consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table.

SA 2642. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2643. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2644. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2645. Mr. FITZGERALD submitted an amendment intended to be proposed to amendment SA 2516 submitted by Mr. FITZGERALD and intended to be proposed to the amendment SA 2471 proposed by Mr. DASCHLE to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2646. Mr. McCAIN (for himself, Mr. GRAMM, Mr. KERRY, Mrs. MURRAY, and Mr. SMITH of Oregon) submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2647. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2648. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2649. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2650. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2651. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2652. Mr. HUTCHINSON submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2653. Mr. KYL submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2654. Mr. ROBERTS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2655. Mr. ROBERTS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2656. Mr. ROBERTS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2657. Mr. CRAIG submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2658. Mr. TORRICELLI (for himself and Mr. SMITH, of New Hampshire) submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2659. Mr. SMITH of Oregon submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2660. Mr. SMITH of Oregon (for himself, Mr. CRAIG, and Mr. CRAPO) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2661. Mr. FITZGERALD submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2662. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2663. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2664. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2665. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2666. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2667. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2668. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2669. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2670. Mrs. BOXER submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2671. Mr. COCHRAN (for himself and Mr. ROBERTS) proposed an amendment to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra.

SA 2672. Mr. HOLLINGS proposed an amendment to the bill H.R. 3210, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; which was ordered to lie on the table.

SA 2673. Mr. SMITH of New Hampshire (for himself and Mr. CRAPO) submitted an amendment intended to be proposed by him to the bill S. 990, to amend the Pittman-Robertson Wildlife Restoration Act to improve the provisions relating to wildlife conservation and restoration programs, and for other purposes; which was ordered to lie on the table.

SA 2674. Mr. ALLARD submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table.

SA 2675. Mr. ALLARD submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2676. Mr. HUTCHINSON (for himself, Mr. LOTT, Mr. SESSIONS, and Mr. HELMS) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2677. Mr. DORGAN (for himself, Mr. GRASSLEY, Mr. HAGEL, Mr. LUGAR, Mr. JOHNSON, Mr. NELSON of Nebraska, Mr. TORRICELLI, and Mr. WELLSTONE) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 2614. Mr. McCAIN (for himself, Mr. GRAMM, Mr. KERRY, Mrs. MURRAY, and Mr. SMITH of Oregon) submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, in the amendment insert the following:

SEC. . MARKET NAME FOR CATFISH.

The term ''catfish'' shall be considered to be a common or usual name (or part thereof) for any fish in keeping with Food and Drug Administration procedures that follow scientific standards and market practices for establishing such names for the purposes of section 403 of the Federal Food, Drug, and Cosmetic Act, including with respect to the importation of such fish pursuant to section 801 of such Act.

SA 2615. Mr. COCHRAN submitted an amendment intended to be proposed to the amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 648, strike line 17 and all that follows through page 649, line 5, and insert the following:

''(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to

carry out this section $10,000,000 for each of fiscal years 2002 through 2006.''.

SA 2616. Mr. COCHRAN submitted an amendment intended to be proposed to the amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 820, strike line 23 and all that follows through page 821, line 11, and insert the following:

''(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $2,000,000 for each of fiscal years 2002 through 2006.''.

SA 2617. Mr. COCHRAN submitted an amendment intended to be proposed to the amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 811, strike line 15 and all that follows through page 812, line 3, and insert the following:

''(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 2002 through 2006.''.

SA 2618. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 809, strike line 15 and all that follows through page 810, line 10, and insert the following:

(ii) be available to the Secretary to carry out the purposes of the account, subject to the availability of appropriations;

(iii) remain available until expended; and

(iv) be in addition to any funds made available under paragraph (2).

(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 2002 through 2006.

SA 2619. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike section 793.

SA 2620. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 762, strike line 23 and all that follows through page 763, line 13 and insert the following:

''(b) FUNDING.—On October 1, 2001, and each October 1 thereafter through October 1, 2005, of funds of the Commodity Credit Corporation, the Secretary shall transfer to the Account to carry out this section $145,000,000.''; and''.

SA 2621. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 837, strike lines 1 through 14 and insert the following:

''(k) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section $2,000,000 for each of fiscal years 2002 through 2006.''.

SA 2622. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 882, strike line 15 and all that follows through page 883, line 3, and insert the following:

''(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $2,000,000 for each of fiscal years 2002 through 2006.''

SA 2623. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 917, strike line 15 and all that follows through page 918, line 13, and insert the following:

(a) AUTHORIZATION OF APPROPRIATIONS.—The Biomass Research and Development Act of 2000 (7 U.S.C. 7624 note; Public Law 106–224) is amended—

(1) in section 307, by striking subsection (f);

(2) by redesignating section 310 as section 311; and

(3) by inserting after section 309 the following:

"SEC. 310. AUTHORIZATION OF APPROPRIATIONS.

''There is authorized to be appropriated to carry out this title $15,000,000 for each of fiscal years 2002 through 2006.''.

SA 2624. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 903, strike lines 9 through 22 and insert the following:

''(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 2002 through 2006.''

SA 2625. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 900, strike line 21 and all that follows through page 901, line 14, and insert the following:

''(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $33,000,000 for each of fiscal years 2002 through 2006.''

SA 2626. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DACHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and

for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 896, strike line 21 and all that follows through page 897, line 9, and insert the following:

''(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 2002 through 2006.''

SA 2627. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DACHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 892, strike lines 6 through 24 and insert the following:

''(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $16,000,000 for each of fiscal years 2002 through 2006.''

SA 2628. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DACHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 887, strike lines 15 through 20 and insert the following:

''(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 2002 through 2006.''

SA 2629. Mr. COCHRAN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DACHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 919, strike line 20 and all that follows through page 920, line 13, and insert the following:

''(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $9,000,000 for each of fiscal years 2002 through 2006.''

SA 2630. Mr. CRAPO submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DACHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 247, strike line 22 and all that follows through page 254, line 14, and insert the following:

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—Effective for each of the 2003 through 2006 calendar years, the Secretary may establish, and enter into cooperative agreements with States to carry out in accordance with State law, a program described in paragraph (2) for the acquisition, transfer, and lease of water or water rights, to achieve the purposes of 1 or more Federal, State, tribal, and local fish, wildlife, and plant conservation plans.

''(2) COMPONENTS OF PROGRAM.—In each State that enters into an agreement described in paragraph (1), the Secretary may establish, and carry out the enrollment of eligible land described in subsection (b) through the use of contracts in, a water conservation program to provide for the acquisition and temporary transfer of water or water rights, or permanent acquisition of water or water rights, from willing sellers that would otherwise be entitled to use the water in accordance with a State-approved water right or a contract with the Secretary, or by other lawful means (including willing sellers in the San Francisco Bay-Delta, the Truckee-Carson Basin, and the Walker River Basin).

''(b) ENROLLMENT OF ELIGIBLE LAND.—

''(1) CRP ACREAGE LIMIT.—The Secretary shall enroll in the program not more than 1,100,000 acres, which acreage shall count against the number of acres authorized to be enrolled in the conservation reserve program under section 1231(d).

''(2) TIMING.—To the maximum extent practicable, an enrollment under paragraph (1) shall occur during the enrollment period for the conservation reserve program.

''(3) PRIORITY IN ENROLLMENT.—In enrolling eligible land in the program, the Secretary shall give priority to land with associated water or water rights that—

''(A) could be used to significantly advance the goals of Federal, State, Tribal and local fish, wildlife, and plant conservation plans, including—

''(i) plans that address multiple endangered species, sensitive species, or threatened species; or

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

''(B) would benefit fish, wildlife, or plants of 1 or more refuges within the National Wildlife Refuge System.

''(4) NONPARTICIPATING STATES.—In the case of a State that elects not to participate in the program—

''(A) the Secretary shall give, to applications from landowners in the State to enroll land in the conservation reserve program under subchapter B of chapter 1, priority that is equal to the priority given under paragraph (3) to applications from landowners in States participating in the program; and

''(B) notwithstanding paragraph (1), landowners in the State may enroll in the conservation reserve program under subchapter B of chapter 1 such acreage as the landowners in the State would have enrolled in the program if the State had elected to participate in the program.

''(5) ENROLLMENT AUTHORITY.—The priority''.

SA 2631. Mr. WELLSTONE submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes, which was ordered to lie on the table, as follows:

Beginning on page 226, strike line 1 and all that follows through page 235, line 6 and insert the following:

''(4) LARGE CONFINED LIVESTOCK FEEDING OPERATIONS.—

(A) DEFINITION OF LARGE CONFINED LIVESTOCK FEEDING OPERATION.—In this paragraph:

(i) IN GENERAL.—The term 'large confined livestock feeding operation' means a confined livestock feeding operation designed to confine 1,000 or more animal equivalent units (as defined by the Secretary).

(I) WAIVER.—The Secretary may on a case by case basis grant states a waiver from the requirement in (4)(A)(i), of this section, in accordance with Volume 62, No. 99 of the Federal Register.

(ii) MULTIPLE LOCATIONS.—In determining the number of animal unit equivalents of the operation of a producer under clause (i), the animals confined by the producer in confinement facilities at all locations (including the producer's proportionate share in any jointly owned facility) shall be counted.

(B) NEW OR EXPANDED OPERATIONS.—Subject to (4)(A)(i)(1) of this section, a producer shall not be eligible for cost-share payments for any portion of a storage or treatment facility, or associated waste transport or treatment device, to manage manure, process wastewater, or other animal waste generated by a large confined livestock feeding operation, if the operation is a confined livestock operations that—

(i) is established as a large confined livestock operation after the date of enactment of this paragraph; or

(ii) becomes a large confined livestock operation after the date of enactment of this paragraph by expanding the capacity of the operation to confine livestock.

(C) MODIFICATION OF OPERATION.—A modification of a large confined livestock operation shall not be considered an expansion under subparagraph (B)(ii) of this section, if as determined by the Secretary, the modification involves—

(i) adoption of new technology;

(ii) improved efficiency in the functioning of the operation; or

(iii) reorganization of the status of the entity; and

(iv) the capacity of the operation to confine livestock is not increase.

(D) MULTIPLE OPERATIONS.—A producer that has an interest in more than 1 large confined livestock operation shall not be eligible for more than 1 contract under this section for cost-share payments for a storage or treatment facility, or associated waste transport or transfer device, to manage manure, process wastewater, or other animal waste generated by the large confined livestock feeding operation.

(E) FLOOD PLAIN SITING.—Cost-share payments shall not be available for structural practices for a storage or treatment facility, or associated waste transport device, to manage manure, process wastewater, or other animal waste generated by a confined livestock operation if

(i) the structural practices are located in a 100-year flood plain; and

(ii) the confined livestock operation is a confined livestock operation that is established after the date of enactment of this paragraph.

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

(f) TECHNICAL ASSISTANCE.—

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

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

(A) the type of expertise required;

(B) the quantity of time involved; and

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

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

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

(5) INCENTIVE PAYMENTS FOR TECHNICAL ASSISTANCE.—

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

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

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

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

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

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

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

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

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

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

(E) CERTIFICATION BY SECRETARY.—

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

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

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

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

(i) completion of the technical assistance; and

(ii) the actual cost of the technical assistance.

(g) MODIFICATION OR TERMINATION OF CONTRACTS.—

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

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

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

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

SEC. 1240C. EVALUATION OF OFFERS AND PAYMENTS.

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

(1) maximize environmental benefits per dollar expended; and

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

(i) meeting Federal, State, and local environmental purposes focused on protecting air and water quality, including assistance to production systems and practices that avoid subjecting an operation to Federal, State, or local environmental regulatory systems;

(ii) applications from livestock producers using managed grazing systems and other pasture and forage based systems;

(iii) comprehensive nutrient management;

(iv) water quality, particularly in impaired watersheds;

(v) soil erosion;

(vi) air quality; or

(vii) pesticide and herbicide management or reduction;

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

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

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

SEC. 1240D. DUTIES OR PRODUCERS.

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

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

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

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

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

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

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

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

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

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

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

SEC. 1240E. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

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

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

SEC. 1240F. DUTIES OF THE SECRETARY.

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

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

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

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

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

SEC. 1240G. LIMITATION ON PAYMENTS.

(a) IN GENERAL.—Subject to subsection (b), the total amount of cost-share and incentive

payments paid to a producer under this chapter shall not exceed—

(1) $30,000 for any fiscal year, regardless of whether the producer has more than 1 contract under this chapter for the fiscal year;

(2) $90,000 for a contract with a term of 3 years;

(3) $120,000 for a contract with a term of 4 years; or

(4) $150,000 for a contract with a term of more than 4 years.

(b) ATTRIBUTION.—An individual or entity shall not receive, directly or indirectly, total payments from a single or multiple contracts this chapter that exceed $30,000 for any fiscal year.

(c) EXCEPTION TO ANNUAL LIMIT.—The Secretary may exceed the limitation on the annual amount of a payment to a producer under subsection (a)(1) if the Secretary determines that a larger payment is—

(1) essential to accomplish the land management practice or structural practice for which the payment is made to the producer; and

(2) consistent with the maximization of environmental benefits per dollar expended and the purposes of this chapter.

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

SA 2632. Mr. WELLSTONE submitted an amendment intended to be proposed to amendment SA 2602 submitted by Mr. WELLSTONE and intended to be proposed to the amendment SA 2471 proposed by Mr. DASCHLE to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes, which was ordered to lie on the table; as follows:

Beginning on page 1, strike line 3 and all that follows through page 15, line 2 and insert the following:

''(4) LARGE CONFINED LIVESTOCK FEEDING OPERATIONS.—

(A) DEFINITION OF LARGE CONFINED LIVESTOCK FEEDING OPERATION.—In this paragraph:

(i) IN GENERAL.—The term 'large confined livestock feeding operation' means a confined livestock feeding operation' means a confined livestock feeding operation designed to confine 1,000 or more animal equipment units (as defined by the Secretary).

(I) WAIVER.—The Secretary may on a case by case basis grant states a waiver from the requirement in (4)(A)(i), of this section, in accordance with Volume 62, No. 99 of the Federal Register.

(ii) MULTIPLE LOCATIONS.—In determining the number of animal unit equivalents of the operation of a producer under clause (i), the animals confined by the producer in confinement facilities at all locations (including the producer's proportionate share in any jointly owned facility) shall be counted.

(B) NEW OR EXPANDED OPERATIONS.—Subject to (r)(A)(i)(I) of this section a producer shall not be eligible for cost-share payments for any portion of a storage or treatment facility, or associated waste transport or treatment device, to manage manure, process wastewater, or other animal waste generated by a large confined livestock feeding operation, if the operation is a confined livestock operations that—

(i) is established as a large confined livestock operation after the date of enactment of this paragraph; or

(ii) becomes a large confined livestock operation after the date of enactment of this paragraph by expanding the capacity of the operation to confine livestock.

(C) MODIFICATION OF OPERATION.—A modification of a large confined livestock operation shall not be considered an expansion under subparagraph (B)(ii) of this section, if as determined by the Secretary, the modification involves—

(i) adoption of a new technology;

(ii) improved efficiency in the functioning of the operation or;

(iii) reorganization of the status of the entity; and

(iv) the capacity of the operation to confine livestock is not increased.

(D) MULTIPLE OPERATIONS.—A producer that has an interest in more than 1 large confined livestock operation shall not be eligible for more than 1 contract under this section for cost-share payments for a storage or treatment facility, or associated waste transport or transfer device, to manage manure, process wastewater, or other animal waste generated by the large confined livestock feeding operation.

(E) FLOOD PLAIN SITING.—Cost-share payments shall not be available for structural practices for a storage or treatment facility, or associated waste transport device, to manage manure, process wastewater, or other animal waste generated by a confined livestock operation if

(i) the structural practices are located in a 100-year flood plain; and

(ii) the confined livestock operation is a confined livestock operation that is established after the date of enactment of this paragraph.

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

(f) TECHNICAL ASSISTANCE.—

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

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

(A) the type of expertise required;

(B) the quantity of time involved; and

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

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

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

(5) INCENTIVE PAYMENTS FOR TECHNICAL ASSISTANCE.—

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

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

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

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

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

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

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

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

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

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

(E) CERTIFICATION BY SECRETARY.—

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

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

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

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

(i) completion of the technical assistance; and

(ii) the actual cost of the technical assistance.

(g) MODIFICATION OR TERMINATION OF CONTRACTS.—

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

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

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

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

SEC. 1240C. EVALUATION OF OFFERS AND PAYMENTS.

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

(1) maximize environmental benefits per dollar expended; and

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

(i) meeting Federal, State, and local environmental purposes focused on protecting air and water quality, including assistance to production systems and practices that avoid subjecting an operation to Federal, State, or local environmental regulatory systems;

(ii) applications from livestock producers using managed grazing systems and other pasture and forage base systems;

(iii) comprehensive nutrient management;

(iv) water quality, particularly in impaired watersheds;

(v) soil erosion;

(vi) air quality; or

(vii) pesticide and herbicide management or reduction;

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

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

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

SEC. 1240D. DUTIES OF PRODUCERS.

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

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

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

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

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

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

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

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

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

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

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

SEC. 1240E. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

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

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

SEC. 1240F. DUTIES OF THE SECRETARY.

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

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

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

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

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

SEC. 1240G. LIMITATION ON PAYMENTS.

(a) IN GENERAL.—Subject to subsection (b), the total amount of cost-share and incentive payments paid to a producer under this chapter shall not exceed—

(1) $30,000 for any fiscal year, regardless of whether the producer has more than 1 contract under this chapter for the fiscal year;

(2) $90,000 for a contract with a term of 3 years;

(3) $120,000 for a contract with a term of 4 years;

(4) $150,000 for a contract with a term of more than 4 years.

(b) ATTRIBUTION.—An individual or entity shall not receive, directly or indirectly, total payments from a single or multiple contracts this chapter that exceed $30,000 for any fiscal year.

(c) EXCEPTION TO ANNUAL LIMIT.—The Secretary may exceed the limitation on the annual amount of a payment to a producer under subsection (a)(1) if the Secretary determines that a larger payment is—

(1) essential to accomplish the land management practice or structural practice for which the payment is made to the producer; and

(2) consistent with the maximization of environmental benefits per dollar expended and the purposes of this chapter.

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

SA 2633. Mr. BOND submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to be lie on the table; as follows:

On page 761, strike line 12 and insert the following:

SEC. 798E. AGRICULTURAL BIOTECHNOLOGY RESEARCH AND DEVELOPMENT FOR DEVELOPING COUNTRIES.

Title IV of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621 et seq.) (as amended by section 905(b)) is amended by adding at the end the following:

"SEC. 410. AGRICULTURAL BIOTECHNOLOGY RESEARCH AND DEVELOPMENT FOR DEVELOPING COUNTRIES.

''(a) DEFINITIONS.—In this section:

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

''(A) an institution of higher education;

''(B) a nonprofit organization; or

''(C) a consortium of for-profit institutions and agricultural research institutions.

''(2) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' means—

''(A) a historically black land-grant college or university;

''(B) a Hispanic-serving institution (as defined in section 1404 of the National, Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)); or

''(C) a tribal college or university that offers a curriculum in agriculture or the biosciences.

''(b) GRANT PROGRAM.—

''(1) IN GENERAL.—The Secretary (acting through the Foreign Agricultural Service) shall establish and administer a program to make competitive grants to eligible entities to develop agricultural biotechnology for developing countries.

''(2) USE OF FUNDS.—Funds provided to an eligible entity under this section may be used for projects that use biotechnology to—

''(A) enhance the nutritional content of agricultural products that can be grown in developing countries;

''(B) increase the yield and safety of agricultural products that can be grown in developing countries;

''(C) increase the yield of agricultural products that are drought- and stress-resistant and that can be grown in developing countries;

''(D) extend the growing range of crops that can be grown in developing countries;

''(E) enhance the shelf-life of fruits and vegetables grown in developing countries;

''(F) develop environmentally sustainable agricultural products that can be grown in developing countries; and

''(G) develop vaccines to immunize against life-threatening illnesses and other medications that can be administered by consuming genetically-engineered agricultural products.

''(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 2002 through 2006.''

TITLE VIII—FORESTRY

SA 2634. Mr. BOND submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the end of Title VII insert the following:

Title IV of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621 et seq.) (as amended by section 905(b)) is amended—

(1) in subsection (c), paragraph (2)—

(A) after sub-paragraph (F), by adding at the end the following: ''(G) agricultural biotechnology research and development for developing countries in cooperation with a qualified institution in the developing country.'';

(B) in sub-paragraph (E), by striking ''and''; and

(C) in sub-paragraph (F), by striking the period at the end and inserting ''; and''.

SA 2635. Mr. BOND submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the end of Title VII insert the following:

SEC. 798E. AGRICULTURAL BIOTECHNOLOGY RESEARCH AND DEVELOPMENT FOR DEVELOPING COUNTRIES.

Title IV of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621 et seq.) (as amended by section 905(b)) is amended by adding at the end the following:

"SEC. 410. AGRICULTURAL BIOTECHNOLOGY RESEARCH AND DEVELOPMENT FOR DEVELOPING COUNTRIES.

''(a) DEFINITIONS.—In this section:

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

''(A) an institution of higher education;

''(B) a nonprofit organization; or

''(C) a consortium of for-profit institutions and agricultural research institutions.

''(2) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' means—

''(A) a historically black land-grant college or university;

''(B) a Hispanic-serving institution (as defined in section 1404 of the National, Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)); or

''(C) a tribal college or university that offers a curriculum in agriculture or the biosciences.

''(b) GRANT PROGRAM.—

''(1) IN GENERAL.—The Secretary (acting through the Foreign Agricultural Service) shall establish and administer a program to make competitive grants to eligible entities to develop agricultural biotechnology for developing countries.

''(2) USE OF FUNDS.—Funds provided to an eligible entity under this section may be used for projects that use biotechnology to—

''(A) enhance the nutritional content of agricultural products that can be grown in developing countries;

''(B) increase the yield and safety of agricultural products that can be grown in developing countries;

''(C) increase the yield of agricultural products that are drought- and stress-resistant and that can be grown in developing countries;

''(D) extend the growing range of crops that can be grown in developing countries;

''(E) enhance the shelf-life of fruits and vegetables grown in developing countries;

''(F) develop environmentally sustainable agricultural products that can be grown in developing countries; and

''(G) develop vaccines to immunize against life-threatening illnesses and other medications that can be administered by consuming genetically-engineered agricultural products.

''(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 2002 through 2006.''

TITLE VIII—FORESTRY

SA 2636. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

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

SEC. 165. RESTRICTION OF COMMODITY AND CROP INSURANCE PAYMENTS, LOANS, AND BENEFITS TO PREVIOUSLY CROPPED LAND; FOOD STAMP PROGRAM FUNDING INCREASES.

(a) RESTRICTION.—Section 194 of the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127; 110 Stat. 945) is amended to read as follows:

"SEC. 194. RESTRICTION OF COMMODITY AND CROP INSURANCE PAYMENTS, LOANS, AND BENEFITS TO PREVIOUSLY CROPPED LAND.

''(a) DEFINITION OF AGRICULTURAL COMMODITY.—In this section:

''(1) IN GENERAL.—The term 'agricultural commodity' has the meaning given the term in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602).

''(2) EXCLUSIONS.—The term 'agricultural commodity' does not include forage, livestock, timber, forest products, or hay.

''(b) COMMODITIES.—

''(1) IN GENERAL.—Notwithstanding any other provision of this title, except as provided in paragraph (2), the Secretary shall not provide a payment, loan, or other benefit under this title to an owner or producer, with respect to land or a loan commodity planted or considered planted on land during a crop year unless the land has been planted, considered planted, or devoted to an agricultural commodity during—

''(A) at least 1 of the 5 crop years preceding the 2002 crop year; or

''(B) at least 3 of the 10 crop years preceding the 2002 crop year.

''(2) CROP ROTATION.—Paragraph (1) shall not apply to an owner or producer, with respect to any agricultural commodity planted or considered planted, on land if the land—

''(A) has been planted, considered planted, or devoted to an agricultural commodity during at least 1 of the 20 crop years preceding the 2002 crop year; and

''(B) has been maintained, and will continue to be maintained, using long-term crop rotation practices, as determined by the Secretary.

''(c) CROP INSURANCE.—Notwithstanding any provision of the Federal Crop Insurance Act (7 U.S.C.1501 et seq.), the Federal Crop Insurance Corporation shall not pay premium subsidies or administrative costs of a reinsured company for insurance regarding a crop insurance policy of a producer under that Act unless, the land that is covered by the insurance policy—

''(1) has been planted, considered planted, or devoted to an agricultural commodity during—

''(A) at least 1 of the 5 crop years preceding the 2002 crop year; or

''(B) at least 3 of the 10 crop years preceding the 2002 crop year; or

''(2)(A) has been planted, considered planted, or devoted to an agricultural commodity during at least 1 of the 20 crop years preceding the 2002 crop year; and

''(B) has been maintained, and will continue to be maintained, using long-term crop rotation practices, as determined by the Secretary.

''(d) CONSERVATION RESERVE LAND.—For purposes of this section, land that is enrolled in the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C.3831 et seq.) shall be considered planted to an agricultural commodity.''.

(b) FOOD STAMP PROGRAM.—

(1) STANDARD DEDUCTION.—Section 5(e)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(1)) (as amended by section 413) is amended by striking subparagraph (D) and inserting the following:

''(D) APPLICABLE PERCENTAGE.—For the purpose of subparagraph (A), the applicable percentage shall be—

''(i) 8 percent for each of fiscal years 2002 through 2006;

''(ii) 8.5 percent for each of fiscal years 2007 and 2008;

''(iii) 9 percent for fiscal year 2009;

''(iv) 9.5 percent for fiscal year 2010; and

''(v) 10 percent for fiscal year 2011 and each fiscal year thereafter.''.

(2) WORK REQUIREMENT.—Section 6(o)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2015(o)(2)) (as amended by section 421(a)(2)(A)) is amended by striking ''24-month period'' and inserting ''12-month period (but in the case of each of fiscal years 2002 and 2003, 24-month period)''.

SA 2637. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

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

SEC. 165. RESTRICTION OF COMMODITY AND CROP INSURANCE PAYMENTS, LOANS, AND BENEFITS TO PREVIOUSLY CROPPED LAND; FOOD STAMP PROGRAM FUNDING INCREASES.

(a) RESTRICTION.—Section 194 of the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127; 110 Stat. 945) is amended to read as follows:

"SEC. 194. RESTRICTION OF COMMODITY AND CROP INSURANCE PAYMENTS, LOANS, AND BENEFITS TO PREVIOUSLY CROPPED LAND.

''(a) DEFINITION OF AGRICULTURAL COMMODITY.—In this section:

''(1) IN GENERAL.—The term 'agricultural commodity' has the meaning given the term in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602).

''(2) EXCLUSIONS.—The term 'agricultural commodity' does not include forage, livestock, timber, forest products, or hay.

''(b) COMMODITIES.—

''(1) IN GENERAL.—Notwithstanding any other provision of this title, except as provided in paragraph (2), the Secretary shall not provide a payment, loan, or other benefit under this title to an owner or producer, with respect to land or a loan commodity planted or considered planted on land during a crop year unless the land has been planted, considered planted, or devoted to an agricultural commodity during—

''(A) at least 1 of the 5 crop years preceding the 2002 crop year; or

''(B) at least 3 of the 10 crop years preceding the 2002 crop year.

''(2) CROP ROTATION.—Paragraph (1) shall not apply to an owner or producer, with respect to any agricultural commodity planted or considered planted, on land if the land—

''(A) has been planted, considered planted, or devoted to an agricultural commodity during at least 1 of the 20 crop years preceding the 2002 crop year; and

''(B) has been maintained, and will continue to be maintained, using long-term crop rotation practices, as determined by the Secretary.

''(c) CROP INSURANCE.—Notwithstanding any provision of the Federal Crop Insurance Act (7 U.S.C.1501 et seq.), the Federal Crop Insurance Corporation shall not pay premium subsidies or administrative costs of a reinsured company for insurance regarding a crop insurance policy of a producer under that Act unless, the land that is covered by the insurance policy—

''(1) has been planted, considered planted, or devoted to an agricultural commodity during—

''(A) at least 1 of the 5 crop years preceding the 2002 crop year; or

''(B) at least 3 of the 10 crop years preceding the 2002 crop year; or

''(2)(A) has been planted, considered planted, or devoted to an agricultural commodity during at least 1 of the 20 crop years preceding the 2002 crop year; and

''(B) has been maintained, and will continue to be maintained, using long-term crop rotation practices, as determined by the Secretary.

''(d) CONSERVATION RESERVE LAND.—For purposes of this section, land that is enrolled in the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C.3831 et seq.) shall be considered planted to an agricultural commodity.''.

(b) FOOD STAMP PROGRAM.—

(1) EXCLUSION OF LICENSED VEHICLES FROM FINANCIAL RESOURCES.—

(A) IN GENERAL.—Section 5(g)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)) is amended by striking subparagraph (C) and inserting the following:

''(C) EXCLUDED VEHICLES.—Financial resources under this paragraph shall not include—

''(i) 1 licensed vehicle per household; and

''(ii) a vehicle (and any other property, real or personal, to the extent that the property is directly related to the maintenance or use of the vehicle) if the vehicle is—

''(I) used to produce earned income;

''(II) necessary for the transportation of a physically disabled household member; or

''(III) depended on by a household to carry fuel for heating or water for home use and provides the primary source of fuel or water, respectively, for the household.''.

(B) CONFORMING AMENDMENT.—Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by striking subsection (h).

(2) NUTRITION ASSISTANCE FOR ELDERLY INDIVIDUALS.—

(A) RESTORATION OF ELIGIBILITY.—Section 402(a)(2)(I) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(I)) is amended by striking ''who'' and all that follows and inserting the following: ''who—

''(i) is lawfully residing in the United States; and

''(ii) is 65 years of age or older.''.

