

''(C) EXCLUSIONS.—The term 'eligible material' does not include—

''(i) material that is whole grain from any crop that is eligible to receive payments under title I of the Agriculture Reform, Food, and Jobs Act of 2012 or an amendment made by that title, including—

''(I) barley, corn, grain sorghum, oats, rice, or wheat;

''(II) honey;

''(III) mohair;

''(IV) oilseeds, including canola, crambe, flaxseed, mustard seed, rapeseed, safflower seed, soybeans, sesame seed, and sunflower seed;

''(V) peanuts;

''(VI) pulse;

''(VII) chickpeas, lentils, and dry peas;

''(VIII) dairy products;

''(IX) sugar; and

''(X) wool and cotton boll fiber;

''(ii) animal waste and byproducts, including fat, oil, grease, and manure;

''(iii) food waste and yard waste;

''(iv) algae;

''(v) woody eligible material that—

''(I) is removed outside contract acreage; and

''(II) is not a byproduct of a preventative treatment to reduce hazardous fuel or to reduce or contain disease or insect infestation;

''(vi) any woody eligible material collected or harvested outside contract acreage that would otherwise be used for existing market products; or

''(vii) bagasse.

''(7) PRODUCER.—The term 'producer' means an owner or operator of contract acreage that is physically located within a BCAP project area.

''(8) PROJECT SPONSOR.—The term 'project sponsor' means—

''(A) a group of producers; or

''(B) a biomass conversion facility.

''(9) SOCIALLY DISADVANTAGED FARMER OR RANCHER.—The term 'socially disadvantaged farmer or rancher' has the meaning given the term in section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e)).

''(b) ESTABLISHMENT AND PURPOSE.—The Secretary shall establish and administer a Biomass Crop Assistance Program to—

''(1) support the establishment and production of eligible crops for conversion to bioenergy in selected BCAP project areas; and

''(2) assist agricultural and forest land owners and operators with the collection, harvest, storage, and transportation of eligible material for use in a biomass conversion facility.

''(c) BCAP PROJECT AREA.—

''(1) IN GENERAL.—The Secretary shall provide financial assistance to a producer of an eligible crop in a BCAP project area.

''(2) SELECTION OF PROJECT AREAS.—

''(A) IN GENERAL.—To be considered for selection as a BCAP project area, a project sponsor shall submit to the Secretary a proposal that, at a minimum, includes—

''(i) a description of the eligible land and eligible crops of each producer that will participate in the proposed BCAP project area;

''(ii) a letter of commitment from a biomass conversion facility that the facility will use the eligible crops intended to be produced in the proposed BCAP project area;

''(iii) evidence that the biomass conversion facility has sufficient equity available, as determined by the Secretary, if the biomass conversion facility is not operational at the time the proposal is submitted to the Secretary; and

''(iv) any other information about the biomass conversion facility or proposed biomass conversion facility that the Secretary determines necessary for the Secretary to be reasonably assured that the plant will be in operation by the date on which the eligible crops are ready for harvest.

''(B) BCAP PROJECT AREA SELECTION CRITERIA.—In selecting BCAP project areas, the Secretary shall consider—

''(i) the volume of the eligible crops proposed to be produced in the proposed BCAP project area and the probability that those crops will be used for the purposes of the BCAP;

''(ii) the volume of renewable biomass projected to be available from sources other than the eligible crops grown on contract acres;

''(iii) the anticipated economic impact in the proposed BCAP project area;

''(iv) the opportunity for producers and local investors to participate in the ownership of the biomass conversion facility in the proposed BCAP project area;

''(v) the participation rate by—

''(I) beginning farmers or ranchers (as defined in accordance with section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a))); or

''(II) socially disadvantaged farmers or ranchers;

''(vi) the impact on soil, water, and related resources;

''(vii) the variety in biomass production approaches within a project area, including (as appropriate)—

''(I) agronomic conditions;

''(II) harvest and postharvest practices; and

''(III) monoculture and polyculture crop mixes;

''(viii) the range of eligible crops among project areas; and

''(ix) any additional information that the Secretary determines to be necessary.

''(3) CONTRACT.—

''(A) IN GENERAL.—On approval of a BCAP project area by the Secretary, each producer in the BCAP project area shall enter into a contract directly with the Secretary.

''(B) MINIMUM TERMS.—At a minimum, a contract under this subsection shall include terms that cover—

''(i) an agreement to make available to the Secretary, or to an institution of higher education or other entity designated by the Secretary, such information as the Secretary considers to be appropriate to promote the production of eligible crops and the development of biomass conversion technology;

''(ii) compliance with the highly erodible land conservation requirements of subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.) and the wetland conservation requirements of subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.);

''(iii) the implementation of (as determined by the Secretary)—

''(I) a conservation plan;

''(II) a forest stewardship plan; or

''(III) a plan that is equivalent to a conservation or forest stewardship plan; and

''(iv) any additional requirements that Secretary determines to be necessary.

''(C) DURATION.—A contract under this subsection shall have a term of not more than—

''(i) 5 years for annual and perennial crops; or

''(ii) 15 years for woody biomass.

''(4) RELATIONSHIP TO OTHER PROGRAMS.—In carrying out this subsection, the Secretary shall provide for the preservation of cropland base and yield history applicable to the land enrolled in a BCAP contract.

''(5) PAYMENTS.—

''(A) IN GENERAL.—The Secretary shall make establishment and annual payments directly to producers to support the establishment and production of eligible crops on contract acreage.

''(B) AMOUNT OF ESTABLISHMENT PAYMENTS.—

''(i) IN GENERAL.—Subject to clause (ii), the amount of an establishment payment under this subsection shall be not more than 50 percent of the costs of establishing an eligible perennial crop covered by the contract but not to exceed $500 per acre, including—

''(I) the cost of seeds and stock for perennials;

''(II) the cost of planting the perennial crop, as determined by the Secretary; and

''(III) in the case of nonindustrial private forestland, the costs of site preparation and tree planting.

''(ii) SOCIALLY DISADVANTAGES FARMERS OR RANCHERS.—In the case of socially disadvantaged farmers or ranchers, the costs of establishment may not exceed $750 per acre.

''(C) AMOUNT OF ANNUAL PAYMENTS.—

''(i) IN GENERAL.—Subject to clause (ii), the amount of an annual payment under this subsection shall be determined by the Secretary.

''(ii) REDUCTION.—The Secretary shall reduce an annual payment by an amount determined to be appropriate by the Secretary, if—

''(I) an eligible crop is used for purposes other than the production of energy at the biomass conversion facility;

''(II) an eligible crop is delivered to the biomass conversion facility;

''(III) the producer receives a payment under subsection (d);

''(IV) the producer violates a term of the contract; or

''(V) the Secretary determines a reduction is necessary to carry out this section.

''(D) EXCLUSION.—The Secretary shall not make any BCAP payments on land for which payments are received under the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) or the agricultural conservation easement program established under subtitle H of title XII of that Act.

''(d) ASSISTANCE WITH COLLECTION, HARVEST, STORAGE, AND TRANSPORTATION.—

''(1) IN GENERAL.—The Secretary shall make a payment for the delivery of eligible material to a biomass conversion facility to—

''(A) a producer of an eligible crop that is produced on BCAP contract acreage; or

''(B) a person with the right to collect or harvest eligible material, regardless of whether the eligible material is produced on contract acreage.

''(2) PAYMENTS.—

''(A) COSTS COVERED.—A payment under this subsection shall be in an amount described in subparagraph (B) for—

''(i) collection;

''(ii) harvest;

''(iii) storage; and

''(iv) transportation to a biomass conversion facility.

''(B) AMOUNT.—Subject to paragraph (3), the Secretary may provide matching payments at a rate of up to $1 for each $1 per ton provided by the biomass conversion facility, in an amount not to exceed $20 per dry ton for a period of 4 years.

''(3) LIMITATION ON ASSISTANCE FOR BCAP CONTRACT ACREAGE.—As a condition of the receipt of an annual payment under subsection (c), a producer receiving a payment under this subsection for collection, harvest, storage, or transportation of an eligible crop produced on BCAP acreage shall agree to a reduction in the annual payment.

''(e) REPORT.—Not later than 4 years after the date of enactment of the Agriculture Reform, Food, and Jobs Act of 2012, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the dissemination by the Secretary of the best practice data and information gathered from participants receiving assistance under this section.

''(f) FUNDING.—

''(1) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section $38,600,000 for each of fiscal years 2013 through 2017.

''(2) COLLECTION, HARVEST, STORAGE, AND TRANSPORTATION PAYMENTS.—Of the amount made available under paragraph (1) for each fiscal year, the Secretary shall use not less than 10 percent, nor more than 50 percent, of the amount to make collection, harvest, transportation, and storage payments under subsection (d)(2).''.

SEC. 9011. REPEAL OF FOREST BIOMASS FOR ENERGY.

Section 9012 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8112) is repealed.

SEC. 9012. COMMUNITY WOOD ENERGY PROGRAM.

Section 9013(e) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8113(e)) is amended by inserting before the period at the end ''and $5,000,000 for each of fiscal years 2013 through 2017''.

SEC. 9013. REPEAL OF RENEWABLE FERTILIZER STUDY.

Section 9003 of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 2096) is repealed.

TITLE X—HORTICULTURE

SEC. 10001. SPECIALTY CROPS MARKET NEWS ALLOCATION.

Section 10107(b) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 1622b(b)) is amended by striking ''2012'' and inserting ''2017''.

SEC. 10002. REPEAL OF GRANT PROGRAM TO IMPROVE MOVEMENT OF SPECIALTY CROPS.

Section 10403 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 1622c) is repealed.

SEC. 10003. FARMERS MARKET AND LOCAL FOOD PROMOTION PROGRAM.

Section 6 of the Farmer-to-Consumer Direct Marketing Act of 1976 (7 U.S.C. 3005) is amended—

(1) in the section heading, by adding ''AND LOCAL FOOD'' after ''MARKET'';

(2) in subsection (a)—

(A) by inserting ''and Local Food'' after ''Market'';

(B) by striking ''farmers' markets and to promote''; and

(C) by inserting ''and local food capacity development'' before the period at the end;

(3) in subsection (b), by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—The purposes of the Program are to increase domestic consumption of and access to locally and regionally produced agricultural products by developing, improving, expanding, and providing outreach, training, and technical assistance to, or assisting in the development, improvement and expansion of—

''(A) domestic farmers' markets, roadside stands, community-supported agriculture programs, agritourism activities, and other direct producer-to-consumer market opportunities; and

''(B) local and regional food enterprises that are not direct producer-to-consumer markets but process, distribute, aggregate, store, and market locally or regionally produced food products.'';

(4) in subsection (c)(1)—

(A) by inserting ''or other business entity'' after ''cooperative''; and

(B) by inserting '', including a community supported agriculture network or association'' after ''association'';

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

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

''(e) PRIORITIES.—In providing grants under the Program, priority shall be given to applications that include projects that—

''(1) benefit underserved communities;

''(2) develop market opportunities for small and mid-sized farm and ranch operations; and

''(3) include a strategic plan to maximize the use of funds to build capacity for local and regional food systems in a community.'';

(7) in subsection (f) (as redesignated by paragraph (5))—

(A) in paragraph (1)—

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

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

(iii) by adding at the end the following:

''(D) $20,000,000 for each of fiscal years 2013 through 2017.'';

(B) by striking paragraphs (2) and (4);

(C) by redesignating paragraph (3) as paragraph (4);

(D) by inserting after paragraph (1) the following:

''(2) AUTHORIZATION OF APPROPRIATIONS.—In addition to funds made available under paragraph (1), there is authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2013 through 2017.

''(3) USE OF FUNDS.—

''(A) IN GENERAL.—Of the funds made available to carry out the Program for each fiscal year, 50 percent shall be used for the purposes described in subsection (b)(1)(A) and 50 percent shall be used for the purposes described in subsection (b)(1)(B).

''(B) COST SHARE.—To be eligible to receive a grant for a project described in subsection (b)(1)(B), a recipient shall provide a match in the form of cash or in-kind contributions in an amount equal to 25 percent of the total cost of the project.''; and

(E) by adding at the end the following:

''(5) ADMINISTRATIVE EXPENSES.—Not more than 10 percent of the total amount made available to carry out this section for a fiscal year may be used for administrative expenses.

''(6) LIMITATIONS.—An eligible entity may not use a grant or other assistance provided under the Program for the purchase, construction, or rehabilitation of a building or structure.''.

SEC. 10004. STUDY ON LOCAL FOOD PRODUCTION AND PROGRAM EVALUATION.

(a) IN GENERAL.—The Secretary shall—

(1) collect data on the production and marketing of locally or regionally produced agricultural food products;

(2) facilitate interagency collaboration and data sharing on programs related to local and regional food systems; and

(3) monitor the effectiveness of programs designed to expand or facilitate local food systems.

(b) REQUIREMENTS.—In carrying out this section, the Secretary shall, at a minimum—

(1) collect and distribute comprehensive reporting of prices of locally or regionally produced agricultural food products;

(2) conduct surveys and analysis and publish reports relating to the production, handling, distribution, retail sales, and trend studies (including consumer purchasing patterns) of or on locally or regionally produced agricultural food products;

(3) evaluate the effectiveness of existing programs in growing local and regional food systems, including—

(A) the impact of local food systems on job creation and economic development;

(B) the level of participation in the Farmers' Market and Local Food Promotion Program established under section 6 of the Farmer-to-Consumer Direct Marketing Act of 1976 (7 U.S.C. 3005), including the percentage of projects funded in comparison to applicants and the types of eligible entities receiving funds;

(C) the ability for participants to leverage private capital and a synopsis of the places from which non-Federal funds are derived; and

(D) any additional resources required to aid in the development or expansion of local and regional food systems;

(4) expand the Agricultural Resource Management Survey to include questions on locally or regionally produced agricultural food products; and

(5) seek to establish or expand private-public partnerships to facilitate, to the maximum extent practicable, the collection of data on locally or regionally produced agricultural food products, including the development of a nationally coordinated and regionally balanced evaluation of the redevelopment of locally or regionally produced food systems.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act and annually thereafter, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the progress that has been made in implementing this

section and identifying any additional needs related to developing local and regional food systems.

SEC. 10005. ORGANIC AGRICULTURE.

(a) ORGANIC PRODUCTION AND MARKET DATA INITIATIVES.—Section 7407 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 5925c) is amended—

(1) in subsection (c)—

(A) in the matter preceding paragraph (1), by inserting ''and annually thereafter'' after ''this subsection'';

(B) in paragraph (1), by striking ''and'' at the end;

(C) by redesignating paragraph (2) as paragraph (3); and

(D) by inserting after paragraph (1) the following:

''(2) describes how data collection agencies (such as the Agricultural Marketing Service and the National Agricultural Statistics Service) are coordinating with data user agencies (such as the Risk Management Agency) to ensure that data collected under this section can be used by data user agencies, including by the Risk Management Agency to offer price elections for all organic crops; and''; and

(2) in subsection (d)—

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

(B) by inserting after paragraph (1) the following:

''(2) MANDATORY FUNDING.—In addition to any funds available under paragraph (1), of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section $5,000,000, to remain available until expended.''; and

(C) in paragraph (3) (as redesignated by subparagraph (A))—

(i) by striking ''paragraph (1)'' and inserting ''paragraphs (1) and (2)''; and

(ii) by striking ''2012'' and inserting ''2017''.

(b) MODERNIZATION AND TECHNOLOGY UPGRADE FOR NATIONAL ORGANIC PROGRAM.—Section 2123 of the Organic Foods Production Act of 1990 (7 U.S.C. 6522) is amended—

(1) in subsection (b)—

(A) in paragraph (5), by striking ''and'' at the end;

(B) by redesignating paragraph (6) as paragraph (7); and

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

''(6) $15,000,000 for each of fiscal years 2013 through 2017; and''; and

(2) by adding at the end the following:

''(c) MODERNIZATION AND TECHNOLOGY UPGRADE FOR NATIONAL ORGANIC PROGRAM.—

''(1) IN GENERAL.—The Secretary shall modernize database and technology systems of the national organic program.

''(2) FUNDING.—Of the funds of the Commodity Credit Corporation and in addition to any other funds made available for that purpose, the Secretary shall make available to carry out this subsection $5,000,000 in fiscal year 2013, to remain available until expended.

''(d) REPORT.—Not later than 180 days after the date of enactment of this subsection, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that—

''(1) describes the efforts of the Secretary to ensure that activities conducted through commodity research and promotion programs adequately reflect the priorities of all members of the applicable orders; and

''(2) includes an assessment of the feasibility of establishing an organic research and promotion program, including any current barriers to establishment and challenges related to implementation.''.

SEC. 10006. FOOD SAFETY EDUCATION INITIATIVES.

Section 10105(c) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 7655a(c)) is amended by striking ''2012'' and inserting ''2017''.

SEC. 10007. COORDINATED PLANT MANAGEMENT PROGRAM.

(a) IN GENERAL.—Section 420 of the Plant Protection Act (7 U.S.C. 7721) is amended—

(1) by striking the section heading and inserting ''coordinated plant management program.'';

(2) by redesignating subsection (e) as subsection (f); and

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

''(e) NATIONAL CLEAN PLANT NETWORK.—

''(1) IN GENERAL.—The Secretary shall establish a program to be known as the 'National Clean Plant Network' (referred to in this subsection as the 'Program').

''(2) REQUIREMENTS.—Under the Program, the Secretary shall establish a network of clean plant centers for diagnostic and pathogen elimination services—

''(A) to produce clean propagative plant material; and

''(B) to maintain blocks of pathogen-tested plant material in sites located throughout the United States.

''(3) AVAILABILITY OF CLEAN PLANT SOURCE MATERIAL.—Clean plant source material produced or maintained under the Program may be made available to—

''(A) a State for a certified plant program of the State; and

''(B) private nurseries and producers.

''(4) CONSULTATION AND COLLABORATION.—In carrying out the Program, the Secretary shall—

''(A) consult with—

''(i) State departments of agriculture; and

''(ii) land-grant colleges and universities and NLGCA Institutions (as those terms are defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)); and

''(B) to the extent practicable and with input from the appropriate State officials and industry representatives, use existing Federal or State facilities to serve as clean plant centers.''.

(b) FUNDING.—Subsection (f) of section 420 of the Plant Protection Act (7 U.S.C. 7721) (as redesignated by subsection (a)(1)) is amended—

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

(2) in paragraph (4), by striking ''and each fiscal year thereafter.'' and inserting a semicolon; and

(3) by adding at the end the following:

''(5) $60,000,000 for each of fiscal years 2013 through 2016; and

''(6) $65,000,000 for fiscal year 2017 and each fiscal year thereafter.''.

(c) REPEAL OF EXISTING PROVISION.—Section 10202 of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 7761) is repealed.

(d) CLARIFICATION OF USE OF FUNDS FOR TECHNICAL ASSISTANCE.—Section 420 of the Plant Protection Act (7 U.S.C. 7721) (as amended by subsection (a)) is amended by adding at the end the following:

''(g) RELATIONSHIP TO OTHER LAW.—The use of Commodity Credit Corporation funds under this section to provide technical assistance shall not be considered an allotment or fund transfer from the Commodity Credit Corporation for purposes of the limit on expenditures for technical assistance imposed by section 11 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714i).''.

SEC. 10008. SPECIALTY CROP BLOCK GRANTS.

Section 101 of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note; Public Law 108–465) is amended—

(1) in subsection (a)—

(A) by striking ''subsection (j)'' and inserting ''subsection (l)''; and

(B) by striking ''2012'' and inserting ''2017'';

(2) by striking subsection (b) and inserting the following:

''(b) GRANTS BASED ON VALUE AND ACREAGE.—Subject to subsection (c), in the case of each State with an application for a grant for a fiscal year that is accepted by the Secretary of Agriculture under subsection (f), the amount of a grant for a fiscal year to a State under this section shall bear the same ratio to the total amount made available under subsection (l) for that fiscal year as—

''(1) the average of the most recent available value of specialty crop production in the State and the acreage of specialty crop production in the State, as demonstrated in the most recent Census of Agriculture data; bears to

''(2) the average of the most recent available value of specialty crop production in all States and the acreage of specialty crop production in all States, as demonstrated in the most recent Census of Agriculture data.'';

(3) by redesignating subsection (j) as subsection (l);

(4) by inserting after subsection (i) the following:

''(j) MULTISTATE PROJECTS.—

''(1) IN GENERAL.—Not later than 180 days after the date of enactment of the Agriculture Reform, Food, and Jobs Act of 2012, the Secretary of Agriculture shall issue guidance for the purpose of making grants to multistate projects under this section for projects involving—

''(A) food safety;

''(B) plant pests and disease;

''(C) crop-specific projects addressing common issues; and

''(D) any other area that furthers the purposes of this section, as determined by the Secretary.

''(2) FUNDING.—Of the funds provided under subsection (l), the Secretary of Agriculture may allocate for grants under this subsection, to remain available until expended—

''(A) $1,000,000 for fiscal year 2013;

''(B) $2,000,000 for fiscal year 2014;

''(C) $3,000,000 for fiscal year 2015;

''(D) $4,000,000 for fiscal year 2016; and

''(E) $5,000,000 for fiscal year 2017.

''(k) ADMINISTRATION.—

''(1) DEPARTMENT.—The Secretary of Agriculture may not use more than 3 percent of the funds made available to carry out this section for a fiscal year for administrative expenses.

''(2) STATES.—A State receiving a grant under this section may not use more than 8 percent of the funds received under the grant for a fiscal year for administrative expenses.''; and

(5) in subsection (l) (as redesignated by paragraph (3))—

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

(B) in paragraph (3), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(4) $70,000,000 for fiscal year 2013 and each fiscal year thereafter.''.

SEC. 10009. RECORDKEEPING, INVESTIGATIONS, AND ENFORCEMENT.

The Organic Foods Production Act of 1990 is amended by inserting after section 2120 (7 U.S.C. 6519) the following:

''SEC. 2120A. RECORDKEEPING, INVESTIGATIONS, AND ENFORCEMENT.

''(a) RECORDKEEPING.—

''(1) IN GENERAL.—Except as otherwise provided in this title, all persons, including producers, handlers, and certifying agents, required to report information to the Secretary under this title shall maintain, and

make available to the Secretary on the request of the Secretary, all contracts, agreements, receipts, and other records associated with the organic certification program established by the Secretary under this title.

''(2) DURATION OF RECORDKEEPING REQUIREMENT.—A record covered by paragraph (1) shall be maintained—

''(A) by a person covered by this title, except for a certifying agent, for a period of 5 years beginning on the date of the creation of the record; and

''(B) by a certifying agent, for a period of 10 years beginning on the date of the creation of the record.

''(b) CONFIDENTIALITY.—

''(1) IN GENERAL.—Subject to paragraph (2), and except as otherwise directed by the Secretary or the Attorney General for enforcement purposes, no officer, employee, or agent of the United States shall make available to the public information, statistics, or documents obtained from or made available by any person under this title, other than in a manner that ensures that confidentiality is preserved regarding the identity of persons, including parties to a contract, and proprietary business information.

''(2) ALLEGED VIOLATORS AND NATURE OF ACTIONS.—The Secretary may release the name of the alleged violator and the nature of the actions triggering an order, suspension, or revocation under subsection (e).

''(c) INVESTIGATION.—

''(1) IN GENERAL.—The Secretary may take such investigative actions as the Secretary considers to be necessary to carry out this title—

''(A) to verify the accuracy of any information reported or made available under this title; and

''(B) to determine, with regard to actions, practices, or information required under this title, whether a person covered by this title has committed, or will commit, a violation of any provision of this title, including an order or regulation promulgated by the Secretary.

''(2) INVESTIGATIVE POWERS.—The Secretary may administer oaths and affirmations, subpoena witnesses, compel attendance of witnesses, take evidence, and require the production of any books, papers, and documents that are relevant to the investigation.

''(d) UNLAWFUL ACT.—It shall be unlawful and a violation of this title for any person covered by this title—

''(1) to fail or refuse to provide, or delay the timely provision of, accurate information required by the Secretary under this section;

''(2) to violate—

''(A) an order of the Secretary;

''(B) a suspension or revocation of the organic certification of a producer or handler; or

''(C) a suspension or revocation of the accreditation of a certifying agent; or

''(3) to sell, or attempt to sell, a product that is represented as being organically produced under this title if in fact the product has been produced or handled by an operation that is not yet a certified organic producer or handler under this title.

''(e) ENFORCEMENT.—

''(1) ORDER.—The Secretary may issue an order to stop the sale of an agricultural product that is labeled or otherwise represented as being organically produced—

''(A) until the product can be verified—

''(i) as meeting the national and State standards for organic production and handling as provided in sections 2105 through 2114;

''(ii) as having been produced or handled without the use of a prohibited substance listed under section 2118; and

''(iii) as being produced and handled by a certified organic operation; and

''(B) if a person has committed an unlawful act with respect to the product under subsection (d).

''(2) CERTIFICATION OR ACCREDITATION.—

''(A) SUSPENSION.—

''(i) IN GENERAL.—The Secretary may suspend the organic certification of a producer or handler, or accreditation of a certifying agent, for a period not to exceed 30 days, and may renew the suspension for an additional period, under the circumstances described in clause (ii).

''(ii) ACTIONS TRIGGERING SUSPENSION.—The Secretary may take the suspension or renewal actions described in clause (i), if the Secretary has reason to believe that a person producing or handling an agricultural product, or a certifying agent, has violated or is violating any provision of this title, including an order or regulation promulgated under this title.

''(iii) CONTINUATION OF SUSPENSION THROUGH APPEAL.—If the Secretary determines subsequent to an investigation that a violation of this title by a person covered by this title has occurred, the suspension shall remain in effect until the Secretary issues a revocation of the certification of the person or of the accreditation of the certifying agent, covered by this title, after an expedited administrative appeal under section 2121 has been completed.

''(B) REVOCATION.—After notice and opportunity for an administrative appeal under section 2121, if a violation described in subparagraph (A)(ii) is determined to have occurred and is an unlawful act under subsection (d), the Secretary shall revoke the organic certification of the producer or handler, or the accreditation of the certifying agent.

''(3) VIOLATION OF ORDER OR REVOCATION.—A person who violates an order to stop the sale of a product as an organically produced product under paragraph (1), or a revocation of certification or accreditation under paragraph (2)(B), shall be subject to 1 or more of the penalties provided in subsections (a) and (b) of section 2120.

''(f) APPEAL.—

''(1) IN GENERAL.—An order under subsection (e)(1), or a revocation of certification or accreditation under subsection (e)(2)(B) shall be final and conclusive unless the affected person files an appeal of the order—

''(A) first, to the administrative appeals process established under section 2121(a); and

''(B) second, if the affected person so elects, to a United States district court as provided in section 2121(b) not later than 30 days after the date of the determination under subparagraph (A).

''(2) STANDARD.—An order under subsection (e)(1), or a revocation of certification or accreditation under subsection (e)(2)(B), shall be set aside only if the order, or the revocation of certification or accreditation, is not supported by substantial evidence.

''(g) NONCOMPLIANCE.—

''(1) IN GENERAL.—If a person covered by this title fails to obey an order, or a revocation of certification or accreditation, described in subsection (f)(2) after the order or revocation has become final and conclusive or after the appropriate United States district court has entered a final judgment in favor of the Secretary, the United States may apply to the appropriate United States district court for enforcement of the order, or the revocation of certification or accreditation.

''(2) ENFORCEMENT.—If the court determines that the order or revocation was lawfully made and duly served and that the person violated the order or revocation, the court shall enforce the order or revocation.

''(3) CIVIL PENALTY.—If the court finds that the person violated the order or revocation, the person shall be subject to a civil penalty of not more than $10,000 for each offense.''.

SEC. 10010. REPORT ON HONEY.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary, in consultation with affected stakeholders, shall submit to the Commissioner of Food and Drugs a report describing how an appropriate Federal standard for the identity of honey would promote honesty and fair dealing and would be in the interest of consumers, the honey industry, and United States agriculture.

(b) CONTENTS.—In preparing the report under subsection (a), the Secretary shall take into consideration the March 2006 Standard of Identity citizens petition filed with the Food and Drug Administration, including any current industry amendments or clarifications necessary to update that 2006 petition.

SEC. 10011. EFFECTIVE DATE.

This title and the amendments made by this title take effect on October 1, 2012.

TITLE XI—CROP INSURANCE

SEC. 11001. SUPPLEMENTAL COVERAGE OPTION.

(a) AVAILABILITY OF SUPPLEMENTAL COVERAGE OPTION.—Section 508(c) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)) is amended by striking paragraph (3) and inserting the following:

''(3) YIELD AND LOSS BASIS OPTIONS.—A producer shall have the option of purchasing additional coverage based on—

''(A)(i) an individual yield and loss basis; or

''(ii) an area yield and loss basis;

''(B) an individual yield and loss basis, supplemented with coverage based on an area yield and loss basis to cover all or a part of the deductible under the individual yield and loss policy, as authorized in paragraph (4)(C); or

''(C) a margin basis alone or in combination with—

''(i) individual yield and loss coverage; or

''(ii) area yield and loss coverage.''.

(b) LEVEL OF COVERAGE.—Section 508(c) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)) is amended by striking paragraph (4) and inserting the following:

''(4) LEVEL OF COVERAGE.—

''(A) DOLLAR DENOMINATION AND PERCENTAGE OF YIELD.—Except as provided in subparagraph (C), the level of coverage—

''(i) shall be dollar denominated; and

''(ii) may be purchased at any level not to exceed 85 percent of the individual yield or 95 percent of the area yield (as determined by the Corporation).

''(B) INFORMATION.—The Corporation shall provide producers with information on catastrophic risk and additional coverage in terms of dollar coverage (within the allowable limits of coverage provided in this paragraph).

''(C) SUPPLEMENTAL COVERAGE OPTION.—

''(i) IN GENERAL.—Notwithstanding subparagraph (A), in the case of the supplemental coverage option described in paragraph (3)(B), the Corporation shall offer producers the opportunity to purchase coverage in combination with a policy or plan of insurance offered under this subtitle that would allow indemnities to be paid to a producer equal to all or part of the deductible under the policy or plan of insurance, if sufficient area data is available (as determined by the Corporation).

''(ii) TRIGGER.—Coverage offered under this subparagraph shall be triggered only if the losses in the area exceed 10 percent of normal levels (as determined by the Corporation).

''(iii) COVERAGE.—Subject to the trigger described in clause (ii) and the deductible

imposed by clause (iv), coverage offered under this subparagraph shall cover the first loss incurred by the producer, not to exceed the difference between—

''(I) 100 percent; and

''(II) the coverage level selected by the producer for the underlying policy or plan of insurance.

''(iv) DEDUCTIBLE.—Coverage offered under this subparagraph shall be subject to a deductible in an amount equal to—

''(I) in the case of a producer who participates in the agriculture risk coverage program under section 1105(c) of the Agriculture Reform, Food, and Jobs Act of 2012, 21 percent of the expected value of the crop of the producer covered by the underlying policy or plan of insurance, as determined by the Corporation; and

''(II) in the case of all other producers, 10 percent of the expected value of the crop of the producer covered by the underlying policy or plan of insurance, as determined by the Corporation.

''(v) CALCULATION OF PREMIUM.—Notwithstanding subsection (d), the premium shall—

''(I) be sufficient to cover anticipated losses and a reasonable reserve; and

''(II) include an amount for operating and administrative expenses established in accordance with subsection (k)(4)(F).''.

(c) PAYMENT OF PORTION OF PREMIUM BY CORPORATION.—Section 508(e)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)(2)) is amended by adding at the end the following:

''(H) In the case of the supplemental coverage option authorized in subsection (c)(4)(C), the amount shall be equal to the sum of—

''(i) 70 percent of the additional premium associated with the coverage; and

''(ii) the amount determined under subsection (c)(4)(C)(v)(II) for the coverage to cover operating and administrative expenses.''.

(d) CONFORMING AMENDMENT.—Section 508(k)(4)(F) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(4)(F)) is amended by inserting ''or authorized under subsection (c)(4)(C)'' after ''of this subparagraph''.

(e) EFFECTIVE DATE.—The Federal Crop Insurance Corporation shall begin to provide additional coverage based on an individual yield and loss basis, supplemented with coverage based on an area yield and loss basis, not later than for the 2013 crop year.

SEC. 11002. PREMIUM AMOUNTS FOR CATASTROPHIC RISK PROTECTION.

Section 508(d)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(d)(2)) is amended by striking subparagraph (A) and inserting the following:

''(A) In the case of catastrophic risk protection, the amount of the premium established by the Corporation for each crop for which catastrophic risk protection is available shall be reduced by the percentage equal to the difference between the average loss ratio for the crop and 100 percent, plus a reasonable reserve, as determined by the Corporation.''.

SEC. 11003. PERMANENT ENTERPRISE UNIT.

Section 508(e)(5) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)(5)) is amended by striking subparagraph (A) and inserting the following:

''(A) IN GENERAL.—The Corporation may pay a portion of the premiums for plans or policies of insurance for which the insurable unit is defined on a whole farm or enterprise unit basis that is higher than would otherwise be paid in accordance with paragraph (2).''.

SEC. 11004. ENTERPRISE UNITS FOR IRRIGATED AND NONIRRIGATED CROPS.

Section 508(e)(5) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)(5)) is amended by adding at the end the following:

''(D) NONIRRIGATED CROPS.—Beginning with the 2013 crop year, the Corporation shall make available separate enterprise units for irrigated and nonirrigated acreages of crops in counties.''.

SEC. 11005. DATA COLLECTION.

Section 508(g)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(g)(2)) is amended by adding at the end the following:

''(E) SOURCES OF YIELD DATA.—To determine yields under this paragraph, the Corporation—

''(i) shall use county data collected by the Risk Management Agency or the National Agricultural Statistics Service, or both; or

''(ii) if sufficient county data is not available, may use other data considered appropriate by the Secretary.''.

SEC. 11006. ADJUSTMENT IN ACTUAL PRODUCTION HISTORY TO ESTABLISH INSURABLE YIELDS.

Section 508(g)(4)(B) of the Federal Crop Insurance Act (7 U.S.C. 1508(g)(4)(B)) is amended—

(1) in the matter preceding clause (i), by inserting ''for the 2012 crop year or any prior crop year, or 70 percent of the applicable transitional yield for the 2013 or any subsequent crop year,'' after ''transitional yield''; and

(2) in clause (ii), by striking ''60 percent of the applicable transitional yield'' and inserting ''the applicable percentage of the transitional yield described in this subparagraph''.

SEC. 11007. SUBMISSION AND REVIEW OF POLICIES.

Section 508(h)(1) of the Federal Crop Insurance Act (7 U.S.C. 1508(h)(1)) is amended—

(1) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively, and indenting appropriately;

(2) by striking ''(1) IN GENERAL.—'' and inserting the following:

''(1) SUBMISSION AND REVIEW OF POLICIES.—

''(A) SUBMISSIONS.—In addition''; and

(3) by adding at the end the following:

''(B) REVIEW.—The Corporation shall review any policy developed under section 522(c) or any pilot program developed under section 523 and submit the policy or program to the Board under this subsection if the Corporation, at the sole discretion of the Corporation, finds that the policy or program—

''(i) will likely result in a viable and marketable policy consistent with this subsection;

''(ii) would provide crop insurance coverage in a significantly improved form; and

''(iii) adequately protects the interests of producers.''.

SEC. 11008. BOARD REVIEW AND APPROVAL.

(a) REVIEW AND APPROVAL BY THE BOARD.—Section 508(h) of the Federal Crop Insurance Act (7 U.S.C. 1508(h)) is amended by striking paragraph (3) and inserting the following:

''(3) REVIEW AND APPROVAL BY THE BOARD.—

''(A) IN GENERAL.—A policy, plan of insurance, or other material submitted to the Board under this subsection shall be reviewed by the Board and shall be approved by the Board for reinsurance and for sale by approved insurance providers to producers at actuarially appropriate rates and under appropriate terms and conditions if the Board, at the sole discretion of the Board, determines that—

''(i) the interests of producers are adequately protected;

''(ii) the rates of premium and price election methodology are actuarially appropriate;

''(iii) the terms and conditions for the proposed policy or plan of insurance are appropriate and would not unfairly discriminate among producers;

''(iv) the proposed policy or plan of insurance will, at the sole discretion of the Board—

''(I) likely result in a viable and marketable policy that can reasonably attain levels of participation similar to other like policies or plans of insurance;

''(II) provide crop insurance coverage in a significantly improved form or in a manner that addresses a recognized flaw or problem in an existing policy; or

''(III) provide a new kind of coverage for a commodity that previously had no available crop insurance, or has demonstrated a low level of participation under existing coverage;

''(v) the proposed policy or plan of insurance will, at the sole discretion of the Board, not have a significant adverse impact on the crop insurance delivery system; and

''(vi) the proposed policy or plan of insurance meets such other requirements as are determined appropriate by the Board.

''(B) PRIORITIES.—

''(i) ESTABLISHMENT.—The Board, at the sole discretion of the Board, may—

''(I) annually establish priorities under this subsection that specify types of submissions needed to fulfill the portfolio of policies or plans of insurance to be reviewed and approved under this subsection; and

''(II) make the priorities available on the website of the Corporation.