(B) CONFORMING AMENDMENTS.—

(i) Section 421(d)(3) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1631(d)(3)) (as added by section 452(a)(2)(B)) is amended by striking ''section 402(a)(2)(J)'' and inserting ''subparagraph (I) or (J) of section 402(a)(2)''.

(ii) Section 423(d) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1183a note; Public Law 104–193) is amended by adding at the end the following:

''(12) Benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).''.

(iii) Section 5(i)(2)(E) of the Food Stamp Act of 1977 (7 U.S.C. 2014(i)(2)(E)) (as amended by section 452(a)(2)(C)) is amended by inserting before the period at the end the following: ''or is 65 years of age or older''.

(C) APPLICABILITY.—The amendments made by this paragraph shall apply to fiscal year 2004 and each fiscal year thereafter.

SA 2638. Mr. DURBIN submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

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

SEC. 165. RESTRICTION OF COMMODITY AND CROP INSURANCE PAYMENTS, LOANS, AND BENEFITS TO PREVIOUSLY CROPPED LAND; FOOD STAMP PROGRAM FUNDING INCREASES.

(a) RESTRICTION.—Section 194 of the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127; 110 Stat. 945) is amended to read as follows:

''SEC. 194. RESTRICTION OF COMMODITY AND CROP INSURANCE PAYMENTS, LOANS, AND BENEFITS TO PREVIOUSLY CROPPED LAND.

''(a) DEFINITION OF AGRICULTURAL COMMODITY.—In this section:

''(1) IN GENERAL.—The term 'agricultural commodity' has the meaning given the term in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602).

''(2) EXCLUSIONS.—The term 'agricultural commodity' does not include forage, livestock, timber, forest products, or hay.

''(b) COMMODITIES.—

''(1) IN GENERAL.—Notwithstanding any other provision of this title, except as provided in paragraph (2), the Secretary shall not provide a payment, loan, or other benefit under this title to an owner or producer, with respect to land or a loan commodity planted or considered planted on land during a crop year unless the land has been planted, considered planted, or devoted to an agricultural commodity during—

''(A) at least 1 of the 5 crop years preceding the 2002 crop year; or

''(B) at least 3 of the 10 crop years preceding the 2002 crop year.

''(2) CROP ROTATION.—Paragraph (1) shall not apply to an owner or producer, with respect to any agricultural commodity planted or considered planted, on land if the land—

''(A) has been planted, considered planted, or devoted to an agricultural commodity during at least 1 of the 20 crop years preceding the 2002 crop year; and

''(B) has been maintained, and will continue to be maintained, using long-term crop rotation practices, as determined by the Secretary.

''(c) CROP INSURANCE.—Notwithstanding any provision of the Federal Crop Insurance Act (7 U.S.C.1501 et seq.), the Federal Crop Insurance Corporation shall not pay premium subsidies or administrative costs of a reinsured company for insurance regarding a crop insurance policy of a producer under that Act unless, the land that is covered by the insurance policy—

''(1) has been planted, considered planted, or devoted to an agricultural commodity during—

''(A) at least 1 of the 5 crop years preceding the 2002 crop year; or

''(B) at least 3 of the 10 crop years preceding the 2002 crop year; or

''(2)(A) has been planted, considered planted, or devoted to an agricultural commodity during at least 1 of the 20 crop years preceding the 2002 crop year; and

''(B) has been maintained, and will continue to be maintained, using long-term crop rotation practices, as determined by the Secretary.

''(d) CONSERVATION RESERVE LAND.—For purposes of this section, land that is enrolled in the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C.3831 et seq.) shall be considered planted to an agricultural commodity.''.

SA 2639. Mr. SANTORUM (for himself, Mr. DURBIN, Mr. FEINGOLD, Mr. DEWINE, Mr. KOHL, Mr. HATCH, Mrs. CLINTON, and Mr. JEFFORDS) submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 2, strike line 11 and all that follows through page 4, line 21, and insert the following:

''(C) for the socialization of dogs intended for sale as pets with other dogs and people, through compliance with a standard developed by the Secretary based on the recommendations of veterinarians and animal welfare and behavior experts that—

''(i) identifies actions that dealers and inspectors shall take to ensure adequate socialization; and

''(ii) identifies a set of behavioral measures that inspectors shall use to evaluate adequate socialization; and

''(D) for addressing the initiation and frequency of breeding of female dogs so that a female dog is not—

''(i) bred before the female dog has reached at least 1 year of age; and

''(ii) whelped more frequently than 3 times in any 24-month period.''.

(b) SUSPENSION OR REVOCATION OF LICENSE, CIVIL PENALTIES, JUDICIAL REVIEW, AND CRIMINAL PENALTIES.—Section 19 of the Animal Welfare Act (7 U.S.C. 2149) is amended—

(1) by striking ''SEC. 19. (a) If the Secretary'' and inserting the following:

''SEC. 19. SUSPENSION OR REVOCATION OF LICENSE, CIVIL PENALTIES, JUDICIAL REVIEW, AND CRIMINAL PENALTIES.

''(a) SUSPENSION OR REVOCATION OF LICENSE.—

''(1) IN GENERAL.—If the Secretary'';

(2) in subsection (a)—

(A) in paragraph (1) (as designated by paragraph (1)), by striking ''if such violation'' and all that follows and inserting ''if the Secretary determines that 1 or more violations have occurred.''; and

(B) by adding at the end the following:

''(2) LICENSE REVOCATION.—If the Secretary finds that any person licensed as a dealer, exhibitor, or operator of an auction sale subject to section 12, has committed a serious violation (as determined by the Secretary) of any rule, regulation, or standard governing the humane handling, transportation, veterinary care, housing, breeding, socialization, feeding, watering, or other humane treatment of dogs under section 12 or 13 on 3 or more separate inspections within any 8-year period, the Secretary shall—

''(A) suspend the license of the person for 21 days; and

''(B) after providing notice and a hearing not more than 30 days after the third violation is noted on an inspection report, revoke the license of the person unless the Secretary makes a written finding that revocation is unwarranted because of extraordinary extenuating circumstances.'';

SA 2640. Mr. DASCHLE (for Mr. KENNEDY (for himself and Mr. GREGG)) proposed an amendment to the concurrent resolution H. Con. Res. 289, directing the Clerk of the House of Representatives to make technical corrections in the enrollment of the bill H.R. 1; as follows:

Strike all after the resolving clause and insert the following: ''That in the enrollment of the bill (H.R. 1) to close the achievement gap with accountability, flexibility, and choice, so that no child is left behind, the Clerk of the House of Representatives shall make the following corrections:

On page 1, in section 2 of the bill, insert the following after the item for section 5:

''Sec. 6. Table of contents of Elementary and Secondary Education Act of 1965.''.

On page 1, in the item for section 401 of the bill, strike ''century'' and insert the following: ''Century''.

On page 1, strike the item for section 701 of the bill and insert the following:

Sec. 701. Indians, Native Hawaiians, and Alaska Natives.

On page 2, in the item for section 1044 of the bill, strike ''school'' and insert the following: ''School''.

On page 4, in the item for section 1121, strike ''secretary'' and ''interior'' and insert the following: ''Secretary'' and ''Interior''.

On page 5, in the item for section 1222, strike ''early reading first'' and insert the following: ''Early Reading First''.

On page 6, in the item for section 1504, strike ''Close up'' and insert the following: ''Close Up''.

On page 6, strike the item for section 1708.

On page 12, in the item for section 5441, strike ''Learning Communities'' and insert the following: ''learning communities''.

On page 14, in the item for section 5596, strike ''mination'' and insert the following: ''Termination''.

On page 25, line 31, strike ''Any'' and insert the following: ''For any''.

On page 25, line 32, after ''part'' insert the following: '', the State educational agency''.

On page 25, line 33, after ''developed'' insert the following: ''by the State educational agency,''.

On page 30, line 3, after ''students'' insert the following: ''(defined as the percentage of students who graduate from secondary school with a regular diploma in the standard number of years)''.

On page 33, after line 35, insert the following:

''(K) ACCOUNTABILITY FOR CHARTER SCHOOLS.—The accountability provisions under this Act shall be overseen for charter schools in accordance with State charter school law.

On page 34, lines 2, 15, and 31, strike ''State'' and insert the following: ''State educational agency''.

On page 38, line 29, strike ''section 6204(c)''and insert the following: ''section 6113(a)(2)''.

On page 39, line 11, strike ''(2)(i)(I)'' and insert the following: ''(2)(I)(i)''.

On page 40, line 22, strike ''State'' and insert the following: ''State educational agency''.

On page 41, lines 28, 33 (the 2d place it appears), and 35 strike ''State'' and insert the following: ''State educational agency''.

On page 42, lines 8, 19, 23 (each place it appears), and 27, strike ''State'' and insert the following: ''State educational agency''.

On page 44, lines 24 and 35, strike ''State'' and insert the following: ''State educational agency''.

On page 46, lines 6 and 7, strike ''A State shall revise its State plan if' and insert the following: ''A State plan shall be revised by the State educational agency if it is''.

On page 46, lines 12 and 13, strike ''by the State, as necessary,'' and insert the following: ''as necessary by the State educational agency''.

On page 46, lines 15 and 16, strike ''If the State makes significant changes to its State plan'' and insert the following: ''If significant changes are made to a State's plan''.

On page 46, lines 19 and 20, strike ''the State shall submit such information'' and insert the following: ''such information shall be submitted''.

On page 48, line 23, strike ''(b)(2)(B)(vii)'' and insert the following: ''(b)(2)(C)(vi)''.

On page 50, lines 2, 12, and 18, strike ''State'' and insert the following: ''State educational agency''.

On page 52, line 9, strike ''State'' and insert the following: ''State educational agency''.

On page 62, lines 3 and 4, strike ''baseline year described in section 1111(b)(2)(E)(ii)'' and insert the following: ''the end of the 2001–2002 school year''.

On page 90, line 10, strike ''defined by the State'' and insert the following: ''set out in the State's plan''.

On page 94, line 32, strike ''State'' the first place it appears and insert the following: ''State educational agency''.

On page 104, line 25, insert the following: ''identify the local educational agency for improvement or'' before ''subject the local''.

On page 120, line 28, after ''teachers'' insert the following: ''in those schools''.

On page 130, line 34, strike ''subsection (b)'' and insert the following: ''subsection (c)''.

On page 185, lines 24 and 25, strike ''fully qualified'' and insert the following: ''highly qualified''.

On page 227, line 16, strike ''subsection (c)(1)(F)'' and insert the following: ''subsection (c)(1)''.

On page 227, line 17, strike ''9302'' and insert the following: ''9305''.

On page 274, line 23, strike ''States'' and insert the following: ''State''.

On page 274, line 33, strike ''1111(b)'' and insert the following: ''1111(h)(2)''.

On page 275, line 19, insert a period after ''school year''.

On page 276, lines 20 and 25, strike ''supplemental services'' and insert the following: ''supplemental educational services''.

On page 283, line 25, strike ''and'' after the semicolon.

On page 283, line 31, strike ''(d)'' and insert the following: ''(e)''.

On page 284, line 1, strike ''Congress''.

On page 284, line 6, strike ''(e)'' and insert the following: ''(f)''.

On page 290, lines 14 and 22, strike ''section'' and insert the following: ''part''.

On page 293, line 4, strike ''section'' and insert the following: ''part''.

On page 556, line 1, strike ''DEFINITIONS'' and insert the following: ''DEFINITION''.

On page 599, line 23, strike ''the No Child Left Behind Act of 2001'' and insert the following: ''under any title of this Act''.

On page 600, line 12, strike ''the No Child Left Behind Act of 2001'' and insert the following: ''under any title of this Act''.

On page 601, line 4, strike ''the No Child Left Behind Act of 2001'' and insert the following: ''under any title of this Act''.

On page 601, line 9, strike ''DEFINITIONS'' and insert the following: ''DEFINITION''.

On page 601, line 10, strike ''terms 'firearm' and 'school' have'' and insert the following: ''term 'school' has''.

On page 620, line 22, strike ''the No Child Left Behind Act of 2001'' and insert the following: ''under any title of this Act''.

On page 635, line 14, strike ''(b)'' and insert the following: ''(c)''.

On page 635, line 20, strike ''(c)'' and insert the following: ''(d)''.

On page 781, line 32, insert closing quotation marks and a period after the period.

On page 873, line 25, amend the heading for section 701 to read as follows:

SEC. 701 INDIANS, NATIVE HAWAIIANS, AND ALASKA NATIVES.

On page 955, after line 6, insert the following:

TITLE IX—GENERAL PROVISIONS

SEC. 901. GENERAL PROVISIONS.

Title IX (20 U.S.C. 7801 et seq.) is amended to read as follows:

On page 1004, at the end of line 2, insert closed quotation marks and a period.

SA 2641. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and

fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike title IV and insert the following:

TITLE IV—NUTRITION PROGRAMS

SEC. 401. SHORT TITLE.

This title may be cited as the ''Food Stamp Simplification Act of 2001''.

Subtitle A—Food Stamp Program

SEC. 411. CATEGORICAL ELIGIBILITY FOR RECIPIENTS OF CASH ASSISTANCE.

Section 5(a) of the Food Stamp Act of 1977 (7 U.S.C. 2014(a)) is amended—

(1) in the second sentence, by striking ''receives benefits'' and inserting ''receives cash assistance''; and

(2) in the third sentence, by striking ''receives benefits'' and inserting ''receives cash assistance''.

SEC. 412. DISREGARDING OF INFREQUENT AND UNANTICIPATED INCOME.

Section 5(d)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(2)) is amended by striking ''$30'' and inserting ''$100''.

SEC. 413. SIMPLIFIED TREATMENT OF INDIVIDUALS COMPLYING WITH CHILD SUPPORT ORDERS.

(a) EXCLUSION.—Section 5(d)(6) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(6)) is amended by adding at the end the following: ''including child support payments made by a household member to or for an individual who is not a member of the household if the household member is legally obligated to make the payments,''.

(b) SIMPLIFIED PROCEDURE.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in subsection (e), by striking paragraph (4) and inserting the following:

''(4) DEDUCTION FOR CHILD SUPPORT PAYMENTS.—

''(A) IN GENERAL.—In lieu of providing an exclusion for legally obligated child support payments made by a household member under subsection (d)(6), a State agency may elect to provide a deduction for the amount of the payments.

''(B) ORDER OF DETERMINING DEDUCTIONS.—A deduction under this paragraph shall be determined before the computation of the excess shelter expense deduction under paragraph (6).''; and

(2) by adding at the end the following:

''(n) STATE OPTIONS TO SIMPLIFY DETERMINATION OF CHILD SUPPORT PAYMENTS MADE BY HOUSEHOLD MEMBERS.—

''(1) IN GENERAL.—Regardless of whether a State agency elects to provide a deduction under subsection (e)(4), the Secretary shall establish simplified procedures to allow State agencies to determine the amount of the legally obligated child support payments made, including procedures to allow the State agency to rely on information from the agency responsible for implementing the program under part D of title IV of the Social Security Act (42 U.S.C. 661 et seq.) concerning payments made in prior months in lieu of obtaining current information from the household.

''(2) DURATION OF DETERMINATION OF AMOUNT OF SUPPORT PAYMENTS.—If a State agency makes a determination of the amount of support payments of a household under paragraph (1), the State agency may provide that the amount of the exclusion or deduction for the household shall not change until the eligibility of the household is next redetermined under section 11(e)(4).''.

SEC. 414. COORDINATED AND SIMPLIFIED DEFINITION OF INCOME.

Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended—

(1) by striking ''and (15)'' and inserting ''(15)''; and

(2) by inserting before the period at the end the following: '', (16) at the option of the State agency, any educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits, and the like (other than loans, grants, scholarships, fellowships, veterans' educational benefits, and the like excluded under paragraph (3)), to the extent that they are required to be excluded under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.), (17) at the option of the State agency, any State complementary assistance program payments that are excluded for the purpose of determining eligibility for medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1), (18) at the option of the State agency, any types of income that the State agency does not consider when determining eligibility for, (A) cash assistance under a program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or the amount of such assistance, or (B) medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1), except that this paragraph does not authorize a State agency to exclude wages or salaries, benefits under title I, II, IV, X, XIV, or XVI of the Social Security Act (42 U.S.C. 1381 et seq.), regular payments from a government source (such as unemployment benefits and general assistance), worker's compensation, child support payments made to a household member by an individual who is legally obligated to make the payments, or such other types of income the consideration of which the Secretary determines by regulation to be essential to equitable determinations of eligibility and benefit levels''.

SEC. 415. EXCLUSION OF INTEREST AND DIVIDEND INCOME.

Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) (as amended by section 414(2)) is amended by inserting before the period at the end the following: '', and (19) any interest or dividend income received by a member of the household''.

SEC. 416. ALIGNMENT OF STANDARD DEDUCTION WITH POVERTY LINE.

Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking paragraph (1) and inserting the following:

''(1) STANDARD DEDUCTION.—

''(A) IN GENERAL.—Subject to the other provisions of this paragraph, the Secretary shall allow a standard deduction for each household that is—

''(i) equal to the applicable percentage specified in subparagraph (D) of the income standard of eligibility established under subsection (c)(1); but

''(ii) not less than the minimum deduction specified in subparagraph (E).

''(B) GUAM.—The Secretary shall allow a standard deduction for each household in Guam that is—

''(i) equal to the applicable percentage specified in subparagraph (D) of twice the income standard of eligibility established under subsection (c)(1) for the 48 contiguous States and the District of Columbia; but

''(ii) not less than the minimum deduction for Guam specified in subparagraph (E).

''(C) HOUSEHOLDS OF 6 OR MORE MEMBERS.—The income standard of eligibility established under subsection (c)(1) for a household of 6 members shall be used to calculate the standard deduction for each household of 6 or more members.

''(D) APPLICABLE PERCENTAGE.—For the purpose of subparagraph (A), the applicable percentage shall be—

''(i) 8 percent for fiscal year 2002;

''(ii) 8.5 percent for each of fiscal years 2003 through 2005;

''(iii) 9 percent for each of fiscal years 2006 through 2008;

''(iv) 9.5 percent for each of fiscal years 2009 and 2010; and

''(v) 10 percent for each fiscal year thereafter.

''(E) MINIMUM DEDUCTION.—The minimum deduction shall be $134, $229, $189, $269, and $118 for the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States, respectively.''.

SEC. 417. SIMPLIFIED DEPENDENT CARE DEDUCTION.

Section 5(e)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(3)) is amended by adding at the end the following:

''(C) STANDARD DEPENDENT CARE ALLOWANCES.—

''(i) ESTABLISHMENT OF ALLOWANCES.—

''(I) IN GENERAL.—In determining the dependent care deduction under this paragraph, in lieu of requiring the household to establish the actual dependent care costs of the household, a State agency may use standard dependent care allowances established under subclause (II) for each dependent for whom the household incurs costs for care.

''(II) AMENDMENT TO STATE PLAN.—A State agency that elects to use standard dependent care allowances under subclause (I) shall submit for approval by the Secretary an amendment to the State plan of operation under section 11(d) that—

''(aa) describes the allowances that the State agency will use; and

''(bb) includes supporting documentation.

''(ii) HOUSEHOLD ELECTION.—

''(I) IN GENERAL.—Except as provided in clause (iii), a household may elect to have the dependent care deduction of the household based on actual dependent care costs rather that the allowances established under clause (i).

''(II) FREQUENCY.—The Secretary may by regulation limit the frequency with which households may make the election described in subclause (I) or reverse the election.

''(iii) MANDATORY DEPENDENT CARE ALLOWANCES.—The State agency may make the use of standard dependent care allowances established under clause (i) mandatory for all households that incur dependent care costs.''.

SEC. 418. SIMPLIFIED DETERMINATION OF HOUSING COSTS.

(a) IN GENERAL.—Section 5(e)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(7)) is amended—

(1) in subparagraph (A)—

(A) by striking ''A household'' and inserting the following:

''(i) IN GENERAL.—A household''; and

(B) by adding at the end the following:

''(ii) INCLUSION OF CERTAIN PAYMENTS.—In determining the shelter expenses of a household under this paragraph, the State agency shall include any required payment to the landlord of the household without regard to whether the required payment is designated to pay specific charges.''; and

(2) by adding at the end the following:

''(D) HOMELESS HOUSEHOLDS.—

''(i) ALTERNATIVE DEDUCTION.—In lieu of the deduction provided under subparagraph (A), a State agency may elect to allow a household in which all members are homeless individuals, but that is not receiving free shelter throughout the month, to receive a deduction of $143 per month.

''(ii) INELIGIBILITY.—The State agency may make a household with extremely low shelter costs ineligible for the alternative deduction under clause (i).''.

(b) CONFORMING AMENDMENTS.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in subsection (e)—

(A) by striking paragraph (5); and

(B) by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively; and

(2) in subsection (k)(4)(B), by striking ''subsection (e)(7)'' and inserting ''subsection (e)(6)''.

SEC. 419. SIMPLIFIED DETERMINATION OF UTILITY COSTS.

Section 5(e)(6)(C)(iii) of the Food Stamp Act of 1977 (as amended by section 418(b)(1)(B)) is amended—

(1) in subclause (I)(bb), by inserting ''(without regard to subclause (III))'' after ''Secretary finds''; and

(2) by adding at the end the following:

''(III) INAPPLICABILITY OF CERTAIN RESTRICTIONS.—Clauses (ii)(II) and (ii)(III) shall not apply in the case of a State agency that has made the use of a standard utility allowance mandatory under subclause (I).''.

SEC. 420. SIMPLIFIED DETERMINATION OF EARNED INCOME.

Section 5(f)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(1)) is amended by adding at the end the following:

''(C) SIMPLIFIED DETERMINATION OF EARNED INCOME.—

''(i) IN GENERAL.—A State agency may elect to determine monthly earned income by multiplying weekly income by 4 and biweekly income by 2.

''(ii) ADJUSTMENT OF EARNED INCOME DEDUCTION.—A State agency that makes an election described in clause (i) shall adjust the earned income deduction under subsection (e)(2)(B) to the extent necessary to prevent the election from resulting in increased costs to the food stamp program, as determined consistent with standards promulgated by the Secretary.''.

SEC. 421. SIMPLIFIED DETERMINATION OF DEDUCTIONS.

Section 5(f)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(1)) (as amended by section 420) is amended by adding at the end the following:

''(D) SIMPLIFIED DETERMINATION OF DEDUCTIONS.—

''(i) IN GENERAL.—Except as provided in clause (ii), for the purposes of subsection (e), a State agency may elect to disregard until the next redetermination of eligibility under section 11(e)(4) 1 or more types of changes in the circumstances of a household that affect the amount of deductions the household may claim under subsection (e).

''(ii) CHANGES THAT MAY NOT BE DISREGARDED.—Under clause (i), a State agency may not disregard—

''(I) any reported change of residence; or

''(II) under standards prescribed by the Secretary, any change in earned income.''.

SEC. 422. SIMPLIFIED RESOURCE ELIGIBILITY LIMIT.

Section 5(g)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(1)) is amended by striking ''a member who is 60 years of age or older'' and inserting ''an elderly or disabled member''.

SEC. 423. EXCLUSION OF LICENSED VEHICLES FROM FINANCIAL RESOURCES.

(a) IN GENERAL.—Section 5(g)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)) is amended—

(1) in subparagraph (B)—

(A) in clause (iii), by adding ''and'' at the end;

(B) by striking clause (iv); and

(C) by redesignating clause (v) as clause (iv);

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

''(C) EXCLUDED VEHICLES.—The Secretary shall exclude from financial resources any licensed vehicle used for household transportation.''; and

(3) by striking subparagraph (D).

(b) CONFORMING AMENDMENT.—Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by striking subsection (h).

SEC. 424. EXCLUSION OF RETIREMENT ACCOUNTS FROM FINANCIAL RESOURCES.

Section 5(g)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)(B)) (as amended by section 423(a)(1)) is amended by striking clause (iv) and inserting the following:

''(iv) any savings account (other than a retirement account (including an individual account)).''.

SEC. 425. COORDINATED AND SIMPLIFIED DEFINITION OF RESOURCES.

Section 5(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by adding at the end the following:

''(6) EXCLUSION OF TYPES OF FINANCIAL RESOURCES NOT CONSIDERED UNDER CERTAIN OTHER FEDERAL PROGRAMS.—

''(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall promulgate regulations under which a State agency may, at the option of the State agency, exclude from financial resources under this subsection any types of financial resources that the State agency does not consider when determining eligibility for—

''(i) cash assistance under a program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

''(ii) medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1).

''(B) LIMITATIONS.—Subparagraph (A) does not authorize a State agency to exclude—

''(i) cash;

''(ii) amounts in any account in a financial institution that are readily available to the household; or

''(iii) any other similar type of resource the inclusion in financial resources of which the Secretary determines by regulation to be essential to equitable determinations of eligibility under the food stamp program, except to the extent that any of those types of resources are excluded under another paragraph of this subsection.''.

SEC. 426. ALTERNATIVE ISSUANCE SYSTEMS IN DISASTERS.

Section 5(h)(3)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2014(h)(3)(B)) is amended—

(1) in the first sentence, by inserting ''issuance methods and'' after ''shall adjust''; and

(2) in the second sentence, by inserting '', any conditions that make reliance on electronic benefit transfer systems described in section 7(i) impracticable,'' after ''personnel''.

SEC. 427. SIMPLIFIED REPORTING SYSTEMS.

Section 6(c)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)(1)) is amended—

(1) in subparagraph (B), by striking ''on a monthly basis''; and

(2) by adding at the end the following:

''(D) FREQUENCY OF REPORTING.—

''(i) IN GENERAL.—Except as provided in subparagraphs (A) and (C), a State agency may require households that report on a periodic basis to submit reports—

''(I) not less often than once each 6 months; but

''(II) not more often than once each month.

''(ii) REPORTING BY HOUSEHOLDS WITH EXCESS INCOME.—A household required to report less often than once each 3 months shall, notwithstanding subparagraph (B), report in a manner prescribed by the Secretary if the income of the household for any month exceeds the standard established under section 5(c)(2).''.

SEC. 428. SIMPLIFIED TIME LIMIT.

(a) IN GENERAL.—Section 6(o) of the Food Stamp Act of 1977 (7 U.S.C. 2015(o)) is amended—

(1) in paragraph (2)—

(A) by striking ''36-month'' and inserting ''12-month'';

(B) by striking ''3'' and inserting ''6''; and

(C) in subparagraph (D), by striking ''(4), (5), or (6)'' and inserting ''(4), or (5)'';

(2) by striking paragraph (5);

(3) in paragraph (6)(A)(ii)—

(A) in subclause (III), by adding ''and'' at the end;

(B) in subclause (IV), by striking ''; and'' and inserting a period; and

(C) by striking subclause (V); and

(4) by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively.

(b) IMPLEMENTATION OF AMENDMENTS.—For the purpose of implementing the amendments made by subsection (a), a State agency shall disregard any period during which an individual received food stamp benefits before the effective date of this title.

SEC. 429. PRESERVATION OF ACCESS TO ELECTRONIC BENEFITS.

(a) IN GENERAL.—Section 7(i)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)(1)) is amended by adding at the end the following:

''(E) ACCESS TO ELECTRONIC BENEFIT TRANSFER SYSTEMS.—

''(i) IN GENERAL.—No benefits shall be taken off-line or otherwise made inaccessible because of inactivity until at least 180 days have elapsed since a household last accessed the account of the household.

''(ii) NOTICE TO HOUSEHOLD.—In a case in which benefits are taken off-line or otherwise made inaccessible, the household shall be sent a notice that—

''(I) explains how to reactivate the benefits; and

''(II) offers assistance if the household is having difficulty accessing the benefits of the household.''.

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply with respect to each State agency beginning on the date on which the State agency, after the date of enactment of this Act, enters into a contract to operate an electronic benefit transfer system.

SEC. 430. COST-NEUTRALITY FOR ELECTRONIC BENEFIT TRANSFER SYSTEMS.

Section 7(i)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)(2)) is amended—

(1) by striking subparagraph (A); and

(2) by redesignating subparagraphs (B) through (I) as subparagraphs (A) through (H), respectively.

SEC. 431. SIMPLIFIED PROCEDURES FOR RESIDENTS OF CERTAIN GROUP FACILITIES.

(a) IN GENERAL.—Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by adding at the end the following:

''(f) SIMPLIFIED PROCEDURES FOR RESIDENTS OF CERTAIN GROUP FACILITIES.—

''(1) IN GENERAL.—At the option of the State agency, allotments for residents of facilities described in subparagraph (B), (C), (D), or (E) of section 3(i)(5) may be determined and issued under this subsection in lieu of subsection (a).

''(2) AMOUNT OF ALLOTMENT.—The allotment for each eligible resident described in

paragraph (1) shall be calculated in accordance with standardized procedures established by the Secretary that take into account the allotments typically received by residents of facilities described in paragraph (1).

''(3) ISSUANCE OF ALLOTMENT.—

''(A) IN GENERAL.—The State agency shall issue an allotment determined under this subsection to the administration of a facility described in paragraph (1) as the authorized representative of the residents of the facility.

''(B) ADJUSTMENT.—The Secretary shall establish procedures to ensure that a facility described in paragraph (1) does not receive a greater proportion of a resident's monthly allotment than the proportion of the month during which the resident lived in the facility.

''(4) DEPARTURES OF COVERED RESIDENTS.—

''(A) NOTIFICATION.—Any facility described in paragraph (1) that receives an allotment for a resident under this subsection shall—

''(i) notify the State agency promptly on the departure of the resident; and

''(ii) notify the resident, before the departure of the resident, that the resident—

''(I) is eligible for continued benefits under the food stamp program; and

''(II) should contact the State agency concerning continuation of the benefits.

''(B) ISSUANCE TO DEPARTED RESIDENTS.—On receiving a notification under subparagraph (A)(i) concerning the departure of a resident, the State agency—

''(i) shall promptly issue the departed resident an allotment for the days of the month after the departure of the resident (calculated in a manner prescribed by the Secretary) unless the departed resident reapplies to participate in the food stamp program; and

''(ii) may issue an allotment for the month following the month of the departure (but not any subsequent month) based on this subsection unless the departed resident reapplies to participate in the food stamp program.

''(C) STATE OPTION.—The State agency may elect not to issue an allotment under subparagraph (B)(i) if the State agency lacks sufficient information on the location of the departed resident to provide the allotment.

''(D) EFFECT OF REAPPLICATION.—If the departed resident reapplies to participate in the food stamp program, the allotment of the departed resident shall be determined without regard to this subsection.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended—

(A) by striking ''(i) 'Household' means (1) an'' and inserting the following:

''(i)(1) 'Household' means—

''(A) an'';

(B) in the first sentence, by striking ''others, or (2) a group'' and inserting the following: ''others; or

''(B) a group'';

(C) in the second sentence, by striking ''Spouses'' and inserting the following:

''(2) Spouses'';

(D) in the third sentence, by striking ''Notwithstanding'' and inserting the following:

''(3) Notwithstanding'';

(E) in paragraph (3) (as designated by subparagraph (D)), by striking ''the preceding sentences'' and inserting ''paragraphs (1) and (2)'';

(F) in the fourth sentence, by striking ''In no event'' and inserting the following:

''(4) In no event'';

(G) in the fifth sentence, by striking ''For the purposes of this subsection, residents'' and inserting the following:

''(5) For the purposes of this subsection, the following persons shall not be considered to be residents of institutions and shall be considered to be individual households:

''(A) Residents''; and

(H) in paragraph (5) (as designated by subparagraph (G))—

(i) by striking ''Act, or are individuals'' and inserting the following: ''Act.

''(B) Individuals'';

(ii) by striking ''such section, temporary'' and inserting the following: ''that section.

''(C) Temporary'';

(iii) by striking ''children, residents'' and inserting the following: ''children.

''(D) Residents'';

(iv) by striking ''coupons, and narcotics'' and inserting the following: ''coupons.

''(E) Narcotics''; and

(v) by striking ''shall not'' and all that follows and inserting a period.

(2) Section 5(a) of the Food Stamp Act of 1977 (7 U.S.C. 2014(a)) is amended by striking ''the third sentence of section 3(i)'' each place it appears and inserting ''section 3(i)(4)''.

(3) Section 8(e)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2017(e)(1)) is amended by striking ''the last sentence of section 3(i)'' and inserting ''section 3(i)(5)''.

(4) Section 17(b)(1)(B)(iv)(III)(aa) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(iv)(III)(aa)) is amended by striking ''the last 2 sentences of section 3(i)'' and inserting ''paragraphs (4) and (5) of section 3(i)''.

SEC. 432. REDEMPTION OF BENEFITS THROUGH GROUP LIVING ARRANGEMENTS.

Section 10 of the Food Stamp Act of 1977 (7 U.S.C. 2019) is amended by inserting after the first sentence the following: ''Notwithstanding the preceding sentence, a center, organization, institution, shelter, group living arrangement, or establishment described in that sentence may be authorized to redeem coupons through a financial institution described in that sentence if the center, organization, institution, shelter, group living arrangement, or establishment is equipped with 1 or more point-of-sale devices and is operating in an area in which an electronic benefit transfer system described in section 7(i) has been implemented.''.

SEC. 433. SIMPLIFIED DETERMINATIONS OF CONTINUING ELIGIBILITY.

(a) IN GENERAL.—Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

(1) by striking paragraph (4) and inserting the following:

''(4)(A) that the State agency shall periodically require each household to cooperate in a redetermination of the eligibility of the household.

''(B) A redetermination under subparagraph (A) shall—

''(i) be based on information supplied by the household; and

''(ii) conform to standards established by the Secretary.

''(C) The interval between redeterminations of eligibility under subparagraph (A) shall not exceed the eligibility review period;'' and

(2) in paragraph (10)—

(A) by striking ''within the household's certification period''; and

(B) by striking ''or until'' and all that follows through ''occurs earlier''.

(b) CONFORMING AMENDMENTS.—

(1) Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended—

(A) by striking ''Certification period'' and inserting ''Eligibility review period''; and

(B) by striking ''certification period'' each place it appears and inserting ''eligibility review period''.

(2) Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(A) in subsection (d)(2), by striking ''in the certification period which'' and inserting ''that''; and

(B) in subsection (e) (as amended by section 1218(b)(1)(B))—

(i) in paragraph (5)(B)(ii)—

(I) in subclause (II), by striking ''certification period'' and inserting ''eligibility review period''; and

(II) in subclause (III), by striking ''has been anticipated for the certification period'' and inserting ''was anticipated when the household applied or at the most recent redetermination of eligibility for the household''; and

(ii) in paragraph (6)(C)(iii)(II), by striking ''the end of a certification period'' and inserting ''each redetermination of the eligibility of the household''.

(3) Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended—

(A) in subsection (c)(1)(C)(iv), by striking ''certification period'' each place it appears and inserting ''interval between required redeterminations of eligibility''; and

(B) in subsection (d)(1)(D)(v)(II), by striking ''a certification period'' and inserting ''an eligibility review period''.

(4) Section 8(c) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)) is amended—

(A) in the second sentence of paragraph (1), by striking ''within a certification period''; and

(B) in paragraph (2)(B), by striking ''expiration of'' and all that follows through ''during a certification period,'' and inserting ''termination of benefits to the household,''.

(5) Section 11(e)(16) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(16)) is amended by striking ''the certification or recertification'' and inserting ''determining the eligibility''.

SEC. 434. SIMPLIFIED APPLICATION PROCEDURES FOR THE ELDERLY AND DISABLED.

(a) IN GENERAL.—Section 11(i) of the Food Stamp Act of 1977 (7 U.S.C. 2020(i)) is amended—

(1) in paragraph (1)—

(A) by striking ''income shall be informed'' and inserting the following: ''income shall be—

''(A) informed'';

(B) by striking ''program and be assisted'' and inserting the following: ''program;

''(B) assisted''; and

(C) by striking ''office and be certified'' and inserting the following: ''office; and

''(C) certified''; and

(2) by adding at the end the following:

''(3) DUAL-PURPOSE APPLICATIONS.—

''(A) IN GENERAL.—Under regulations promulgated by the Secretary after consultation with the Commissioner of Social Security, a State agency may enter into a memorandum of understanding with the Commissioner under which an application for supplemental security income benefits under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.) from a household composed entirely of applicants for or recipients of those benefits shall also be considered to be an application for benefits under the food stamp program.

''(B) CERTIFICATION; REPORTING REQUIREMENTS.—A household covered by a memorandum of understanding under subparagraph (A)—

''(i) shall be certified based exclusively on information provided to the Commissioner, including such information as the Secretary shall require to be collected under the terms of any memorandum of understanding under this paragraph; and

''(ii) shall not be subject to any reporting requirement under section 6(c).

''(C) EXCEPTIONS TO VALUE OF ALLOTMENT.—The Secretary shall provide by regulation for such exceptions to section 8(a) as are necessary because a household covered by a memorandum of understanding under subparagraph (A) did not complete an application under subsection (e)(2).

''(D) COVERAGE.—In accordance with standards promulgated by the Secretary, a memorandum of understanding under subparagraph (A) need not cover all classes of applicants and recipients referred to in subparagraph (A).

''(E) EXEMPTION FROM CERTAIN APPLICATION PROCEDURES.—In the case of any member of a household covered by a memorandum of understanding under subparagraph (A), the Commissioner shall not be required to comply with—

''(i) subparagraph (B) or (C) of paragraph (1); or

''(ii) subsection (j)(1)(B).

''(F) RIGHT TO APPLY UNDER REGULAR PROGRAM.—The Secretary shall ensure that each household covered by a memorandum of understanding under subparagraph (A) is informed that the household may—

''(i)(I) submit an application under subsection (e)(2); and

''(II) have the eligibility and value of the allotment of the household under the food stamp program determined without regard to this paragraph; or

''(ii) decline to participate in the food stamp program.

''(G) TRANSITION PROVISION.—Notwithstanding the requirement for the promulgation of regulations under subparagraph (A), the Secretary may approve a request from a State agency to enter into a memorandum of understanding in accordance with this paragraph during the period—

''(i) beginning on the date of enactment of this paragraph; and

''(ii) ending on the earlier of—

''(I) the date of promulgation of the regulations; or

''(II) the date that is 3 years after the date of enactment of this paragraph.''.

(b) CONFORMING AMENDMENTS.—Section 11(j)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2020(j)(1)) is amended—

(1) by striking ''shall be informed'' and inserting the following: ''shall be—

''(A) informed''; and

(2) by striking ''program and informed'' and inserting the following: ''program; and

''(B) informed''.

SEC. 435. TRANSITIONAL FOOD STAMPS FOR FAMILIES MOVING FROM WELFARE.

(a) IN GENERAL.—Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended by adding at the end the following:

''(s) TRANSITIONAL BENEFITS OPTION.—

''(1) IN GENERAL.—A State agency may provide transitional food stamp benefits to a household that ceases to receive cash assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

''(2) TRANSITIONAL BENEFITS PERIOD.—Under paragraph (1), a household may continue to receive food stamp benefits for a period of not more than 6 months after the date on which cash assistance is terminated.

''(3) AMOUNT OF BENEFITS.—During the transitional benefits period under paragraph (2), a household shall receive an amount of food stamp benefits equal to the allotment received in the month immediately preceding the date on which cash assistance was terminated, adjusted for—

''(A) the change in household income as a result of the termination of cash assistance; and

''(B) any changes in circumstances that may result in an increase in the food stamp allotment of the household and that the household elects to report.

''(4) DETERMINATION OF FUTURE ELIGIBILITY.—In the final month of the transitional benefits period under paragraph (2), the State agency may—

''(A) require the household to cooperate in a redetermination of eligibility; and

''(B) initiate a new eligibility review period for the household without regard to whether the preceding eligibility review period has expired.

''(5) LIMITATION.—A household shall not be eligible for transitional benefits under this subsection if the household—

''(A) loses eligibility under section 6;

''(B) is sanctioned for a failure to perform an action required by Federal, State, or local law relating to a cash assistance program described in paragraph (1); or

''(C) is a member of any other category of households designated by the State agency as ineligible for transitional benefits.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended by adding at the end the following: ''The limits specified in this section may be extended until the end of any transitional benefit period established under section 11(s).''.

(2) Section 6(c) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)) is amended by striking ''No household'' and inserting ''Except in a case in which a household is receiving transitional benefits during the transitional benefits period under section 11(s), no household''.

SEC. 436. QUALITY CONTROL.

(a) IN GENERAL.—Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025 c) is amended—

(1) by striking ''(c)(1) The'' and all that follows through the end of paragraph (1) and inserting the following:

''(c) QUALITY CONTROL.—

''(1) IN GENERAL.—The food stamp program shall include a system to enhance payment accuracy that has the following elements:

''(A) CORRECTIVE ACTION PLANS.—The Secretary shall foster management improvements by the States by requiring State agencies to develop and implement corrective action plans to reduce payment errors.

''(B) INVESTIGATION AND INITIAL SANCTIONS.—

''(i) INVESTIGATION.—Except as provided under subparagraph (C), for any fiscal year in which the Secretary determines that a 95 percent statistical probability exists that the payment error rate of a State agency exceeds the national performance measure for payment error rates announced under paragraph (6) by more than 1 percentage point, other than for good cause shown, the Secretary shall investigate the administration by the State agency of the food stamp program unless the Secretary determines that sufficient information is already available to review the administration by the State agency.

''(ii) INITIAL SANCTIONS.—If an investigation under clause (i) results in a determination that the State agency has been seriously negligent (as determined under standards promulgated by the Secretary), the State agency shall pay the Secretary an amount that reflects the extent of such negligence (as determined under standards promulgated by the Secretary), not to exceed 5 percent of the amount provided to the State agency under subsection (a) for the fiscal year.

''(C) ADDITIONAL SANCTIONS.—If, for any fiscal year, the Secretary determines that a 95 percent statistical probability exists that the payment error rate of a State agency exceeds the national performance measure for payment error rates announced under paragraph (6) by more than 1 percentage point, other than for good cause shown, and that the State agency was sanctioned under this paragraph or was the subject of an investigation or review under subparagraph (B)(i) for each of the 2 immediately preceding fiscal years, the State agency shall pay to the Secretary an amount equal to the product obtained by multiplying—

''(i) the value of all allotments issued by the State agency in the fiscal year;

''(ii) the lesser of—

''(I) the ratio that—

''(aa) the amount by which the payment error rate of the State agency for the fiscal year exceeds by more than 1 percentage point the national performance measure for the fiscal year; bears to

''(bb) 10 percent; or

''(II) 1; and

''(iii) the amount by which the payment error rate of the State agency for the fiscal year exceeds by more than 1 percentage point the national performance measure for the fiscal year.'';

(2) in paragraph (2)(A), by inserting before the semicolon the following: '', as adjusted downward as appropriate under paragraph (10)'';

(3) in the first sentence of paragraph (4), by striking '', enhanced administrative funding,'' and all that follows and inserting ''under this subsection, high performance bonus payment under paragraph (11), or claim for payment error under paragraph (1).'';

(4) in the first sentence of paragraph (5), by striking ''to establish'' and all that follows and inserting the following: ''to establish the payment error rate for the State agency for the fiscal year, to comply with paragraph (10), and to determine the amount of any high performance bonus payment of the State agency under paragraph (11) or claim under paragraph (1).'';

(5) in the first sentence of paragraph (6), by striking ''incentive payments or claims pursuant to paragraphs (1)(A) and (1)(C),'' and inserting ''claims under paragraph (1),''; and

(6) by adding at the end the following:

''(10) ADJUSTMENTS OF PAYMENT ERROR RATE.—

''(A) IN GENERAL.—

''(i) FISCAL YEAR 2002.—Subject to clause (ii), for fiscal year 2002, in applying paragraph (1), the Secretary shall adjust the payment error rate determined under paragraph (2)(A) as necessary to eliminate any increases in errors that result from the State agency's serving a higher percentage of households with earned income, households with 1 or more members who are not United States citizens, or both, than the lesser of, as the case may be—

''(I) the percentage of households of the corresponding type that receive food stamps nationally; or

''(II) the percentage of—

''(aa) households with earned income that received food stamps in the State in fiscal year 1992; or

''(bb) households with members who are not United States citizens that received food stamps in the State in fiscal year 1998.

''(ii) EXPANDED APPLICABILITY TO STATE AGENCIES SUBJECT TO SANCTIONS.—In the case of a State agency subject to sanctions for fiscal year 2001 or any fiscal year thereafter under paragraph (1), the adjustments described in clause (i) shall apply to the State agency for the fiscal year.

''(B) CONTINUATION OR MODIFICATION OF ADJUSTMENTS.—For fiscal year 2003 and each fiscal year thereafter, the Secretary may determine whether the continuation or modification of the adjustments described in subparagraph (A)(i) or the substitution of other adjustments is most consistent with achieving the purposes of this Act.''.

(b) CONFORMING AMENDMENT.—Section 22(h) of the Food Stamp Act of 1977 (7 U.S.C. 2031(h)) is amended by striking the last sentence.

(c) APPLICABILITY.—Except as otherwise provided in the amendments made by subsection (a), the amendments made by subsection (a) shall apply to fiscal year 2001 and each fiscal year thereafter.

SEC. 437. IMPROVEMENT OF CALCULATION OF STATE PERFORMANCE MEASURES.

(a) IN GENERAL.—Section 16(c)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)(8)) is amended—

(1) in subparagraph (B), by striking ''180 days after the end of the fiscal year'' and inserting ''the first May 31 after the end of the fiscal year referred to in subparagraph (A)''; and

(2) in subparagraph (C), by striking ''30 days thereafter'' and inserting ''the first June 30 after the end of the fiscal year referred to in subparagraph (A)''.

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

SEC. 438. BONUSES FOR STATES THAT DEMONSTRATE HIGH PERFORMANCE.

(a) IN GENERAL.—Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) (as amended by section 436(a)(6)) is amended—

(1) in the first sentence of paragraph (1), by striking ''enhanced administrative funding to States with the lowest error rates.'' and inserting ''bonus payments to States that demonstrate high levels of performance.''; and

(2) by adding at the end the following:

''(11) HIGH PERFORMANCE BONUS PAYMENTS.—

''(A) IN GENERAL.—For each fiscal year, the Secretary shall—

''(i) measure the performance of each State agency with respect to each of the performance measures specified in subparagraph (B); and

''(ii) subject to subparagraph (D), make high performance bonus payments to the State agencies with the highest achievement with respect to those performance measures.

''(B) PERFORMANCE MEASURES.—The performance measures specified in this subparagraph are—

''(i)(I) the greatest dollar amount of total claims collected in the fiscal year as a proportion of the overpayment dollar amount in the previous fiscal year; and

''(II) the greatest percentage point improvement under clause (i)(I) from the previous fiscal year to the fiscal year;

''(ii) the greatest improvement from the previous fiscal year to the fiscal year in the ratio, expressed as a percentage, that—

''(I) the number of households in the State that—

''(aa) have incomes less than 130 percent of the poverty line (as defined in section 673 of the Community Services Block Grant Act (42 U.S.C. 9902));

''(bb) are eligible for food stamp benefits; and

''(cc) receive food stamps benefits; bears to

''(II) the number of households in the State that—

''(aa) have incomes less than 130 percent of the poverty line (as so defined); and

''(bb) are eligible for food stamp benefits;

''(iii) the lowest overpayment error rate;

''(iv) the greatest percentage point improvement from the previous fiscal year to the fiscal year in the overpayment error rate;

''(v) the lowest negative error rate;

''(vi) the greatest percentage point improvement from the previous year to the fiscal year in the negative error rate;

''(vii) the lowest underpayment error rate;

''(viii) the greatest percentage point improvement from the previous year to the fiscal year in the underpayment error rate;

''(ix) the greatest percentage of new applications processed within the deadlines established under paragraphs (3) and (9) of section 11(e); and

''(x) the least average period of time needed to process applications under paragraphs (3) and (9) of section 11(e).

''(C) HIGH PERFORMANCE BONUS PAYMENTS.—

''(i) DEFINITION OF CASELOAD.—In this subparagraph, the term 'caseload' has the meaning given the term in section 6(o)(5)(A).

''(ii) AMOUNT OF PAYMENTS.—

''(I) IN GENERAL.—For each fiscal year, the Secretary shall—

''(aa) make 1 high performance bonus payment of $10,000,000 for each of the 10 performance measures under subparagraph (B); and

''(bb) allocate the high performance bonus payment with respect to each performance measure in accordance with subclauses (II) and (III).

''(II) PAYMENT FOR PERFORMANCE MEASURE CONCERNING CLAIMS COLLECTED.—For each fiscal year, the Secretary shall allocate the high performance bonus payment made for the performance measure under subparagraph (B)(i) among the 20 State agencies with the highest performance in the performance measure in the ratio that—

''(aa) the caseload of each such State agency; bears to

''(bb) the caseloads of all such State agencies.

''(III) PAYMENTS FOR OTHER PERFORMANCE MEASURES.—For each fiscal year, the Secretary shall allocate the high performance bonus payment made for the performance measure under each of clauses (ii) through (x) of subparagraph (B) among the 10 State agencies with the highest performance in the performance measure in the ratio that—

''(aa) the caseload of each such State agency; bears to

''(bb) the caseloads of all such State agencies.

''(iii) DETERMINATION OF HIGHEST PERFORMERS.—

''(I) IN GENERAL.—In determining the highest performers under clause (ii), the Secretary shall calculate applicable percentages to 2 decimal places.

''(II) DETERMINATION IN EVENT OF A TIE.—If, under subclause (I), 2 or more State agencies have the same percentage with respect to a performance measure, the Secretary shall calculate the percentage for the performance measure to as many decimal places as are necessary to determine which State agency has the greatest percentage.

''(D) LIMITATIONS FOR STATE AGENCIES SUBJECT TO SANCTIONS.—If, for any fiscal year, a State agency is subject to a sanction under paragraph (1)—

''(i) the State agency shall not be eligible for a high performance bonus payment under clause (iii), (iv), (vii), or (viii) of subparagraph (B) for the fiscal year; and

''(ii) the State agency shall not receive a high performance bonus payment for which the State agency is otherwise eligible under this paragraph for the fiscal year until the obligation of the State agency under the sanction has been satisfied (as determined by the Secretary).

''(E) PAYMENTS NOT SUBJECT TO JUDICIAL REVIEW.—A determination by the Secretary whether, and in what amount, to make a high performance bonus payment under this paragraph shall not be subject to judicial review.''.

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply to fiscal year 2003 and each fiscal year thereafter.

SEC. 439. SIMPLIFIED FUNDING RULES FOR EMPLOYMENT AND TRAINING PROGRAMS.

(a) LEVELS OF FUNDING.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking '', to remain available until expended,''; and

(B) by striking clause (vii) and inserting the following:

''(vii) to remain available until expended—

''(I) for fiscal year 2002, $122,000,000;

''(II) for fiscal year 2003, $129,000,000;

''(III) for fiscal year 2004, $135,000,000;

''(IV) for fiscal year 2005, $142,000,000; and

''(V) for fiscal year 2006, $149,000,000.'';

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

''(B) ALLOCATION.—Funds made available under subparagraph (A) shall be made available to and reallocated among State agencies under a reasonable formula that—

''(i) is determined and adjusted by the Secretary; and

''(ii) takes into account the number of individuals who are not exempt from the work requirement under section 6(o).''; and

(3) by striking subparagraphs (E) through (G).

(b) RESCISSION OF CARRYOVER FUNDS.—Notwithstanding any other provision of law, funds provided under section 16(h)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)(A)) for any fiscal year before fiscal year 2002 shall cease to be available on the date of enactment of this Act, unless obligated by a State agency before that date.

(c) PARTICIPANT EXPENSES.—Section 6(d)(4)(I)(i)(I) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)(I)(i)(I)) is amended by striking ''$25 per month'' and inserting ''an amount not less than $25 per month''.

(d) FEDERAL REIMBURSEMENT.—Section 16(h)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(3)) is amended by striking ''$25'' and inserting ''the limit established by the State agency under section 6(d)(4)(I)(i)(I)''.

(e) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of this act.

SEC. 440. REAUTHORIZATION OF FOOD STAMP PROGRAM.

(a) REDUCTIONS IN PAYMENTS FOR ADMINISTRATIVE COSTS.—Section 16(k)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(3)) is amended—

(1) in the first sentence of subparagraph (A), by striking ''2002'' and inserting ''2006''; and

(2) in subparagraph (B)(ii), by striking ''2002'' and inserting ''2006''.

(b) CASH PAYMENT PILOT PROJECTS.—Section 17(b)(1)(B)(vi) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(vi)) is amended by striking ''2002'' and inserting ''2006''.

(c) GRANTS TO IMPROVE FOOD STAMP PARTICIPATION.—Section 17(i)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(i)(1)(A)) is amended in the first sentence by striking ''2002'' and inserting ''2006''.

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended in the first sentence by striking ''2002'' and inserting ''2006''.

SEC. 441. EXPANDED GRANT AUTHORITY.

Section 17(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(a)(1)) is amended—

(1) by striking '', by way of making contracts with or grants to public or private organizations or agencies,'' and inserting ''enter into contracts with or make grants to public or private organizations or agencies under this section to''; and

(2) by adding at the end the following: ''The waiver authority of the Secretary under subsection (b) shall extend to all contracts and grants under this section.''.

SEC. 442. EXEMPTION OF WAIVERS FROM COST-NEUTRALITY REQUIREMENT.

Section 17(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)) is amended by adding at the end the following:

''(E) COST NEUTRALITY.—

''(i) REQUIREMENTS FOR WAIVERS.—

''(I) ESTIMATION OF COSTS AND SAVINGS OF WAIVERS.—Before approving a waiver for any demonstration project proposed under this subsection, the Secretary shall estimate the costs or savings likely to result from the waiver.

''(II) APPROVAL OF WAIVERS.—The Secretary shall not approve any waiver that the Secretary estimates will increase costs to the Federal Government unless—

''(aa) exigent circumstances require the approval of the waiver;

''(bb) the increase in costs is insignificant; or

''(cc) the increase in costs is necessary for a designated research demonstration project under clause (ii).

''(III) MULTIYEAR COST NEUTRALITY.—A waiver shall not be considered to increase costs to the Federal Government based on the impact of the waiver in any 1 fiscal year if the waiver is not expected to increase costs to the Federal Government over any 3-fiscal year period that includes the fiscal year.

''(ii) EXEMPTION FROM COST-NEUTRALITY REQUIREMENT FOR CERTAIN PROJECTS.—

''(I) IN GENERAL.—For each fiscal year, the Secretary may designate research demonstration projects that—

''(aa) have a substantial likelihood of producing information on important issues of food stamp program design or operation; and

''(bb) the Secretary estimates are likely to increase costs to the Federal Government by a total of not more than $50,000,000 during the period of fiscal years 2002 through 2006.

''(II) EXEMPTION.—A project described in subclause (I) shall be exempt from clause (i).

''(iii) OFFSETS IN OTHER PROGRAMS.—In making determinations of costs to the Federal Government under this subparagraph, the Secretary shall estimate and consider savings to the Federal Government in other programs in such a manner as the Secretary determines to be appropriate.

''(iv) NO LOOK-BACK.—The Secretary shall not be required to adjust any estimate made under this subparagraph to reflect the actual costs of a demonstration project as implemented by a State agency.''.

SEC. 443. PROGRAM SIMPLIFICATION DEMONSTRATION PROJECTS.

(a) ENHANCED WAIVER AUTHORITY.—Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by striking subsection (e) and inserting the following:

''(e) PROGRAM SIMPLIFICATION DEMONSTRATION PROJECTS.—

''(1) IN GENERAL.—With the approval of the Secretary, not more than 5 State agencies may carry out demonstration projects to test, for a period of not more than 3 years, promising approaches to simplifying the food stamp program.

''(2) TYPES OF DEMONSTRATION PROJECTS.—Each demonstration project under paragraph (1) shall test changes in food stamp program rules in not more than 1 of the following 2 areas:

''(A)(i) Reporting requirements under section 6(c).

''(ii) Verification methods under section 11(e)(3) (including reliance on data from preceding periods that can be obtained or verified electronically).

''(iii) A combination of reporting requirements and verification methods.

''(B) The income standard of eligibility established under section 5(c)(1), deductions under section 5(e), and income budgeting procedures under section 5(f).

''(3) SELECTION OF DEMONSTRATION PROJECTS.—

''(A) IN GENERAL.—The Secretary shall establish a competitive process to select, from all projects proposed by State agencies, the demonstration projects to be carried out under this subsection based on which projects have the greatest likelihood of producing useful information on important issues of food stamp program design or operation, as determined by the Secretary.

''(B) GOALS.—In selecting demonstration projects, the Secretary shall seek, at a minimum, to achieve a balance between—

''(i) simplifying the food stamp program;

''(ii) reducing administrative burdens on State agencies, households, and other individuals and entities;

''(iii) providing nutrition assistance to individuals most in need; and

''(iv) improving access to nutrition assistance.

''(C) PROJECTS NOT ELIGIBLE FOR SELECTION.—The Secretary shall not select any demonstration project under this subsection that the Secretary determines does not have a strong likelihood of producing useful information on important issues of food stamp program design or operation.

''(D) DIVERSITY OF APPROACHES AND AREAS.—In selecting demonstration projects to be carried out under this subsection, the Secretary shall seek to include—

''(i) projects that take diverse approaches;

''(ii) at least 1 project that will operate in an urban area; and

''(ii) at least 1 project that will operate in a rural area.

''(E) MAXIMUM AGGREGATE COST OF PROJECTS.—The estimated aggregate cost of projects selected by the Secretary under this subsection shall not exceed $90,000,000.

''(4) SIZE OF AREA.—Each demonstration project selected under this subsection shall be carried out in an area that contains not more than the greater of—

''(A) one-third of the total households receiving allotments in the State; or

''(B) the minimum number of households needed to measure the effects of the demonstration projects.

''(5) EVALUATIONS.—

''(A) IN GENERAL.—The Secretary shall provide, through contract or other means, for detailed, statistically valid evaluations to be conducted of each demonstration project carried out under this subsection.

''(B) MINIMUM REQUIREMENTS.—Each evaluation under subparagraph (A)—

''(i) shall include the study of control groups or areas; and

''(ii) shall analyze, at a minimum, the effects of the project design on—

''(I) costs of the food stamp program;

''(II) State administrative costs;

''(III) the integrity of the food stamp program, including errors as measured under section 16(c);

''(IV) participation by households in need of nutrition assistance; and

''(V) changes in allotment levels experienced by—

''(aa) households of various income levels;

''(bb) households with elderly, disabled, and employed members;

''(cc) households with high shelter costs relative to the incomes of the households; and

''(dd) households receiving subsidized housing, child care, or health insurance.

''(C) FUNDING.—From funds made available to carry out this Act, the Secretary shall reserve not more than $6,000,000 to conduct evaluations under this paragraph.

''(6) REPORT TO CONGRESS.—Not later than January 1, 2006, the Secretary shall submit to Congress a report on the impact of the demonstration projects carried out under this subsection on the food stamp program, including the effectiveness of the demonstration projects in—

''(A) delivering nutrition assistance to households most at risk; and

''(B) reducing administrative burdens.''.