''(ii) PROCESS.—

''(I) IN GENERAL.—Policies or plans of insurance that satisfy the priorities established by the Board under this subsection shall be considered by the Board for approval prior to other submissions.

''(II) CONSIDERATIONS.—In approving policies or plans of insurance, the Board shall—

''(aa) consider providing the highest priorities for policies or plans of insurance that address underserved commodities, including commodities for which there is no insurance; and

''(bb) consider providing the highest priorities for existing policies for which there is inadequate coverage or there exists low levels of participation.

''(iii) OTHER CRITERIA.—The Board may establish such other criteria as the Board determines to meet the needs of producers and the priorities of this subsection, consistent with the purposes of this subtitle.''.

SEC. 11009. CONSULTATION.

Section 508(h)(4) of the Federal Crop Insurance Act (7 U.S.C. 1508(h)) is amended by adding at the end the following:

''(E) CONSULTATION.—

''(i) REQUIREMENT.—As part of the feasibility and research associated with the development of a policy or other material conducted prior to making a submission to the Board under this subsection, the submitter shall consult with groups representing producers of agricultural commodities in all major producing areas for the commodities to be served or potentially impacted, either directly or indirectly.

''(ii) SUBMISSION TO THE BOARD.—Any submission made to the Board under this subsection shall contain a summary and analysis of the feasibility and research findings from the impacted groups described in clause (i), including a summary assessment of the support for or against development of the policy and an assessment on the impact of the proposed policy to the general marketing and production of the crop from both a regional and national perspective.

''(iii) EVALUATION BY THE BOARD.—In evaluating whether the interests of producers are

adequately protected pursuant to paragraph (3) with respect to an submission made under this subsection, the Board shall review the information provided pursuant to clause (ii) to determine if the submission will create adverse market distortions with respect to the production of commodities that are the subject of the submission.''.

SEC. 11010. BUDGET LIMITATIONS ON RENEGOTIATION OF THE STANDARD REINSURANCE AGREEMENT.

Section 508(k)(8) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(8)) is amended by adding at the end the following:

''(F) BUDGET.—

''(i) IN GENERAL.—The Board shall ensure that any Standard Reinsurance Agreement negotiated under subparagraph (A)(ii), as compared to the previous Standard Reinsurance Agreement—

''(I) to the maximum extent practicable, shall be budget neutral; and

''(II) in no event, may significantly depart from budget neutrality.

''(ii) USE OF SAVINGS.—To the extent that any budget savings is realized in the renegotiation of a Standard Reinsurance Agreement under subparagraph (A)(ii), and the savings are determined not to be a significant departure from budget neutrality under clause (i), the savings shall be used for programs administered or managed by the Risk Management Agency.''.

SEC. 11011. STACKED INCOME PROTECTION PLAN FOR PRODUCERS OF UPLAND COTTON.

(a) AVAILABILITY OF STACKED INCOME PROTECTION PLAN.—The Federal Crop Insurance Act is amended by inserting after section 508A (7 U.S.C. 1508a) the following:

''SEC. 508B. STACKED INCOME PROTECTION PLAN FOR PRODUCERS OF UPLAND COTTON.

''(a) AVAILABILITY.—Beginning not later than the 2013 crop of upland cotton, if practicable, the Corporation shall make available to producers of maximum eligible acres of upland cotton an additional policy (to be known as the 'Stacked Income Protection Plan'), which shall provide coverage consistent with the Group Risk Income Protection Plan (and the associated Harvest Revenue Option Endorsement) offered by the Corporation for the 2011 crop year.

''(b) REQUIRED TERMS.—The Corporation may modify the Stacked Income Protection Plan on a program-wide basis, except that the Stacked Income Protection Plan shall comply with the following requirements:

''(1)(A) Provide coverage for revenue loss of not more than 30 percent of expected county revenue, specified in increments of 5 percent.

''(B) The deductible is the minimum percent of revenue loss at which indemnities are triggered under the plan, not to be less than 10 percent of the expected county revenue.

''(C) Once the deductible is met, any losses in excess of the deductible will be paid up to the coverage selected by the producer.

''(2) Be offered to producers of upland cotton in all counties with upland cotton production—

''(A) at a county-wide level to the fullest extent practicable; or

''(B) in counties that lack sufficient data, on the basis of such larger geographical area as the Corporation determines to provide sufficient data for purposes of providing the coverage.

''(3) Be purchased in addition to any other individual or area coverage in effect on the producer's acreage or as a stand-alone policy, except that if a producer has an individual or area coverage for the same acreage, the maximum coverage available under the Stacked Income Protection Plan shall not exceed the deductible for the individual or area coverage.

''(4) Establish coverage based on—

''(A) an expected price that is the expected price established under existing Group Risk Income Protection or area wide policy offered by the Corporation for the applicable county (or area) and crop year; and

''(B) an expected county yield that is the higher of—

''(i) the expected county yield established for the existing area-wide plans offered by the Corporation for the applicable county (or area) and crop year (or, in geographic areas where area-wide plans are not offered, an expected yield determined in a manner consistent with those of area-wide plans); or

''(ii)(I) the average of the applicable yield data for the county (or area) for the most recent 5 years, excluding the highest and lowest observations, from the Risk Management Agency or the National Agricultural Statistics, or both; or

''(II) if sufficient county data is not available, such other data considered appropriate by the Secretary.

''(5) Use a multiplier factor to establish maximum protection per acre (referred to as a 'protection factor') of not more than 120 percent.

''(6) Pay an indemnity based on the amount that the expected county revenue exceeds the actual county revenue, as applied to the individual coverage of the producer. Indemnities under the Stacked Income Protection Plan shall not include or overlap the amount of the deductible selected under paragraph (1).

''(7) To the maximum extent practicable, in all counties for which data are available, establish separate coverage for irrigated and nonirrigated practices.

''(8) Notwithstanding section 508(d), include a premium that—

''(A) is sufficient to cover anticipated losses and a reasonable reserve; and

''(B) includes an amount for operating and administrative expenses established in accordance with section 508(k)(4)(F).

''(c) RELATION TO OTHER COVERAGES.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the Stacked Income Protection Plan is in addition to all other coverages available to producers of upland cotton.

''(2) LIMITATION.—Acreage of upland cotton insured under the Supplemental Coverage Option shall not be eligible for the Stacked Income Protection Plan.

''(d) PAYMENT OF PORTION OF PREMIUM BY CORPORATION.—Subject to section 508(e)(4), the amount of premium paid by the Corporation for all qualifying coverage levels of the Stacked Income Protection Plan shall be—

''(1) 80 percent of the amount of the premium established under subsection (b)(8)(A) for the coverage level selected; and

''(2) the amount determined under subsection (b)(8)(B) to cover administrative and operating expenses.''.

(b) CONFORMING AMENDMENT.—Section 508(k)(4)(F) of the Federal Crop Insurance Act (7 U.S.C. 1508(k)(4)(F)) (as amended by section 11001(d)) is amended by inserting ''or under section 508B'' after ''subsection (c)(4)(C)''.

SEC. 11012. PEANUT REVENUE CROP INSURANCE.

The Federal Crop Insurance Act is amended by inserting after section 508B (as added by section 11011(a)) the following:

''SEC. 508C. PEANUT REVENUE CROP INSURANCE.

''(a) IN GENERAL.—Effective beginning with the 2013 crop year, the Risk Management Agency and the Corporation shall make available to producers of peanuts a revenue crop insurance program for peanuts.

''(b) EFFECTIVE PRICE.—

''(1) IN GENERAL.—Subject to paragraph (2), for purposes of the policies and plans of insurance offered under subsections (a) and (b) of section 508, the effective price for peanuts shall be equal to the Rotterdam price index for peanuts, as adjusted to reflect the farmer stock price of peanuts in the United States.

''(2) ADJUSTMENTS.—

''(A) IN GENERAL.—The effective price for peanuts established under paragraph (1) may be adjusted by the Risk Management Agency and the Corporation to correct distortions.

''(B) ADMINISTRATION.—If an adjustment is made under subparagraph (A), the Risk Management Agency and the Corporation shall—

''(i) make the adjustment in an open and transparent manner; and

''(ii) submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the reasons for the adjustment.''.

SEC. 11013. AUTHORITY TO CORRECT ERRORS.

Section 515(c) of the Federal Crop Insurance Act (7 U.S.C. 1515(c)) is amended—

(1) in the first sentence, by striking ''The Secretary'' and inserting the following:

''(1) IN GENERAL.—The Secretary'';

(2) in the second sentence, by striking ''Beginning with'' and inserting the following:

''(2) FREQUENCY.—Beginning with''; and

(3) by adding at the end the following:

''(3) CORRECTIONS.—

''(A) IN GENERAL.—The Corporation shall establish procedures that allow an agent and approved insurance provider within a reasonable amount of time following the applicable sales closing date to correct information regarding the entity name, social security number, tax identification number, or such other eligibility information as determined by the Corporation that is provided by a producer for the purpose of obtaining coverage under any policy or plan of insurance made available under this subtitle to ensure that the eligibility information is consistent with the information reported by the producer to the Farm Service Agency.

''(B) LIMITATION.—In accordance with the procedures of the Corporation, procedures under subparagraph (A) may include any subsequent correction to the eligibility information described in that subparagraph made by the Farm Service Agency if the corrections do not allow the producer—

''(i) to obtain a disproportionate benefit under the crop insurance program or any related program of the Department of Agriculture;

''(ii) to avoid ineligibility requirements for insurance; or

''(iii) to avoid an obligation or requirement under any Federal or State law.''.

SEC. 11014. IMPLEMENTATION.

Section 515 of the Federal Crop Insurance Act (7 U.S.C. 1515) is amended—

(1) in subsection (j), by striking paragraph (1) and inserting the following:

''(1) SYSTEMS MAINTENANCE AND UPGRADES.—

''(A) IN GENERAL.—The Secretary shall maintain and upgrade the information management systems of the Corporation used in the administration and enforcement of this subtitle.

''(B) REQUIREMENT.—

''(i) IN GENERAL.—In maintaining and upgrading the systems, the Secretary shall ensure that new hardware and software are compatible with the hardware and software used by other agencies of the Department to maximize data sharing and promote the purposes of this section.

''(ii) ACREAGE REPORT STREAMLINING INITIATIVE PROJECT.—As soon as practicable, the Secretary shall develop and implement an acreage report streamlining initiative project to allow producers to report acreage and other information directly to the Department.''; and

(2) in subsection (k), by striking paragraph (1) and inserting the following:

''(1) INFORMATION TECHNOLOGY.—

''(A) IN GENERAL.—For purposes of subsection (j)(1), the Corporation may use, from amounts made available from the insurance fund established under section 516(c), not more than—

''(i)(I) for fiscal year 2013, $25,000,000; and

''(II) for each of fiscal years 2014 through 2017, $10,000,000; or

''(ii) if the Acreage Crop Reporting Streamlining Initiative (ACRSI) project is substantially completed by September 30, 2013, not more than $15,000,000 for each of fiscal years 2014 through 2017.

''(B) NOTIFICATION.—Not later than July 1, 2013, the Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the status of the substantial completion of the Acreage Crop Reporting Streamlining Initiative (ACRSI) project.''.

SEC. 11015. APPROVAL OF COSTS FOR RESEARCH AND DEVELOPMENT.

Section 522(b)(2) of the Federal Crop Insurance Act (7 U.S.C. 1522(b)(2)) is amended by striking subparagraph (E) and inserting the following:

''(E) APPROVAL.—

''(i) IN GENERAL.—The Board may approve up to 50 percent of the projected total research and development costs to be paid in advance to an applicant, in accordance with the procedures developed by the Board for the making of the payments, if, after consideration of the reviewer reports described in subparagraph (D) and such other information as the Board determines appropriate, the Board determines that—

''(I) the concept, in good faith, will likely result in a viable and marketable policy consistent with section 508(h);

''(II) at the sole discretion of the Board, the concept, if developed into a policy and approved by the Board, would provide crop insurance coverage—

''(aa) in a significantly improved form or that addresses a unique need of agricultural producers;

''(bb) to a crop or region not traditionally served by the Federal crop insurance program; or

''(cc) in a form that addresses a recognized flaw or problem in the program;

''(III) the applicant agrees to provide such reports as the Corporation determines are necessary to monitor the development effort;

''(IV) the proposed budget and timetable are reasonable, as determined by the Board; and

''(V) the concept proposal meets any other requirements that the Board determines appropriate.

''(ii) WAIVER.—The Board may waive the 50-percent limitation and, upon request of the submitter after the submitter has begun research and development activities, the Board may approve an additional 25 percent advance payment to the submitter for research and development costs, if, at the sole discretion of the Board, the Board determines that—

''(I) the intended policy or plan of insurance developed by the submitter will provide coverage for a region or crop that is underserved by the Federal crop insurance program, including specialty crops;

''(II) the submitter is making satisfactory progress towards developing a viable and marketable policy or plan of insurance consistent with section 508(h); and

''(III) the submitter does not have sufficient financial resources to complete the development of the submission into a viable and marketable policy or plan of insurance consistent with section 508(h).''.

SEC. 11016. WHOLE FARM RISK MANAGEMENT INSURANCE.

Section 522(c) of the Federal Crop Insurance Act (7 U.S.C. 1522(c)) is amended by adding at the end the following:

''(18) WHOLE FARM DIVERSIFIED RISK MANAGEMENT INSURANCE PLAN.—

''(A) IN GENERAL.—The Corporation shall conduct activities or enter into contracts to carry out research and development to develop a whole farm risk management insurance plan, with a liability limitation of $1,500,000, that allows a diversified crop or livestock producer the option to qualify for an indemnity if actual gross farm revenue is below 85 percent of the average gross farm revenue or the expected gross farm revenue that can reasonably be expected of the producer, as determined by the Corporation.

''(B) ELIGIBLE PRODUCERS.—The Corporation shall permit producers (including direct-to-consumer marketers, and producers servicing local and regional and farm identity-preserved markets) who produce multiple agricultural commodities, including specialty crops, industrial crops, livestock, and aquaculture products, to participate in the plan in lieu of any other plan under this subtitle.

''(C) DIVERSIFICATION.—The Corporation may provide diversification-based additional coverage payment rates, premium discounts, or other enhanced benefits in recognition of the risk management benefits of crop and livestock diversification strategies for producers that grow multiple crops or that may have income from the production of livestock that uses a crop grown on the farm.

''(D) MARKET READINESS.—The Corporation may include coverage for the value of any packing, packaging, or any other similar on-farm activity the Corporation determines to be the minimum required in order to remove the commodity from the field.

''(E) REPORT.—Not later than 2 years after the date of enactment of this paragraph, the Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results and feasibility of the research and development conducted under this paragraph, including an analysis of potential adverse market distortions.''.

SEC. 11017. CROP INSURANCE FOR LIVESTOCK.

Section 522(c) of the Federal Crop Insurance Act (as amended by section 11016) is amended by adding at the end the following:

''(19) STUDY ON SWINE CATASTROPHIC DISEASE PROGRAM.—

''(A) IN GENERAL.—The Corporation shall contract with a qualified person to conduct a study to determine the feasibility of insuring swine producers for a catastrophic event.

''(B) REPORT.—Not later than 1 year after the date of the enactment of this paragraph, the Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the study conducted under subparagraph (A).''.

SEC. 11018. MARGIN COVERAGE FOR CATFISH.

Section 522(c) of the Federal Crop Insurance Act (as amended by section 11017) is amended by adding at the end the following:

''(20) MARGIN COVERAGE FOR CATFISH.—

''(A) IN GENERAL.—The Corporation shall offer to enter into a contract with a qualified entity to conduct research and development regarding a policy to insure producers against reduction in the margin between the market value of catfish and selected costs incurred in the production of catfish.

''(B) ELIGIBILITY.—Eligibility for the policy described in subparagraph (A) shall be limited to freshwater species of catfish that are propagated and reared in controlled or selected environments.

''(C) IMPLEMENTATION.—The Board shall review the policy described in subparagraph (B) under subsection 508(h) and approve the policy if the Board finds that the policy—

''(i) will likely result in a viable and marketable policy consistent with this subsection;

''(ii) would provide crop insurance coverage in a significantly improved form;

''(iii) adequately protects the interests of producers; and

''(iv) the proposed policy meets other requirements of this subtitle determined appropriate by the Board.''.

SEC. 11019. RESEARCH AND DEVELOPMENT.

(a) IN GENERAL.—Section 522(c) of the Federal Crop Insurance Act (7 U.S.C. 1522(c)) is amended—

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

(2) in paragraph (1), in the matter preceding subparagraph (A), by striking ''may enter into contracts to carry out research and development to'' and inserting ''may conduct activities or enter into contracts to carry out research and development to maintain or improve existing policies or develop new policies to'';

(3) in paragraph (2)—

(A) in subparagraph (A), by inserting ''conduct research and development or'' after ''The Corporation may''; and

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

''(B) CONSULTATION.—Before conducting research and development or entering into a contract under subparagraph (A), the Corporation shall follow the consultation requirements described in section 508(h)(4)(E).'';

(4) in paragraph (5), by inserting ''after expert review in accordance with section 505(e) and procedures of the Board'' after ''approved by the Board''; and

(5) in paragraph (6), by striking ''a pasture, range, and forage program'' and inserting ''policies that increase participation by producers of underserved agricultural commodities, including sweet sorghum, sorghum for biomass, specialty crops, sugarcane, and dedicated energy crops''.

(b) FUNDING.—Section 522(e) of the Federal Crop Insurance Act (7 U.S.C. 1522(e)) is amended—

(1) in paragraph (2)—

(A) by striking ''(A) AUTHORITY.—'' and inserting ''(A) CONDUCTING AND CONTRACTING FOR RESEARCH AND DEVELOPMENT.—'';

(B) in subparagraph (A), by inserting ''conduct research and development and'' after ''the Corporation may use to''; and

(C) in subparagraph (B), by inserting ''conduct research and development and'' after ''for the fiscal year to'';

(2) in paragraph (3), in the matter preceding subparagraph (A), by striking ''to provide either reimbursement payments or contract payments''; and

(3) by striking paragraph (4).

SEC. 11020. PILOT PROGRAMS.

Section 523(a) of the Federal Crop Insurance Act (7 U.S.C. 1523(a)) is amended—

(1) in paragraph (1), by inserting '', at the sole discretion of the Corporation,'' after ''may''; and

(2) by striking paragraph (5).

SEC. 11021. INDEX-BASED WEATHER INSURANCE PILOT PROGRAM.

Section 523(a)(2) of the Federal Crop Insurance Act (7 U.S.C. 1523(a)(2)) is amended—

(1) by striking ''Under'' inserting the following:

''(A) IN GENERAL.—Under''; and

(2) by adding at the end the following:

''(B) INDEX-BASED WEATHER INSURANCE PILOT PROGRAM.—

''(i) IN GENERAL.—Notwithstanding subparagraph (A), the Corporation, at the sole discretion of the Corporation, may conduct a pilot program to provide financial assistance for producers of underserved crops and livestock (including specialty crops) to purchase an index-based weather insurance product from a private insurance company, subject to the requirements of this subparagraph.