(b) CONFORMING AMENDMENT.—Section 17(b)(1)(B)(iv)(III)(ii) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(iv)(III)(ii)) is amended by striking ''paragraph'' and inserting ''section''.

SEC. 444. CONSOLIDATED BLOCK GRANTS.

(a) CONSOLIDATED FUNDING.—Section 19(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking ''the Commonwealth of Puerto Rico'' and inserting ''governmental entities specified in subparagraph (D)'';

(B) in clause (ii), by striking ''and'' at the end; and

(C) by striking clause (iii) and all that follows and inserting the following:

''(iii) for fiscal year 2002, $1,356,000,000; and

''(iv) for each of fiscal years 2003 through 2006, the amount provided in clause (iii), as adjusted by the percentage by which the thrifty food plan has been adjusted under section 3(o)(4) between June 30, 2001, and June 30 of the immediately preceding fiscal year;

to pay the expenditures for nutrition assistance programs for needy persons as described in subparagraphs (B) and (C).'';

(2) in subparagraph (B), by inserting ''of Puerto Rico'' after ''Commonwealth'' each place it appears; and

(3) by adding at the end the following:

''(C) AMERICAN SAMOA.—For each fiscal year, the Secretary shall reserve 0.4 percent of the funds made available under subparagraph (A) for payment to American Samoa to pay the expenditures for a nutrition assistance program extended under section 601(c) of Public Law 96–597 (48 U.S.C. 1469d(c)).

''(D) GOVERNMENTAL ENTITY.—A governmental entity specified in this subparagraph is—

''(i) the Commonwealth of Puerto Rico; and

''(ii) for fiscal year 2003 and each fiscal year thereafter, American Samoa.''.

(b) CONFORMING AMENDMENT.—Section 24 of the Food Stamp Act of 1977 (7 U.S.C. 2033) is repealed.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2002.

SEC. 445. EXPANDED AVAILABILITY OF COMMODITIES.

(a) IN GENERAL.—Section 27 of the Food Stamp Act of 1977 (7 U.S.C. 2036) is amended—

(1) in subsection (a)—

(A) by striking ''From amounts'' and inserting the following:

''(1) IN GENERAL.—From amounts'';

(B) by striking ''for each of fiscal years 1997 through 2002, the Secretary shall purchase $100,000,000 of'' and inserting ''the Secretary shall use the amount specified in paragraph (2) to purchase''; and

(C) by adding at the end the following:

''(2) AMOUNTS.—The amounts specified in this paragraph are—

''(A) for each of fiscal years 1997 through 2001, $100,000,000; and

''(B) for each of fiscal years 2002 through 2006, $140,000,000.''; and

(2) by adding at the end the following:

''(c) USE OF FUNDS FOR RELATED COSTS.—

''(1) IN GENERAL.—For each of fiscal years 2002 through 2006, the Secretary shall use $10,000,000 of the funds made available under subsection (a) to pay the direct and indirect costs of States relating to the processing, storing, transporting, and distributing to eligible recipient agencies of—

''(A) commodities purchased by the Secretary under subsection (a); and

''(B) commodities acquired from other sources, including commodities acquired by gleaning (as defined in section 111(a) of the Hunger Prevention Act of 1988 (7 U.S.C. 612c note; Public Law 100–435)).

''(2) ALLOCATION OF FUNDS.—The amount required to be used in accordance with paragraph (1) shall be allocated in accordance with section 204(a) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)).''.

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

Subtitle B—Miscellaneous Provisions

SEC. 451. REAUTHORIZATION OF COMMODITY PROGRAMS.

(a) 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 ''2002'' and inserting ''2006''.

(b) 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) by striking subsection (a) and inserting the following:

''(a) GRANTS PER ASSIGNED CASELOAD SLOT.—

''(1) IN GENERAL.—In carrying out the program under section 4 (referred to in this section as the 'commodity supplemental food program'), for each of fiscal years 2003 through 2006, the Secretary shall provide to each State agency from funds made available to carry out that section (including any such funds remaining available from the preceding fiscal year), a grant per assigned caseload slot for administrative costs incurred by the State agency and local agencies in the State in operating the commodity supplemental food program.

''(2) AMOUNT OF GRANTS.—For each of fiscal years 2003 through 2006, the amount of each grant per caseload slot shall be equal to $50, adjusted by the percentage change between—

''(A) the value of the State and local government price index, as published by the Bureau of Economic Analysis of the Department of Commerce, for the 12-month period ending June 30 of the second preceding fiscal year; and

''(B) the value of that index for the 12-month period ending June 30 of the preceding fiscal year.''; and

(2) in subsection (d)(2), by striking ''2002'' each place it appears and inserting ''2006''.

(c) 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 ''2002'' and inserting ''2006''.

(d) EMERGENCY FOOD ASSISTANCE.—Section 204(a)(1) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)(1)) is amended in the first sentence—

(1) by striking ''2002'' and inserting ''2006'';

(2) by striking ''administrative''; and

(3) by inserting ''storage,'' after ''processing,''.

SEC. 452. WORK REQUIREMENT FOR LEGAL IMMIGRANTS.

(a) WORKING IMMIGRANT FAMILIES.—Section 402(a)(2)(B)(ii)(I) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(B)(ii)(I)) is amended by striking ''40'' and inserting ''40 (or, in the case of the specified Federal program described in paragraph (3)(B), 16)''.

(b) CONFORMING AMENDMENTS.—

(1) Section 213A(a)(3)(A) of the Immigration and Nationality Act (8 U.S.C. 1183a(a)(3)(A)) is amended by striking ''40'' and inserting ''40 (or, in the case of the specified Federal program described in section 402(a)(3)(B) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(3)(B)), 16)''.

(2) Section 403(c)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613(c)(2)) is amended by adding at the end the following:

''(L) Assistance or benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).''.

(3) Section 421(b)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1631(b)(2)(A)) is amended by striking ''40'' and inserting ''40 (or, in the case of the specified Federal program described in section 402(a)(3)(B), 16)''.

SEC. 453. QUALIFIED ALIENS.

Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) is amended by adding at the end the following:

''(L) FOOD STAMP EXCEPTION FOR CERTAIN QUALIFIED ALIENS.—With respect to eligibility for benefits for the specified Federal program described in paragraph (3)(B), paragraph (1) shall not apply to any individual who has continuously resided in the United States as a qualified alien for a period of 5 years or more.''.

SEC. 454. COMMODITIES FOR SCHOOL LUNCH PROGRAMS.

(a) IN GENERAL.—Section 6(e)(1)(B) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1755(e)(1)(B)) is amended by striking ''2001'' and inserting ''2003''.

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on the date of enactment of this Act.

SEC. 455. ELIGIBILITY FOR FREE AND REDUCED PRICE MEALS.

(a) IN GENERAL.—Section 9(b) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)) is amended by adding at the end the following:

''(7) EXCLUSION OF CERTAIN MILITARY HOUSING ALLOWANCES.—For each of fiscal years 2002 and 2003, the amount of a basic allowance provided under section 403 of title 37, United States Code, on behalf of a member of a uniformed service for housing that is acquired or constructed under subchapter IV of chapter 169 of title 10, United States Code, or any related provision of law, shall not be considered to be income for the purpose of determining the eligibility of a child who is a member of the household of the member of a uniformed service for free or reduced price lunches under this Act.''.

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on the date of enactment of this Act.

SEC. 456. SENIORS FARMERS' MARKET NUTRITION PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall carry out and expand a seniors farmers' market nutrition program.

(b) PROGRAM PURPOSES.—The purposes of the seniors farmers' market nutrition program are—

(1) to provide to low-income seniors resources in the form of fresh, nutritious, unprepared, locally grown fruits, vegetables, and herbs from farmers' markets, roadside stands, and community-supported agriculture programs;

(2) to increase domestic consumption of agricultural commodities by expanding or assisting in the expansion of domestic farmers' markets, roadside stands, and community-supported agriculture programs; and

(3) to develop or aid in the development of new farmers' markets, roadside stands, and community-supported agriculture programs.

(c) REGULATIONS.—The Secretary of Agriculture may promulgate such regulations as the Secretary considers necessary to carry out the seniors farmers' market nutrition program under this section.

(d) FUNDING.—

(1) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, and on October 1, 2002, and each October 1 thereafter through October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this section $15,000,000.

(2) RECEIPT AND ACCEPTANCE.—The Secretary of Agriculture shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.

SEC. 457. ELIGIBILITY FOR ASSISTANCE UNDER THE SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN.

(a) IN GENERAL.—Section 17(d)(2)(B)(i) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(2)(B)(i)) is amended—

(1) by striking ''basic allowance for housing'' and inserting the following: ''basic allowance—

''(I) for housing'';

(2) by striking ''and'' at the end and inserting ''or''; and

(3) by adding at the end the following:

''(II) provided under section 403 of title 37, United States Code, for housing that is acquired or constructed under subchapter IV of chapter 169 of title 10, United States Code, or any related provision of law; and''.

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

SEC. 458. CONGRESSIONAL HUNGER FELLOWS PROGRAM.

(a) SHORT TITLE.—This section may be cited as the ''Congressional Hunger Fellows Act of 2001''.

(b) FINDINGS.—Congress finds that—

(1) there are—

(A) a critical need for compassionate individuals who are committed to assisting people who suffer from hunger; and

(B) a need for those individuals to initiate and administer solutions to the hunger problem;

(2) Bill Emerson, the distinguished late Representative from the 8th District of Missouri, demonstrated—

(A) his commitment to solving the problem of hunger in a bipartisan manner;

(B) his commitment to public service; and

(C) his great affection for the institution and the ideals of Congress;

(3) George T. (Mickey) Leland, the distinguished late Representative from the 18th District of Texas, demonstrated—

(A) his compassion for individuals in need;

(B) his high regard for public service; and

(C) his lively exercise of political talents;

(4) the special concern that Mr. Emerson and Mr. Leland demonstrated during their lives for the hungry and poor was an inspiration for others to work toward the goals of equality and justice for all; and

(5) since those 2 outstanding leaders maintained a special bond of friendship regardless of political affiliation and worked together to encourage future leaders to recognize and provide service to others, it is especially appropriate to honor the memory of Mr. Emerson and Mr. Leland by establishing a fellowship program to develop and train the future leaders of the United States to pursue careers in humanitarian service.

(c) DEFINITIONS.—In this section:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees'' means—

(A) the Committee on Agriculture and the Committee on International Relations of the House of Representatives; and

(B) the Committee on Agriculture, Nutrition, and Forestry and the Committee on Foreign Relations of the Senate.

(2) BOARD.—The term ''Board'' means the Board of Trustees of the Program.

(3) FUND.—The term ''Fund'' means the Congressional Hunger Fellows Trust Fund established by subsection (g).

(4) PROGRAM.—The term ''Program'' means the Congressional Hunger Fellows Program established by subsection (d).

(d) ESTABLISHMENT.—There is established as an independent entity of the legislative branch of the United States Government an entity to be known as the ''Congressional Hunger Fellows Program''.

(e) BOARD OF TRUSTEES.—

(1) IN GENERAL.—The Program shall be subject to the supervision and direction of a Board of Trustees.

(2) MEMBERS OF THE BOARD.—

(A) APPOINTMENT.—

(i) IN GENERAL.—The Board shall be composed of 6 voting members appointed under clause (ii) and 1 nonvoting ex-officio member designated by clause (iii).

(ii) VOTING MEMBERS.—The voting members of the Board shall be the following:

(I) 2 members appointed by the Speaker of the House of Representatives.

(II) 1 member appointed by the minority leader of the House of Representatives.

(III) 2 members appointed by the majority leader of the Senate.

(IV) 1 member appointed by the minority leader of the Senate.

(iii) NONVOTING MEMBER.—The Executive Director of the Program shall serve as a nonvoting ex-officio member of the Board.

(B) TERMS.—

(i) IN GENERAL.—Each member of the Board shall serve for a term of 4 years.

(ii) INCOMPLETE TERM.—If a member of the Board does not serve the full term of the member, the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

(C) VACANCY.—A vacancy on the Board—

(i) shall not affect the powers of the Board; and

(ii) shall be filled in the same manner as the original appointment was made.

(D) CHAIRPERSON.—As the first order of business of the first meeting of the Board, the members shall elect a Chairperson.

(E) COMPENSATION.—

(i) IN GENERAL.—Subject to clause (ii), a member of the Board shall not receive compensation for service on the Board.

(ii) TRAVEL.—A member of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Board.

(3) DUTIES.—

(A) BYLAWS.—

(i) ESTABLISHMENT.—The Board shall establish such bylaws and other regulations as are appropriate to enable the Board to carry out this section, including the duties described in this paragraph.

(ii) CONTENTS.—Bylaws and other regulations established under clause (i) shall include provisions—

(I) for appropriate fiscal control, accountability for funds, and operating principles;

(II) to prevent any conflict of interest, or the appearance of any conflict of interest, in—

(aa) the procurement and employment actions taken by the Board or by any officer or employee of the Board; and

(bb) the selection and placement of individuals in the fellowships developed under the Program;

(III) for the resolution of a tie vote of the members of the Board; and

(IV) for authorization of travel for members of the Board.

(iii) SUBMISSION TO CONGRESS.—Not later than 90 days after the date of the first meeting of the Board, the Chairperson of the Board shall submit to the appropriate congressional committees a copy of the bylaws established by the Board.

(B) BUDGET.—For each fiscal year in which the Program is in operation—

(i) the Board shall determine a budget for the Program for the fiscal year; and

(ii) all spending by the Program shall be in accordance with the budget unless a change is approved by the Board.

(C) PROCESS FOR SELECTION AND PLACEMENT OF FELLOWS.—The Board shall review and approve the process established by the Executive Director for the selection and placement of individuals in the fellowships developed under the Program.

(D) ALLOCATION OF FUNDS TO FELLOWSHIPS.—The Board shall determine—

(i) the priority of the programs to be carried out under this section; and

(ii) the amount of funds to be allocated for the fellowships established under subsection (f)(3)(A).

(f) PURPOSES; AUTHORITY OF PROGRAM.—

(1) PURPOSES.—The purposes of the Program are—

(A) to encourage future leaders of the United States to pursue careers in humanitarian service;

(B) to recognize the needs of people who are hungry and poor;

(C) to provide assistance and compassion for people in need;

(D) to increase awareness of the importance of public service; and

(E) to provide training and development opportunities for the leaders through placement in programs operated by appropriate entities.

(2) AUTHORITY.—The Program may develop fellowships to carry out the purposes of the Program, including the fellowships described in paragraph (3).

(3) FELLOWSHIPS.—

(A) IN GENERAL.—The Program shall establish and carry out the Bill Emerson Hunger Fellowship and the Mickey Leland Hunger Fellowship.

(B) CURRICULUM.—

(i) IN GENERAL.—The fellowships established under subparagraph (A) shall provide experience and training to develop the skills and understanding necessary to improve the humanitarian conditions and the lives of individuals who suffer from hunger, including—

(I) training in direct service to the hungry in conjunction with community-based organizations through a program of field placement; and

(II) experience in policy development through placement in a governmental entity or nonprofit organization.

(ii) FOCUS.—

(I) BILL EMERSON HUNGER FELLOWSHIP.—The Bill Emerson Hunger Fellowship shall address hunger and other humanitarian needs in the United States.

(II) MICKEY LELAND HUNGER FELLOWSHIP.—The Mickey Leland Hunger Fellowship shall address international hunger and other humanitarian needs.

(iii) WORK PLAN.—To carry out clause (i) and to assist in the evaluation of the fellowships under paragraph (4), the Program shall, for each fellow, approve a work plan that identifies the target objectives for the fellow in the fellowship, including the specific duties and responsibilities relating to the objectives.

(C) PERIOD OF FELLOWSHIP.—

(i) EMERSON FELLOWSHIP.—A Bill Emerson Hunger Fellowship awarded under this paragraph shall be for a period of not more than 1 year.

(ii) LELAND FELLOWSHIP.—A Mickey Leland Hunger Fellowship awarded under this paragraph shall be for a period of not more than 2 years, of which not less than 1 year shall be dedicated to fulfilling the requirement of subparagraph (B)(i)(I).

(D) SELECTION OF FELLOWS.—

(i) IN GENERAL.—A fellowship shall be awarded through a nationwide competition established by the Program.

(ii) QUALIFICATION.—A successful applicant shall be an individual who has demonstrated—

(I) an intent to pursue a career in humanitarian service and outstanding potential for such a career;

(II) leadership potential or leadership experience;

(III) diverse life experience;

(IV) proficient writing and speaking skills;

(V) an ability to live in poor or diverse communities; and

(VI) such other attributes as the Board determines to be appropriate.

(iii) AMOUNT OF AWARD.—

(I) IN GENERAL.—Each individual awarded a fellowship under this paragraph shall receive a living allowance and, subject to subclause (II), an end-of-service award as determined by the Program.

(II) REQUIREMENT FOR SUCCESSFUL COMPLETION OF FELLOWSHIP.—Each individual awarded a fellowship under this paragraph shall be entitled to receive an end-of-service award at an appropriate rate for each month of satisfactory service as determined by the Executive Director.

(iv) RECOGNITION OF FELLOWSHIP AWARD.—

(I) EMERSON FELLOW.—An individual awarded a Bill Emerson Hunger Fellowship shall be known as an ''Emerson Fellow''.

(II) LELAND FELLOW.—An individual awarded a Mickey Leland Hunger Fellowship shall be known as a ''Leland Fellow''.

(4) EVALUATIONS.—

(A) IN GENERAL.—The Program shall conduct periodic evaluations of the Bill Emerson and Mickey Leland Hunger Fellowships.

(B) REQUIRED ELEMENTS.—Each evaluation shall include—

(i) an assessment of the successful completion of the work plan of each fellow;

(ii) an assessment of the impact of the fellowship on the fellows;

(iii) an assessment of the accomplishment of the purposes of the Program; and

(iv) an assessment of the impact of each fellow on the community.

(g) TRUST FUND.—

(1) ESTABLISHMENT.—There is established in the Treasury of the United States a fund to be known as the ''Congressional Hunger Fellows Trust Fund'', consisting of—

(A) amounts appropriated to the Fund under subsection (k);

(B) any amounts earned on investment of amounts in the Fund under paragraph (2); and

(C) amounts received under subsection (i)(3)(A).

(2) INVESTMENT OF AMOUNTS.—

(A) IN GENERAL.—

(i) AUTHORITY TO INVEST.—The Secretary of the Treasury shall invest such portion of the Fund as is not, in the judgment of the Secretary of the Treasury, required to meet current withdrawals.

(ii) TYPES OF INVESTMENTS.—Each investment may be made only in an interest-bearing obligation of the United States or an obligation guaranteed as to principal and interest by the United States that, as determined by the Secretary of the Treasury in consultation with the Board, has a maturity suitable for the Fund.

(B) ACQUISITION OF OBLIGATIONS.—For the purpose of investments under subparagraph (A), obligations may be acquired—

(i) on original issue at the issue price; or

(ii) by purchase of outstanding obligations at the market price.

(C) SALE OF OBLIGATIONS.—Any obligation acquired by the Fund may be sold by the Secretary of the Treasury at the market price.

(D) CREDITS TO FUND.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Fund shall be credited to and form a part of the Fund.

(3) TRANSFERS OF AMOUNTS.—

(A) IN GENERAL.—The amounts required to be transferred to the Fund under this subsection shall be transferred at least monthly from the general fund of the Treasury to the Fund on the basis of estimates made by the Secretary of the Treasury.

(B) ADJUSTMENTS.—Proper adjustment shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(h) EXPENDITURES; AUDITS.—

(1) IN GENERAL.—The Secretary of the Treasury shall transfer to the Program from the amounts described in subsections (g)(2)(D) and (i)(3)(A) such sums as the Board determines to be necessary to enable the Program to carry out this section.

(2) LIMITATION.—The Secretary may not transfer to the Program the amounts appropriated to the Fund under subsection (k).

(3) USE OF FUNDS.—Funds transferred to the Program under paragraph (1) shall be used—

(A) to provide a living allowance for the fellows;

(B) to defray the costs of transportation of the fellows to the fellowship placement sites;

(C) to defray the costs of appropriate insurance of the fellows, the Program, and the Board;

(D) to defray the costs of preservice and midservice education and training of fellows;

(E) to pay staff described in subsection (i);

(F) to make end-of-service awards under subsection (f)(3)(D)(iii)(II); and

(G) for such other purposes as the Board determines to be appropriate to carry out the Program.

(4) AUDIT BY COMPTROLLER GENERAL.—

(A) IN GENERAL.—The Comptroller General of the United States shall conduct an annual audit of the accounts of the Program.

(B) BOOKS.—The Program shall make available to the Comptroller General all books, accounts, financial records, reports, files, and other papers, things, or property belonging to or in use by the Program and necessary to facilitate the audit.

(C) REPORT TO CONGRESS.—The Comptroller General shall submit to the appropriate congressional committees a copy of the results of each audit under subparagraph (A).

(i) STAFF; POWERS OF PROGRAM.—

(1) EXECUTIVE DIRECTOR.—

(A) IN GENERAL.—The Board shall appoint an Executive Director of the Program who shall—

(i) administer the Program; and

(ii) carry out such other functions consistent with this section as the Board shall prescribe.

(B) RESTRICTION.—The Executive Director may not serve as Chairperson of the Board.

(C) COMPENSATION.—The Executive Director shall be paid at a rate not to exceed the rate payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(2) STAFF.—

(A) IN GENERAL.—With the approval of a majority of the Board, the Executive Director may appoint and fix the pay of such additional personnel as the Executive Director considers necessary to carry out this section.

(B) COMPENSATION.—An individual appointed under subparagraph (A) shall be paid at a rate not to exceed the rate payable for level GS–15 of the General Schedule.

(3) POWERS.—

(A) GIFTS.—

(i) IN GENERAL.—The Program may solicit, accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Program.

(ii) USE OF GIFTS.—Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall—

(I) be deposited in the Fund; and

(II) be available for disbursement on order of the Board.

(B) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—To carry out this section, the Program may procure temporary and intermittent services in accordance with section 3109(b) of title 5, United States Code, at rates for individuals that do not exceed the daily equivalent of the annual rate of basic pay payable for level GS–15 of the General Schedule.

(C) CONTRACT AUTHORITY.—To carry out this section, the Program may, with the approval of a majority of the members of the Board, contract with and compensate Government and private agencies or persons without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

(D) OTHER NECESSARY EXPENDITURES.—

(i) IN GENERAL.—Subject to clause (ii), the Program may make such other expenditures as the Program considers necessary to carry out this section.

(ii) PROHIBITION.—The Program may not expend funds to develop new or expanded projects at which fellows may be placed.

(j) REPORT.—Not later than December 31 of each year, the Board shall submit to the appropriate congressional committees a report on the activities of the Program carried out during the preceding fiscal year that includes—

(1) an analysis of the evaluations conducted under subsection (f)(4) during the fiscal year; and

(2) a statement of—

(A) the total amount of funds attributable to gifts received by the Program in the fiscal year under subsection (i)(3)(A); and

(B) the total amount of funds described in subparagraph (A) that were expended to carry out the Program in the fiscal year.

(k) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $18,000,000.

(l) EFFECTIVE DATE.—This section takes effect on October 1, 2002.

SEC. 459. EFFECTIVE DATE.

Except as otherwise provided in this title, the amendments made by this title (other than subtitle C) take effect on July 1, 2002, except that a State agency may, at the option of the State agency, elect not to implement the amendments until October 1, 2002.

Subtitle C—Commodity Programs

SEC. 471. DEFINITION OF LOAN COMMODITY.

Section 102 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7202) (as amended by section 101) is amended by striking paragraph (9) and inserting the following:

''(9) LOAN COMMODITY.—The term 'loan commodity' means wheat, corn, grain sorghum, barley, oats, upland cotton, extra long staple cotton, rice, and oilseeds.''.

SEC. 472. INCOME PROTECTION PRICES FOR COUNTER-CYCLICAL PAYMENTS.

Section 114(c) of the Federal Agriculture Improvement and Reform Act of 1996 (as amended by section 111) is amended by striking paragraph (2) and inserting the following:

''(2) INCOME PROTECTION PRICES.—The income protection prices for contract commodities under paragraph (1)(A) are as follows:

''(A) Wheat, $3.03 per bushel.

''(B) Corn, $2.16 per bushel.

''(C) Grain sorghum, $2.16 per bushel.

''(D) Barley, $1.85 per bushel.

''(E) Oats, $1.26 per bushel.

''(F) Upland cotton, $0.6492 per pound.

''(G) Rice, $8.95 per hundredweight.

''(H) Soybeans, $5.47 per bushel.

''(I) Oilseeds (other than soybeans), $0.103 per pound.''.

SEC. 473. FARM COUNTER-CYCLICAL SAVINGS ACCOUNTS.

Subtitle B of title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7211 et seq.) is amended by adding at the end the following:

"SEC. 119. FARM COUNTER-CYCLICAL SAVINGS ACCOUNTS.

''(a) DEFINITIONS.—In this section:

''(1) ADJUSTED GROSS REVENUE.—The term 'adjusted gross revenue' means the adjusted gross income for all agricultural enterprises of a producer in a year, excluding revenue earned from nonagricultural sources, as determined by the Secretary—

''(A) by taking into account gross receipts from the sale of crops and livestock on all agricultural enterprises of the producer, including insurance indemnities resulting from losses in the agricultural enterprises;

''(B) by including all farm payments paid by the Secretary for all agricultural enterprises of the producer, including any marketing loan gains described in section 1001(3)(A) of the Food Security Act of 1985 (7 U.S.C. 1308(3)(A));

''(C) by deducting the cost or basis of livestock or other items purchased for resale, such as feeder livestock, on all agricultural enterprises of the producer; and

''(D) as represented on—

''(i) a schedule F of the Federal income tax returns of the producer; or

''(ii) a comparable tax form related to the agricultural enterprises of the producer, as approved by the Secretary.

''(2) AGRICULTURAL ENTERPRISE.—The term 'agricultural enterprise' means the production and marketing of all agricultural commodities (including livestock but excluding tobacco) on a farm or ranch.

''(3) AVERAGE ADJUSTED GROSS REVENUE.—The term 'average adjusted gross revenue' means—

''(A) the average of the adjusted gross revenue of a producer for each of the preceding 5 taxable years; or

''(B) in the case of a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, the estimated income of the producer that will be earned from all agricultural enterprises for the applicable year, as determined by the Secretary.

''(4) PRODUCER.—The term 'producer' means an individual or entity, as determined by the Secretary for an applicable year, that—

''(A) shares in the risk of producing, or provides a material contribution in producing, an agricultural commodity for the applicable year;

''(B) has a substantial beneficial interest in the agricultural enterprise in which the agricultural commodity is produced;

''(C)(i) during each of the preceding 5 taxable years, has filed—

''(I) a schedule F of the Federal income tax returns; or

''(II) a comparable tax form related to the agricultural enterprises of the individual or entity, as approved by the Secretary; or

''(ii) is a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, as determined by the Secretary; and

''(D)(i) has earned at least $20,000 in average adjusted gross revenue for each of the preceding 5 taxable years;

''(ii) is a limited resource farmer or rancher, as determined by the Secretary; or

''(iii) in the case of a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, has at least $20,000 in estimated income from all agricultural enterprises for the applicable year, as determined by the Secretary.

''(b) ESTABLISHMENT.—A producer may establish a farm counter-cyclical savings account in the name of the producer in a bank or financial institution selected by the producer and approved by the Secretary.

''(c) CONTENT OF ACCOUNT.—A farm counter-cyclical savings account shall consist of—

''(1) contributions of the producer; and

''(2) matching contributions of the Secretary.

''(d) PRODUCER CONTRIBUTIONS.—

''(1) IN GENERAL.—Subject to paragraph (2), a producer may deposit such amounts in the account of the producer as the producer considers appropriate.

''(2) MAXIMUM ACCOUNT BALANCE.—The balance of an account of a producer may not exceed 150 percent of the average adjusted gross revenue of the producer.

''(e) MATCHING CONTRIBUTIONS.—

''(1) IN GENERAL.—Subject to paragraphs (2) through (4), the Secretary shall provide a matching contribution that is equal to, and may not exceed, the amount deposited by the producer into the account.

''(2) MAXIMUM MATCHING CCONTRIBUTIONS BY SECRETARY.—The amount of matching contributions that may be provided by the Secretary for an individual producer under this subsection shall not exceed $10,000 in any year.

''(3) MAXIMUM CONTRIBUTIONS FOR ALL PRODUCERS.—

''(A) IN GENERAL.—The total amount of matching contributions that may be provided by the Secretary for all producers under this subsection shall not exceed—

''(i) $900,000,000 for fiscal year 2002;

''(ii) $1,400,000,000 for fiscal year 2003; and

''(iii) $1,500,000,000 for each of fiscal years 2004 through 2006.

''(B) AVAILABILITY OF FUNDS.—

''(i) IN GENERAL.—Funds made available under subparagraph (A) shall remain available until expended.

''(ii) EFFECT OF CARRYOVER.—Any funds carried over from 1 fiscal year to another fiscal year shall be in addition to funds made available under subparagraph (A).

''(4) DATE FOR MATCHING CONTRIBUTIONS.—The Secretary shall provide the matching contributions for an applicable year required for a producer under paragraph (1) as of the date that a majority of the covered commodities grown by the producer are harvested.

''(f) INTEREST.—Funds deposited into the account may earn interest at the commercial rates provided by the bank or financial institution in which the Account is established.

''(g) USE.—Funds credited to the account—

''(1) shall be available for withdrawal by a producer, in accordance with subsection (h); and

''(2) may be used for purposes determined by the producer.

''(h) WITHDRAWAL.—

''(1) IN GENERAL.—Subject to paragraph (2), a producer may withdraw funds from the account if the estimated adjusted gross revenue of the producer for the applicable year is less than the average adjusted gross revenue of the producer.

''(2) RETIREMENT.—A producer that ceases to be actively engaged in farming, as determined by the Secretary—

''(A) may withdraw the full balance from, and close, the account; and

''(B) may not establish another account.''.

SEC. 474. LOAN RATES FOR MARKETING ASSISTANCE LOANS.

(a) IN GENERAL.—Section 132 of the Federal Agriculture Improvement and Reform Act of 1996 (as amended by section 123(a)) is amended to read as follows:

"SEC. 132. LOAN RATES.

''(a) WHEAT.—

''(1) LOAN RATE.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 131 for wheat shall be—

''(A) not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

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

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

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

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

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

''(b) FEED GRAINS.—

''(1) LOAN RATE FOR CORN AND GRAIN SORGHUM.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 131 for corn and grain sorghum shall be—

''(A) not less than 85 percent of the simple average price received by producers of corn or grain sorghum, respectively, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of the covered commodity, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

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

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

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

''(B) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan rate for the covered commodity for the corresponding crop by an amount not to exceed 5 percent in any year; or

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

''(3) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan under section 131 for barley and oats shall be—

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

''(B) not more than—

''(i) $1.65 per bushel for barley; and

''(ii) $1.21 per bushel for oats.

''(c) UPLAND COTTON.—

''(1) LOAN RATE.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 131 for upland cotton shall be established by the Secretary at such loan rate, per pound, as will reflect for the base quality of upland cotton, as determined by the Secretary, at average locations in the United States a rate that is not less than the smaller of—

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

''(B) 90 percent of the average, for the 15-week period beginning July 1 of the year preceding the year in which the crop is planted, of the 5 lowest-priced growths of the growths quoted for Middling 1 3/32-inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year preceding the year in which the crop is planted between the average Northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for the base quality of upland cotton), as determined by the Secretary.

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

''(d) EXTRA LONG STAPLE COTTON.—The loan rate for a marketing assistance loan under section 131 for extra long staple cotton shall be $0.7965 per pound.

''(e) RICE.—The loan rate for a marketing assistance loan under section 131 for rice shall be $6.50 per hundredweight.

''(f) OILSEEDS.—

''(1) SOYBEANS.—The loan rate for a marketing assistance loan under section 131 for soybeans shall be—

''(A) not less than 85 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

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

''(2) OTHER OILSEEDS.—The loan rate for a marketing assistance loan under section 131 for each oilseed (other than soybeans) shall be—

''(A) not less than 85 percent of the simple average price received by producers of the oilseed, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of the oilseed, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

''(B) not more than $0.093 per pound.''.

(b) ADJUSTMENT OF LOANS.—

(1) IN GENERAL.—The amendment made by section 123(b) is repealed.

(2) APPLICABILITY.—Section 162 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7282) shall be applied and administered as if the amendment made by section 123(b) had not been enacted.

SEC. 475. EFFECTIVE DATE.

This subtitle and the amendments made by this subtitle take effect on the date of enactment of this Act.

SA 2642. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 707, strike line 16 and all that follows through page 708, line 20, and insert the following:

SEC. 741. INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.

Section 401 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621) is amended—

(1) by striking subsection (b) and inserting the following:

''(b) FUNDING.—

''(1) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Account to carry out this section—

''(A) not later than 30 days after the date of enactment of this subparagraph, $240,000,000; and

''(B) on October 1, 2002, and each October 1 thereafter through October 1, 2005, $360,000,000.

''(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.''; and

(2) in subsection (e), by adding at the end the following:

''(3) MINORITY-SERVING INSTITUTIONS.—The Secretary shall consider reserving, to the maximum extent practicable, 10 percent of the funds made available to carry out this section for a fiscal year for grants to minority-serving institutions.''.

SA 2643. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 707, strike line 16 and all that follows through page 708, line 20, and insert the following:

SEC. 741. INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.

(a) IN GENERAL.—Section 401 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621) is amended—

(1) by striking subsection (b) and inserting the following:

''(b) FUNDING.—

''(1) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Account to carry out this section—

''(A) not later than 30 days after the date of enactment of this subparagraph, $240,000,000; and

''(B) on October 1, 2002, and each October 1 thereafter through October 1, 2005, $360,000,000.

''(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.''; and

(2) in subsection (e), by adding at the end the following:

''(3) MINORITY-SERVING INSTITUTIONS.—The Secretary shall consider reserving, to the maximum extent practicable, 10 percent of the funds made available to carry out this section for a fiscal year for grants to minority-serving institutions.''.

(b) OFFSET.—Section 158G of the Federal Agriculture Improvement and Reform Act of 1996 (as added by section 151(a)) shall have no effect.

SA 2644. Mr. LUGAR submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike title IV and insert the following:

TITLE IV—NUTRITION PROGRAMS

SEC. 401. SHORT TITLE.

This title may be cited as the ''Food Stamp Simplification Act of 2001''.

Subtitle A—Food Stamp Program

SEC. 411. CATEGORICAL ELIGIBILITY FOR RECIPIENTS OF CASH ASSISTANCE.

Section 5(a) of the Food Stamp Act of 1977 (7 U.S.C. 2014(a)) is amended—

(1) in the second sentence, by striking ''receives benefits'' and inserting ''receives cash assistance''; and

(2) in the third sentence, by striking ''receives benefits'' and inserting ''receives cash assistance''.

SEC. 412. DISREGARDING OF INFREQUENT AND UNANTICIPATED INCOME.

Section 5(d)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(2)) is amended by striking ''$30'' and inserting ''$100''.

SEC. 413. SIMPLIFIED TREATMENT OF INDIVIDUALS COMPLYING WITH CHILD SUPPORT ORDERS.

(a) EXCLUSION.—Section 5(d)(6) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(6)) is amended by adding at the end the following: ''including child support payments made by a household member to or for an individual who is not a member of the household if the household member is legally obligated to make the payments,''.

(b) SIMPLIFIED PROCEDURE.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in subsection (e), by striking paragraph (4) and inserting the following:

''(4) DEDUCTION FOR CHILD SUPPORT PAYMENTS.—

''(A) IN GENERAL.—In lieu of providing an exclusion for legally obligated child support payments made by a household member under subsection (d)(6), a State agency may elect to provide a deduction for the amount of the payments.

''(B) ORDER OF DETERMINING DEDUCTIONS.—A deduction under this paragraph shall be determined before the computation of the excess shelter expense deduction under paragraph (6).''; and

(2) by adding at the end the following:

''(n) STATE OPTIONS TO SIMPLIFY DETERMINATION OF CHILD SUPPORT PAYMENTS MADE BY HOUSEHOLD MEMBERS.—

''(1) IN GENERAL.—Regardless of whether a State agency elects to provide a deduction under subsection (e)(4), the Secretary shall establish simplified procedures to allow State agencies to determine the amount of the legally obligated child support payments made, including procedures to allow the State agency to rely on information from the agency responsible for implementing the program under part D of title IV of the Social Security Act (42 U.S.C. 661 et seq.) concerning payments made in prior months in lieu of obtaining current information from the household.

''(2) DURATION OF DETERMINATION OF AMOUNT OF SUPPORT PAYMENTS.—If a State agency makes a determination of the amount of support payments of a household under paragraph (1), the State agency may provide that the amount of the exclusion or deduction for the household shall not change until the eligibility of the household is next redetermined under section 11(e)(4).''.

SEC. 414. COORDINATED AND SIMPLIFIED DEFINITION OF INCOME.

Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended—

(1) by striking ''and (15)'' and inserting ''(15)''; and

(2) by inserting before the period at the end the following: '', (16) at the option of the State agency, any educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits, and the like (other than loans, grants, scholarships, fellowships, veterans' educational benefits, and the like excluded under paragraph (3)), to the extent that they are required to be excluded under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.), (17) at the option of the State agency, any State complementary assistance program payments that are excluded for the purpose of determining eligibility for medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1), (18) at the option of the State agency, any types of income that the State agency does not consider when determining eligibility for (A) cash assistance under a program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or the amount of such assistance, or (B) medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1), except that this paragraph does not authorize a State agency to exclude wages or salaries, benefits under title I, II, IV, X, XIV, or XVI of the Social Security Act (42 U.S.C. 1381 et seq.), regular payments from a government source (such as unemployment benefits and general assistance), worker's compensation, child support payments made to a household member by an individual who is legally obligated to make the payments, or such other types of income the consideration of which the Secretary determines by regulation to be essential to equitable determinations of eligibility and benefit levels''.

SEC. 415. EXCLUSION OF INTEREST AND DIVIDEND INCOME.

Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) (as amended by section 414(2)) is amended by inserting before the period at the end the following: '', and (19) any interest or dividend income received by a member of the household''.

SEC. 416. ALIGNMENT OF STANDARD DEDUCTION WITH POVERTY LINE.

Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking paragraph (1) and inserting the following:

''(1) STANDARD DEDUCTION.—

''(A) IN GENERAL.—Subject to the other provisions of this paragraph, the Secretary shall allow a standard deduction for each household that is—

''(i) equal to the applicable percentage specified in subparagraph (D) of the income standard of eligibility established under subsection (c)(1); but

''(ii) not less than the minimum deduction specified in subparagraph (E).

''(B) GUAM.—The Secretary shall allow a standard deduction for each household in Guam that is—

''(i) equal to the applicable percentage specified in subparagraph (D) of twice the income standard of eligibility established under subsection (c)(1) for the 48 contiguous States and the District of Columbia; but

''(ii) not less than the minimum deduction for Guam specified in subparagraph (E).

''(C) HOUSEHOLDS OF 6 OR MORE MEMBERS.—The income standard of eligibility established under subsection (c)(1) for a household of 6 members shall be used to calculate the standard deduction for each household of 6 or more members.

''(D) APPLICABLE PERCENTAGE.—For the purpose of subparagraph (A), the applicable percentage shall be—

''(i) 8 percent for fiscal year 2002;

''(ii) 8.5 percent for each of fiscal years 2003 through 2005;

''(iii) 9 percent for each of fiscal years 2006 through 2008;

''(iv) 9.5 percent for each of fiscal years 2009 and 2010; and

''(v) 10 percent for each fiscal year thereafter.

''(E) MINIMUM DEDUCTION.—The minimum deduction shall be $134, $229, $189, $269, and $118 for the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States, respectively.''.

SEC. 417. SIMPLIFIED DEPENDENT CARE DEDUCTION.

Section 5(e)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(3)) is amended by adding at the end the following:

''(C) STANDARD DEPENDENT CARE ALLOWANCES.—

''(i) ESTABLISHMENT OF ALLOWANCES.—

''(I) IN GENERAL.—In determining the dependent care deduction under this paragraph, in lieu of requiring the household to establish the actual dependent care costs of the household, a State agency may use standard dependent care allowances established under subclause (II) for each dependent for whom the household incurs costs for care.

''(II) AMENDMENT TO STATE PLAN.—A State agency that elects to use standard dependent care allowances under subclause (I) shall submit for approval by the Secretary an amendment to the State plan of operation under section 11(d) that—

''(aa) describes the allowances that the State agency will use; and

''(bb) includes supporting documentation.

''(ii) HOUSEHOLD ELECTION.—

''(I) IN GENERAL.—Except as provided in clause (iii), a household may elect to have the dependent care deduction of the household based on actual dependent care costs rather that the allowances established under clause (i).

''(II) FREQUENCY.—The Secretary may by regulation limit the frequency with which households may make the election described in subclause (I) or reverse the election.

''(iii) MANDATORY DEPENDENT CARE ALLOWANCES.—The State agency may make the use of standard dependent care allowances established under clause (i) mandatory for all households that incur dependent care costs.''.

SEC. 418. SIMPLIFIED DETERMINATION OF HOUSING COSTS.

(a) IN GENERAL.—Section 5(e)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(7)) is amended—

(1) in subparagraph (A)—

(A) by striking ''A household'' and inserting the following:

''(i) IN GENERAL.—A household''; and

(B) by adding at the end the following:

''(ii) INCLUSION OF CERTAIN PAYMENTS.—In determining the shelter expenses of a household under this paragraph, the State agency shall include any required payment to the landlord of the household without regard to whether the required payment is designated to pay specific charges.''; and

(2) by adding at the end the following:

''(D) HOMELESS HOUSEHOLDS.—

''(i) ALTERNATIVE DEDUCTION.—In lieu of the deduction provided under subparagraph (A), a State agency may elect to allow a household in which all members are homeless individuals, but that is not receiving free shelter throughout the month, to receive a deduction of $143 per month.

''(ii) INELIGIBILITY.—The State agency may make a household with extremely low shelter costs ineligible for the alternative deduction under clause (i).''.

(b) CONFORMING AMENDMENTS.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in subsection (e)—

(A) by striking paragraph (5); and

(B) by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively; and

(2) in subsection (k)(4)(B), by striking ''subsection (e)(7)'' and inserting ''subsection (e)(6)''.

SEC. 419. SIMPLIFIED DETERMINATION OF UTILITY COSTS.

Section 5(e)(6)(C)(iii) of the Food Stamp Act of 1977 (as amended by section 418(b)(1)(B)) is amended—

(1) in subclause (I)(bb), by inserting ''(without regard to subclause (III))'' after ''Secretary finds''; and

(2) by adding at the end the following:

''(III) INAPPLICABILITY OF CERTAIN RESTRICTIONS.—Clauses (ii)(II) and (ii)(III) shall not apply in the case of a State agency that has made the use of a standard utility allowance mandatory under subclause (I).''.

SEC. 420. SIMPLIFIED DETERMINATION OF EARNED INCOME.

Section 5(f)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(1)) is amended by adding at the end the following:

''(C) SIMPLIFIED DETERMINATION OF EARNED INCOME.—

''(i) IN GENERAL.—A State agency may elect to determine monthly earned income by multiplying weekly income by 4 and biweekly income by 2.

''(ii) ADJUSTMENT OF EARNED INCOME DEDUCTION.—A State agency that makes an election described in clause (i) shall adjust the earned income deduction under subsection (e)(2)(B) to the extent necessary to prevent the election from resulting in increased costs to the food stamp program, as determined consistent with standards promulgated by the Secretary.''.

SEC. 421. SIMPLIFIED DETERMINATION OF DEDUCTIONS.

Section 5(f)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(1)) (as amended by section 420) is amended by adding at the end the following:

''(D) SIMPLIFIED DETERMINATION OF DEDUCTIONS.—

''(i) IN GENERAL.—Except as provided in clause (ii), for the purposes of subsection (e), a State agency may elect to disregard until the next redetermination of eligibility under section 11(e)(4) 1 or more types of changes in the circumstances of a household that affect the amount of deductions the household may claim under subsection (e).

''(ii) CHANGES THAT MAY NOT BE DISREGARDED.—Under clause (i), a State agency may not disregard—

''(I) any reported change of residence; or

''(II) under standards prescribed by the Secretary, any change in earned income.''.

SEC. 422. SIMPLIFIED RESOURCE ELIGIBILITY LIMIT.

Section 5(g)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(1)) is amended by striking ''a member who is 60 years of age or older'' and inserting ''an elderly or disabled member''.

SEC. 423. EXCLUSION OF LICENSED VEHICLES FROM FINANCIAL RESOURCES.

(a) IN GENERAL.—Section 5(g)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)) is amended—

(1) in subparagraph (B)—

(A) in clause (iii), by adding ''and'' at the end;

(B) by striking clause (iv); and

(C) by redesignating clause (v) as clause (iv);

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

''(C) EXCLUDED VEHICLES.—The Secretary shall exclude from financial resources any licensed vehicle used for household transportation.''; and

(3) by striking subparagraph (D).

(b) CONFORMING AMENDMENT.—Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by striking subsection (h).

SEC. 424. EXCLUSION OF RETIREMENT ACCOUNTS FROM FINANCIAL RESOURCES.

Section 5(g)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)(B)) (as amended by section 423(a)(1)) is amended by striking clause (iv) and inserting the following:

''(iv) any savings account (other than a retirement account (including an individual account)).''.

SEC. 425. COORDINATED AND SIMPLIFIED DEFINITION OF RESOURCES.

Section 5(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by adding at the end the following:

''(6) EXCLUSION OF TYPES OF FINANCIAL RESOURCES NOT CONSIDERED UNDER CERTAIN OTHER FEDERAL PROGRAMS.—

''(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall promulgate regulations under which a State agency may, at the option of the State agency, exclude from financial resources under this subsection any types of financial resources that the State agency does not consider when determining eligibility for—

''(i) cash assistance under a program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

''(ii) medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1).

''(B) LIMITATIONS.—Subparagraph (A) does not authorize a State agency to exclude—

''(i) cash;

''(ii) amounts in any account in a financial institution that are readily available to the household; or

''(iii) any other similar type of resource the inclusion in financial resources of which the Secretary determines by regulation to be essential to equitable determinations of eligibility under the food stamp program, except to the extent that any of those types of resources are excluded under another paragraph of this subsection.''.

SEC. 426. ALTERNATIVE ISSUANCE SYSTEMS IN DISASTERS.

Section 5(h)(3)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2014(h)(3)(B)) is amended—

(1) in the first sentence, by inserting ''issuance methods and'' after ''shall adjust''; and

(2) in the second sentence, by inserting '', any conditions that make reliance on electronic benefit transfer systems described in section 7(i) impracticable,'' after ''personnel''.

SEC. 427. SIMPLIFIED REPORTING SYSTEMS.

Section 6(c)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)(1)) is amended—

(1) in subparagraph (B), by striking ''on a monthly basis''; and

(2) by adding at the end the following:

''(D) FREQUENCY OF REPORTING.—

''(i) IN GENERAL.—Except as provided in subparagraphs (A) and (C), a State agency may require households that report on a periodic basis to submit reports—

''(I) not less often than once each 6 months; but

''(II) not more often than once each month.

''(ii) REPORTING BY HOUSEHOLDS WITH EXCESS INCOME.—A household required to report less often than once each 3 months shall, notwithstanding subparagraph (B), report in a manner prescribed by the Secretary if the income of the household for any month exceeds the standard established under section 5(c)(2).''.

SEC. 428. SIMPLIFIED TIME LIMIT.

(a) IN GENERAL.—Section 6(o) of the Food Stamp Act of 1977 (7 U.S.C. 2015(o)) is amended—

(1) in paragraph (2)—

(A) by striking ''36-month'' and inserting ''12-month'';

(B) by striking ''3'' and inserting ''6''; and

(C) in subparagraph (D), by striking ''(4), (5), or (6)'' and inserting ''(4), or (5)'';

(2) by striking paragraph (5);

(3) in paragraph (6)(A)(ii)—

(A) in subclause (III), by adding ''and'' at the end;

(B) in subclause (IV), by striking ''; and'' and inserting a period; and

(C) by striking subclause (V); and

(4) by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively.

(b) IMPLEMENTATION OF AMENDMENTS.—For the purpose of implementing the amendments made by subsection (a), a State agency shall disregard any period during which an individual received food stamp benefits before the effective date of this title.

SEC. 429. PRESERVATION OF ACCESS TO ELECTRONIC BENEFITS.

(a) IN GENERAL.—Section 7(i)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)(1)) is amended by adding at the end the following:

''(E) ACCESS TO ELECTRONIC BENEFIT TRANSFER SYSTEMS.—

''(i) IN GENERAL.—No benefits shall be taken off-line or otherwise made inaccessible because of inactivity until at least 180 days have elapsed since a household last accessed the account of the household.

''(ii) NOTICE TO HOUSEHOLD.—In a case in which benefits are taken off-line or otherwise made inaccessible, the household shall be sent a notice that—

''(I) explains how to reactivate the benefits; and

''(II) offers assistance if the household is having difficulty accessing the benefits of the household.''.

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply with respect to each State agency beginning on the date on which the State agency, after the date of enactment of this Act, enters into a contract to operate an electronic benefit transfer system.

SEC. 430. COST-NEUTRALITY FOR ELECTRONIC BENEFIT TRANSFER SYSTEMS.

Section 7(i)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)(2)) is amended—

(1) by striking subparagraph (A); and

(2) by redesignating subparagraphs (B) through (I) as subparagraphs (A) through (H), respectively.

SEC. 431. SIMPLIFIED PROCEDURES FOR RESIDENTS OF CERTAIN GROUP FACILITIES.

(a) IN GENERAL.—Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by adding at the end the following:

''(f) SIMPLIFIED PROCEDURES FOR RESIDENTS OF CERTAIN GROUP FACILITIES.—

''(1) IN GENERAL.—At the option of the State agency, allotments for residents of facilities described in subparagraph (B), (C), (D), or (E) of section 3(i)(5) may be determined and issued under this subsection in lieu of subsection (a).

''(2) AMOUNT OF ALLOTMENT.—The allotment for each eligible resident described in paragraph (1) shall be calculated in accordance with standardized procedures established by the Secretary that take into account the allotments typically received by residents of facilities described in paragraph (1).

''(3) ISSUANCE OF ALLOTMENT.—

''(A) IN GENERAL.—The State agency shall issue an allotment determined under this subsection to the administration of a facility described in paragraph (1) as the authorized representative of the residents of the facility.

''(B) ADJUSTMENT.—The Secretary shall establish procedures to ensure that a facility described in paragraph (1) does not receive a greater proportion of a resident's monthly allotment than the proportion of the month during which the resident lived in the facility.

''(4) DEPARTURES OF COVERED RESIDENTS.—

''(A) NOTIFICATION.—Any facility described in paragraph (1) that receives an allotment for a resident under this subsection shall—

''(i) notify the State agency promptly on the departure of the resident; and

''(ii) notify the resident, before the departure of the resident, that the resident—

''(I) is eligible for continued benefits under the food stamp program; and

''(II) should contact the State agency concerning continuation of the benefits.

''(B) ISSUANCE TO DEPARTED RESIDENTS.—On receiving a notification under subparagraph (A)(i) concerning the departure of a resident, the State agency—

''(i) shall promptly issue the departed resident an allotment for the days of the month after the departure of the resident (calculated in a manner prescribed by the Secretary) unless the departed resident reapplies to participate in the food stamp program; and

''(ii) may issue an allotment for the month following the month of the departure (but not any subsequent month) based on this subsection unless the departed resident reapplies to participate in the food stamp program.

''(C) STATE OPTION.—The State agency may elect not to issue an allotment under subparagraph (B)(i) if the State agency lacks sufficient information on the location of the departed resident to provide the allotment.

''(D) EFFECT OF REAPPLICATION.—If the departed resident reapplies to participate in the food stamp program, the allotment of the departed resident shall be determined without regard to this subsection.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended—

(A) by striking ''(i) 'Household' means (1) an'' and inserting the following:

''(i)(1) 'Household' means—

''(A) an'';

(B) in the first sentence, by striking ''others, or (2) a group'' and inserting the following: ''others; or

''(B) a group'';

(C) in the second sentence, by striking ''Spouses'' and inserting the following:

''(2) Spouses'';

(D) in the third sentence, by striking ''Notwithstanding'' and inserting the following:

''(3) Notwithstanding'';

(E) in paragraph (3) (as designated by subparagraph (D)), by striking ''the preceding sentences'' and inserting ''paragraphs (1) and (2)'';

(F) in the fourth sentence, by striking ''In no event'' and inserting the following:

''(4) In no event'';

(G) in the fifth sentence, by striking ''For the purposes of this subsection, residents'' and inserting the following:

''(5) For the purposes of this subsection, the following persons shall not be considered to be residents of institutions and shall be considered to be individual households:

''(A) Residents''; and

(H) in paragraph (5) (as designated by subparagraph (G))—

(i) by striking ''Act, or are individuals'' and inserting the following: ''Act.

''(B) Individuals'';

(ii) by striking ''such section, temporary'' and inserting the following: ''that section.

''(C) Temporary'';

(iii) by striking ''children, residents'' and inserting the following: ''children.

''(D) Residents'';

(iv) by striking ''coupons, and narcotics'' and inserting the following: ''coupons.

''(E) Narcotics''; and

(v) by striking ''shall not'' and all that follows and inserting a period.

(2) Section 5(a) of the Food Stamp Act of 1977 (7 U.S.C. 2014(a)) is amended by striking ''the third sentence of section 3(i)'' each place it appears and inserting ''section 3(i)(4)''.

(3) Section 8(e)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2017(e)(1)) is amended by striking ''the last sentence of section 3(i)'' and inserting ''section 3(i)(5)''.

(4) Section 17(b)(1)(B)(iv)(III)(aa) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(iv)(III)(aa)) is amended by striking ''the last 2 sentences of section 3(i)'' and inserting ''paragraphs (4) and (5) of section 3(i)''.

SEC. 432. REDEMPTION OF BENEFITS THROUGH GROUP LIVING ARRANGEMENTS.

Section 10 of the Food Stamp Act of 1977 (7 U.S.C. 2019) is amended by inserting after the first sentence the following: ''Notwithstanding the preceding sentence, a center, organization, institution, shelter, group living arrangement, or establishment described in that sentence may be authorized to redeem coupons through a financial institution described in that sentence if the center, organization, institution, shelter, group living arrangement, or establishment is equipped with 1 or more point-of-sale devices and is operating in an area in which an electronic benefit transfer system described in section 7(i) has been implemented.''.

SEC. 433. SIMPLIFIED DETERMINATIONS OF CONTINUING ELIGIBILITY.

(a) IN GENERAL.—Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

(1) by striking paragraph (4) and inserting the following:

''(4)(A) that the State agency shall periodically require each household to cooperate in a redetermination of the eligibility of the household.

''(B) A redetermination under subparagraph (A) shall—

''(i) be based on information supplied by the household; and

''(ii) conform to standards established by the Secretary.

''(C) The interval between redeterminations of eligibility under subparagraph (A) shall not exceed the eligibility review period;'' and

(2) in paragraph (10)—

(A) by striking ''within the household's certification period''; and

(B) by striking ''or until'' and all that follows through ''occurs earlier''.

(b) CONFORMING AMENDMENTS.—

(1) Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended—

(A) by striking ''Certification period'' and inserting ''Eligibility review period''; and

(B) by striking ''certification period'' each place it appears and inserting ''eligibility review period''.

(2) Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(A) in subsection (d)(2), by striking ''in the certification period which'' and inserting ''that''; and

(B) in subsection (e) (as amended by section 1218(b)(1)(B))—

(i) in paragraph (5)(B)(ii)—

(I) in subclause (II), by striking ''certification period'' and inserting ''eligibility review period''; and

(II) in subclause (III), by striking ''has been anticipated for the certification period'' and inserting ''was anticipated when the household applied or at the most recent redetermination of eligibility for the household''; and

(ii) in paragraph (6)(C)(iii)(II), by striking ''the end of a certification period'' and inserting ''each redetermination of the eligibility of the household''.

(3) Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended—

(A) in subsection (c)(1)(C)(iv), by striking ''certification period'' each place it appears and inserting ''interval between required redeterminations of eligibility''; and

(B) in subsection (d)(1)(D)(v)(II), by striking ''a certification period'' and inserting ''an eligibility review period''.

(4) Section 8(c) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)) is amended—

(A) in the second sentence of paragraph (1), by striking ''within a certification period''; and

(B) in paragraph (2)(B), by striking ''expiration of'' and all that follows through ''during a certification period,'' and inserting ''termination of benefits to the household,''.

(5) Section 11(e)(16) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(16)) is amended by striking ''the certification or recertification'' and inserting ''determining the eligibility''.

SEC. 434. SIMPLIFIED APPLICATION PROCEDURES FOR THE ELDERLY AND DISABLED.

(a) IN GENERAL.—Section 11(i) of the Food Stamp Act of 1977 (7 U.S.C. 2020(i)) is amended—

(1) in paragraph (1)—

(A) by striking ''income shall be informed'' and inserting the following: ''income shall be—

''(A) informed'';

(B) by striking ''program and be assisted'' and inserting the following: ''program;

''(B) assisted''; and

(C) by striking ''office and be certified'' and inserting the following: ''office; and

''(C) certified''; and

(2) by adding at the end the following:

''(3) DUAL-PURPOSE APPLICATIONS.—

''(A) IN GENERAL.—Under regulations promulgated by the Secretary after consultation with the Commissioner of Social Security, a State agency may enter into a memorandum of understanding with the Commissioner under which an application for supplemental security income benefits under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.) from a household composed entirely of applicants for or recipients of those benefits shall also be considered to be an application for benefits under the food stamp program.

''(B) CERTIFICATION; REPORTING REQUIREMENTS.—A household covered by a memorandum of understanding under subparagraph (A)—

''(i) shall be certified based exclusively on information provided to the Commissioner, including such information as the Secretary shall require to be collected under the terms of any memorandum of understanding under this paragraph; and

''(ii) shall not be subject to any reporting requirement under section 6(c).

''(C) EXCEPTIONS TO VALUE OF ALLOTMENT.—The Secretary shall provide by regulation for such exceptions to section 8(a) as are necessary because a household covered by a memorandum of understanding under subparagraph (A) did not complete an application under subsection (e)(2).

''(D) COVERAGE.—In accordance with standards promulgated by the Secretary, a memorandum of understanding under subparagraph (A) need not cover all classes of applicants and recipients referred to in subparagraph (A).

''(E) EXEMPTION FROM CERTAIN APPLICATION PROCEDURES.—In the case of any member of a household covered by a memorandum of understanding under subparagraph (A), the Commissioner shall not be required to comply with—

''(i) subparagraph (B) or (C) of paragraph (1); or

''(ii) subsection (j)(1)(B).

''(F) RIGHT TO APPLY UNDER REGULAR PROGRAM.—The Secretary shall ensure that each household covered by a memorandum of understanding under subparagraph (A) is informed that the household may—

''(i)(I) submit an application under subsection (e)(2); and

''(II) have the eligibility and value of the allotment of the household under the food stamp program determined without regard to this paragraph; or

''(ii) decline to participate in the food stamp program.