''(ii) PAYMENT OF PREMIUM.—

''(I) IN GENERAL.—Subject to subclause (II) and clause (v), the Corporation may pay a portion of the premium for producers who purchase index-based weather insurance protection from a private insurance company for a crop and policy that is not reinsured under this subtitle, as determined by the Corporation.

''(II) CONDITION.—The premium assistance under subclause (I) shall not exceed 60 percent of the estimated premium amount, based on expected losses, representative operating expenses, and representative profit margins, as determined by the Corporation.

''(iii) ELIGIBLE PROVIDERS.—Before providing premium assistance to producers to purchase index-based weather insurance from a private insurance company pursuant to this subparagraph, the Corporation shall verify that the company has adequate experience—

''(I) to develop and manage the index-based weather insurance products, including adequate resources, experience, and assets or sufficient reinsurance to meet the obligations of the company under this subparagraph; and

''(II) to support and deliver the index-based weather insurance products.

''(iv) PROCEDURES.—The Corporation shall develop and publish procedures to administer the pilot program under this subparagraph that—

''(I) require each applicable private insurance company to report claim and sales data, and any other data the Corporation determines to be appropriate, to allow the Corporation to evaluate product pricing and performance;

''(II) allow the private insurance companies exclusive rights over the private insurance offered under this subparagraph, including rating of policies, protection of intellectual property rights on the product or policy, and associated rating methodology, for the period during which the companies are eligible under clause (iii); and

''(III) contain such other requirements as the Corporation determines to be necessary to ensure that—

''(aa) the interests of producers are protected; and

''(bb) the program operates in an actuarially sound manner.

''(v) FUNDING.—Of the funds of the Corporation, the Corporation shall use to carry out this subparagraph $10,000,000 for each of fiscal years 2013 through 2017, to remain available until expended.''.

SEC. 11022. ENHANCING PRODUCER SELF-HELP THROUGH FARM FINANCIAL BENCHMARKING.

(a) DEFINITION.—Section 502(b) of the Federal Crop Insurance Act (7 U.S.C. 1502(b)) is amended—

(1) by redesignating paragraphs (6) through (9) as paragraphs (7) through (10), respectively; and

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

''(6) FARM FINANCIAL BENCHMARKING.—The term 'farm financial benchmarking' means—

''(A) the process of comparing the performance of an agricultural enterprise against the performance of other similar enterprises, through the use of comparable and reliable data, in order to identify business management strengths, weaknesses, and steps necessary to improve management performance and business profitability; and

''(B) benchmarking of the type conducted by farm management and producer associations consistent with the activities described in or funded pursuant to section 1672D of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925f).''.

(b) PARTNERSHIPS FOR RISK MANAGEMENT FOR PRODUCERS OF SPECIALTY CROPS AND UNDERSERVED AGRICULTURAL COMMODITIES.—Section 522(d)(3)(F) of the Federal Crop Insurance Act (7 U.S.C. 1522(d)(3)(F)) is amended by inserting ''farm financial benchmarking,'' after ''management,''.

(c) CROP INSURANCE EDUCATION AND RISK MANAGEMENT ASSISTANCE.—Section 524(a) of the Federal Crop Insurance Act (7 U.S.C. 1524(a)) is amended—

(1) in paragraph (3)(A), by inserting ''farm financial benchmarking,'' after ''risk reduction,''; and

(2) in paragraph (4), in the matter preceding subparagraph (A), by inserting ''(including farm financial benchmarking)'' after ''management strategies''.

SEC. 11023. BEGINNING FARMER AND RANCHER PROVISIONS.

(a) DEFINITION.—Section 502(b) of the Federal Crop Insurance Act (7 U.S.C. 1502(b)) (as amended by section 11022(a)) is amended—

(1) by redesignating paragraphs (3) through (10) as paragraphs (4) through (11), respectively; and

(2) by inserting after paragraph (2) the following:

''(3) BEGINNING FARMER OR RANCHER.—The term 'beginning farmer or rancher' means a farmer or rancher who has not actively operated and managed a farm or ranch with a bona fide insurable interest in a crop or livestock as an owner-operator, landlord, tenant, or sharecropper for more than 5 crop years, as determined by the Secretary.''.

(b) PREMIUM ADJUSTMENTS.—Section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) is amended—

(1) in subsection (b)(5)(E), by inserting ''and beginning farmers or ranchers'' after ''limited resource farmers'';

(2) in subsection (e), by adding at the end the following:

''(8) PREMIUM FOR BEGINNING FARMERS OR RANCHERS.—Notwithstanding any other provision of this subsection regarding payment of a portion of premiums, a beginning farmer or rancher shall receive premium assistance that is 10 percentage points greater than premium assistance that would otherwise be available under paragraphs (2) (except for subparagraph (A) of that paragraph), (5), (6), and (7) for the applicable policy, plan of insurance, and coverage level selected by the beginning farmer or rancher.''; and

(3) in subsection (g)—

(A) in paragraph (2)(B)—

(i) in clause (i), by striking ''or'' at the end;

(ii) in clause (ii)(III), by striking the period at the end and inserting ''; or''; and

(iii) by adding at the end the following:

''(iii) if the producer is a beginning farmer or rancher who was previously involved in a farming or ranching operation, including involvement in the decisionmaking or physical involvement in the production of the crop or livestock on the farm, for any acreage obtained by the beginning farmer or rancher, a yield that is the higher of—

''(I) the actual production history of the previous producer of the crop or livestock on the acreage determined under subparagraph (A); or

''(II) a yield of the producer, as determined in clause (i).''; and

(B) in paragraph (4)(B)(ii) (as amended by section 11006)—

(i) by inserting ''(I)'' after ''(ii)'';

(ii) by striking the period at the end and inserting ''; or''; and

(iii) by adding at the end the following:

''(II) in the case of beginning farmers or ranchers, replace each excluded yield with a yield equal to 80 percent of the applicable transitional yield.''.

SEC. 11024. AGRICULTURAL MANAGEMENT ASSISTANCE, RISK MANAGEMENT EDUCATION, AND ORGANIC CERTIFICATION COST SHARE ASSISTANCE.

Section 524 of the Federal Crop Insurance Act (7 U.S.C. 1524) is amended by striking subsection (b) and inserting the following:

''(b) AGRICULTURAL MANAGEMENT ASSISTANCE, RISK MANAGEMENT EDUCATION, AND ORGANIC CERTIFICATION COST SHARE ASSISTANCE.—

''(1) AUTHORITY FOR PROVISION OF ASSISTANCE.—The Secretary shall provide assistance under this section as follows:

''(A) Provision of organic certification cost share assistance pursuant to section 10606 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 6523).

''(B) Activities to support risk management education and community outreach partnerships pursuant to section 522(d), including—

''(i) entering into futures or hedging;

''(ii) entering into agricultural trade options as a hedging transaction to reduce production, price, or revenue risk; or

''(iii) conducting any other activity relating to an activity described in clause (i) or (ii), including farm financial benchmarking, as determined by the Secretary.

''(C) Provision of agricultural management assistance grants to producers in States in which there has been traditionally, and continues to be, a low level of Federal crop insurance participation and availability, and producers underserved by the Federal crop insurance program, as determined by the Secretary, for the purposes of—

''(i) constructing or improving—

''(I) watershed management structures; or

''(II) irrigation structures;

''(ii) planting trees to form windbreaks or to improve water quality; and

''(iii) mitigating financial risk through production or marketing diversification or resource conservation practices, including—

''(I) soil erosion control;

''(II) integrated pest management;

''(III) organic farming; or

''(IV) to develop and implement a plan to create marketing opportunities for the producer, including through value-added processing.

''(2) PAYMENT LIMITATION.—The total amount of payments made to a person (as defined in section 1001(5) of the Food Security Act (7 U.S.C. 1308(5))) (as in existence before the amendment made by section 1603(b) of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 1730)) under paragraph (1) for any year may not exceed $50,000.

''(3) FUNDING.—

''(A) IN GENERAL.—The Secretary shall carry out this subsection through the Commodity Credit Corporation.

''(B) FUNDING.—For each of fiscal years 2013 through 2017, the Commodity Credit Corporation shall make available to carry out this subsection $23,000,000.

''(C) DISTRIBUTION OF FUNDS.—Of the amount made available to carry out this subsection for a fiscal year, the Commodity Credit Corporation shall use not less than—

''(i) 50 percent to carry out paragraph (1)(A);

''(ii) 26 percent to carry out paragraph (1)(B); and

''(iii) 24 percent to carry out paragraph (1)(C).''.

SEC. 11025. CROP PRODUCTION ON NATIVE SOD.

(a) FEDERAL CROP INSURANCE.—Section 508(o) of the Federal Crop Insurance Act (7 U.S.C. 1508(o)) is amended—

(1) in paragraph (1)(B), by inserting ''or the producer cannot substantiate that the ground has ever been tilled,'' after ''tilled'';

(2) in paragraph (2)(A), by striking ''for benefits under—'' and all that follows through the period at the end and inserting ''for—

''(i) a portion of crop insurance premium subsidies under this subtitle in accordance with paragraph (3);

''(ii) benefits under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333); and

''(iii) payments described in subsection (b) of section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308).''; and

(3) by striking paragraph (3) and inserting the following:

''(3) ADMINISTRATION.—

''(A) IN GENERAL.—During the first 4 crop years of planting on native sod acreage by a producer described in paragraph (2)—

''(i) paragraph (2) shall apply to 65 percent of the applicable transitional yield; and

''(ii) the crop insurance premium subsidy provided for the producer under this subtitle shall be 50 percentage points less than the premium subsidy that would otherwise apply.

''(B) YIELD SUBSTITUTION.—During the period native sod acreage is covered by this subsection, a producer may not substitute yields for the native sod acreage.''.

(b) NONINSURED CROP DISASTER ASSISTANCE.—Section 196(a)(4) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333(a)(4)) is amended—

(1) in subparagraph (A)(ii), by inserting ''or the producer cannot substantiate that the ground has ever been tilled,'' after ''tilled'';

(2) in subparagraph (B)(i), by striking ''for benefits under—'' and all that follows through the period at the end and inserting ''for—

''(I) benefits under this section;

''(II) a portion of crop insurance premium subsidies under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) in accordance with subparagraph (C); and

''(III) payments described in subsection (b) of section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308).''; and

(3) by striking subparagraph (C) and inserting the following:

''(C) ADMINISTRATION.—

''(i) IN GENERAL.—During the first 4 crop years of planting on native sod acreage by a producer described in subparagraph (B)—

''(I) subparagraph (B) shall apply to 65 percent of the applicable transitional yield; and

''(II) the crop insurance premium subsidy provided for the producer under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) shall be 50 percentage points less than the premium subsidy that would otherwise apply.

''(ii) YIELD SUBSTITUTION.—During the period native sod acreage is covered by this paragraph, a producer may not substitute yields for the native sod acreage.''.

(c) CROPLAND REPORT.—

(1) BASELINE.——Not later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the cropland acreage in each county and State, and the change in cropland acreage from the preceding year in each county and State, beginning with calendar year 2000 and including that information for the most recent year for which that information is available.

(2) ANNUAL UPDATES.—Not later than January 1, 2014, and each January 1 thereafter through January 1, 2017, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes—

(A) the cropland acreage in each county and State as of the date of submission of the report; and

(B) the change in cropland acreage from the preceding year in each county and State.

SEC. 11026. TECHNICAL AMENDMENTS.

Section 508(b) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)) is amended—

(1) by striking paragraph (7); and

(2) by redesignating paragraphs (8) through (11) as paragraphs (7) through (10), respectively.

TITLE XII—MISCELLANEOUS

Subtitle A—Socially Disadvantaged Producers and Limited Resource Producers

SEC. 12001. OUTREACH AND ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS AND VETERAN FARMERS AND RANCHERS.

(a) OUTREACH AND ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS AND VETERAN FARMERS AND RANCHERS.—Section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279) is amended—

(1) in the section heading, by inserting ''**AND VETERAN FARMERS AND RANCHERS**'' after ''**RANCHERS**'';

(2) in subsection (a)—

(A) in paragraph (2)(B)(i), by inserting ''and veteran farmers or ranchers'' after ''ranchers''; and

(B) in paragraph (4)—

(i) in subparagraph (A)—

(I) in clause (i), by striking ''and'' at the end;

(II) in clause (ii), by striking the period at the end and inserting ''; and''; and

(III) by adding at the end the following:

''(iii) $5,000,000 for each of fiscal years 2013 through 2017.''; and

(ii) by adding at the end the following:

''(D) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2013 through 2017.'';

(3) in subsection (b)(2), by inserting ''or veteran farmers and ranchers'' after ''socially disadvantaged farmers and ranchers''; and

(4) in subsection (c)—

(A) in paragraph (1)(A), by inserting ''veteran farmers or ranchers and'' before ''members''; and

(B) in paragraph (2)(A), by inserting ''veteran farmers or ranchers and'' before ''members''.

(b) DEFINITION OF VETERAN FARMER OR RANCHER.—Section 2501(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(e)) is amended by adding at the end the following:

''(7) VETERAN FARMER OR RANCHER.—The term 'veteran farmer or rancher' means a farmer or rancher who served in the active military, naval, or air service, and who was discharged or released from the service under conditions other than dishonorable.''.

SEC. 12002. OFFICE OF ADVOCACY AND OUTREACH.

Section 226B(f)(3) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6934(f)(3)) is amended to read as follows:

''(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection—

''(A) such sums as are necessary for each of fiscal years 2009 through 2012; and

''(B) $2,000,000 for each of fiscal years 2013 through 2017.''.

Subtitle B—Livestock

SEC. 12101. WILDLIFE RESERVOIR ZOONOTIC DISEASE INITIATIVE.

Title IV of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621 et seq.) is amended by adding at the end the following:

''SEC. 413. WILDLIFE RESERVOIR ZOONOTIC DISEASE INITIATIVE.

''(a) DEFINITION OF COVERED DISEASE.—In this section, the term 'covered disease' means a zoonotic disease affecting domestic livestock that is transmitted primarily from wildlife.

''(b) ESTABLISHMENT.—There is established within the Department a wildlife reservoir zoonotic disease initiative to provide assistance through Coordinated Agricultural Project grants for research and development of surveillance methods, vaccines, vaccination delivery systems, or diagnostic tests for covered diseases.

''(c) COVERED DISEASE.—

''(1) IN GENERAL.—To be eligible for a grant under this section, an eligible entity shall conduct research and development of surveillance methods, vaccines, vaccination delivery systems, or diagnostic tests for covered diseases in—

''(A) a wildlife reservoir in the United States; or

''(B) domestic livestock or wildlife presenting a potential concern to public health.

''(2) PRIORITY.—In making grants under this section, the Secretary shall give priority to grants that address—

''(A) Brucella abortus (Bovine Brucellosis);

''(B) Mycobacterium bovis (Bovine Tuberculosis); or

''(C) other zoonotic disease in livestock that is covered by a high-priority research and extension initiative conducted under section 1672 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925).

''(d) ELIGIBLE ENTITIES.—The Secretary shall carry out the initiative established under subsection (b) through public scientific research consortia that may consist of members from—

''(1) Federal agencies;

''(2) National Laboratories;

''(3) institutions of higher education;

''(4) research institutions and organizations; or

''(5) State agricultural experiment stations.

''(e) RESEARCH PROJECTS.—In carrying out this section, the Secretary shall award grants on a competitive basis.

''(f) ADMINISTRATION.—

''(1) IN GENERAL.—In the case of grants awarded under this section, the Secretary shall—

''(A) seek and accept proposals for grants;

''(B) determine the relevance and merit of proposals through a system of peer and merit review in accordance with section 103;

''(C) award grants on the basis of merit, quality, and relevance; and

''(D) manage the initiative established under subsection (b) using a Coordinated Agricultural Project format.

''(2) TERM.—The term of a grant under this section may not exceed 10 years.

''(3) MATCHING FUNDS REQUIRED.—The Secretary shall require the recipient of a grant under this section to provide funds or in-kind support from non-Federal sources in an amount that is not less than 25 percent of the amount provided by the Federal Government.

''(4) OTHER CONDITIONS.—The Secretary may set such other conditions on the award of a grant under this section as the Secretary determines to be appropriate.

''(g) BUILDINGS AND FACILITIES.—Funds made available under this section shall not be used for—

''(1) the construction of a new building or facility; or

''(2) the acquisition, expansion, remodeling, or alteration of an existing building or facility (including site grading and improvement and architect fees).

''(h) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There is authorized to be appropriated to carry out this section $7,000,000 for each of fiscal years 2012 through 2017.

''(2) ALLOCATION.—Of the amount made available for a fiscal year under paragraph (1), the Secretary shall use not less than 30 percent of the amount for the fiscal year to carry out activities under each of subparagraphs (A) and (B) of subsection (c)(2).''.

SEC. 12102. TRICHINAE CERTIFICATION PROGRAM.

Section 10405(d)(1) of the Animal Health Protection Act (7 U.S.C. 8304(d)(1)) is amended in subparagraphs (A) and (B) by striking ''2012'' each place it appears and inserting ''2017''.

SEC. 12103. NATIONAL AQUATIC ANIMAL HEALTH PLAN.

Section 11013(d) of the Food, Conservation, and Energy Act of 2008 (7 U.S.C. 8322(d)) is amended by striking ''2012'' and inserting ''2017''.

SEC. 12104. SHEEP PRODUCTION AND MARKETING GRANT PROGRAM.

(a) IN GENERAL.—Subtitle A of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.) is amended by adding at the end the following:

''SEC. 209. SHEEP PRODUCTION AND MARKETING GRANT PROGRAM.

''(a) ESTABLISHMENT.—The Secretary, acting through the Administrator of the Agricultural Marketing Service (referred to in this section as the 'Secretary') shall establish a competitive grant program for the purposes of improving the United States sheep industry.

''(b) PURPOSE.—The purpose of the grant program shall be to strengthen and enhance the production and marketing of sheep and sheep products, including improvement of—

''(1) infrastructure;

''(2) business;

''(3) resource development; and

''(4) innovative approaches to solve long-term needs.

''(c) ELIGIBILITY.—The Secretary shall make grants under this section to 1 or more national entities the mission of which is consistent with the purpose of the grant program.

''(d) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section $1,500,000 for fiscal year 2013, to remain available until expended.''.

(b) CONFORMING AMENDMENT.—Section 374 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008j) (as in existence on the day before the date of enactment of this Act) is—

(1) amended in subsection (e)—

(A) in paragraph (3)(D), by striking ''3 percent'' and inserting ''10 percent''; and

(B) by striking paragraph (6); and

(2) redesignated as section 210 of the Agricultural Marketing Act of 1946; and

(3) moved so as to appear at the end of subtitle A of that Act (as amended by subsection (a)).