''(G) TRANSITION PROVISION.—Notwithstanding the requirement for the promulgation of regulations under subparagraph (A), the Secretary may approve a request from a State agency to enter into a memorandum of understanding in accordance with this paragraph during the period—

''(i) beginning on the date of enactment of this paragraph; and

''(ii) ending on the earlier of—

''(I) the date of promulgation of the regulations; or

''(II) the date that is 3 years after the date of enactment of this paragraph.''.

(b) CONFORMING AMENDMENTS.—Section 11(j)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2020(j)(1)) is amended—

(1) by striking ''shall be informed'' and inserting the following: ''shall be—

''(A) informed''; and

(2) by striking ''program and informed'' and inserting the following: ''program; and

''(B) informed''.

SEC. 435. TRANSITIONAL FOOD STAMPS FOR FAMILIES MOVING FROM WELFARE.

(a) IN GENERAL.—Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended by adding at the end the following:

''(s) TRANSITIONAL BENEFITS OPTION.—

''(1) IN GENERAL.—A State agency may provide transitional food stamp benefits to a household that ceases to receive cash assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

''(2) TRANSITIONAL BENEFITS PERIOD.—Under paragraph (1), a household may continue to receive food stamp benefits for a period of not more than 6 months after the date on which cash assistance is terminated.

''(3) AMOUNT OF BENEFITS.—During the transitional benefits period under paragraph (2), a household shall receive an amount of food stamp benefits equal to the allotment received in the month immediately preceding the date on which cash assistance was terminated, adjusted for—

''(A) the change in household income as a result of the termination of cash assistance; and

''(B) any changes in circumstances that may result in an increase in the food stamp allotment of the household and that the household elects to report.

''(4) DETERMINATION OF FUTURE ELIGIBILITY.—In the final month of the transitional benefits period under paragraph (2), the State agency may—

''(A) require the household to cooperate in a redetermination of eligibility; and

''(B) initiate a new eligibility review period for the household without regard to whether the preceding eligibility review period has expired.

''(5) LIMITATION.—A household shall not be eligible for transitional benefits under this subsection if the household—

''(A) loses eligibility under section 6;

''(B) is sanctioned for a failure to perform an action required by Federal, State, or local law relating to a cash assistance program described in paragraph (1); or

''(C) is a member of any other category of households designated by the State agency as ineligible for transitional benefits.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended by adding at the end the following: ''The limits specified in this section may be extended until the end of any transitional benefit period established under section 11(s).''.

(2) Section 6(c) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)) is amended by striking ''No household'' and inserting ''Except in a case in which a household is receiving transitional benefits during the transitional benefits period under section 11(s), no household''.

SEC. 436. QUALITY CONTROL.

(a) IN GENERAL.—Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended—

(1) by striking ''(c)(1) The'' and all that follows through the end of paragraph (1) and inserting the following:

''(c) QUALITY CONTROL.—

''(1) IN GENERAL.—The food stamp program shall include a system to enhance payment accuracy that has the following elements:

''(A) CORRECTIVE ACTION PLANS.—The Secretary shall foster management improvements by the States by requiring State agencies to develop and implement corrective action plans to reduce payment errors.

''(B) INVESTIGATION AND INITIAL SANCTIONS.—

''(i) INVESTIGATION.—Except as provided under subparagraph (C), for any fiscal year in which the Secretary determines that a 95 percent statistical probability exists that the payment error rate of a State agency exceeds the national performance measure for payment error rates announced under paragraph (6) by more than 1 percentage point, other than for good cause shown, the Secretary shall investigate the administration by the State agency of the food stamp program unless the Secretary determines that sufficient information is already available to review the administration by the State agency.

''(ii) INITIAL SANCTIONS.—If an investigation under clause (i) results in a determination that the State agency has been seriously negligent (as determined under standards promulgated by the Secretary), the State agency shall pay the Secretary an amount that reflects the extent of such negligence (as determined under standards promulgated by the Secretary), not to exceed 5 percent of the amount provided to the State agency under subsection (a) for the fiscal year.

''(C) ADDITIONAL SANCTIONS.—If, for any fiscal year, the Secretary determines that a 95 percent statistical probability exists that the payment error rate of a State agency exceeds the national performance measure for payment error rates announced under paragraph (6) by more than 1 percentage point, other than for good cause shown, and that the State agency was sanctioned under this paragraph or was the subject of an investigation or review under subparagraph (B)(i) for each of the 2 immediately preceding fiscal years, the State agency shall pay to the Secretary an amount equal to the product obtained by multiplying—

''(i) the value of all allotments issued by the State agency in the fiscal year;

''(ii) the lesser of—

''(I) the ratio that—

''(aa) the amount by which the payment error rate of the State agency for the fiscal year exceeds by more than 1 percentage point the national performance measure for the fiscal year; bears to

''(bb) 10 percent; or

''(II) 1; and

''(iii) the amount by which the payment error rate of the State agency for the fiscal year exceeds by more than 1 percentage point the national performance measure for the fiscal year.'';

(2) in paragraph (2)(A), by inserting before the semicolon the following: '', as adjusted downward as appropriate under paragraph (10)'';

(3) in the first sentence of paragraph (4), by striking '', enhanced administrative funding,'' and all that follows and inserting ''under this subsection, high performance bonus payment under paragraph (11), or claim for payment error under paragraph (1).'';

(4) in the first sentence of paragraph (5), by striking ''to establish'' and all that follows and inserting the following: ''to establish the payment error rate for the State agency for the fiscal year, to comply with paragraph (10), and to determine the amount of any high performance bonus payment of the State agency under paragraph (11) or claim under paragraph (1).'';

(5) in the first sentence of paragraph (6), by striking ''incentive payments or claims pursuant to paragraphs (1)(A) and (1)(C),'' and inserting ''claims under paragraph (1),''; and

(6) by adding at the end the following:

''(10) ADJUSTMENTS OF PAYMENT ERROR RATE.—

''(A) IN GENERAL.—

''(i) FISCAL YEAR 2002.—Subject to clause (ii), for fiscal year 2002, in applying paragraph (1), the Secretary shall adjust the payment error rate determined under paragraph (2)(A) as necessary to eliminate any increases in errors that result from the State agency's serving a higher percentage of households with earned income, households with 1 or more members who are not United States citizens, or both, than the lesser of, as the case may be—

''(I) the percentage of households of the corresponding type that receive food stamps nationally; or

''(II) the percentage of—

''(aa) households with earned income that received food stamps in the State in fiscal year 1992; or

''(bb) households with members who are not United States citizens that received food stamps in the State in fiscal year 1998.

''(ii) EXPANDED APPLICABILITY TO STATE AGENCIES SUBJECT TO SANCTIONS.—In the case of a State agency subject to sanctions for fiscal year 2001 or any fiscal year thereafter under paragraph (1), the adjustments described in clause (i) shall apply to the State agency for the fiscal year.

''(B) CONTINUATION OR MODIFICATION OF ADJUSTMENTS.—For fiscal year 2003 and each fiscal year thereafter, the Secretary may determine whether the continuation or modification of the adjustments described in subparagraph (A)(i) or the substitution of other adjustments is most consistent with achieving the purposes of this Act.''.

(b) CONFORMING AMENDMENT.—Section 22(h) of the Food Stamp Act of 1977 (7 U.S.C. 2031(h)) is amended by striking the last sentence.

(c) APPLICABILITY.—Except as otherwise provided in the amendments made by subsection (a), the amendments made by subsection (a) shall apply to fiscal year 2001 and each fiscal year thereafter.

SEC. 437. IMPROVEMENT OF CALCULATION OF STATE PERFORMANCE MEASURES.

(a) IN GENERAL.—Section 16(c)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)(8)) is amended—

(1) in subparagraph (B), by striking ''180 days after the end of the fiscal year'' and inserting ''the first May 31 after the end of the fiscal year referred to in subparagraph (A)''; and

(2) in subparagraph (C), by striking ''30 days thereafter'' and inserting ''the first June 30 after the end of the fiscal year referred to in subparagraph (A)''.

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

SEC. 438. BONUSES FOR STATES THAT DEMONSTRATE HIGH PERFORMANCE.

(a) IN GENERAL.—Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) (as amended by section 436(a)(6)) is amended—

(1) in the first sentence of paragraph (1), by striking ''enhanced administrative funding to States with the lowest error rates.'' and inserting ''bonus payments to States that

demonstrate high levels of performance.''; and

(2) by adding at the end the following:

''(11) HIGH PERFORMANCE BONUS PAYMENTS.—

''(A) IN GENERAL.—For each fiscal year, the Secretary shall—

''(i) measure the performance of each State agency with respect to each of the performance measures specified in subparagraph (B); and

''(ii) subject to subparagraph (D), make high performance bonus payments to the State agencies with the highest achievement with respect to those performance measures.

''(B) PERFORMANCE MEASURES.—The performance measures specified in this subparagraph are—

''(i)(I) the greatest dollar amount of total claims collected in the fiscal year as a proportion of the overpayment dollar amount in the previous fiscal year; and

''(II) the greatest percentage point improvement under clause (i)(I) from the previous fiscal year to the fiscal year;

''(ii) the greatest improvement from the previous fiscal year to the fiscal year in the ratio, expressed as a percentage, that—

''(I) the number of households in the State that—

''(aa) have incomes less than 130 percent of the poverty line (as defined in section 673 of the Community Services Block Grant Act (42 U.S.C. 9902));

''(bb) are eligible for food stamp benefits; and

''(cc) receive food stamps benefits; bears to

''(II) the number of households in the State that—

''(aa) have incomes less than 130 percent of the poverty line (as so defined); and

''(bb) are eligible for food stamp benefits;

''(iii) the lowest overpayment error rate;

''(iv) the greatest percentage point improvement from the previous fiscal year to the fiscal year in the overpayment error rate;

''(v) the lowest negative error rate;

''(vi) the greatest percentage point improvement from the previous year to the fiscal year in the negative error rate;

''(vii) the lowest underpayment error rate;

''(viii) the greatest percentage point improvement from the previous year to the fiscal year in the underpayment error rate;

''(ix) the greatest percentage of new applications processed within the deadlines established under paragraphs (3) and (9) of section 11(e); and

''(x) the least average period of time needed to process applications under paragraphs (3) and (9) of section 11(e).

''(C) HIGH PERFORMANCE BONUS PAYMENTS.—

''(i) DEFINITION OF CASELOAD.—In this subparagraph, the term 'caseload' has the meaning given the term in section 6(o)(5)(A).

''(ii) AMOUNT OF PAYMENTS.—

''(I) IN GENERAL.—For each fiscal year, the Secretary shall—

''(aa) make 1 high performance bonus payment of $10,000,000 for each of the 10 performance measures under subparagraph (B); and

''(bb) allocate the high performance bonus payment with respect to each performance measure in accordance with subclauses (II) and (III).

''(II) PAYMENT FOR PERFORMANCE MEASURE CONCERNING CLAIMS COLLECTED.—For each fiscal year, the Secretary shall allocate the high performance bonus payment made for the performance measure under subparagraph (B)(i) among the 20 State agencies with the highest performance in the performance measure in the ratio that—

''(aa) the caseload of each such State agency; bears to

''(bb) the caseloads of all such State agencies.

''(III) PAYMENTS FOR OTHER PERFORMANCE MEASURES.—For each fiscal year, the Secretary shall allocate the high performance bonus payment made for the performance measure under each of clauses (ii) through (x) of subparagraph (B) among the 10 State agencies with the highest performance in the performance measure in the ratio that—

''(aa) the caseload of each such State agency; bears to

''(bb) the caseloads of all such State agencies.

''(iii) DETERMINATION OF HIGHEST PERFORMERS.—

''(I) IN GENERAL.—In determining the highest performers under clause (ii), the Secretary shall calculate applicable percentages to 2 decimal places.

''(II) DETERMINATION IN EVENT OF A TIE.—If, under subclause (I), 2 or more State agencies have the same percentage with respect to a performance measure, the Secretary shall calculate the percentage for the performance measure to as many decimal places as are necessary to determine which State agency has the greatest percentage.

''(D) LIMITATIONS FOR STATE AGENCIES SUBJECT TO SANCTIONS.—If, for any fiscal year, a State agency is subject to a sanction under paragraph (1)—

''(i) the State agency shall not be eligible for a high performance bonus payment under clause (iii), (iv), (vii), or (viii) of subparagraph (B) for the fiscal year; and

''(ii) the State agency shall not receive a high performance bonus payment for which the State agency is otherwise eligible under this paragraph for the fiscal year until the obligation of the State agency under the sanction has been satisfied (as determined by the Secretary).

''(E) PAYMENTS NOT SUBJECT TO JUDICIAL REVIEW.—A determination by the Secretary whether, and in what amount, to make a high performance bonus payment under this paragraph shall not be subject to judicial review.''.

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply to fiscal year 2003 and each fiscal year thereafter.

SEC. 439. SIMPLIFIED FUNDING RULES FOR EMPLOYMENT AND TRAINING PROGRAMS.

(a) LEVELS OF FUNDING.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking '', to remain available until expended,''; and

(B) by striking clause (vii) and inserting the following:

''(vii) to remain available until expended—

''(I) for fiscal year 2002, $122,000,000;

''(II) for fiscal year 2003, $129,000,000;

''(III) for fiscal year 2004, $135,000,000;

''(IV) for fiscal year 2005, $142,000,000; and

''(V) for fiscal year 2006, $149,000,000.'';

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

''(B) ALLOCATION.—Funds made available under subparagraph (A) shall be made available to and reallocated among State agencies under a reasonable formula that—

''(i) is determined and adjusted by the Secretary; and

''(ii) takes into account the number of individuals who are not exempt from the work requirement under section 6(o).''; and

(3) by striking subparagraphs (E) through (G).

(b) RESCISSION OF CARRYOVER FUNDS.—Notwithstanding any other provision of law, funds provided under section 16(h)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)(A)) for any fiscal year before fiscal year 2002 shall cease to be available on the date of enactment of this Act, unless obligated by a State agency before that date.

(c) PARTICIPANT EXPENSES.—Section 6(d)(4)(I)(i)(I) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)(I)(i)(I)) is amended by striking ''$25 per month'' and inserting ''an amount not less than $25 per month''.

(d) FEDERAL REIMBURSEMENT.—Section 16(h)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(3)) is amended by striking ''$25'' and inserting ''the limit established by the State agency under section 6(d)(4)(I)(i)(I)''.

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

SEC. 440. REAUTHORIZATION OF FOOD STAMP PROGRAM.

(a) REDUCTIONS IN PAYMENTS FOR ADMINISTRATIVE COSTS.—Section 16(k)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(3)) is amended—

(1) in the first sentence of subparagraph (A), by striking ''2002'' and inserting ''2006''; and

(2) in subparagraph (B)(ii), by striking ''2002'' and inserting ''2006''.

(b) CASH PAYMENT PILOT PROJECTS.—Section 17(b)(1)(B)(vi) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(vi)) is amended by striking ''2002'' and inserting ''2006''.

(c) GRANTS TO IMPROVE FOOD STAMP PARTICIPATION.—Section 17(i)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(i)(1)(A)) is amended in the first sentence by striking ''2002'' and inserting ''2006''.

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended in the first sentence by striking ''2002'' and inserting ''2006''.

SEC. 441. EXPANDED GRANT AUTHORITY.

Section 17(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(a)(1)) is amended—

(1) by striking '', by way of making contracts with or grants to public or private organizations or agencies,'' and inserting ''enter into contracts with or make grants to public or private organizations or agencies under this section to''; and

(2) by adding at the end the following: ''The waiver authority of the Secretary under subsection (b) shall extend to all contracts and grants under this section.''.

SEC. 442. EXEMPTION OF WAIVERS FROM COST-NEUTRALITY REQUIREMENT.

Section 17(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)) is amended by adding at the end the following:

''(E) COST NEUTRALITY.—

''(i) REQUIREMENTS FOR WAIVERS.—

''(I) ESTIMATION OF COSTS AND SAVINGS OF WAIVERS.—Before approving a waiver for any demonstration project proposed under this subsection, the Secretary shall estimate the costs or savings likely to result from the waiver.

''(II) APPROVAL OF WAIVERS.—The Secretary shall not approve any waiver that the Secretary estimates will increase costs to the Federal Government unless—

''(aa) exigent circumstances require the approval of the waiver;

''(bb) the increase in costs is insignificant; or

''(cc) the increase in costs is necessary for a designated research demonstration project under clause (ii).

''(III) MULTIYEAR COST NEUTRALITY.—A waiver shall not be considered to increase costs to the Federal Government based on the impact of the waiver in any 1 fiscal year if the waiver is not expected to increase costs to the Federal Government over any 3-fiscal year period that includes the fiscal year.

''(ii) EXEMPTION FROM COST-NEUTRALITY REQUIREMENT FOR CERTAIN PROJECTS.—

''(I) IN GENERAL.—For each fiscal year, the Secretary may designate research demonstration projects that—

''(aa) have a substantial likelihood of producing information on important issues of food stamp program design or operation; and

''(bb) the Secretary estimates are likely to increase costs to the Federal Government by a total of not more than $50,000,000 during the period of fiscal years 2002 through 2006.

''(II) EXEMPTION.—A project described in subclause (I) shall be exempt from clause (i).

''(iii) OFFSETS IN OTHER PROGRAMS.—In making determinations of costs to the Federal Government under this subparagraph, the Secretary shall estimate and consider savings to the Federal Government in other programs in such a manner as the Secretary determines to be appropriate.

''(iv) NO LOOK-BACK.—The Secretary shall not be required to adjust any estimate made under this subparagraph to reflect the actual costs of a demonstration project as implemented by a State agency.''.

SEC. 443. PROGRAM SIMPLIFICATION DEMONSTRATION PROJECTS.

(a) ENHANCED WAIVER AUTHORITY.—Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by striking subsection (e) and inserting the following:

''(e) PROGRAM SIMPLIFICATION DEMONSTRATION PROJECTS.—

''(1) IN GENERAL.—With the approval of the Secretary, not more than 5 State agencies may carry out demonstration projects to test, for a period of not more than 3 years, promising approaches to simplifying the food stamp program.

''(2) TYPES OF DEMONSTRATION PROJECTS.—Each demonstration project under paragraph (1) shall test changes in food stamp program rules in not more than 1 of the following 2 areas:

''(A)(i) Reporting requirements under section 6(c).

''(ii) Verification methods under section 11(e)(3) (including reliance on data from preceding periods that can be obtained or verified electronically).

''(iii) A combination of reporting requirements and verification methods.

''(B) The income standard of eligibility established under section 5(c)(1), deductions under section 5(e), and income budgeting procedures under section 5(f).

''(3) SELECTION OF DEMONSTRATION PROJECTS.—

''(A) IN GENERAL.—The Secretary shall establish a competitive process to select, from all projects proposed by State agencies, the demonstration projects to be carried out under this subsection based on which projects have the greatest likelihood of producing useful information on important issues of food stamp program design or operation, as determined by the Secretary.

''(B) GOALS.—In selecting demonstration projects, the Secretary shall seek, at a minimum, to achieve a balance between—

''(i) simplifying the food stamp program;

''(ii) reducing administrative burdens on State agencies, households, and other individuals and entities;

''(iii) providing nutrition assistance to individuals most in need; and

''(iv) improving access to nutrition assistance.

''(C) PROJECTS NOT ELIGIBLE FOR SELECTION.—The Secretary shall not select any demonstration project under this subsection that the Secretary determines does not have a strong likelihood of producing useful information on important issues of food stamp program design or operation.

''(D) DIVERSITY OF APPROACHES AND AREAS.—In selecting demonstration projects to be carried out under this subsection, the Secretary shall seek to include—

''(i) projects that take diverse approaches;

''(ii) at least 1 project that will operate in an urban area; and

''(ii) at least 1 project that will operate in a rural area.

''(E) MAXIMUM AGGREGATE COST OF PROJECTS.—The estimated aggregate cost of projects selected by the Secretary under this subsection shall not exceed $90,000,000.

''(4) SIZE OF AREA.—Each demonstration project selected under this subsection shall be carried out in an area that contains not more than the greater of—

''(A) one-third of the total households receiving allotments in the State; or

''(B) the minimum number of households needed to measure the effects of the demonstration projects.

''(5) EVALUATIONS.—

''(A) IN GENERAL.—The Secretary shall provide, through contract or other means, for detailed, statistically valid evaluations to be conducted of each demonstration project carried out under this subsection.

''(B) MINIMUM REQUIREMENTS.—Each evaluation under subparagraph (A)—

''(i) shall include the study of control groups or areas; and

''(ii) shall analyze, at a minimum, the effects of the project design on—

''(I) costs of the food stamp program;

''(II) State administrative costs;

''(III) the integrity of the food stamp program, including errors as measured under section 16(c);

''(IV) participation by households in need of nutrition assistance; and

''(V) changes in allotment levels experienced by—

''(aa) households of various income levels;

''(bb) households with elderly, disabled, and employed members;

''(cc) households with high shelter costs relative to the incomes of the households; and

''(dd) households receiving subsidized housing, child care, or health insurance.

''(C) FUNDING.—From funds made available to carry out this Act, the Secretary shall reserve not more than $6,000,000 to conduct evaluations under this paragraph.

''(6) REPORT TO CONGRESS.—Not later than January 1, 2006, the Secretary shall submit to Congress a report on the impact of the demonstration projects carried out under this subsection on the food stamp program, including the effectiveness of the demonstration projects in—

''(A) delivering nutrition assistance to households most at risk; and

''(B) reducing administrative burdens.''.

(b) CONFORMING AMENDMENT.—Section 17(b)(1)(B)(iv)(III)(ii) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(iv)(III)(ii)) is amended by striking ''paragraph'' and inserting ''section''.

SEC. 444. CONSOLIDATED BLOCK GRANTS.

(a) CONSOLIDATED FUNDING.—Section 19(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking ''the Commonwealth of Puerto Rico'' and inserting ''governmental entities specified in subparagraph (D)'';

(B) in clause (ii), by striking ''and'' at the end; and

(C) by striking clause (iii) and all that follows and inserting the following:

''(iii) for fiscal year 2002, $1,356,000,000; and

''(iv) for each of fiscal years 2003 through 2006, the amount provided in clause (iii), as adjusted by the percentage by which the thrifty food plan has been adjusted under section 3(o)(4) between June 30, 2001, and June 30 of the immediately preceding fiscal year;

to pay the expenditures for nutrition assistance programs for needy persons as described in subparagraphs (B) and (C).'';

(2) in subparagraph (B), by inserting ''of Puerto Rico'' after ''Commonwealth'' each place it appears; and

(3) by adding at the end the following:

''(C) AMERICAN SAMOA.—For each fiscal year, the Secretary shall reserve 0.4 percent of the funds made available under subparagraph (A) for payment to American Samoa to pay the expenditures for a nutrition assistance program extended under section 601(c) of Public Law 96–597 (48 U.S.C. 1469d(c)).

''(D) GOVERNMENTAL ENTITY.—A governmental entity specified in this subparagraph is—

''(i) the Commonwealth of Puerto Rico; and

''(ii) for fiscal year 2003 and each fiscal year thereafter, American Samoa.''.

(b) CONFORMING AMENDMENT.—Section 24 of the Food Stamp Act of 1977 (7 U.S.C. 2033) is repealed.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2002.

SEC. 445. EXPANDED AVAILABILITY OF COMMODITIES.

(a) IN GENERAL.—Section 27 of the Food Stamp Act of 1977 (7 U.S.C. 2036) is amended—

(1) in subsection (a)—

(A) by striking ''From amounts'' and inserting the following:

''(1) IN GENERAL.—From amounts'';

(B) by striking ''for each of fiscal years 1997 through 2002, the Secretary shall purchase $100,000,000 of'' and inserting ''the Secretary shall use the amount specified in paragraph (2) to purchase''; and

(C) by adding at the end the following:

''(2) AMOUNTS.—The amounts specified in this paragraph are—

''(A) for each of fiscal years 1997 through 2001, $100,000,000; and

''(B) for each of fiscal years 2002 through 2006, $140,000,000.''; and

(2) by adding at the end the following:

''(c) USE OF FUNDS FOR RELATED COSTS.—

''(1) IN GENERAL.—For each of fiscal years 2002 through 2006, the Secretary shall use $10,000,000 of the funds made available under subsection (a) to pay the direct and indirect costs of States relating to the processing, storing, transporting, and distributing to eligible recipient agencies of—

''(A) commodities purchased by the Secretary under subsection (a); and

''(B) commodities acquired from other sources, including commodities acquired by gleaning (as defined in section 111(a) of the Hunger Prevention Act of 1988 (7 U.S.C. 612c note; Public Law 100–435)).

''(2) ALLOCATION OF FUNDS.—The amount required to be used in accordance with paragraph (1) shall be allocated in accordance with section 204(a) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)).''.

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

Subtitle B—Miscellaneous Provisions

SEC. 451. REAUTHORIZATION OF COMMODITY PROGRAMS.

(a) 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 ''2002'' and inserting ''2006''.

(b) 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) by striking subsection (a) and inserting the following:

''(a) GRANTS PER ASSIGNED CASELOAD SLOT.—

''(1) IN GENERAL.—In carrying out the program under section 4 (referred to in this section as the 'commodity supplemental food program'), for each of fiscal years 2003 through 2006, the Secretary shall provide to each State agency from funds made available to carry out that section (including any such funds remaining available from the preceding fiscal year), a grant per assigned caseload slot for administrative costs incurred by the State agency and local agencies in the State in operating the commodity supplemental food program.

''(2) AMOUNT OF GRANTS.—For each of fiscal years 2003 through 2006, the amount of each grant per caseload slot shall be equal to $50, adjusted by the percentage change between—

''(A) the value of the State and local government price index, as published by the Bureau of Economic Analysis of the Department of Commerce, for the 12-month period ending June 30 of the second preceding fiscal year; and

''(B) the value of that index for the 12-month period ending June 30 of the preceding fiscal year.''; and

(2) in subsection (d)(2), by striking ''2002'' each place it appears and inserting ''2006''.

(c) 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 ''2002'' and inserting ''2006''.

(d) EMERGENCY FOOD ASSISTANCE.—Section 204(a)(1) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)(1)) is amended in the first sentence—

(1) by striking ''2002'' and inserting ''2006'';

(2) by striking ''administrative''; and

(3) by inserting ''storage,'' after ''processing,''.

SEC. 452. WORK REQUIREMENT FOR LEGAL IMMIGRANTS.

(a) WORKING IMMIGRANT FAMILIES.—Section 402(a)(2)(B)(ii)(I) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(B)(ii)(I)) is amended by striking ''40'' and inserting ''40 (or, in the case of the specified Federal program described in paragraph (3)(B), 16)''.

(b) CONFORMING AMENDMENTS.—

(1) Section 213A(a)(3)(A) of the Immigration and Nationality Act (8 U.S.C. 1183a(a)(3)(A)) is amended by striking ''40'' and inserting ''40 (or, in the case of the specified Federal program described in section 402(a)(3)(B) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(3)(B)), 16)''.

(2) Section 403(c)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613(c)(2)) is amended by adding at the end the following:

''(L) Assistance or benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).''.

(3) Section 421(b)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1631(b)(2)(A)) is amended by striking ''40'' and inserting ''40 (or, in the case of the specified Federal program described in section 402(a)(3)(B), 16)''.

SEC. 453. QUALIFIED ALIENS.

Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) is amended by adding at the end the following:

''(L) FOOD STAMP EXCEPTION FOR CERTAIN QUALIFIED ALIENS.—With respect to eligibility for benefits for the specified Federal program described in paragraph (3)(B), paragraph (1) shall not apply to any individual who has continuously resided in the United States as a qualified alien for a period of 5 years or more.''.

SEC. 454. COMMODITIES FOR SCHOOL LUNCH PROGRAMS.

(a) IN GENERAL.—Section 6(e)(1)(B) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1755(e)(1)(B)) is amended by striking ''2001'' and inserting ''2003''.

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on the date of enactment of this Act.

SEC. 455. ELIGIBILITY FOR FREE AND REDUCED PRICE MEALS.

(a) IN GENERAL.—Section 9(b) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)) is amended by adding at the end the following:

''(7) EXCLUSION OF CERTAIN MILITARY HOUSING ALLOWANCES.—For each of fiscal years 2002 and 2003, the amount of a basic allowance provided under section 403 of title 37, United States Code, on behalf of a member of a uniformed service for housing that is acquired or constructed under subchapter IV of chapter 169 of title 10, United States Code, or any related provision of law, shall not be considered to be income for the purpose of determining the eligibility of a child who is a member of the household of the member of a uniformed service for free or reduced price lunches under this Act.''.

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on the date of enactment of this Act.

SEC. 456. SENIORS FARMERS' MARKET NUTRITION PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall carry out and expand a seniors farmers' market nutrition program.

(b) PROGRAM PURPOSES.—The purposes of the seniors farmers' market nutrition program are—

(1) to provide to low-income seniors resources in the form of fresh, nutritious, unprepared, locally grown fruits, vegetables, and herbs from farmers' markets, roadside stands, and community-supported agriculture programs;

(2) to increase domestic consumption of agricultural commodities by expanding or assisting in the expansion of domestic farmers' markets, roadside stands, and community-supported agriculture programs; and

(3) to develop or aid in the development of new farmers' markets, roadside stands, and community-supported agriculture programs.

(c) REGULATIONS.—The Secretary of Agriculture may promulgate such regulations as the Secretary considers necessary to carry out the seniors farmers' market nutrition program under this section.

(d) FUNDING.—

(1) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, and on October 1, 2002, and each October 1 thereafter through October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this section $15,000,000.

(2) RECEIPT AND ACCEPTANCE.—The Secretary of Agriculture shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.

SEC. 457. ELIGIBILITY FOR ASSISTANCE UNDER THE SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN.

(a) IN GENERAL.—Section 17(d)(2)(B)(i) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(2)(B)(i)) is amended—

(1) by striking ''basic allowance for housing'' and inserting the following: ''basic allowance—

''(I) for housing'';

(2) by striking ''and'' at the end and inserting ''or''; and

(3) by adding at the end the following:

''(II) provided under section 403 of title 37, United States Code, for housing that is acquired or constructed under subchapter IV of chapter 169 of title 10, United States Code, or any related provision of law; and''.

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

SEC. 458. CONGRESSIONAL HUNGER FELLOWS PROGRAM.

(a) SHORT TITLE.—This section may be cited as the ''Congressional Hunger Fellows Act of 2001''.

(b) FINDINGS.—Congress finds that—

(1) there are—

(A) a critical need for compassionate individuals who are committed to assisting people who suffer from hunger; and

(B) a need for those individuals to initiate and administer solutions to the hunger problem;

(2) Bill Emerson, the distinguished late Representative from the 8th District of Missouri, demonstrated—

(A) his commitment to solving the problem of hunger in a bipartisan manner;

(B) his commitment to public service; and

(C) his great affection for the institution and the ideals of Congress;

(3) George T. (Mickey) Leland, the distinguished late Representative from the 18th District of Texas, demonstrated—

(A) his compassion for individuals in need;

(B) his high regard for public service; and

(C) his lively exercise of political talents;

(4) the special concern that Mr. Emerson and Mr. Leland demonstrated during their lives for the hungry and poor was an inspiration for others to work toward the goals of equality and justice for all; and

(5) since those 2 outstanding leaders maintained a special bond of friendship regardless of political affiliation and worked together to encourage future leaders to recognize and provide service to others, it is especially appropriate to honor the memory of Mr. Emerson and Mr. Leland by establishing a fellowship program to develop and train the future leaders of the United States to pursue careers in humanitarian service.

(c) DEFINITIONS.—In this section:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees'' means—

(A) the Committee on Agriculture and the Committee on International Relations of the House of Representatives; and

(B) the Committee on Agriculture, Nutrition, and Forestry and the Committee on Foreign Relations of the Senate.

(2) BOARD.—The term ''Board'' means the Board of Trustees of the Program.

(3) FUND.—The term ''Fund'' means the Congressional Hunger Fellows Trust Fund established by subsection (g).

(4) PROGRAM.—The term ''Program'' means the Congressional Hunger Fellows Program established by subsection (d).

(d) ESTABLISHMENT.—There is established as an independent entity of the legislative branch of the United States Government an entity to be known as the ''Congressional Hunger Fellows Program''.

(e) BOARD OF TRUSTEES.—

(1) IN GENERAL.—The Program shall be subject to the supervision and direction of a Board of Trustees.

(2) MEMBERS OF THE BOARD.—

(A) APPOINTMENT.—

(i) IN GENERAL.—The Board shall be composed of 6 voting members appointed under clause (ii) and 1 nonvoting ex-officio member designated by clause (iii).

(ii) VOTING MEMBERS.—The voting members of the Board shall be the following:

(I) 2 members appointed by the Speaker of the House of Representatives.

(II) 1 member appointed by the minority leader of the House of Representatives.

(III) 2 members appointed by the majority leader of the Senate.

(IV) 1 member appointed by the minority leader of the Senate.

(iii) NONVOTING MEMBER.—The Executive Director of the Program shall serve as a nonvoting ex-officio member of the Board.

(B) TERMS.—

(i) IN GENERAL.—Each member of the Board shall serve for a term of 4 years.

(ii) INCOMPLETE TERM.—If a member of the Board does not serve the full term of the member, the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

(C) VACANCY.—A vacancy on the Board—

(i) shall not affect the powers of the Board; and

(ii) shall be filled in the same manner as the original appointment was made.

(D) CHAIRPERSON.—As the first order of business of the first meeting of the Board, the members shall elect a Chairperson.

(E) COMPENSATION.—

(i) IN GENERAL.—Subject to clause (ii), a member of the Board shall not receive compensation for service on the Board.

(ii) TRAVEL.—A member of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Board.

(3) DUTIES.—

(A) BYLAWS.—

(i) ESTABLISHMENT.—The Board shall establish such bylaws and other regulations as are appropriate to enable the Board to carry out this section, including the duties described in this paragraph.

(ii) CONTENTS.—Bylaws and other regulations established under clause (i) shall include provisions—

(I) for appropriate fiscal control, accountability for funds, and operating principles;

(II) to prevent any conflict of interest, or the appearance of any conflict of interest, in—

(aa) the procurement and employment actions taken by the Board or by any officer or employee of the Board; and

(bb) the selection and placement of individuals in the fellowships developed under the Program;

(III) for the resolution of a tie vote of the members of the Board; and

(IV) for authorization of travel for members of the Board.

(iii) SUBMISSION TO CONGRESS.—Not later than 90 days after the date of the first meeting of the Board, the Chairperson of the Board shall submit to the appropriate congressional committees a copy of the bylaws established by the Board.

(B) BUDGET.—For each fiscal year in which the Program is in operation—

(i) the Board shall determine a budget for the Program for the fiscal year; and

(ii) all spending by the Program shall be in accordance with the budget unless a change is approved by the Board.

(C) PROCESS FOR SELECTION AND PLACEMENT OF FELLOWS.—The Board shall review and approve the process established by the Executive Director for the selection and placement of individuals in the fellowships developed under the Program.

(D) ALLOCATION OF FUNDS TO FELLOWSHIPS.—The Board shall determine—

(i) the priority of the programs to be carried out under this section; and

(ii) the amount of funds to be allocated for the fellowships established under subsection (f)(3)(A).

(f) PURPOSES; AUTHORITY OF PROGRAM.—

(1) PURPOSES.—The purposes of the Program are—

(A) to encourage future leaders of the United States to pursue careers in humanitarian service;

(B) to recognize the needs of people who are hungry and poor;

(C) to provide assistance and compassion for people in need;

(D) to increase awareness of the importance of public service; and

(E) to provide training and development opportunities for the leaders through placement in programs operated by appropriate entities.

(2) AUTHORITY.—The Program may develop fellowships to carry out the purposes of the Program, including the fellowships described in paragraph (3).

(3) FELLOWSHIPS.—

(A) IN GENERAL.—The Program shall establish and carry out the Bill Emerson Hunger Fellowship and the Mickey Leland Hunger Fellowship.

(B) CURRICULUM.—

(i) IN GENERAL.—The fellowships established under subparagraph (A) shall provide experience and training to develop the skills and understanding necessary to improve the humanitarian conditions and the lives of individuals who suffer from hunger, including—

(I) training in direct service to the hungry in conjunction with community-based organizations through a program of field placement; and

(II) experience in policy development through placement in a governmental entity or nonprofit organization.

(ii) FOCUS.—

(I) BILL EMERSON HUNGER FELLOWSHIP.—The Bill Emerson Hunger Fellowship shall address hunger and other humanitarian needs in the United States.

(II) MICKEY LELAND HUNGER FELLOWSHIP.—The Mickey Leland Hunger Fellowship shall address international hunger and other humanitarian needs.

(iii) WORK PLAN.—To carry out clause (i) and to assist in the evaluation of the fellowships under paragraph (4), the Program shall, for each fellow, approve a work plan that identifies the target objectives for the fellow in the fellowship, including the specific duties and responsibilities relating to the objectives.

(C) PERIOD OF FELLOWSHIP.—

(i) EMERSON FELLOWSHIP.—A Bill Emerson Hunger Fellowship awarded under this paragraph shall be for a period of not more than 1 year.

(ii) LELAND FELLOWSHIP.—A Mickey Leland Hunger Fellowship awarded under this paragraph shall be for a period of not more than 2 years, of which not less than 1 year shall be dedicated to fulfilling the requirement of subparagraph (B)(i)(I).

(D) SELECTION OF FELLOWS.—

(i) IN GENERAL.—A fellowship shall be awarded through a nationwide competition established by the Program.

(ii) QUALIFICATION.—A successful applicant shall be an individual who has demonstrated—

(I) an intent to pursue a career in humanitarian service and outstanding potential for such a career;

(II) leadership potential or leadership experience;

(III) diverse life experience;

(IV) proficient writing and speaking skills;

(V) an ability to live in poor or diverse communities; and

(VI) such other attributes as the Board determines to be appropriate.

(iii) AMOUNT OF AWARD.—

(I) IN GENERAL.—Each individual awarded a fellowship under this paragraph shall receive a living allowance and, subject to subclause (II), an end-of-service award as determined by the Program.

(II) REQUIREMENT FOR SUCCESSFUL COMPLETION OF FELLOWSHIP.—Each individual awarded a fellowship under this paragraph shall be entitled to receive an end-of-service award at an appropriate rate for each month of satisfactory service as determined by the Executive Director.

(iv) RECOGNITION OF FELLOWSHIP AWARD.—

(I) EMERSON FELLOW.—An individual awarded a Bill Emerson Hunger Fellowship shall be known as an ''Emerson Fellow''.

(II) LELAND FELLOW.—An individual awarded a Mickey Leland Hunger Fellowship shall be known as a ''Leland Fellow''.

(4) EVALUATIONS.—

(A) IN GENERAL.—The Program shall conduct periodic evaluations of the Bill Emerson and Mickey Leland Hunger Fellowships.

(B) REQUIRED ELEMENTS.—Each evaluation shall include—

(i) an assessment of the successful completion of the work plan of each fellow;

(ii) an assessment of the impact of the fellowship on the fellows;

(iii) an assessment of the accomplishment of the purposes of the Program; and

(iv) an assessment of the impact of each fellow on the community.

(g) TRUST FUND.—

(1) ESTABLISHMENT.—There is established in the Treasury of the United States a fund to be known as the ''Congressional Hunger Fellows Trust Fund'', consisting of—

(A) amounts appropriated to the Fund under subsection (k);

(B) any amounts earned on investment of amounts in the Fund under paragraph (2); and

(C) amounts received under subsection (i)(3)(A).

(2) INVESTMENT OF AMOUNTS.—

(A) IN GENERAL.—

(i) AUTHORITY TO INVEST.—The Secretary of the Treasury shall invest such portion of the

Fund as is not, in the judgment of the Secretary of the Treasury, required to meet current withdrawals.

(ii) TYPES OF INVESTMENTS.—Each investment may be made only in an interest-bearing obligation of the United States or an obligation guaranteed as to principal and interest by the United States that, as determined by the Secretary of the Treasury in consultation with the Board, has a maturity suitable for the Fund.

(B) ACQUISITION OF OBLIGATIONS.—For the purpose of investments under subparagraph (A), obligations may be acquired—

(i) on original issue at the issue price; or

(ii) by purchase of outstanding obligations at the market price.

(C) SALE OF OBLIGATIONS.—Any obligation acquired by the Fund may be sold by the Secretary of the Treasury at the market price.

(D) CREDITS TO FUND.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Fund shall be credited to and form a part of the Fund.

(3) TRANSFERS OF AMOUNTS.—

(A) IN GENERAL.—The amounts required to be transferred to the Fund under this subsection shall be transferred at least monthly from the general fund of the Treasury to the Fund on the basis of estimates made by the Secretary of the Treasury.

(B) ADJUSTMENTS.—Proper adjustment shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(h) EXPENDITURES; AUDITS.—

(1) IN GENERAL.—The Secretary of the Treasury shall transfer to the Program from the amounts described in subsections (g)(2)(D) and (i)(3)(A) such sums as the Board determines to be necessary to enable the Program to carry out this section.

(2) LIMITATION.—The Secretary may not transfer to the Program the amounts appropriated to the Fund under subsection (k).

(3) USE OF FUNDS.—Funds transferred to the Program under paragraph (1) shall be used—

(A) to provide a living allowance for the fellows;

(B) to defray the costs of transportation of the fellows to the fellowship placement sites;

(C) to defray the costs of appropriate insurance of the fellows, the Program, and the Board;

(D) to defray the costs of preservice and midservice education and training of fellows;

(E) to pay staff described in subsection (i);

(F) to make end-of-service awards under subsection (f)(3)(D)(iii)(II); and

(G) for such other purposes as the Board determines to be appropriate to carry out the Program.

(4) AUDIT BY COMPTROLLER GENERAL.—

(A) IN GENERAL.—The Comptroller General of the United States shall conduct an annual audit of the accounts of the Program.

(B) BOOKS.—The Program shall make available to the Comptroller General all books, accounts, financial records, reports, files, and other papers, things, or property belonging to or in use by the Program and necessary to facilitate the audit.

(C) REPORT TO CONGRESS.—The Comptroller General shall submit to the appropriate congressional committees a copy of the results of each audit under subparagraph (A).

(i) STAFF; POWERS OF PROGRAM.—

(1) EXECUTIVE DIRECTOR.—

(A) IN GENERAL.—The Board shall appoint an Executive Director of the Program who shall—

(i) administer the Program; and

(ii) carry out such other functions consistent with this section as the Board shall prescribe.

(B) RESTRICTION.—The Executive Director may not serve as Chairperson of the Board.

(C) COMPENSATION.—The Executive Director shall be paid at a rate not to exceed the rate payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(2) STAFF.—

(A) IN GENERAL.—With the approval of a majority of the Board, the Executive Director may appoint and fix the pay of such additional personnel as the Executive Director considers necessary to carry out this section.

(B) COMPENSATION.—An individual appointed under subparagraph (A) shall be paid at a rate not to exceed the rate payable for level GS–15 of the General Schedule.

(3) POWERS.—

(A) GIFTS.—

(i) IN GENERAL.—The Program may solicit, accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Program.

(ii) USE OF GIFTS.—Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall—

(I) be deposited in the Fund; and

(II) be available for disbursement on order of the Board.

(B) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—To carry out this section, the Program may procure temporary and intermittent services in accordance with section 3109(b) of title 5, United States Code, at rates for individuals that do not exceed the daily equivalent of the annual rate of basic pay payable for level GS–15 of the General Schedule.

(C) CONTRACT AUTHORITY.—To carry out this section, the Program may, with the approval of a majority of the members of the Board, contract with and compensate Government and private agencies or persons without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

(D) OTHER NECESSARY EXPENDITURES.—

(i) IN GENERAL.—Subject to clause (ii), the Program may make such other expenditures as the Program considers necessary to carry out this section.

(ii) PROHIBITION.—The Program may not expend funds to develop new or expanded projects at which fellows may be placed.

(j) REPORT.—Not later than December 31 of each year, the Board shall submit to the appropriate congressional committees a report on the activities of the Program carried out during the preceding fiscal year that includes—

(1) an analysis of the evaluations conducted under subsection (f)(4) during the fiscal year; and

(2) a statement of—

(A) the total amount of funds attributable to gifts received by the Program in the fiscal year under subsection (i)(3)(A); and

(B) the total amount of funds described in subparagraph (A) that were expended to carry out the Program in the fiscal year.

(k) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $18,000,000.

(l) EFFECTIVE DATE.—This section takes effect on October 1, 2002.

SEC. 459. EFFECTIVE DATE.

Except as otherwise provided in this title, the amendments made by this title (other than subtitle C) take effect on July 1, 2002, except that a State agency may, at the option of the State agency, elect not to implement the amendments until October 1, 2002.

Subtitle C—Commodity Programs

SEC. 471. INCOME PROTECTION PRICES FOR COUNTER-CYCLICAL PAYMENTS.

Section 114(c) of the Federal Agriculture Improvement and Reform Act of 1996 (as amended by section 111) is amended by striking paragraph (2) and inserting the following:

''(2) INCOME PROTECTION PRICES.—The income protection prices for contract commodities under paragraph (1)(A) are as follows:

''(A) Wheat, $3.39 per bushel.

''(B) Corn, $2.31 per bushel.

''(C) Grain sorghum, $2.31 per bushel.

''(D) Barley, $2.16 per bushel.

''(E) Oats, $1.52 per bushel.

''(F) Upland cotton, $0.669 per pound.

''(G) Rice, $9.16 per hundredweight.

''(H) Soybeans, $5.65 per bushel.

''(I) Oilseeds (other than soybeans), $0.103 per pound.''.

SEC. 472. LOAN RATES FOR MARKETING ASSISTANCE LOANS.

(a) IN GENERAL.—Section 132 of the Federal Agriculture Improvement and Reform Act of 1996 (as amended by section 123(a)) is amended to read as follows:

''SEC. 132. LOAN RATES.

''The loan rate for a marketing assistance loan under section 131 for a loan commodity shall be—

''(1) in the case of wheat, $2.94 per bushel;

''(2) in the case of corn, $2.04 per bushel;

''(3) in the case of grain sorghum, $2.04 per bushel;

''(4) in the case of barley, $1.96 per bushel;

''(5) in the case of oats, $1.47 per bushel;

''(6) in the case of upland cotton, $0.539 per pound;

''(7) in the case of extra long staple cotton, $0.7965 per pound;

''(8) in the case of rice, $6.71 per hundredweight;

''(9) in the case of soybeans, $5.10 per bushel;

''(10) in the case of oilseeds (other than soybeans), $0.093 per pound;

''(11) in the case of graded wool, $1.00 per pound;

''(12) in the case of nongraded wool, $.40 per pound;

''(13) in the case of mohair, $2.00 per pound;

''(14) in the case of honey, $.60 per pound;

''(15) in the case of dry peas, $6.78 per hundredweight;

''(16) in the case of lentils, $12.79 per hundredweight;

''(17) in the case of large chickpeas, $17.44 per hundredweight; and

''(18) in the case of small chickpeas, $8.10 per hundredweight.''.

(b) ADJUSTMENT OF LOANS.—

(1) IN GENERAL.—The amendment made by section 123(b) is repealed.

(2) APPLICABILITY.—Section 162 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7282) shall be applied and administered as if the amendment made by section 123(b) had not been enacted.

SEC. 473. EFFECTIVE DATE.

This subtitle and the amendments made by this subtitle take effect on the date of enactment of this Act.

SA 2645. Mr. FITZGERALD submitted an amendment intended to be proposed to amendment SA 2516 submitted by Mr. FITZGERALD and intended to be proposed to the amendment SA 2471 proposed by Mr. DASCHLE to the bill (S. 1731) to strengthen the

safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

In lieu of the matter to be inserted, insert a period and the following:

Subtitle E—Payment Limitation Commission

SEC. 171. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT.—There is established a commission to be known as the ''Commission on the Application of Payment Limitations for Agriculture'' (referred to in this subtitle as the ''Commission'').

(b) MEMBERSHIP.—

(1) COMPOSITION.—

(A) IN GENERAL.—The Commission shall be composed of 11 members appointed as follows:

(i) 3 members shall be appointed by the President, of whom 2 shall be from land grant colleges or universities and have expertise in agricultural economics.

(ii) 1 member shall be appointed by the Majority Leader of the Senate.

(iii) 1 member shall be appointed by the Minority Leader of the Senate.

(iv) 1 member shall be appointed by the Speaker of the House of Representatives.

(v) 1 member shall be appointed by the Minority Leader of the House of Representatives.

(vi) 1 member shall be appointed by the Chairman of the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(vii) 1 member shall be appointed by the ranking minority member of the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(viii) 1 member shall be appointed by the Chairman of the Committee on Agriculture of the House of Representatives.

(ix) 1 member shall be appointed by the ranking minority member of the Committee on Agriculture of the House of Representatives.

(B) DIVERSITY OF VIEWS.—The appointing authorities under subparagraph (A) shall seek to ensure that the membership of the Commission has a diversity of experiences and expertise on the issues to be studied by the Commission, such as agricultural production, agricultural lending, farmland appraisal, agricultural accounting and finance, and other relevant areas.

(2) FEDERAL GOVERNMENT EMPLOYMENT.—The membership of the Commission may include 1 or more employees of the Department of Agriculture or other Federal agencies.

(3) DATE OF APPOINTMENTS.—The appointment of a member of the Commission shall be made not later than 60 days after the date of enactment of this Act.

(c) TERM; VACANCIES.—

(1) TERM.—A member shall be appointed for the life of the Commission.

(2) VACANCIES.—A vacancy on the Commission—

(A) shall not affect the powers of the Commission; and

(B) shall be filled in the same manner as the original appointment was made.

(d) INITIAL MEETING.—Not later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold the initial meeting of the Commission.

(e) MEETINGS.—The Commission shall meet—

(1) on a regular basis, as determined by the Chairperson; and

(2) at the call of the Chairperson or a majority of the members of the Commission.

(f) QUORUM.—A majority of the members of the Commission shall constitute a quorum for the transaction of business, but a lesser number of members may hold hearings.

(g) CHAIRPERSON.—The Secretary shall appoint 1 of the members of the Commission to serve as Chairperson of the Commission.

SEC. 172. DUTIES.

(a) COMPREHENSIVE REVIEW.—The Commission shall conduct a comprehensive review of—

(1) the laws (including regulations) that apply or fail to apply payment limitations to agricultural commodity and conservation programs administered by the Secretary;

(2) the impact that failing to apply effective payment limitations has on—

(A) the agricultural producers that participate in the programs;

(B) overproduction of agricultural commodities;

(C) the prices that agricultural producers receive for agricultural commodities in the marketplace; and

(D) land prices and rental rates;

(3) the feasibility of improving the application and effectiveness of payment limitation requirements, including the use of commodity certificates and the forfeiture of loan collateral; and

(4) alternatives to payment limitation requirements in effect on the date of enactment of this Act that would apply meaningful limitations to improve the effectiveness and integrity of the requirements.

(b) RECOMMENDATIONS.—In carrying out the review under subsection (a), the Commission shall develop specific recommendations for modifications to applicable legislation and regulations that would improve payment limitation requirements.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Commission shall submit to the President, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the results of the review conducted, and any recommendations developed, under this section.

SEC. 173. POWERS.

(a) HEARINGS.—The Commission may hold such hearings, meet and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out this subtitle.

(b) INFORMATION FROM FEDERAL AGENCIES.—

(1) IN GENERAL.—The Commission may secure directly from a Federal agency such information as the Commission considers necessary to carry out this subtitle.

(2) PROVISION OF INFORMATION.—On request of the Chairperson of the Commission, the head of the agency shall provide the information to the Commission.

(c) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other agencies of the Federal Government.

(d) ASSISTANCE FROM SECRETARY.—The Secretary may provide to the Commission appropriate office space and such reasonable administrative and support services as the Commission may request.

SEC. 174. COMMISSION PERSONNEL MATTERS.

(a) COMPENSATION OF MEMBERS.—

(1) NON-FEDERAL EMPLOYEES.—A member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the performance of the duties of the Commission.

(2) FEDERAL EMPLOYEES.—A member of the Commission who is an officer or employee of the Federal Government shall serve without compensation in addition to the compensation received for the services of the member as an officer or employee of the Federal Government.

(b) TRAVEL EXPENSES.—A member of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Commission.

SEC. 175. FEDERAL ADVISORY COMMITTEE ACT.

The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Commission or any proceeding of the Commission.

SEC. 176. FUNDING.

Of the funds of the Commodity Credit Corporation, the Secretary shall use not more than $100,000 to carry out this subtitle.

SEC. 177. TERMINATION OF COMMISSION.

The Commission shall terminate on the day after the date on which the Commission submits the report of the Commission under section 172(c).

SA 2646. Mr. MCCAIN (for himself, Mr. GRAMM, Mr. KERRY, Mrs. MURRAY, and Mr. SMITH of Oregon) submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place in the substitute, insert the following:

SEC. . MARKET NAME FOR CATFISH.

The term ''catfish'' shall be considered to be a common or usual name (or part thereof) for any fish in keeping with Food and Drug Administration procedures that follow scientific standards and market practices for establishing such names for the purposes of section 403 of the Federal Food, Drug, and Cosmetic Act, including with respect to the importation of such fish pursuant to section 801 of such Act.

SA 2647. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

SEC. . OZARK FOOTHILLS RECREATION CONSERVATION & DEVELOPMENT COUNCIL FOR FOREST LANDOWNERS EDUCATION PROJECT IN BATESVILLE, ARKANSAS.

(a) AVAILABILLITY OF FUNDS.—Of the amount authorized by this act, $200,000 is to be authorized for the Ozark Foothills Recreation Conservation & Development council for the Forest Landowners Education Project in Batesville, Arkansas.

SA 2648. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike the period at the end of subtitle C of title X and insert the following:

SEC. 10 . ANIMAL AND PLANT HEALTH INSPECTION SERVICE.

(a) DEFINITIONS.—In this section.

(1) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture, acting through the Administrator of the Service.

(2) SERVICE.—The term ''Service'' means the Animal and Plant Health Inspection Service of the Department of Agriculture.

(b) EXEMPTION.—Notwithstanding any other provision of law, any migratory bird management carried out by the Secretary shall be exempt from the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) (including regulations).

(c) PERMITS; MANAGEMENT.—An agent, officer, or employee of the Service that carries out any activity relating to migratory bird management may, under the Migratory Bird Treaty Act (16 U.S.C. 703 et seq.)—

(1) issue a depredation permit to a stakeholder or cooperator of the Service; and

(2) manage and take migratory birds.

SA 2649. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

Sec. . STUDY, EVALUATION AND REPORT ON THE CREATION OF A LITTER BANK BY THE DEPARTMENT OF AGRICULTURE AT THE UNIVERSITY OF ARKANSAS.

The Secretary shall conduct a study to evaluate and report back to Congress on the creation of a litter bank by the Department of Agriculture at the University of Arkansas for the purpose of enhancing health and viability of watersheds in areas with large concentrations of animal producing units. The Secretary shall evaluate the needs and means by which litter may be collected and distributed to other watersheds to reduce potential point source and non point source phosphorous pollution. The report shall be submitted to Congress no later than six months after the enactment of this Act.

SA 2650. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

TITLE ____—ANIMAL ENTERPRISE TERRORISM

SEC. ____01. ANIMAL ENTERPRISE TERRORISM.

(a) IN GENERAL.—Section 43(a) of title 18, United States Code, is amended to read as follows:

''(a) OFFENSE.—

''(1) IN GENERAL.—Whoever—

''(A) travels in interstate or foreign commerce, or uses or causes to be used the mail or any facility in interstate or foreign commerce for the purpose of causing physical disruption to the functioning of an animal enterprise; and

''(B) intentionally damages or causes the loss of any property (including animals or records) used by the animal enterprise, or conspires to do so,

shall be punished as provided for in subsection (b).

(b) PENALTIES.—Section 43(b) of title 18, United States Code, is amended to read as follows:

''(b) PENALTIES.—

''(1) ECONOMIC DAMAGE.—Any person who, in the course of a violation of subsection (a), causes economic damage not exceeding $10,000 to an animal enterprise shall be fined under this title or imprisoned not more than 6 months, or both.

''(2) MAJOR ECONOMIC DAMAGE.—Any person who, in the course of a violation of subsection (a), causes economic damage exceeding $10,000 to an animal enterprise shall be fined under this title or imprisoned not more than 3 years, or both.

''(3) SERIOUS BODILY INJURY.—Any person who, in the course of a violation of subsection (a), causes serious bodily injury to another individual shall be fined under this title or imprisoned not more than 20 years, or both.

''(4) DEATH.—Any person who, in the course of a violation of subsection (a), causes the death of an individual shall be fined under this title or imprisoned for life or for any term of years, or both.''.

(c) RESTITUTION.—Section 43(c) of title 18, United States Code, is amended—

(1) in paragraph (1), by striking ''and'' at the end;

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

(3) by adding at the end the following:

''(3) for any other economic damage resulting from the offense.''.

SEC. ____02. NATIONAL ANIMAL TERRORISM INCIDENT CLEARINGHOUSE.

(a) DEFINITIONS.—In this section:

(1) ANIMAL ENTERPRISE.—The term ''animal enterprise'' has the same meaning as in section 43 of title 18, United States Code.

(2) CLEARINGHOUSE.—The term ''clearinghouse'' means the clearinghouse established under subsection (b).

(2) DIRECTOR.—The term ''Director'' means the Director of the Federal Bureau of Investigation.

(b) NATIONAL CLEARINGHOUSE.—The Director shall establish and maintain a national clearinghouse for information on incidents of violent crime and terrorism committed against or directed at any animal enterprise.

(c) CLEARINGHOUSE.—The clearinghouse shall—

(1) accept, collect, and maintain information on incidents described in subsection (b) that is submitted to the clearinghouse by Federal, State, and local law enforcement agencies, by law enforcement agencies of foreign countries, and by victims of such incidents;

(2) collate and index such information for purposes of cross-referencing; and

(3) upon request from a Federal, State, or local law enforcement agency, or from a law enforcement agency of a foreign country, provide such information to assist in the investigation of an incident described in subsection (b).

(d) SCOPE OF INFORMATION.—The information maintained by the clearinghouse for each incident shall, to the extent practicable, include—

(1) the date, time, and place of the incident;

(2) details of the incident;

(3) any available information on suspects or perpetrators of the incident; and

(4) any other relevant information.

(e) DESIGN OF CLEARINGHOUSE.—The clearinghouse shall be designed for maximum ease of use by participating law enforcement agencies.

(f) PUBLICITY.—The Director shall publicize the existence of the clearinghouse to law enforcement agencies by appropriate means.

(g) RESOURCES.—In establishing and maintaining the clearinghouse, the Director may—

(1) through the Attorney General, utilize the resources of any other department or agency of the Federal Government; and

(2) accept assistance and information from private organizations or individuals.

(h) COORDINATION.—The Director shall carry out the responsibilities of the Director under this section in cooperation with the Director of the Bureau of Alcohol, Tobacco, and Firearms.

SA 2651. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

TITLE ____—ANIMAL ENTERPRISE TERRORISM

SEC. ____01. ANIMAL ENTERPRISE TERRORISM.