SEC. 12105. FERAL SWINE ERADICATION PILOT PROGRAM.

(a) IN GENERAL.—To eradicate or control the threat feral swine pose to the domestic swine population, the entire livestock industry, and the destruction of crops and natural plant communities and native habitats, the Secretary of Agriculture may establish a feral swine eradication pilot program.

(b) PILOT.—Subject to the availability of appropriations under this section, the Secretary may provide financial assistance for the cost of carrying out a pilot program—

(1) to study and assess the nature and extent of damage to the pilot area caused by feral swine;

(2) to develop methods to eradicate or control feral swine in the pilot area; and

(3) to develop methods to restore damage caused by feral swine.

(c) COORDINATION.—The Secretary shall ensure that the Natural Resource Conservation Service and the Animal and Plant Health Inspection Service coordinate to carry out the pilot program.

(d) COST SHARING.—

(1) FEDERAL SHARE.—The Federal share of the costs of the pilot program under this section may not exceed 75 percent of the total costs of carrying out the pilot program.

(2) IN-KIND CONTRIBUTIONS.—The non-Federal share of the costs of the pilot program may be provided in the form of in-kind contributions of materials or services.

(e) LIMITATION ON ADMINISTRATIVE EXPENSES.—Not more than 10 percent of financial assistance provided by the Secretary under this section may be used for administrative expenses.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $2,000,000 for each of fiscal years 2013 through 2017.

Subtitle C—Other Miscellaneous Provisions

SEC. 12201. MILITARY VETERANS AGRICULTURAL LIAISON.

(a) IN GENERAL.—Subtitle A of the Department of Agriculture Reorganization Act of 1994 is amended by inserting after section 218 (7 U.S.C. 6918) the following:

''SEC. 219. MILITARY VETERANS AGRICULTURAL LIAISON.

''(a) AUTHORIZATION.—The Secretary shall establish in the Department the position of Military Veterans Agricultural Liaison.

''(b) DUTIES.—The Military Veterans Agricultural Liaison shall—

''(1) provide information to returning veterans about, and connect returning veterans with, beginning farmer training and agricultural vocational and rehabilitation programs appropriate to the needs and interests of returning veterans, including assisting veterans in using Federal veterans educational benefits for purposes relating to beginning a farming or ranching career;

''(2) provide information to veterans concerning the availability of and eligibility requirements for participation in agricultural programs, with particular emphasis on beginning farmer and rancher programs;

''(3) serving as a resource for assisting veteran farmers and ranchers, and potential farmers and ranchers, in applying for participation in agricultural programs; and

''(4) advocating on behalf of veterans in interactions with employees of the Department.''.

(b) CONFORMING AMENDMENTS.—Section 296(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7014(b)) (as amended by section 4206(b)) is amended—

(1) in paragraph (8), by striking the ''or'' at the end;

(2) in paragraph (9), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(10) the authority of the Secretary to establish in the Department the position of Military Veterans Agricultural Liaison in accordance with section 219.''.

SA 2390. Mr. REID proposed an amendment to amendment SA 2389 proposed by Mr. REID (for Ms. STABENOW (for herself and Mr. ROBERTS)) to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; as follows:

At the end, add the following:

SEC. ___. EFFECTIVE DATE.

This Act shall become effective 5 days after enactment.

SA 2391. Mr. REID proposed an amendment to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; as follows:

Beginning on page 312, strike line 1 and all that follows through page 342, line 10, and insert the following:

TITLE IV—NUTRITION

Subtitle A—Supplemental Nutrition Assistance Program

SEC. 4001. FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS.

Section 4(b)(6)(F) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(b)(6)(F)) is amended by striking ''2012'' and inserting ''2017''.

SEC. 4002. STANDARD UTILITY ALLOWANCES BASED ON THE RECEIPT OF ENERGY ASSISTANCE PAYMENTS.

(a) STANDARD UTILITY ALLOWANCES IN THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.—Section 5(e)(6)(C) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(e)(6)(C)) is amended—

(1) in clause (i), by inserting '', subject to clause (iv)'' after ''Secretary''; and

(2) in clause (iv)(I), by striking ''the household still incurs'' and all that follows through the end of the subclause and inserting ''the payment received by, or made on behalf of, the household exceeds $10 or a higher amount annually, as determined by the Secretary.''.

(b) CONFORMING AMENDMENT.—Section 2605(f)(2)(A) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(f)(2)(A)) is amended by inserting before the semicolon at the end '', except that, for purposes of the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.), such payments or allowances exceed $10 or a higher amount annually, as determined by the Secretary of Agriculture in accordance with section 5(e)(6)(C)(iv)(I) of that Act (7 U.S.C. 2014(e)(6)(C)(iv)(I))''.

(c) EFFECTIVE AND IMPLEMENTATION DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), this section and the amendments made by this section shall take effect beginning on October 1, 2013, for all certification periods beginning after that date.

(2) STATE OPTION TO DELAY IMPLEMENTATION FOR CURRENT RECIPIENTS.—A State may, at the option of the State, implement a policy that eliminates or minimizes the effect of the amendments made by this section for households that receive a standard utility allowance as of the date of enactment of this Act for not more than a 180-day period beginning on the date on which the amendments made by this section would otherwise affect the benefits received by a household.

SEC. 4003. ELIGIBILITY DISQUALIFICATIONS.

Section 6(e)(3)(B) of Food and Nutrition Act of 2008 (7 U.S.C. 2015(e)(3)(B)) is amended by striking ''section'' and inserting the following: ''section, subject to the condition that the course or program of study—

''(i) is part of a program of career and technical education (as defined in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302)) that may be completed in not more than 4 years at an institution of higher education (as defined in section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)); or

''(ii) is limited to remedial courses, basic adult education, literacy, or English as a second language;''.

SEC. 4004. ENDING SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM BENEFITS FOR LOTTERY OR GAMBLING WINNERS.

(a) IN GENERAL.—Section 6 of the Food and Nutrition Act of 2008 (7 U.S.C. 2015) is amended by adding at the end the following:

''(r) INELIGIBILITY FOR BENEFITS DUE TO RECEIPT OF SUBSTANTIAL LOTTERY OR GAMBLING WINNINGS.—

''(1) IN GENERAL.—Any household in which a member receives substantial lottery or gambling winnings, as determined by the Secretary, shall lose eligibility for benefits immediately upon receipt of the winnings.

''(2) DURATION OF INELIGIBILITY.—A household described in paragraph (1) shall remain ineligible for participation until the household meets the allowable financial resources and income eligibility requirements under subsections (c), (d), (e), (f), (g), (i), (k), (l), (m), and (n) of section 5.

''(3) AGREEMENTS.—As determined by the Secretary, each State agency, to the maximum extent practicable, shall establish agreements with entities responsible for the regulation or sponsorship of gaming in the State to determine whether individuals participating in the supplemental nutrition assistance program have received substantial lottery or gambling winnings.''.

(b) CONFORMING AMENDMENTS.—Section 5(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2014(a)) is amended in the second sentence by striking ''sections 6(b), 6(d)(2), and 6(g)'' and inserting ''subsections (b), (d)(2), (g), and (r) of section 6''.

SEC. 4005. RETAIL FOOD STORES.

(a) DEFINITION OF RETAIL FOOD STORE.—Subsection (o)(1)(A) of section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012) (as redesignated by section 4016(a)(4)) is amended by striking ''at least 2'' and inserting ''at least 3''.

(b) ALTERNATIVE BENEFIT DELIVERY.—Section 7(f) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(f)) is amended—

(1) by striking paragraph (2) and inserting the following:

''(2) IMPOSITION OF COSTS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall require participating retail food stores (including restaurants participating in a State option restaurant program intended to serve the elderly, disabled, and homeless) to pay 100 percent of the costs of acquiring, and arrange for the implementation of, electronic benefit transfer point-of-sale equipment and supplies, including related services.

''(B) EXEMPTIONS.—The Secretary may exempt from subparagraph (A)—

''(i) farmers' markets, military commissaries, nonprofit food buying cooperatives, and establishments, organizations, programs, or group living arrangements described in paragraphs (5), (7), and (8) of section 3(k); and

''(ii) establishments described in paragraphs (3), (4), and (9) of section 3(k), other than restaurants participating in a State option restaurant program.''; and

(2) by adding at the end the following:

''(4) TERMINATION OF MANUAL VOUCHERS.—

''(A) IN GENERAL.—Effective beginning on the date of enactment of this paragraph, except as provided in subparagraph (B), no State shall issue manual vouchers to a household that receives supplemental nutrition assistance under this Act or allow retail food stores to accept manual vouchers as payment, unless the Secretary determines that the manual vouchers are necessary, such as in the event of an electronic benefit transfer system failure or a disaster situation.

''(B) EXEMPTIONS.—The Secretary may exempt categories of retail food stores or individual retail food stores from subparagraph (A) based on criteria established by the Secretary.

''(5) UNIQUE IDENTIFICATION NUMBER REQUIRED.—The Secretary shall require all parties providing electronic benefit transfer services to provide for and maintain unique terminal identification number information through the supplemental nutrition assistance program electronic benefit transfer transaction routing system.''.

(c) ELECTRONIC BENEFIT TRANSFERS.—Section 7(h)(3)(B) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)(3)(B)) is amended by striking ''is operational—'' and all that follows through ''(ii) in the case of other participating stores,'' and inserting ''is operational''.

(d) APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.—Section 9 of the Food and Nutrition Act of 2008 (7 U.S.C. 2018) is amended—

(1) in subsection (a)—

(A) in the second sentence of paragraph (a)(1), by striking ''; and (C)'' and inserting ''; (C) whether the applicant is located in an area with significantly limited access to food; and (D)''; and

(2) by adding at the end the following:

''(4) RETAIL FOOD STORES WITH SIGNIFICANT SALES OF EXCEPTED ITEMS.—

''(A) IN GENERAL.—No retail food store for which at least 45 percent of the total sales of the retail food store is from the sale of excepted items described in section 3(k)(1) may be authorized to accept and redeem benefits unless the Secretary determines that the participation of the retail food store is required for the effective and efficient operation of the supplemental nutrition assistance program.

''(B) APPLICATION.—Subparagraph (A) shall be effective—

''(i) in the case of retail food stores applying to be authorized for the first time, beginning on the date that is 1 year after the date of enactment of this paragraph; and

''(ii) in the case of retail food stores participating in the program on the date of enactment of this paragraph, during periodic reauthorization in accordance with paragraph (2)(A).''; and

(3) by adding at the end the following:

''(g) EBT SERVICE REQUIREMENT.—An approved retail food store shall provide adequate EBT service as described in section 7(h)(3)(B).''.

SEC. 4006. IMPROVING SECURITY OF FOOD ASSISTANCE.

Section 7(h)(8) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)(8)) is amended—

(1) by striking the paragraph heading and inserting ''REPLACEMENT OF CARDS.—'';

(2) by striking ''A State'' and inserting the following:

''(A) FEES.—A State''; and

(3) by adding after subparagraph (A) (as so designated by paragraph (2)) the following:

''(B) PURPOSEFUL LOSS OF CARDS.—

''(i) IN GENERAL.—Subject to terms and conditions established by the Secretary in accordance with clause (ii), if a household makes excessive requests for replacement of the electronic benefit transfer card of the household, the Secretary may require a State agency to decline to issue a replacement card to the household unless the household, upon request of the State agency, provides an explanation for the loss of the card.

''(ii) REQUIREMENTS.—The terms and conditions established by the Secretary shall provide that—

''(I) the household be given the opportunity to provide the requested explanation and meet the requirements under this paragraph promptly;

''(II) after an excessive number of lost cards, the head of the household shall be required to review program rights and responsibilities with State agency personnel authorized to make determinations under section 5(a); and

''(III) any action taken, including actions required under section 6(b)(2), other than the withholding of the electronic benefit transfer card until an explanation described in subclause (I) is provided, shall be consistent with the due process protections under section 6(b) or 11(e)(10), as appropriate.

''(C) PROTECTING VULNERABLE PERSONS.—In implementing this paragraph, a State agency shall act to protect homeless persons, persons with disabilities, victims of crimes, and other vulnerable persons who lose electronic benefit transfer cards but are not intentionally committing fraud.

''(D) EFFECT ON ELIGIBILITY.—While a State may decline to issue an electronic benefits transfer card until a household satisfies the requirements under this paragraph, nothing in this paragraph shall be considered a denial of, or limitation on, the eligibility for benefits under section 5.''.

SEC. 4007. TECHNOLOGY MODERNIZATION FOR RETAIL FOOD STORES.

(a) MOBILE TECHNOLOGIES.—Section 7(h) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)) (as amended by section 4016(e)) is amended by adding at the end the following:

''(14) MOBILE TECHNOLOGIES.—

''(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall approve retail food stores to redeem benefits through electronic means other than wired point of sale devices for electronic benefit transfer transactions, if the retail food stores—

''(i) establish recipient protections regarding privacy, ease of use, access, and support similar to the protections provided for transactions made in retail food stores;

''(ii) bear the costs of obtaining, installing, and maintaining mobile technologies, including mechanisms needed to process EBT cards and transaction fees;

''(iii) demonstrate the foods purchased with benefits issued under this section through mobile technologies are purchased at a price not higher than the price of the same food purchased by other methods used by the retail food store, as determined by the Secretary;

''(iv) provide adequate documentation for each authorized transaction, as determined by the Secretary; and

''(v) meet other criteria as established by the Secretary.

''(B) DEMONSTRATION PROJECT ON ACCEPTANCE OF BENEFITS OF MOBILE TRANSACTIONS.—

''(i) IN GENERAL.—Before authorizing implementation of subparagraph (A) in all States, the Secretary shall pilot the use of mobile technologies determined by the Secretary to be appropriate to test the feasibility and implications for program integrity, by allowing retail food stores to accept benefits from recipients of supplemental nutrition assistance through mobile transactions.

''(ii) DEMONSTRATION PROJECTS.—To be eligible to participate in a demonstration project under clause (i), a retail food store shall submit to the Secretary for approval a plan that includes—

''(I) a description of the technology;

''(II) the manner by which the retail food store will provide proof of the transaction to households;

''(III) the provision of data to the Secretary, consistent with requirements established by the Secretary, in a manner that allows the Secretary to evaluate the impact of the demonstration on participant access, ease of use, and program integrity; and

''(IV) such other criteria as the Secretary may require.

''(iii) DATE OF COMPLETION.—The demonstration projects under this subparagraph shall be completed and final reports submitted to the Secretary by not later than July 1, 2015.

''(C) REPORT TO CONGRESS.—The Secretary shall—

''(i) by not later than January 1, 2016, authorize implementation of subparagraph (A) in all States, unless the Secretary makes a finding, based on the data provided under subparagraph (B), that implementation in all States is not in the best interest of the supplemental nutrition assistance program; and

''(ii) if the determination made in clause (i) is not to implement subparagraph (A) in all States, submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that includes the basis of the finding.''.

(b) ACCEPTANCE OF BENEFITS THROUGH ON-LINE TRANSACTIONS.—

(1) IN GENERAL.—Section 7 of the Food and Nutrition Act of 2008 (7 U.S.C. 2016) is amended by adding at the end the following:

''(k) OPTION TO ACCEPT PROGRAM BENEFITS THROUGH ON-LINE TRANSACTIONS.—

''(1) IN GENERAL.—Subject to paragraph (4), the Secretary shall approve retail food stores to accept benefits from recipients of supplemental nutrition assistance through on-line transactions.

''(2) REQUIREMENTS TO ACCEPT BENEFITS.—A retail food store seeking to accept benefits from recipients of supplemental nutrition assistance through on-line transactions shall—

''(A) establish recipient protections regarding privacy, ease of use, access, and support similar to the protections provided for transactions made in retail food stores;

''(B) ensure benefits are not used to pay delivery, ordering, convenience, or other fees or charges;

''(C) clearly notify participating households at the time a food order is placed—

''(i) of any delivery, ordering, convenience, or other fee or charge associated with the food purchase; and

''(ii) that any such fee cannot be paid with benefits provided under this Act;

''(D) ensure the security of on-line transactions by using the most effective technology available that the Secretary considers appropriate and cost-effective and that is comparable to the security of transactions at retail food stores; and

''(E) meet other criteria as established by the Secretary.

''(3) STATE AGENCY ACTION.—Each State agency shall ensure that recipients of supplemental nutrition assistance can use benefits on-line as described in this subsection as appropriate.

''(4) DEMONSTRATION PROJECT ON ACCEPTANCE OF BENEFITS THROUGH ON-LINE TRANSACTIONS.—

''(A) IN GENERAL.—Before the Secretary authorizes implementation of paragraph (1) in all States, the Secretary shall carry out a number of demonstration projects as determined by the Secretary to test the feasibility of allowing retail food stores to accept benefits through on-line transactions.

''(B) DEMONSTRATION PROJECTS.—To be eligible to participate in a demonstration project under subparagraph (A), a retail food store shall submit to the Secretary for approval a plan that includes—

''(i) a method of ensuring that benefits may be used to purchase only eligible items under this Act;

''(ii) a description of the method of educating participant households about the availability and operation of on-line purchasing;

''(iii) adequate testing of the on-line purchasing option prior to implementation;

''(iv) the provision of data as requested by the Secretary for purposes of analyzing the impact of the project on participant access, ease of use, and program integrity;

''(v) reports on progress, challenges, and results, as determined by the Secretary; and

''(vi) such other criteria, including security criteria, as established by the Secretary.

''(C) DATE OF COMPLETION.—The demonstration projects under this paragraph shall be completed and final reports submitted to the Secretary by not later than July 1, 2015.

''(5) REPORT TO CONGRESS.—The Secretary shall—

''(A) by not later than January 1, 2016, authorize implementation of paragraph (1) in all States, unless the Secretary makes a finding, based on the data provided under paragraph (4), that implementation in all States is not in the best interest of the supplemental nutrition assistance program; and

''(B) if the determination made in subparagraph (A) is not to implement in all States, submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that includes the basis of the finding.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 7(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(b)) is amended by striking ''purchase food in retail food stores'' and inserting ''purchase food from retail food stores''.

(B) Section 10 of the Food and Nutrition Act of 2008 (7 U.S.C. 2019) is amended in the first sentence by inserting ''retail food stores authorized to accept and redeem benefits through on-line transactions shall be authorized to accept benefits prior to the delivery of food if the delivery occurs within a reasonable time of the purchase, as determined by the Secretary,'' after ''food so purchased,''.

(c) SAVINGS CLAUSE.—Nothing in this section or an amendment made by this section alter any requirements of the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) unless specifically authorized in this section or an amendment made by this section.

SEC. 4008. USE OF BENEFITS FOR PURCHASE OF COMMUNITY-SUPPORTED AGRICULTURE SHARE.

Section 10 of the Food and Nutrition Act of 2008 (7 U.S.C. 2019) (as amended by section 4007(b)(2)(B)) is amended in the first sentence by inserting ''agricultural producers who market agricultural products directly to consumers shall be authorized to redeem benefits for the initial cost of the purchase of a community-supported agriculture share for an appropriate time in advance of food delivery as determined by the Secretary,'' after ''as determined by the Secretary,''.

SEC. 4009. RESTAURANT MEALS PROGRAM.

(a) IN GENERAL.—Section 11(e) of the Food and Nutrition Act of 2008 (7 U.S.C. 2020(e)) is amended—

(1) in paragraph (22), by striking ''and'' at the end;

(2) in paragraph (23), by striking the period at the end of subparagraph (C) and inserting ''; and''; and

(3) by adding at the end the following:

''(24) if the State elects to carry out a program to contract with private establishments to offer meals at concessional prices, as described in paragraphs 3, 4, and 9 of section 3(k)—

''(A) the plans of the State agency for operating the program, including—

''(i) documentation of a need that eligible homeless, elderly, and disabled clients are underserved in a particular geographic area;

''(ii) the manner by which the State agency will limit participation to only those private establishments that the State determines necessary to meet the need identified in clause (i); and

''(iii) any other conditions the Secretary may prescribe, such as the level of security necessary to ensure that only eligible recipients participate in the program; and

''(B) a report by the State agency to the Secretary annually, the schedule of which shall be established by the Secretary, that includes—

''(i) the number of households and individual recipients authorized to participate in the program, including any information on whether the individual recipient is elderly, disabled, or homeless; and

''(ii) an assessment of whether the program is meeting an established need, as documented under subparagraph (A)(i).''.

(b) APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.—Section 9 of the Food and Nutrition Act of 2008 (7 U.S.C. 2018) (as amended by section 4005(d)(3)) is amended by adding at the end the following:

''(h) PRIVATE ESTABLISHMENTS.—

''(1) IN GENERAL.—Subject to paragraph (2), no private establishment that contracts with a State agency to offer meals at concessional prices as described in paragraphs 3, 4, and 9 of section 3(k) may be authorized to accept and redeem benefits unless the Secretary determines that the participation of the private establishment is required to meet a documented need in accordance with section 11(e)(24).

''(2) EXISTING CONTRACTS.—

''(A) IN GENERAL.—If, on the day before the date of enactment of this subsection, a State has entered into a contract with a private establishment described in paragraph (1) and the Secretary has not determined that the participation of the private establishment is necessary to meet a documented need in accordance with section 11(e)(24), the Secretary shall allow the operation of the private establishment to continue without that determination of need for a period not to exceed 180 days from the date on which the Secretary establishes determination criteria, by regulation, under section 11(e)(24).

''(B) JUSTIFICATION.—If the Secretary makes a determination to terminate a contract with a private establishment that is in effect on the date of enactment of this subsection, the Secretary shall provide justification to the State in which the private establishment is located for that termination.

''(3) REPORT TO CONGRESS.—Not later than 90 days after September 30, 2013, and 90 days after the last day of each fiscal year thereafter, the Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the effectiveness of a program under this subsection using any information received from States under section 11(e)(24) as well as any other information the Secretary may have relating to the manner in which benefits are used.''.

(c) CONFORMING AMENDMENTS.—Section 3(k) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(k)) is amended by inserting ''subject to section 9(h)'' after ''concessional prices'' each place it appears.

SEC. 4010. QUALITY CONTROL ERROR RATE DETERMINATION.

Section 16(c) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(c)) is amended by adding at the end the following:

''(10) TOLERANCE LEVEL.—For the purposes of this subsection, the Secretary shall set the tolerance level for excluding small errors at $25.''.

SEC. 4011. AUTHORIZATION OF APPROPRIATIONS.

Section 18(a)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2027(a)(1)) is amended in

the first sentence by striking ''2012'' and inserting ''2017''.

SEC. 4012. ASSISTANCE FOR COMMUNITY FOOD PROJECTS.

Section 25 of the Food and Nutrition Act of 2008 (7 U.S.C. 2034) is amended—

(1) in subsection (a)(1)(B)(ii)—

(A) by striking subclause (I); and

(B) by redesignating subclauses (II) and (III) as subclauses (I) and (II), respectively; and

(2) in subsection (b), by adding at the end the following:

''(3) FUNDING.—

''(A) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this section not less than $5,000,000 for fiscal year 2013 and each fiscal year thereafter.

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

''(C) MAINTENANCE OF FUNDING.—The funding provided under subparagraph (A) shall supplement (and not supplant) other Federal funding made available to the Secretary to carry out this section.''.

SEC. 4013. EMERGENCY FOOD ASSISTANCE.

(a) PURCHASE OF COMMODITIES.—Section 27(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2036(a)) is amended—

(1) in paragraph (1), by striking ''2008 through 2012'' and inserting ''2012 through 2017'';

(2) by striking paragraph (2) and inserting the following:

''(2) AMOUNTS.—The Secretary shall use to carry out paragraph (1)—

''(A) for fiscal year 2012, $260,000,000; and

''(B) for each subsequent fiscal year, the dollar amount of commodities specified in subparagraph (A) adjusted by the percentage by which the thrifty food plan has been adjusted under section 3(u)(4) between June 30, 2012, and June 30 of the immediately preceding fiscal year, and subsequently increased by—

''(i) for fiscal year 2013, $28,000,000;

''(ii) for fiscal year 2014, $24,000,000;

''(iii) for fiscal year 2015, $20,000,000;

''(iv) for fiscal year 2016, $18,000,000; and

''(v) for fiscal year 2017 and each fiscal year thereafter, $10,000,000.''; and

(3) by adding at the end the following:

''(3) FUNDS AVAILABILITY.—For purposes of the funds described in this subsection, the Secretary shall—

''(A) make the funds available for 2 fiscal years; and

''(B) allow States to carry over unexpended balances to the next fiscal year pursuant to such terms and conditions as are determined by the Secretary.''.

(b) EMERGENCY FOOD PROGRAM INFRASTRUCTURE GRANTS.—Section 209(d) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7511a(d)) is amended by striking ''2012'' and inserting ''2017''.

SEC. 4014. NUTRITION EDUCATION.

Section 28(b) of the Food and Nutrition Act of 2008 (7 U.S.C. 2036a(b)) is amended by inserting ''and physical activity'' after ''healthy food choices''.

SEC. 4015. RETAIL FOOD STORE AND RECIPIENT TRAFFICKING.

The Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

''SEC. 29. RETAIL FOOD STORE AND RECIPIENT TRAFFICKING.

''(a) PURPOSE.—The purpose of this section is to provide the Department of Agriculture with additional resources to prevent trafficking in violation of this Act by strengthening recipient and retail food store program integrity.

''(b) USE OF FUNDS.—Additional funds are provided under this section to supplement the retail food store and recipient integrity activities of the Department.

''(c) FUNDING.—

''(1) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this section not less than $18,500,000 for fiscal year 2013 and each fiscal year thereafter.

''(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.

''(3) MAINTENANCE OF FUNDING.—The funding provided under paragraph (1) shall supplement (and not supplant) other Federal funding for programs carried out under this Act.''.

SEC. 4016. TECHNICAL AND CONFORMING AMENDMENTS.

(a) Section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012) is amended—

(1) in subsection (g), by striking ''coupon,'' and inserting ''coupon'';

(2) in subsection (k)(7), by striking ''or are'' and inserting ''and'';

(3) by striking subsection (l);

(4) by redesignating subsections (m) through (t) as subsections (l) through (s), respectively; and

(5) by inserting after subsection (s) (as so redesignated) the following:

''(t) 'Supplemental nutrition assistance program' means the program operated pursuant to this Act.''.

(b) Section 4(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2013(a)) is amended in the last sentence by striking ''benefits'' and inserting ''Benefits''.

(c) Section 5 of the Food and Nutrition Act of 2008 (7 U.S.C. 2014) is amended—

(1) in the last sentence of subsection (i)(2)(D), by striking ''section 13(b)(2)'' and inserting ''section 13(b)''; and

(2) in subsection (k)(4)(A), by striking ''paragraph (2)(H)'' and inserting ''paragraph (2)(G)''.

(d) Section 6(d)(4) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(d)(4)) is amended in subparagraphs (B)(vii) and (F)(iii) by indenting both clauses appropriately.

(e) Section 7(h) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(h)) is amended by redesignating the second paragraph (12) (relating to interchange fees) as paragraph (13).

(f) Section 9(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2018(a)) is amended by indenting paragraph (3) appropriately.

(g) Section 12 of the Food and Nutrition Act of 2008 (7 U.S.C. 2021) is amended—

(1) in subsection (b)(3)(C), by striking ''civil money penalties'' and inserting ''civil penalties''; and

(2) in subsection (g)(1), by striking ''(7 U.S.C. 1786)'' and inserting ''(42 U.S.C. 1786)''.

(h) Section 15(b)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2024(b)(1)) is amended in the first sentence by striking ''an benefit'' and inserting ''a benefit''.

(i) Section 16(a) of the Food and Nutrition Act of 2008 (7 U.S.C. 2025(a)) is amended in the proviso following paragraph (8) by striking ''as amended.''.

(j) Section 18(e) of the Food and Nutrition Act of 2008 (7 U.S.C. 2027(e)) is amended in the first sentence by striking ''sections 7(f)'' and inserting ''section 7(f)''.

(k) Section 22(b)(10)(B)(i) of the Food and Nutrition Act of 2008 (7 U.S.C. 2031(b)(10)(B)(i)) is amended in the last sentence by striking ''Food benefits'' and inserting ''Benefits''.

(l) Section 26(f)(3)(C) of the Food and Nutrition Act of 2008 (7 U.S.C. 2035(f)(3)(C)) is amended by striking ''subsection'' and inserting ''subsections''.

(m) Section 27(a)(1) of the Food and Nutrition Act of 2008 (7 U.S.C. 2036(a)(1)) is amended by striking ''(Public Law 98–8; 7 U.S.C. 612c note)'' and inserting ''(7 U.S.C. 7515)''.

(n) Section 509 of the Older Americans Act of 1965 (42 U.S.C. 3056g) is amended in the section heading by striking ''**FOOD STAMP PROGRAMS**'' and inserting ''**SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAMS**''.

(o) Section 4115(c)(2)(H) of the Food, Conservation, and Energy Act of 2008 (Public Law 110–246; 122 Stat. 1871) is amended by striking ''531'' and inserting ''454''.

SEC.___. EFFECTIVE DATE.

This Title shall become effective 3 days after enactment.

SA 2392. Mr. REID proposed an amendment to amendment SA 2391 proposed by Mr. REID to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; as follows:

Beginning on page 1, strike line 2 and all that follows through page 31, line 10, and insert the following:

Subtitle A—Supplemental Nutrition Assistance Block Grant Program

SEC. 4001. PURPOSE.

The purpose of this subtitle is to empower States with programmatic flexibility and financial predictability in designing and operating State programs—

(1) to raise the levels of nutrition among low-income households;

(2) to provide supplemental nutrition assistance benefits to households with income and resources that are insufficient to meet the costs of providing adequate nutrition; and

(3) to provide States the flexibility to provide new and innovative means to accomplish paragraphs (1) and (2) based on the population and particular needs of each State.

SEC. 4002. STATE PLANS.

(a) IN GENERAL.—To receive a grant under section 4003, a State shall submit to the Secretary a written plan that describes the manner in which the State intends to conduct a supplemental nutrition assistance program that—

(1) is designed to serve all political subdivisions in the State;

(2) provides supplemental nutrition assistance benefits to low-income households for the sole purpose of purchasing food, as defined by the applicable State agency in the plan; and

(3) limits participation in the supplemental nutrition assistance program to those households the incomes and other financial resources of which, held singly or in joint ownership, are determined by the State to be a substantial limiting factor in permitting the members of the household to obtain a more nutritious diet.

(b) REQUIREMENTS.—Each plan shall include—

(1) specific objective criteria for—

(A) the determination of eligibility for nutritional assistance for low-income households, which may be based on standards relating to income, assets, family composition, beneficiary population, age, work, current participation in other Federal government means-tested programs, and work, student enrollment, or training requirements; and

(B) fair and equitable treatment of recipients and provision of supplemental nutrition assistance benefits to all low-income households in the State; and

(2) a description of—

(A) benefits provided based on the aggregate grant amount; and

(B) the manner in which supplemental nutrition assistance benefits will be provided under the State plan, including the use of State administration organizations, private contractors, or consultants.

(c) CERTIFICATION OF THE ADMINISTRATION OF THE PROGRAM.—

(1) IN GENERAL.—The Governor of each State that receives a grant under section 4003 shall issue a certification to the Secretary in accordance with this subsection.

(2) ADMINISTRATION.—The certification shall specify which 1 or more State agencies will administer and supervise the State plan under this section.

(3) PROVISION OF BENEFITS ONLY TO LOW-INCOME INDIVIDUALS AND HOUSEHOLDS.—

(A) IN GENERAL.—The certification shall certify that the State will—

(i) only provide supplemental nutrition assistance to low-income individuals and households in the State; and

(ii) take such action as is necessary to prohibit any household or member of a household that does not meet the criteria described in subparagraph (B) from receiving supplemental nutrition assistance benefits.

(B) CRITERIA.—A household shall meet the criteria described in this subparagraph if the household is—

(i) a household in which each member receives benefits under the supplemental security income program established under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.);

(ii) a low-income household that does not exceed 100 percentage of the poverty line (as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2), including any revision required by such section)) for a family of the size involved as the State shall establish; or

(iii) a household in which each member receives benefits under a State or Federal general assistance program that complies with income criteria standards comparable to or more restrictive than the standards established under clause (ii).

(4) PROVISION OF BENEFITS ONLY TO CITIZENS AND LAWFUL PERMANENT RESIDENTS OF THE UNITED STATES.—The certification shall certify that the State will—

(A) only provide supplemental nutrition assistance to citizens and lawful permanent residents of the United States; and

(B) take such action as is necessary to prohibit supplemental nutrition assistance benefits from being provided to any individual or household a member of which is not a citizen or lawful permanent resident of the United States.

(5) CERTIFICATION OF STANDARDS AND PROCEDURES TO ENSURE AGAINST PROGRAM FRAUD, WASTE AND ABUSE.—The certification shall certify that the State—

(A) has established and will continue to enforce standards and procedures to ensure against program fraud, waste, and abuse, including standards and procedures concerning nepotism, conflicts of interest among individuals responsible for the administration and supervision of the State program, kickbacks, and the use of political patronage; and

(B) will prohibit from further receipt of benefits under the program any recipient who attempts to receive benefits fraudulently.

(6) LIMITATION ON SECRETARIAL AUTHORITY.—The Secretary—

(A) may only review a State plan submitted under this section for the purpose of confirming that a State has submitted the required documentation; and

(B) shall not have the authority to approve or deny a State plan submitted under this section or to otherwise inhibit or control the expenditure of grants paid to a State under section 4003, unless a State plan does not comply with the requirements of this section.

SEC. 4003. GRANTS TO STATES.

(a) IN GENERAL.—Beginning 120 days after the date of enactment of this Act, and annually thereafter, each State that has submitted a plan that meets the requirements of section 4002 shall receive from the Secretary a grant in an amount determined under subsection (b).

(b) AMOUNTS OF GRANTS.—

(1) IN GENERAL.—Subject to paragraph (3), a grant received under subsection (a) shall be in an amount equal to the product of—

(A) the amount made available under section 4005 for the applicable fiscal year; and

(B) the proportion that—

(i) the number of individuals residing in the State whose income does not exceed 100 percent of the poverty line described in section 4002(c)(3)(B)(ii) applicable to a family of the size involved; bears to

(ii) the number of such individuals in all States that have submitted a plan under section 4002 for the applicable fiscal year, based on data for the most recent fiscal year for which data is available.

(2) PRO RATA ADJUSTMENTS.—The Secretary shall make pro rata adjustments in the amounts determined for States under paragraph (1) for each fiscal year as necessary to ensure that—

(A) the total amount appropriated for the applicable fiscal year under section 4005 is allotted among all States that submit a plan under section 4002; and

(B) the total amount of all supplemental nutrition assistance grants for States determined for the fiscal year does not exceed the total amount appropriated for the fiscal year.

(3) ADMINISTRATIVE PROVISIONS.—

(A) QUARTERLY PAYMENTS.—The Secretary shall make each supplemental nutrition assistance grant payable to a State for a fiscal year under this section in quarterly installments.

(B) COMPUTATION AND CERTIFICATION OF PAYMENT TO STATES.—

(i) COMPUTATION.—The Secretary shall estimate the amount to be paid to each State for each quarter under this section based on a report filed by the State that shall include—

(I) an estimate by the State of the total amount to be expended by the State during the applicable quarter under the State program funded under this subtitle; and

(II) such other information as the Secretary may require.

(ii) CERTIFICATION.—The Secretary shall certify to the Secretary of the Treasury the amount estimated under clause (i) with respect to each State, adjusted to the extent of any overpayment or underpayment—

(I) that the Secretary determines was made under this subtitle to the State for any prior quarter; and

(II) with respect to which adjustment has not been made under this paragraph.

SEC. 4004. USE OF GRANTS.

(a) IN GENERAL.—Subject to subsection (b), a State that receives a grant under section 4003 may use the grant in any manner that is reasonably demonstrated to accomplish the purposes of this subtitle.

(b) LIMITATION ON USE OF GRANT FOR ADMINISTRATIVE PURPOSES.—A State may not use more than 3 percent of the amount of a grant received for a fiscal year under section 4003 for administrative purposes.

SEC. 4005. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out this subtitle $45,000,000,000 for fiscal year 2013 and each fiscal year thereafter.

SEC. 4006. REPEAL.

(a) IN GENERAL.—Effective 120 days after the date of enactment of this Act, the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.) is repealed.

(b) RELATIONSHIP TO OTHER LAW.—Any reference in this Act, an amendment made by this Act, or any other Act to the supplemental nutrition assistance program shall be considered to be a reference to the supplemental nutrition assistance block grant program under this subtitle.

SA 2393. Mr. REID proposed an amendment to amendment SA 2392 proposed by Mr. REID to the amendment SA 2391 proposed by Mr. REID to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; as follows:

SEC. ___. SHORT TITLE.

This subtitle may be cited as the ''Stop Unfair Giveaways and Restrictions Act of 2012'' or ''SUGAR Act of 2012''.

SEC. ___. SUGAR PROGRAM.

(a) IN GENERAL.—Section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272) is amended—

(1) in subsection (d), by striking paragraph (1) and inserting the following:

''(1) LOANS.—The Secretary shall carry out this section through the use of recourse loans.'';

(2) by redesignating subsection (i) as subsection (j);

(3) by inserting after subsection (h) the following:

''(i) PHASED REDUCTION OF LOAN RATE.—For each of the 2012, 2013, and 2014 crops of sugar beets and sugarcane, the Secretary shall lower the loan rate for each succeeding crop in a manner that progressively and uniformly lowers the loan rate for sugar beets and sugarcane to $0 for the 2015 crop.''; and

(4) in subsection (j) (as redesignated), by striking ''2012'' and inserting ''2014''.

(b) PROSPECTIVE REPEAL.—Effective beginning with the 2015 crop of sugar beets and sugarcane, section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272) is repealed.

SEC. ___. ELIMINATION OF SUGAR PRICE SUPPORT AND PRODUCTION ADJUSTMENT PROGRAMS.

(a) IN GENERAL.—Notwithstanding any other provision of law—

(1) a processor of any of the 2015 or subsequent crops of sugarcane or sugar beets shall not be eligible for a loan under any provision of law with respect to the crop; and

(2) the Secretary may not make price support available, whether in the form of a loan, payment, purchase, or other operation, for any of the 2015 and subsequent crops of sugar beets and sugarcane by using the funds of the Commodity Credit Corporation or other funds available to the Secretary.

(b) TERMINATION OF MARKETING QUOTAS AND ALLOTMENTS.—

(1) IN GENERAL.—Part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa et seq.) is repealed.

(2) CONFORMING AMENDMENT.—Section 344(f)(2) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1344(f)(2)) is amended by striking ''sugar cane for sugar, sugar beets for sugar,''.

(c) GENERAL POWERS.—

(1) SECTION 32 ACTIVITIES.—Section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), is amended in the second sentence of the first paragraph—

(A) in paragraph (1), by inserting ''(other than sugar beets and sugarcane)'' after ''commodities''; and

(B) in paragraph (3), by inserting ''(other than sugar beets and sugarcane)'' after ''commodity''.

(2) POWERS OF COMMODITY CREDIT CORPORATION.—Section 5(a) of the Commodity Credit

Corporation Charter Act (15 U.S.C. 714c(a)) is amended by inserting ''sugar beets, and sugarcane'' after ''tobacco''.

(3) PRICE SUPPORT FOR NONBASIC AGRICULTURAL COMMODITIES.—Section 201(a) of the Agricultural Act of 1949 (7 U.S.C. 1446(a)) is amended by striking ''milk, sugar beets, and sugarcane'' and inserting ''and milk''.

(4) COMMODITY CREDIT CORPORATION STORAGE PAYMENTS.—Section 167 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7287) is repealed.

(5) SUSPENSION AND REPEAL OF PERMANENT PRICE SUPPORT AUTHORITY.—Section 171(a)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301(a)(1)) is amended—

(A) by striking subparagraph (E); and

(B) by redesignating subparagraphs (F) through (I) as subparagraphs (E) through (H), respectively.

(6) STORAGE FACILITY LOANS.—Section 1402(c) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7971) is repealed.

(7) FEEDSTOCK FLEXIBILITY PROGRAM FOR BIOENERGY PRODUCERS.—Effective beginning with the 2013 crop of sugar beets and sugarcane, section 9010 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8110) is repealed.

(d) TRANSITION PROVISIONS.—This section and the amendments made by this section shall not affect the liability of any person under any provision of law as in effect before the application of this section and the amendments made by this section.

SEC. ___. TARIFF-RATE QUOTAS.

(a) ESTABLISHMENT.—Except as provided in subsection (c) and notwithstanding any other provision of law, not later than October 1, 2012, the Secretary shall develop and implement a program to increase the tariff-rate quotas for raw cane sugar and refined sugars for a quota year in a manner that ensures—

(1) a robust and competitive sugar processing industry in the United States; and

(2) an adequate supply of sugar at reasonable prices in the United States.

(b) FACTORS.—In determining the tariff-rate quotas necessary to satisfy the requirements of subsection (a), the Secretary shall consider the following:

(1) The quantity and quality of sugar that will be subject to human consumption in the United States during the quota year.

(2) The quantity and quality of sugar that will be available from domestic processing of sugarcane, sugar beets, and in-process beet sugar.

(3) The quantity of sugar that would provide for reasonable carryover stocks.

(4) The quantity of sugar that will be available from carryover stocks for human consumption in the United States during the quota year.

(5) Consistency with the obligations of the United States under international agreements.

(c) EXEMPTION.—Subsection (a) shall not include specialty sugar.

(d) DEFINITIONS.—In this section, the terms ''quota year'' and ''human consumption'' have the meaning such terms had under section 359k of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359kk) (as in effect on the day before the date of the enactment of this Act).

SEC. ___. APPLICATION.

Except as otherwise provided in this subtitle, this subtitle and the amendments made by this subtitle shall apply beginning with the 2012 crop of sugar beets and sugarcane.

SA 2394. Mr. DEMINT (for himself and Mr. LEE) submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. CAPPING AND REDUCING THE BALANCE SHEET OF THE FEDERAL RESERVE SYSTEM.

(a) IN GENERAL.—Notwithstanding any other provision of law, no action may be taken by the Board of Governors of the Federal Reserve System or the Federal Open Market Committee on or after the date of enactment of this Act that would result in the total of the factors affecting reserve balances of depository institutions exceeding the balance as of June 8, 2012.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Federal Reserve System should expeditiously take substantial steps to reduce the size of its balance sheet to levels below those that prevailed prior to the financial crisis of 2008.

SA 2395. Mr. AKAKA submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 751, strike line 23 and insert the following:

''SEC. 3915. SUBSTANTIALLY UNDERSERVED TRUST AREAS.

''(a) DEFINITIONS.—In this section:

''(1) ELIGIBLE PROGRAM.—The term 'eligible program' means a program administered by the Secretary and authorized in—

''(A) this Act;

''(B) the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.); or

''(C) title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.).

''(2) SUBSTANTIALLY UNDERSERVED TRUST AREA.—The term 'substantially underserved trust area' means a community in 'trust land' (as defined in section 3765 of title 38, United States Code).

''(b) INITIATIVE.—The Secretary, in consultation with local governments and Federal agencies, may implement an initiative to identify and improve the availability of eligible programs in communities in substantially underserved trust areas.

''(c) AUTHORITY OF SECRETARY.—In carrying out subsection (b), the Secretary—

''(1) may make available from loan or loan guarantee programs administered by the Secretary to qualified entities or applicants financing with an interest rate as low as 2 percent and with extended repayment terms;

''(2) may waive nonduplication restrictions, matching fund requirements, or credit support requirements from any loan or grant program administered by the Secretary to facilitate the construction, acquisition, or improvement of infrastructure, or for other purposes;

''(3) may give the highest funding priority to designated projects in substantially underserved trust areas; and

''(4) shall only make loans or loan guarantees that are found to be financially feasible and that provide eligible program benefits to substantially underserved trust areas.

''(d) ELIGIBILITY OF TRUST LAND FOR ELIGIBLE PROGRAMS.—Notwithstanding any other provision of law, for purposes of eligibility for eligible programs, trust land (as defined in section 3765 of title 38, United States Code) shall be considered by the Secretary to be a rural area.

''(e) REPORT.—Each year, the Secretary shall submit to Congress a report that describes—

''(1) the progress of the initiative implemented under subsection (b); and

''(2) recommendations for any regulatory or legislative changes that would be appropriate to improve services to substantially underserved trust areas.

''SEC. 3916. REGULATIONS.

On page 752, strike lines 17 through 21 and insert the following:

(c) Section 306F of the Rural Electrification Act of 1936 (7 U.S.C. 936f) is repealed.

SA 2396. Mr. AKAKA submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 1009, after line 11, add the following:

SEC. 12207. OFFICE OF TRIBAL RELATIONS.

(a) IN GENERAL.—Title III of the Department of Agriculture Reorganization Act of 1994 is amended by adding after section 308 (7 U.S.C. 3125a note; Public Law 103–354) the following:

''SEC. 309. OFFICE OF TRIBAL RELATIONS.

''The Secretary shall establish in the Office of the Secretary an Office of Tribal Relations.''.

(b) CONFORMING AMENDMENTS.—Section 296(b) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7014(b)) (as amended by section 12201(b)) is amended—

(1) in paragraph (8), by striking ''or'' at the end;

(2) in paragraph (9), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(10) the authority of the Secretary to establish in the Office of the Secretary the Office of Tribal Relations in accordance with section 309.''.

SA 2397. Mr. AKAKA submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 1009, after line 11, add the following:

SEC. 12207. APPROVAL OF, AND PROVISIONS RELATING TO, TRIBAL LEASES.

(a) DEFINITIONS.—Subsection (d) of the first section of the Act of August 9, 1955 (25 U.S.C. 415(d)) (commonly known as the ''Long-Term Leasing Act''), is amended—

(1) in paragraph (4), by striking ''the Navajo Nation'' and inserting ''an applicable Indian tribe'';

(2) in paragraph (6), by striking ''the Navajo Nation'' and inserting ''an Indian tribe'';

(3) in paragraph (7), by striking ''and'' after the semicolon at the end;

(4) in paragraph (8)—

(A) by striking ''the Navajo Nation'';

(B) by striking ''with Navajo Nation law'' and inserting ''with applicable tribal law''; and

(C) by striking the period at the end and inserting ''; and''; and

(5) by adding at the end the following:

''(9) the term 'Indian tribe' has the meaning given the term in section 102 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 479a).''.

(b) TRIBAL APPROVAL OF LEASES.—The first section of the Act of August 9, 1955 (25 U.S.C. 415) (commonly known as the ''Long-Term Leasing Act''), is amended by adding at the end the following:

''(h) TRIBAL APPROVAL OF LEASES.—

''(1) IN GENERAL.—Subject to paragraph (2) and at the discretion of any Indian tribe, any

lease by the Indian tribe for the purposes authorized under subsection (a), except a lease for the exploration, development, or extraction of any mineral resources, shall not require the approval of the Secretary if the lease is executed under the tribal regulations approved by the Secretary under this subsection and the term of the lease does not exceed—

''(A) in the case of a business or agricultural lease, 25 years, except that any such lease may include an option to renew for up to 2 additional terms, each of which may not exceed 25 years; and

''(B) in the case of a lease for public, religious, educational, recreational, or residential purposes, 75 years, if such a term is provided for by the regulations issued by the Indian tribe.

''(2) ALLOTTED LAND.—Paragraph (1) shall not apply to any lease of land (including an interest in land) held in trust for an individual Indian.

''(3) AUTHORITY OF SECRETARY OVER TRIBAL REGULATIONS.—

''(A) IN GENERAL.—The Secretary shall have the authority to approve or disapprove any tribal regulations issued in accordance with paragraph (1).

''(B) CONSIDERATIONS FOR APPROVAL.—The Secretary shall approve any tribal regulation issued in accordance with paragraph (1), if the tribal regulations—

''(i) are consistent with any regulations issued by the Secretary under subsection (a); and

''(ii) provide for an environmental review process that includes—

''(I) the identification and evaluation of any significant effects of the proposed action on the environment; and

''(II) a process for ensuring that—

''(aa) the public is informed of, and has a reasonable opportunity to comment on, any significant environmental impacts of the proposed action identified by the Indian tribe; and

''(bb) the Indian tribe provides responses to relevant and substantive public comments on those impacts before the Indian tribe approves the lease.

''(4) REVIEW PROCESS.—

''(A) IN GENERAL.—Not later than 120 days after the date on which the tribal regulations described in paragraph (1) are submitted to the Secretary, the Secretary shall review and approve or disapprove the regulations.

''(B) WRITTEN DOCUMENTATION.—If the Secretary disapproves the tribal regulations described in paragraph (1), the Secretary shall include written documentation with the disapproval notification that describes the basis for the disapproval.

''(C) EXTENSION.—The deadline described in subparagraph (A) may be extended by the Secretary, after consultation with the Indian tribe.

''(5) FEDERAL ENVIRONMENTAL REVIEW.—Notwithstanding paragraphs (3) and (4), if an Indian tribe carries out a project or activity funded by a Federal agency, the Indian tribe shall have the authority to rely on the environmental review process of the applicable Federal agency rather than any tribal environmental review process under this subsection.

''(6) DOCUMENTATION.—If an Indian tribe executes a lease pursuant to tribal regulations under paragraph (1), the Indian tribe shall provide the Secretary with—

''(A) a copy of the lease, including any amendments or renewals to the lease; and

''(B) in the case of tribal regulations or a lease that allows for lease payments to be made directly to the Indian tribe, documentation of the lease payments that is sufficient to enable the Secretary to discharge the trust responsibility of the United States under paragraph (7).

''(7) TRUST RESPONSIBILITY.—

''(A) IN GENERAL.—The United States shall not be liable for losses sustained by any party to a lease executed pursuant to tribal regulations under paragraph (1).

''(B) AUTHORITY OF SECRETARY.—Pursuant to the authority of the Secretary to fulfill the trust obligation of the United States to the applicable Indian tribe under Federal law (including regulations), the Secretary may, upon reasonable notice from the applicable Indian tribe and at the discretion of the Secretary, enforce the provisions of, or cancel, any lease executed by the Indian tribe under paragraph (1).

''(8) COMPLIANCE.—

''(A) IN GENERAL.—An interested party, after exhausting of any applicable tribal remedies, may submit a petition to the Secretary, at such time and in such form as the Secretary determines to be appropriate, to review the compliance of the applicable Indian tribe with any tribal regulations approved by the Secretary under this subsection.

''(B) VIOLATIONS.—If, after carrying out a review under subparagraph (A), the Secretary determines that the tribal regulations were violated, the Secretary may take any action the Secretary determines to be necessary to remedy the violation, including rescinding the approval of the tribal regulations and reassuming responsibility for the approval of leases of tribal trust lands.

''(C) DOCUMENTATION.—If the Secretary determines that a violation of the tribal regulations has occurred and a remedy is necessary, the Secretary shall—

''(i) make a written determination with respect to the regulations that have been violated;

''(ii) provide the applicable Indian tribe with a written notice of the alleged violation together with such written determination; and

''(iii) prior to the exercise of any remedy, the rescission of the approval of the regulation involved, or the reassumption of lease approval responsibilities, provide the applicable Indian tribe with—

''(I) a hearing that is on the record; and

''(II) a reasonable opportunity to cure the alleged violation.

''(9) SAVINGS CLAUSE.—Nothing in this subsection shall affect subsection (e) or any tribal regulations issued under that subsection.''.

(c) LAND TITLES AND RECORDS OFFICE REPORT.—

(1) IN GENERAL.—Not later than 180 days after the date on which funds are first made available to carry out this Act, the Bureau of Indian Affairs shall prepare and submit to the Committees on Financial Services and Natural Resources of the House of Representatives and the Committees on Banking, Housing, and Urban Affairs and Indian Affairs of the Senate a report regarding the history and experience of Indian tribes that have chosen to assume responsibility for operating the Land Titles and Records Office (referred to in this subsection as the ''LTRO'') functions from the Bureau of Indian Affairs.

(2) CONSULTATION.—In conducting the review under paragraph (1), the Bureau of Indian Affairs shall consult with the Department of Housing and Urban Development Office of Native American Programs and the Indian tribes that are managing LTRO functions (referred to in this subsection as the ''managing Indian tribes'').

(3) CONTENTS.—The review under paragraph (1) shall include an analysis of the following factors:

(A) Whether and how tribal management of the LTRO functions has expedited the processing and issuance of Indian land title certifications as compared to the period during which the Bureau of Indian Affairs managed the programs.

(B) Whether and how tribal management of the LTRO functions has increased home ownership among the population of the managing Indian tribe.

(C) What internal preparations and processes were required of the managing Indian tribes prior to assuming management of the LTRO functions.

(D) Whether tribal management of the LTRO functions resulted in a transfer of financial resources and manpower from the Bureau of Indian Affairs to the managing Indian tribes and, if so, what transfers were undertaken.

(E) Whether, in appropriate circumstances and with the approval of geographically proximate Indian tribes, the LTRO functions may be performed by a single Indian tribe or a tribal consortium in a cost effective manner.

SEC. 12208. MODIFICATION OF DEFINITION.

(a) MODIFICATION.—

(1) IN GENERAL.—The first sentence of section 19 of the Act of June 18, 1934 (commonly known as the ''Indian Reorganization Act'') (25 U.S.C. 479), is amended—

(A) by striking ''The term'' and inserting ''Effective beginning on June 18, 1934, the term''; and

(B) by striking ''any recognized Indian tribe now under Federal jurisdiction'' and inserting ''any federally recognized Indian tribe''.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect as if included in the Act of June 18, 1934 (commonly known as the ''Indian Reorganization Act'') (25 U.S.C. 479), on the date of enactment of that Act.

(b) RATIFICATION AND CONFIRMATION OF PRIOR ACTIONS.—Any action taken by the Secretary of the Interior pursuant to the Act of June 18, 1934 (commonly known as the ''Indian Reorganization Act'') (25 U.S.C. 461 et seq.), for any Indian tribe that was federally recognized on the date of that action is ratified and confirmed, to the extent that the action is challenged based on the question of whether the Indian tribe was federally recognized or under Federal jurisdiction on June 18, 1934, as if the action had, by prior act of Congress, been specifically authorized and directed.

(c) EFFECT ON OTHER LAWS.—

(1) IN GENERAL.—Nothing in this section or the amendments made by this section affects—

(A) the application or effect of any Federal law other than the Act of June 18, 1934 (25 U.S.C. 461 et seq.) (as amended by subsection (a)); or

(B) any limitation on the authority of the Secretary of the Interior under any Federal law or regulation other than the Act of June 18, 1934 (25 U.S.C. 461 et seq.) (as so amended).

(2) REFERENCES IN OTHER LAWS.—An express reference to the Act of June 18, 1934 (25 U.S.C. 461 et seq.), contained in any other Federal law shall be considered to be a reference to that Act as amended by subsection (a).

(d) STUDY; PUBLICATION.—

(1) STUDY.—The Secretary of the Interior shall conduct, and submit to Congress a report describing the results of, a study that—

(A) assesses the effects of the decision of the Supreme Court in Docket No. 07–526 (129 S. Ct. 1058) on Indian tribes and tribal land; and

(B) includes a list of each Indian tribe and parcel of tribal land affected by that decision.

(2) PUBLICATION.—On completion of the report under paragraph (1) and by not later than 1 year after the date of enactment of this Act, the Secretary of the Interior shall publish the list described in paragraph (1)(B)—

(A) in the Federal Register; and

(B) on the public website of the Department of the Interior.

SA 2398. Mr. AKAKA submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 515, strike lines 17 through 20 and insert the following:

488) is amended—

(1) in subsection (a), in the first sentence—

(A) by striking ''loans from'' and all that follows through ''1929)'' and inserting ''direct loans in a manner consistent with direct loans authorized under section 302 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922)''; and

(B) by inserting '', a member of an Indian tribe recognized by the Secretary of the Interior,'' before ''or tribal corporation''; and

(2) in subsection (b)(1), by striking ''pursuant to section 205(c) of the Indian Land Consolidation Act (25 U.S.C. 2204(c))''.

SA 2399. Mr. LEAHY submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 1009, after line 11, add the following:

SEC. 12207. NONIMMIGRANT DAIRY WORKERS, SHEEPHERDERS, AND GOAT HERDERS.

(a) SHORT TITLE.—This section may be cited as the ''H–2A Improvement Act''.

(b) NONIMMIGRANT STATUS FOR DAIRY WORKERS, SHEEPHERDERS, AND GOAT HERDERS.—Section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(H)(ii)(a)) is amended by inserting ''who is coming temporarily to the United States to perform agricultural labor or services as a dairy worker, sheepherder, or goat herder, or'' after ''abandoning''.

(c) SPECIAL RULES FOR ALIENS EMPLOYED AS DAIRY WORKERS, SHEEPHERDERS, OR GOAT HERDERS.—Section 218 of the Immigration and Nationality Act (8 U.S.C. 1188) is amended—

(1) by redesignating subsections (h) and (i) as subsections (i) and (j), respectively; and

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

''(h) SPECIAL RULES FOR ALIENS EMPLOYED AS DAIRY WORKERS, SHEEPHERDERS, OR GOAT HERDERS.—

''(1) IN GENERAL.—Notwithstanding any other provision of this Act, an alien admitted as a nonimmigrant under section 101(a)(15)(H)(ii)(a) for employment as a dairy worker, sheepherder, or goat herder—

''(A) may be admitted for an initial period of 3 years; and

''(B) subject to paragraph (3)(E), may have such initial period of admission extended for an additional period of up to 3 years.

''(2) EXEMPTION FROM TEMPORARY OR SEASONAL REQUIREMENT.—Not withstanding section 101(a)(15)(H)(ii)(a), an employer filing a petition to employ H–2A workers in positions as dairy workers, sheepherders, or goat herders shall not be required to show that such positions are of a seasonal or temporary nature.

''(3) ADJUSTMENT TO LAWFUL PERMANENT RESIDENT STATUS.—

''(A) ELIGIBLE ALIEN.—In this paragraph, the term 'eligible alien' means an alien who—

''(i) has H–2A worker status based on employment as a dairy worker, sheepherder, or goat herder;

''(ii) has maintained such status in the United States for a not fewer than 33 of the preceding 36 months; and

''(iii) is seeking to receive an immigrant visa under section 203(b)(3)(A)(iii).

''(B) CLASSIFICATION PETITION.—A petition under section 204 for classification of an eligible alien under section 203(b)(3)(A)(iii) may be filed by—

''(i) the alien's employer on behalf of the eligible alien; or

''(ii) the eligible alien.

''(C) NO LABOR CERTIFICATION REQUIRED.—Notwithstanding section 203(b)(3)(C), no determination under section 212(a)(5)(A) is required with respect to an immigrant visa under section 203(b)(3)(A)(iii) for an eligible alien.

''(D) EFFECT OF PETITION.—The filing of a petition described in subparagraph (B) or an application for adjustment of status based on a petition described in subparagraph (B) shall not be a basis fo denying—

''(i) another petition to employ H–2A workers;

''(ii) an extension of nonimmigrant status for a H–2A worker;

''(iii) admission of an alien as an H–2A worker;

''(iv) a request for a visa for an H–2A worker;

''(v) a request from an alien to modify the alien's immigration status to or from status as an H–2A worker; or

''(vi) a request made for an H–2A worker to extend such worker's stay in the United States.

''(E) EXTENSION OF STAY.—The Secretary of Homeland Security shall extend the stay of an eligible alien having a pending or approved petition described in subparagraph (B) in 1-year increments until a final determination is made on the alien's eligibility for adjustment of status to that of an alien lawfully admitted for permanent residence.

''(F) CONSTRUCTION.—Nothing in this paragraph may be construed to prevent an eligible alien from seeking adjustment of status in accordance with any other provision of law.''.

SA 2400. Mr. LEAHY submitted an amendment intended to be proposed to amendment SA 2343 submitted by Mr. CHAMBLISS (for himself and Mr. ISAKSON) and intended to be proposed to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

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

SEC. 12207. NONIMMIGRANT DAIRY WORKERS, SHEEPHERDERS, AND GOAT HERDERS.

(a) SHORT TITLE.—This section may be cited as the ''H–2A Improvement Act''.

(b) NONIMMIGRANT STATUS FOR DAIRY WORKERS, SHEEPHERDERS, AND GOAT HERDERS.—Section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(H)(ii)(a)) is amended by inserting ''who is coming temporarily to the United States to perform agricultural labor or services as a dairy worker, sheepherder, or goat herder, or'' after ''abandoning''.

(c) SPECIAL RULES FOR ALIENS EMPLOYED AS DAIRY WORKERS, SHEEPHERDERS, OR GOAT HERDERS.—Section 218 of the Immigration and Nationality Act (8 U.S.C. 1188) is amended—

(1) by redesignating subsections (h) and (i) as subsections (i) and (j), respectively; and

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

''(h) SPECIAL RULES FOR ALIENS EMPLOYED AS DAIRY WORKERS, SHEEPHERDERS, OR GOAT HERDERS.—

''(1) IN GENERAL.—Notwithstanding any other provision of this Act, an alien admitted as a nonimmigrant under section 101(a)(15)(H)(ii)(a) for employment as a dairy worker, sheepherder, or goat herder—

''(A) may be admitted for an initial period of 3 years; and

''(B) subject to paragraph (3)(E), may have such initial period of admission extended for an additional period of up to 3 years.

''(2) EXEMPTION FROM TEMPORARY OR SEASONAL REQUIREMENT.—Not withstanding section 101(a)(15)(H)(ii)(a), an employer filing a petition to employ H–2A workers in positions as dairy workers, sheepherders, or goat herders shall not be required to show that such positions are of a seasonal or temporary nature.

''(3) ADJUSTMENT TO LAWFUL PERMANENT RESIDENT STATUS.—

''(A) ELIGIBLE ALIEN.—In this paragraph, the term 'eligible alien' means an alien who—

''(i) has H–2A worker status based on employment as a dairy worker, sheepherder, or goat herder;

''(ii) has maintained such status in the United States for a not fewer than 33 of the preceding 36 months; and

''(iii) is seeking to receive an immigrant visa under section 203(b)(3)(A)(iii).

''(B) CLASSIFICATION PETITION.—A petition under section 204 for classification of an eligible alien under section 203(b)(3)(A)(iii) may be filed by—

''(i) the alien's employer on behalf of the eligible alien; or

''(ii) the eligible alien.

''(C) NO LABOR CERTIFICATION REQUIRED.—Notwithstanding section 203(b)(3)(C), no determination under section 212(a)(5)(A) is required with respect to an immigrant visa under section 203(b)(3)(A)(iii) for an eligible alien.

''(D) EFFECT OF PETITION.—The filing of a petition described in subparagraph (B) or an application for adjustment of status based on a petition described in subparagraph (B) shall not be a basis fo denying—

''(i) another petition to employ H–2A workers;

''(ii) an extension of nonimmigrant status for a H–2A worker;

''(iii) admission of an alien as an H–2A worker;

''(iv) a request for a visa for an H–2A worker;

''(v) a request from an alien to modify the alien's immigration status to or from status as an H–2A worker; or

''(vi) a request made for an H–2A worker to extend such worker's stay in the United States.

''(E) EXTENSION OF STAY.—The Secretary of Homeland Security shall extend the stay of an eligible alien having a pending or approved petition described in subparagraph (B) in 1-year increments until a final determination is made on the alien's eligibility for adjustment of status to that of an alien lawfully admitted for permanent residence.

''(F) CONSTRUCTION.—Nothing in this paragraph may be construed to prevent an eligible alien from seeking adjustment of status in accordance with any other provision of law.''.

SA 2401. Mr. UDALL of Colorado submitted an amendment intended to be proposed by him to the bill S. 3240, to

reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 1009, after line 11, add the following:

SEC. 12207. FARM AND RANCH LAND LINK COORDINATORS.

Section 226B(e)(2) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6934(e)(2)) is amended—

(1) by redesignating subparagraph (D) as subparagraph (E); and

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

''(D) FARM AND RANCH LAND LINK COORDINATOR.—

''(i) IN GENERAL.—The Secretary shall designate 1 farm and ranch land link coordinator for each State from among the State office employees of any of the following agencies in that State:

''(I) The Farm Service Agency.

''(II) The Natural Resources Conservation Service.

''(III) The Risk Management Agency.

''(IV) The Rural Business-Cooperative Service.

''(V) The Rural Utilities Service.

''(ii) TRAINING.—The Small Farms and Beginning Farmers and Ranchers Group shall coordinate the development of a training plan so that each State coordinator receives sufficient training to have a general working knowledge of the programs and services available from each agency of the Department to assist small and beginning farmers and ranchers in the transition of land from retiring farmers and ranchers.

''(iii) DUTIES.—The coordinator shall—

''(I) coordinate technical assistance at the State level to assist small and beginning farmers and ranchers, and retiring farmers and ranchers, interested in, or in process of, the transition of land, with the goal of keeping land in agricultural production;

''(II) develop, in consultation with appropriate Federal, State, and local agencies and nongovernmental organizations, and submit a State plan for approval by the Small Farms and Beginning Farmers and Ranchers Group or as directed by the Secretary to provide coordination to ensure adequate services to small and beginning farmers and ranchers at all county and area offices throughout the State that support linking small and beginning farmers and ranchers with retiring farmers and ranchers, including, at a minimum, facilitating the transition of land;

''(III) oversee implementation of the approved State plan; and

''(IV) work with outreach coordinators in the State offices of the Farm Service Agency, the Natural Resources Conservation Service, the Risk Management Agency, the Rural Business-Cooperative Service, the Rural Utilities Service, the National Institute of Food and Agriculture, and appropriate nongovernmental organizations to ensure appropriate information about technical assistance is available at outreach events and activities.''.

SA 2402. Mr. MORAN submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 831, strike lines 20 and 21 and insert the following:

38, United States Code).'';

(2) by redesignating subsection (h) as subsection (i);

(3) by inserting after subsection (g) the following:

''(h) STATE GRANTS.—

''(1) DEFINITION OF ELIGIBLE ENTITY.—In this subsection, the term 'eligible entity' means—

''(A) an agency of a State or political subdivision of a State;

''(B) a national, State, or regional organization of agricultural producers; and

''(C) any other entity determined appropriate by the Secretary.

''(2) GRANTS.—The Secretary shall use not less than 4 percent of funds made available to carry out this section for each fiscal year under subsection (i) to make grants to States, on a competitive basis, which States shall use the grants to make grants to eligible entities to establish and improve farm safety programs at the local level.''; and

(4) in subsection (i) (as redesignated by paragraph (2))—

SA 2403. Mr. MORAN submitted an amendment intended to be proposed by him to the bill S. 3240, to reauthorize agricultural programs through 2017, and for other purposes; which was ordered to lie on the table; as follows:

On page 291, lines 20 and 21, strike ''15 percent'' and insert ''20''.

NOTICE OF HEARING

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BINGAMAN. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Committee on Energy and Natural Resources. The hearing will be held on Tuesday, June 19, 2012, at 10 a.m., in room SD–366 of the Dirksen Senate Office Building.

The purpose of this hearing is to receive testimony on the potential for induced seismicity from energy technologies, including carbon capture and storage, enhanced geothermal systems, production from gas shales, and enhanced oil recovery.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send it to the Committee on Energy and Natural Resources, United States Senate, 304 Dirksen Senate Office Building, Washington, DC 20510–6150, or by email to Meagan_Gins@energy.senate.gov.

For further information, please contact Kevin Rennert at 202–224–7826, Kelly Kryc at 202–224–0537, or Meagan Gins at 202–224–0883.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FINANCE

Ms. STABENOW. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on June 12, 2012, at 10 a.m., in room SD–215 of the Dirksen Senate Office Building, to conduct a hearing entitled ''Tax Reform: Impact on U.S. Energy Policy.''

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

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Ms. STABENOW. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet, during the session of the Senate, to conduct a hearing entitled ''Equality At Work: The Employment Non-Discrimination Act'' on June 12, 2012, at 10 a.m., in room SD–106 of the Dirksen Senate Office Building.

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

COMMITTEE ON THE JUDICIARY

Ms. STABENOW. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate, on June 12, 2012, at 10 a.m., in room SD–226 of the Dirksen Senate Office Building, to conduct a hearing entitled ''Oversight of the U.S. Department of Justice.''

The PRESIDING OFFICER. Without objection, it is ordered.

SUBCOMMITTEE ON EMERGING THREATS AND CAPABILITIES

Ms. STABENOW. Mr. President, I ask unanimous consent that the Subcommittee on Emerging Threats and Capabilities of the Committee on Armed Services be authorized to meet during the session of the Senate on June 12, 2012, at 2:30 p.m.

The PRESIDING OFFICER. Without objection, it is ordered.

PRIVILEGES OF THE FLOOR

Mr. THUNE. Mr. President, I ask unanimous consent that Justin Posey, an intern in Senator PAUL's office, be granted the privilege of the floor during today's session of the Senate.

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

Mr. BLUMENTHAL. Mr. President, I ask unanimous consent that Tejal Shah, a fellow in Senator MARK UDALL's office, be granted floor privileges for the duration of the Senate's session this week on June 13 and June 14, 2012.

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

COMMENDING THE PARTICIPANTS IN THE 44TH INTERNATIONAL CHEMISTRY OLYMPIAD

Mr. BENNET. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 491, submitted earlier today by Senators COONS and BOOZMAN.

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

The legislative clerk read as follows:

A resolution (S. Res. 491) commending the participants in the 44th International Chemistry Olympiad and recognizing the importance of education in the fields of science, technology, engineering, and mathematics to the future of the United States.

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

Mr. BENNET. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, and the motions to reconsider be laid upon the table, with no intervening action or debate, and that any statements relating to the measure be printed in the RECORD.

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

The resolution (S. Res. 491) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 491

Whereas the global economy of the future will require a workforce that is educated in the fields of science, technology, engineering, and mathematics (referred to in this preamble as ''STEM'');

Whereas the science of chemistry is vital to the improvement of human life because chemistry has the power to transform;

Whereas chemistry improves human lives by providing critical solutions to global challenges involving safe food, water, transportation, and products, alternate sources of energy, improved health, and a healthy and sustainable environment;

Whereas the International Chemistry Olympiad is an annual competition for the most talented secondary school chemistry students in the world that seeks to stimulate interest in chemistry through creative problem solving;

Whereas the 44th International Chemistry Olympiad will be held at the University of Maryland, College Park from July 21 through 30, 2012;

Whereas more than 70 countries and nearly 300 students will compete in the 44th International Chemistry Olympiad in theoretical and practical examinations covering analytical chemistry, biochemistry, inorganic chemistry, organic chemistry, physical chemistry, and spectroscopy;

Whereas the objective of the International Chemistry Olympiad is to promote international relationships in STEM education (particularly in chemistry), cooperation among students, and the exchange of pedagogical and scientific experience in STEM education;

Whereas STEM education at the secondary school level is critically important to the future of the United States; and

Whereas the students who will compete in the International Chemistry Olympiad deserve recognition and support for their efforts: Now, therefore, be it

Resolved, That the Senate—

(1) welcomes the 44th International Chemistry Olympiad to the United States;

(2) recognizes the need to encourage young people to pursue careers in the fields of science (including chemistry), technology, engineering, and mathematics; and

(3) commends the University of Maryland, College Park for hosting and the American Chemical Society for organizing the 44th International Chemistry Olympiad.

WORLD ELDER ABUSE AWARENESS DAY

Mr. BENNET. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. Res. 492, submitted earlier today.

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

The legislative clerk read as follows:

A resolution (S. Res. 492) designating June 15, 2012, as ''World Elder Abuse Awareness Day.''

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

Mr. BENNET. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motions to reconsider be laid upon the table, with no intervening action or debate, and any related statements be printed in the RECORD.

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

The resolution (S. Res. 492) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 492

Whereas at least 2,000,000 older adults are maltreated each year in the United States;

Whereas the vast majority of the abuse, neglect, and exploitation of older adults in the United States goes unidentified and unreported;

Whereas only 1 in 44 cases of financial abuse of older adults is reported;

Whereas at least $2,900,000,000 is taken from older adults each year due to financial abuse and exploitation;

Whereas elder abuse, neglect, and exploitation have no boundaries and cross all racial, social, class, gender, and geographic lines;

Whereas older adults who are abused are 3 times more likely to die earlier than older adults of the same age who are not abused;

Whereas the percentage of individuals in the United States who are 60 years of age or older will nearly double by 2020;

Whereas, although all 50 States have laws against elder abuse, incidents of elder abuse have increased by 150 percent over the last 10 years;

Whereas public awareness has the potential to increase the identification and reporting of elder abuse by the public, professionals, and victims, and can act as a catalyst to promote issue-based education and long-term prevention; and

Whereas private individuals and public agencies must work to combat crime and violence against older adults and vulnerable adults, particularly in light of continued reductions in funding for vital services: Now, therefore, be it

Resolved, That the Senate—

(1) designates June 15, 2012 as ''World Elder Abuse Awareness Day'';

(2) recognizes judges, lawyers, adult protective services professionals, law enforcement officers, social workers, health care providers, victims' advocates, and other professionals and agencies for their efforts to advance awareness of elder abuse; and

(3) encourages members of the public and professionals who work with older adults to act as catalysts to promote awareness and long-term prevention of elder abuse by reaching out to local adult protective services agencies and by learning to recognize, report, and respond to elder abuse.

ORDERS FOR WEDNESDAY, JUNE 13, 2012

Mr. BENNET. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 9:30 a.m. on Wednesday, June 13; 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; that the majority leader be recognized; and that following any leader remarks the first hour be equally divided and controlled between the two leaders or their designees with the Republicans controlling the first half and the majority controlling the final half.

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

PROGRAM

Mr. BENNET. Mr. President, Senators should expect two votes in relation to the sugar and SNAP amendments to the farm bill tomorrow. Senators will be notified when the votes are scheduled.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

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

There being no objection, the Senate, at 7:23 p.m., adjourned until Wednesday, June 13, 2012, at 9:30 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate June 12, 2012:

THE JUDICIARY

ANDREW DAVID HURWITZ, OF ARIZONA, TO BE UNITED STATES CIRCUIT JUDGE FOR THE NINTH CIRCUIT.