(a) IN GENERAL.—Section 43(a) of title 18, United States Code, is amended to read as follows:

''(a) OFFENSE.—

''(1) IN GENERAL.—Whoever—

''(A) travels in interstate or foreign commerce, or uses or causes to be used the mail or any facility in interstate or foreign commerce for the purpose of causing physical disruption to the functioning of an animal enterprise; and

''(B) intentionally damages or causes the loss of any property (including animals or

records) used by the animal enterprise, or conspires to do so,

shall be punished as provided for in subsection (b).

(b) PENALTIES.—Section 43(b) of title 18, United States Code, is amended to read as follows:

''(b) PENALTIES.—

''(1) ECONOMIC DAMAGE.—Any person who, in the course of a violation of subsection (a), causes economic damage not exceeding $10,000 to an animal enterprise shall be fined under this title or imprisoned not more than 6 months, or both.

''(2) MAJOR ECONOMIC DAMAGE.—Any person who, in the course of a violation of subsection (a), causes economic damage exceeding $10,000 to an animal enterprise shall be fined under this title or imprisoned not more than 3 years, or both.

''(3) SERIOUS BODILY INJURY.—Any person who, in the course of a violation of subsection (a), causes serious bodily injury to another individual shall be fined under this title or imprisoned not more than 20 years, or both.

''(4) DEATH.—Any person who, in the course of a violation of subsection (a), causes the death of an individual shall be fined under this title or imprisoned for life or for any term of years, or both.''.

(c) RESTITUTION.—Section 43(c) of title 18, United States Code, is amended—

(1) in paragraph (1), by striking ''and'' at the end;

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

(3) by adding at the end the following:

''(3) for any other economic damage resulting from the offense.''.

SA 2652. Mr. HUTCHINSON submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 984, line 2, strike the period at the end and insert a period and the following:

SEC. 10___. NATIONAL UNIFORMITY FOR FOOD.

(a) NATIONAL UNIFORMITY.—Section 403A(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343–1(a)) is amended—

(1) by striking ''or'' at the end of paragraph (4);

(2) in paragraph (5), by striking the period and inserting a comma; and

(3) by adding at the end the following:

''(6) any requirement for the labeling of food described in section 403(j), or 403(s), that is not identical to the requirement of such section, or

''(7) any requirement for a food described in section 402(a)(1), 402(a)(2), 402(a)(6), 402(a)(7), 402(c), 402(f), 402(g), 404, 406, 408, 409, 512, or 721(a), that is not identical to the requirement of such section.''.

(b) UNIFORMITY IN FOOD SAFETY WARNING NOTIFICATION REQUIREMENTS.—Chapter IV of such Act (21 U.S.C. 341 et seq.) is amended—

(1) by redesignating sections 403B and 403C as sections 403C and 403D, respectively; and

(2) by inserting after section 403A the following new section:

''SEC. 403B. UNIFORMITY IN FOOD SAFETY WARNING NOTIFICATION REQUIREMENTS.

''(a) UNIFORMITY REQUIREMENT.—

''(1) IN GENERAL.—Except as provided in subsections (c) and (d), no State or political subdivision of a State may, directly or indirectly, establish or continue in effect under any authority any notification requirement for a food that provides for a warning concerning the safety of the food, or any component or package of the food, unless such a notification requirement has been prescribed under the authority of this Act and the State or political subdivision notification requirement is identical to the notification requirement prescribed under the authority of this Act.

''(2) DEFINITIONS.—For purposes of paragraph (1)—

''(A) the term 'notification requirement' includes any mandatory disclosure requirement relating to the dissemination of information about a food by a manufacturer or distributor of a food in any manner, such as through a label, labeling, poster, public notice, advertising, or any other means of communication, except as provided in paragraph (3);

''(B) the term 'warning', used with respect to a food, means any statement, vignette, or other representation that indicates, directly or by implication, that the food presents or may present a hazard to health or safety; and

''(C) a reference to a notification requirement that provides for a warning shall not be construed to refer to any requirement or prohibition relating to food safety that does not involve a notification requirement.

''(3) CONSTRUCTION.—Nothing in this section shall be construed to prohibit a State from conducting the State's notification, disclosure, or other dissemination of information, or to prohibit any action taken relating to a mandatory recall or court injunction involving food adulteration under a State statutory requirement identical to a food adulteration requirement under this Act.

''(b) REVIEW OF EXISTING STATE REQUIREMENTS.—

''(1) EXISTING STATE REQUIREMENTS; DEFERRAL.—Any requirement that—

''(A)(i) is a State notification requirement for a food that provides for a warning described in subsection (a) that does not meet the uniformity requirement specified in subsection (a); or

''(ii) is a State food safety requirement described in paragraph (6) or (7) of section 403A that does not meet the uniformity requirement specified in that paragraph; and

''(B) is in effect on the date of enactment of the National Uniformity for Food Act of 2000,

shall remain in effect for 180 days after that date of enactment.

''(2) STATE PETITIONS.—With respect to a State notification or food safety requirement that is described in paragraph (1), the State may petition the Secretary for an exemption or a national standard under subsection (c). If a State submits such a petition within 180 days after the date of enactment of the National Uniformity for Food Act of 2000, the notification or food safety requirement shall remain in effect until the Secretary takes all administrative action on the petition pursuant to paragraph (3), and the time periods and provisions specified in paragraph (3) shall apply in lieu of the time periods and provisions specified in subsection (c)(3) (but not the time periods and provisions specified in subsection (d)(2)).

''(3) ACTION ON PETITIONS.—

''(A) PUBLICATION.—Not later than 270 days after the date of enactment of the National Uniformity for Food Act of 2000, the Secretary shall publish a notice in the Federal Register concerning any petition submitted under paragraph (2) and shall provide 180 days for public comment on the petition.

''(B) TIME PERIODS.—Not later than 360 days after the end of the period for public comment, the Secretary shall take final agency action on the petition.

''(C) JUDICIAL REVIEW.—The failure of the Secretary to comply with any requirement of this paragraph shall constitute final agency action for purposes of judicial review. If the court conducting the review determines that the Secretary has failed to comply with the requirement, the court shall order the Secretary to comply within a period determined to be appropriate by the court.

''(c) EXEMPTIONS AND NATIONAL STANDARDS.—

''(1) EXEMPTIONS.—Any State may petition the Secretary to provide by regulation an exemption from paragraph (6) or (7) of section 403A(a) or subsection (a), for a requirement of the State or a political subdivision of the State. The Secretary may provide such an exemption, under such conditions as the Secretary may impose, for such a requirement that—

''(A) protects an important public interest that would otherwise be unprotected, in the absence of the exemption;

''(B) would not cause any food to be in violation of any applicable requirement or prohibition under Federal law; and

''(C) would not unduly burden interstate commerce, balancing the importance of the public interest of the State or political subdivision against the impact on interstate commerce.

''(2) NATIONAL STANDARDS.—Any State may petition the Secretary to establish by regulation a national standard respecting any requirement under this Act or the Fair Packaging and Labeling Act (15 U.S.C. 1451 et seq.) relating to the regulation of a food.

''(3) ACTION ON PETITIONS.—

''(A) PUBLICATION.—Not later than 30 days after receipt of any petition under paragraph (1) or (2), the Secretary shall publish such petition in the Federal Register for public comment during a period specified by the Secretary.

''(B) TIME PERIODS FOR ACTION.—Not later than 60 days after the end of the period for public comment, the Secretary shall take final agency action on the petition. If the Secretary is unable to take final agency action on the petition during the 60-day period, the Secretary shall inform the petitioner, in writing, the reasons that taking the final agency action is not possible, the date by which the final agency action will be taken, and the final agency action that will be taken or is likely to be taken. In every case, the Secretary shall take final agency action on the petition not later than 120 days after the end of the period for public comment.

''(4) JUDICIAL REVIEW.—The failure of the Secretary to comply with any requirement of this subsection shall constitute final agency action for purposes of judicial review. If the court conducting the review determines that the Secretary has failed to comply with the requirement, the court shall order the Secretary to comply within a period determined to be appropriate by the court.

''(d) IMMINENT HAZARD AUTHORITY.—

''(1) IN GENERAL.—A State may establish a requirement that would otherwise violate paragraph (6) or (7) of section 403A(a) or subsection (a), if—

''(A) the requirement is needed to address an imminent hazard to health that is likely to result in serious adverse health consequences or death;

''(B) the State has notified the Secretary about the matter involved and the Secretary has not initiated enforcement action with respect to the matter;

''(C) a petition is submitted by the State under subsection (c) for an exemption or national standard relating to the requirement not later than 30 days after the date that the State establishes the requirement under this subsection; and

''(D) the State institutes enforcement action with respect to the matter in compliance with State law within 30 days after the date that the State establishes the requirement under this subsection.

''(2) ACTION ON PETITION.—

''(A) IN GENERAL.—The Secretary shall take final agency action on any petition submitted under paragraph (1)(C) not later than 7 days after the petition is received, and the provisions of subsection (c) shall not apply to the petition.

''(B) JUDICIAL REVIEW.—The failure of the Secretary to comply with the requirement described in subparagraph (A) shall constitute final agency action for purposes of judicial review. If the court conducting the review determines that the Secretary has failed to comply with the requirement, the court shall order the Secretary to comply within a period determined to be appropriate by the court.

''(3) DURATION.—If a State establishes a requirement in accordance with paragraph (1), the requirement may remain in effect until the Secretary takes final agency action on a petition submitted under paragraph (1)(C).

''(e) NO EFFECT ON PRODUCT LIABILITY LAW.—Nothing in this section shall be construed to modify or otherwise affect the product liability law of any State.

''(f) NO EFFECT ON IDENTICAL LAW.—Nothing in this section or section 403A relating to a food shall be construed to prevent a State or political subdivision of a State from establishing, enforcing, or continuing in effect a requirement that is identical to a requirement of this Act, whether or not the Secretary has promulgated a regulation or issued a policy statement relating to the requirement.

''(g) NO EFFECT ON CERTAIN STATE LAW.—Nothing in this section or section 403A relating to a food shall be construed to prevent a State or political subdivision of a State from establishing, enforcing, or continuing in effect a requirement relating to—

''(1) freshness dating, open date labeling, grade labeling, a State inspection stamp, religious dietary labeling, organic or natural designation, returnable bottle labeling, unit pricing, or a statement of geographic origin; or

''(2) a consumer advisory relating to food sanitation that is imposed on a food establishment, or that is recommended by the Secretary, under part 3–6 of the Food Code issued by the Food and Drug Administration and referred to in the notice published at 64 Fed. Reg. 8576 (1999) (or any corresponding similar provision of such a Code).

''(h) DEFINITION.—In section 403A and this section, the term 'requirement', used with respect to a Federal action or prohibition, means a mandatory action or prohibition established under this Act or the Fair Packaging and Labeling Act (15 U.S.C. 1451 et seq.), as appropriate, or by a regulation issued under or by a court order relating to, this Act or the Fair Packaging and Labeling Act, as appropriate.''.

(c) CONFORMING AMENDMENT.—Section 403A(b) of such Act (21 U.S.C. 343–1(b)) is amended by adding at the end the following:

''The requirements of paragraphs (3) and (4) of section 403B(c) shall apply to any such petition, in the same manner and to the same extent as the requirements apply to a petition described in section 403B(c).''.

SA 2653. Mr. KYL submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed by him to the bill (S. 1731), to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 53, line 24, strike the period at the end and insert a period and the following:

SEC. 1___. EXEMPTION OF MILK HANDLERS FROM MINIMUM PRICE REQUIREMENTS.

(a) IN GENERAL.—Section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by adding at the end the following:

''(M) EXEMPTION OF MILK HANDLERS FROM MINIMUM PRICE REQUIREMENTS.—Notwithstanding any other provision of Law, no handler that sells Class I fluid milk within a marketing area shall be exempt from any minimum milk price regulation established under paragraph (A) if the total distribution of Class I milk products of any handler's own farm production within any federal marketing area in any month exceeds the lesser of—

''(i) 3 percent of the total quantity of Class I milk distributed in the marketing area; or

''(ii) 5,000,000 pound''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) takes effect on January 1, 2002.

SA 2654. Mr. ROBERTS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 797, line 4, strike the period at the end and insert a period and the following:

SEC. 787. CARBON CYCLE RESEARCH.

Section 221 of the Agricultural Risk Protection Act of 2000 (114 Stat. 407) is amended—

(1) in subsection (a), by striking ''Of the amount'' and all that follows through ''to provide'' and inserting ''To the extent that funds are made available for the purpose, the Secretary shall provide'';

(2) in subsection (d), by striking ''under subsection (a)'' and inserting ''to carry out this section''; and

(3) by adding at the end the following:

''(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for fiscal years 2002 through 2011 such sums as are necessary to carry out this section.''.

SA 2655. Mr. ROBERTS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 39, strike line 5 and all that follows through page 40, line 8, and insert the following:

SEC. 126. LOAN DEFICIENCY PAYMENTS.

Section 135 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235) is amended to read as follows:

''SEC. 135. LOAN DEFICIENCY PAYMENTS.

''(a) IN GENERAL.—Except as provided in subsection (d), the Secretary may make loan deficiency payments available to—

''(1) producers on a farm that, although eligible to obtain a marketing assistance loan under section 131 with respect to a loan commodity, agree to forgo obtaining the loan for the loan commodity in return for payments under this section; and

''(2) effective only for each of the 2000 and 2001 crop years, producers that, although not eligible to obtain such a marketing assistance loan under section 131, produce a loan commodity.

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

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

''(2) the quantity of the loan commodity produced by the eligible producers, excluding any quantity for which the producers obtain a loan under section 131.

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

''(1) the loan rate established under section 132 for the loan commodity; exceeds

''(2) the rate at which a loan for the commodity may be repaid under section 134.

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

''(e) TIME FOR PAYMENT.—The Secretary shall make a payment under this section to the producers on a farm with respect to a quantity of a loan commodity as of the earlier of—

''(1) the date on which the producers on the farm marketed or otherwise lost beneficial interest in the loan commodity, as determined by the Secretary; or

''(2) the date the producers on the farm request the payment.

''(f) LOST BENEFICIAL INTEREST.—Effective for the 2001 crop only, if a producer eligible for a payment under subsection (a) loses beneficial interest in the loan commodity, the producer shall be eligible for the payment determined as of the date the producer lost beneficial interest in the loan commodity, as determined by the Secretary.''.

SEC. 127. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.

Subtitle C of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C.

7231 et seq.) is amended by adding at the end the following:

"SEC. 138. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.

''(a) IN GENERAL.—For each of the 2002 through 2006 crops of wheat, grain sorghum, barley, and oats, in the case of the producers on a farm that would be eligible for a loan deficiency payment under section 135 for wheat, grain sorghum, barley, or oats, but that elects to use acreage planted to the wheat, grain sorghum, barley, or oats for the grazing of livestock, the Secretary shall make a payment to the producers on the farm under this section if the producers on the farm enter into an agreement with the Secretary to forgo any other harvesting of the wheat, grain sorghum, barley, or oats on the acreage.

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

''(1) the loan deficiency payment rate determined under section 135(c) in effect, as of the date of the agreement, for the county in which the farm is located; by

''(2) the payment quantity obtained by multiplying—

''(A) the quantity of the grazed acreage on the farm with respect to which the producers on the farm elect to forgo harvesting of wheat, grain sorghum, barley, or oats; and

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

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

''(1) TIME AND MANNER.—A payment under this section shall be made at the same time and in the same manner as loan deficiency payments are made under section 135.

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

''(d) PROHIBITION ON CROP INSURANCE OR NONINSURED CROP ASSISTANCE.—The producers on a farm shall not be eligible for insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) or noninsured crop assistance under section 196 with respect to a 2002 through 2006 crop of wheat, grain sorghum, barley, or oats planted on acreage that the producers on the farm elect, in the agreement required by subsection (a), to use for the grazing of livestock in lieu of any other harvesting of the crop.''.

SA 2656. Mr. ROBERTS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 58, strike line 22 and all that follows through page 62, line 24, and insert the following:

''(f) CERTIFICATION OF PRIVATE PROVIDERS OF TECHNICAL ASSISTANCE.—

''(1) IN GENERAL.—The Secretary shall, to the maximum extent practicable, subject to paragraphs (2), (3), and (4), establish a more effective and more broadly functioning system for the delivery of technical assistance in support of the conservation programs administered by the Secretary by—

''(A) integrating the use of third party technical assistance providers (including farmers and ranchers) into the technical assistance delivery system; and

''(B) using, to the maximum extent practicable, private, third party providers.

''(2) PURPOSE.—To achieve the timely completion of conservation plans and other technical assistance functions, third party providers described in paragraph (1)(A) shall be used to—

''(A) prepare conservation plans, including agronomically sound nutrient management plans;

''(B) design, install and certify conservation practices;

''(C) train producers; and

''(D) carry out such other activities as the Secretary determines to be appropriate.

''(3) OUTSIDE ASSISTANCE.—

''(A) IN GENERAL.—The Secretary may contract directly with qualified persons not employed by the Department to provide conservation technical assistance.

''(B) PAYMENT BY SECRETARY.—

''(i) IN GENERAL.—The Secretary shall provide a payment or voucher to an owner or operator enrolled in a conservation program administered by the Secretary if the owner or operator elects to obtain technical assistance from a person certified to provide technical assistance under this subsection.

''(ii) DETERMINATION.—In determining whether to provide a payment or voucher under clause (i), the Secretary shall seek to maximize the assistance received from qualified persons to most expeditiously and efficiently achieve the objectives of this title.

''(4) CERTIFICATION OF PUBLIC AND PRIVATE PROVIDERS OF TECHNICAL ASSISTANCE.—

''(A) ESTABLISHMENT OF PROCEDURES.—The Secretary shall establish procedures for ensuring that only persons with the training, experience, and capability to provide professional, high quality assistance are certified by the Secretary to provide, to agricultural producers and landowners participating, or seeking to participate, in a conservation program administered by the Secretary, technical assistance in planning, designing, or certifying any aspect of a particular project under the conservation program.

''(B) PUBLIC AND PRIVATE PROVIDERS.—Certified technical assistance providers shall include—

''(i) agricultural producers;

''(ii) agribusiness representatives;

''(iii) representatives from agricultural cooperatives;

''(iv) agricultural input retail dealers;

''(v) certified crop advisers;

''(vi) employees of the Department; or

''(vii) any group recognized by a Memorandum of Understanding with the Department relating to certification.

''(C) EQUIVALENCE.—The Secretary shall ensure that any certification program of the Department for public and private technical service providers shall meet or exceed the testing and continuing education standards of the Certified Crop Adviser program.

''(D) STANDARDS.—The Secretary shall establish standards for the conduct of—

''(i) the certification process conducted by the Secretary; and

''(ii) periodic recertification by the Secretary of providers.

''(E) CERTIFICATION REQUIRED.—A provider may not provide to any producer technical assistance described in subparagraph (B) unless the provider is certified by the Secretary.

''(F) NONDUPLICATION OF PREVIOUS CERTIFICATION.—The Secretary shall consider a certified provider to have skills and qualifications in a particular area of technical expertise if the skills and qualifications of the provider have been certified by another entity the certification program of which meets nationally recognized and accepted standards for training, testing and otherwise establishing professional qualifications (including the Certified Crop Adviser program).

''(G) FEE.—

''(i) PAYMENT.—

''(I) IN GENERAL.—Except as provided in subclause (II), in exchange for certification or recertification, a private provider shall pay to the Secretary a fee in an amount determined by the Secretary.

''(II) PRIOR CERTIFICATION.—The Secretary shall not require a provider to pay a fee under subclause (I) for the certification of skills and qualifications that have already been certified by another entity under this subsection.

''(ii) ACCOUNT.—A fee paid to the Secretary under clause (i) shall be—

''(I) credited to the account in the Treasury that incurs costs relating to implementing this subsection; and

''(II) made available to the Secretary for use for conservation programs administered by the Secretary, without further appropriation, until expended.

''(H) NATIONAL TRAINING CENTERS.—

''(i) IN GENERAL.—The Secretary, acting in close cooperation with the Certified Crop Adviser program, shall establish training centers to facilitate the training and certification of technical assistance providers under this subsection.

''(ii) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this subparagraph.

''(I) OTHER REQUIREMENTS.—The Secretary may establish such other requirements as the Secretary determines are necessary to carry out this subsection.

''(J) REGULATIONS.—Not later than 180 days after the date of enactment of this section, the Secretary shall promulgate regulations to carry out this subsection.''

SA 2657. Mr. CRAIG submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the end of section 1021, add the following:

(c) PACKERS AND STOCKYARDS ACT.—Notwithstanding any other provision of this Act, any amendment to section 202 of the Packers and Stockyards Act, 1921 (7. U.S.C. 192), made by this Act shall have no effect.

SA 2658. Mr. TORRICELLI (for himself and Mr. SMITH of New Hampshire) submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource

conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike section 335.

SA 2659. Mr. SMITH of Oregon submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 937, between lines 16 and 17, insert the following:

SEC. 10 . FEASIBILITY OF PRODUCER INDEMNIFICATION FROM GOVERNMENT-CAUSED DISASTERS.

(1) FINDINGS.—Congress finds that the implementation of current federal disaster assistance programs fails to adequately address situations where disaster conditions are primarily the result of federal action.

(2) AUTHORITY.—The Secretary is authorized and directed to evaluate the feasibility of expanding crop insurance and noninsured crop assistance disaster payment eligibility to producers experiencing disaster conditions caused primarily by federal agency action.

(3) EVALUATION AND RECOMMENDATIONS.—Within 60 days of the enactment of this bill, the Secretary shall report the findings of this evaluation and recommendations to the Senate Committee on Agriculture and the House Committee on Agriculture.

SA 2660. Mr. SMITH of Oregon (for himself, Mr. CRAIG, and Mr. CRAPO) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 937, between lines 16 and 17, insert the following:

SEC. 10 . CROP INSURANCE AND NONINSURED CROP ASSISTANCE PROGRAMS.

(a) FINDINGS.—Congress finds that the implementation of current federal disaster assistance programs fails to adequately address situations where disaster conditions are caused by federal actions.

(b) PROVISIONS.—

(1) 7 U.S.C. 7333, as amended by P.L. 104–127, is amended—

(i) in Section (a)(3) by striking ''or'' and

(ii) in Section (a)(3) by striking ''as determined by the Secretary.'' and inserting in lieu thereof ''or disaster conditions caused primarily by federal agency action, as determined by the Secretary.'' and

(iii) in Section (c)(3) by striking ''or other natural disaster, as determined by the Secretary.'' and inserting in lieu thereof ''other natural disaster, or disaster conditions caused primarily by federal agency action, as determined by the Secretary,'' and

(iv) in Section (d)(3)(iii) by striking ''or other natural disaster (as determined by the Secretary);'' and inserting in lieu thereof ''other natural disaster, or disaster conditions caused primarily by federal agency action, as determined by the Secretary;''.

(2) 7 U.S.C. 1508 is amended—

(i) in Section (a)(1) by striking ''or other natural disaster (as determined by the Secretary.'' and inserting ''natural disaster, or disaster conditions caused primarily by federal action, as determined by the Secretary.'' and

(ii) in Section (b)(1) by striking ''or other natural disaster (as determined by the Secretary),'' and inserting in lieu thereof ''other natural disaster, or disaster conditions caused primarily by federal agency action, as determined by the Secretary,''.

(c) ADMINISTRATIVE RULES.—The Secretary is encouraged to review and amend administrative rules and guidelines describing disaster conditions to accommodate situations where planting decisions are based on federal water allocations. The Secretary is further encouraged to review the level of disaster payments to irrigated agricultural producers in such cases where federal water allocations are withheld prior to the planting period.

(d) EFFECTIVENESS.—

(1) Sections (a)(1) and (a)(2) of this section shall be made effective only upon:

(i) finding by the Secretary that implementation of subsections (a)(1) and (a)(2):

(A) do not affect the financial soundness of approved insurance providers or the integrity of the federal crop insurance program, and

(B) additional authorities are not needed to achieve actuarial soundness of implementing subsections (a)(1) and (a)(2), and

(ii) report of findings, as described in subsection (d)(1)(i), to the Senate and House Committees on Agriculture.

SA 2661. Mr. FITZGERALD submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike the period at the end of title I and insert a period and the following:

Subtitle E—Payment Limitation Commission

SEC. 171. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT.—There is established a commission to be known as the ''Commission on the Application of Payment Limitations for Agriculture'' (referred to in this subtitle as the ''Commission'').

(b) MEMBERSHIP.—

(1) COMPOSITION.—

(A) IN GENERAL.—The Commission shall be composed of 11 members appointed as follows:

(i) 3 members shall be appointed by the President, of whom 2 shall be from land grant colleges or universities and have expertise in agricultural economics.

(ii) 1 member shall be appointed by the Majority Leader of the Senate.

(iii) 1 member shall be appointed by the Minority Leader of the Senate.

(iv) 1 member shall be appointed by the Speaker of the House of Representatives.

(v) 1 member shall be appointed by the Minority Leader of the House of Representatives.

(vi) 1 member shall be appointed by the Chairman of the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(vii) 1 member shall be appointed by the ranking minority member of the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(viii) 1 member shall be appointed by the Chairman of the Committee on Agriculture of the House of Representatives.

(ix) 1 member shall be appointed by the ranking minority member of the Committee on Agriculture of the House of Representatives.

(B) DIVERSITY OF VIEWS.—The appointing authorities under subparagraph (A) shall seek to ensure that the membership of the Commission has a diversity of experiences and expertise on the issues to be studied by the Commission, such as agricultural production, agricultural lending, farmland appraisal, agricultural accounting and finance, and other relevant areas.

(2) FEDERAL GOVERNMENT EMPLOYMENT.—The membership of the Commission may include 1 or more employees of the Department of Agriculture or other Federal agencies.

(3) DATE OF APPOINTMENTS.—The appointment of a member of the Commission shall be made not later than 60 days after the date of enactment of this Act.

(c) TERM; VACANCIES.—

(1) TERM.—A member shall be appointed for the life of the Commission.

(2) VACANCIES.—A vacancy on the Commission—

(A) shall not affect the powers of the Commission; and

(B) shall be filled in the same manner as the original appointment was made.

(d) INITIAL MEETING.—Not later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold the initial meeting of the Commission.

(e) MEETINGS.—The Commission shall meet—

(1) on a regular basis, as determined by the Chairperson; and

(2) at the call of the Chairperson or a majority of the members of the Commission.

(f) QUORUM.—A majority of the members of the Commission shall constitute a quorum for the transaction of business, but a lesser number of members may hold hearings.

(g) CHAIRPERSON.—The Secretary shall appoint 1 of the members of the Commission to serve as Chairperson of the Commission.

SEC. 172. DUTIES.

(a) COMPREHENSIVE REVIEW.—The Commission shall conduct a comprehensive review of—

(1) the laws (including regulations) that apply or fail to apply payment limitations to agricultural commodity and conservation programs administered by the Secretary;

(2) the impact that failing to apply effective payment limitations has on—

(A) the agricultural producers that participate in the programs;

(B) overproduction of agricultural commodities;

(C) the prices that agricultural producers receive for agricultural commodities in the marketplace; and

(D) land prices and rental rates;

(3) the feasibility of improving the application and effectiveness of payment limitation requirements, including the use of commodity certificates and the forfeiture of loan collateral; and

(4) alternatives to payment limitation requirements in effect on the date of enactment of this Act that would apply meaningful limitations to improve the effectiveness and integrity of the requirements.

(b) RECOMMENDATIONS.—In carrying out the review under subsection (a), the Commission shall develop specific recommendations for modifications to applicable legislation and regulations that would improve payment limitation requirements.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Commission shall submit to the President, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the results of the review conducted, and any recommendations developed, under this section.

SEC. 173. POWERS.

(a) HEARINGS.—The Commission may hold such hearings, meet and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out this subtitle.

(b) INFORMATION FROM FEDERAL AGENCIES.—

(1) IN GENERAL.—The Commission may secure directly from a Federal agency such information as the Commission considers necessary to carry out this subtitle.

(2) PROVISION OF INFORMATION.—On request of the Chairperson of the Commission, the head of the agency shall provide the information to the Commission.

(c) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other agencies of the Federal Government.

(d) ASSISTANCE FROM SECRETARY.—The Secretary may provide to the Commission appropriate office space and such reasonable administrative and support services as the Commission may request.

SEC. 174. COMMISSION PERSONNEL MATTERS.

(a) COMPENSATION OF MEMBERS.—

(1) NON-FEDERAL EMPLOYEES.—A member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the performance of the duties of the Commission.

(2) FEDERAL EMPLOYEES.—A member of the Commission who is an officer or employee of the Federal Government shall serve without compensation in addition to the compensation received for the services of the member as an officer or employee of the Federal Government.

(b) TRAVEL EXPENSES.—A member of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Commission.

SEC. 175. FEDERAL ADVISORY COMMITTEE ACT.

The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Commission or any proceeding of the Commission.

SEC. 176. FUNDING.

Of the funds of the Commodity Credit Corporation, the Secretary shall use not more than $100,000 to carry out this subtitle.

SEC. 177. TERMINATION OF COMMISSION.

The Commission shall terminate on the day after the date on which the Commission submits the report of the Commission under section 172(c).

SA 2662. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 97, between lines 10 and 11, insert the following:

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

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

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

On page 99, line 6, strike ''The'' and insert ''For each of the 2002 and 2003 crop years, the''.

On page 99, line 24, insert after ''section'' the following: ''for the 2002 crop, and not later than 180 days after January 1, 2003, for the 2003 crop''.

Beginning on page 103, line 24, through page 104, line 1, strike ''12-month marketing year'' and insert ''marketing season''.

On page 104, lines 5 and 6, strike ''12-month marketing year'' and insert ''marketing season''.

On page 105, lines 16 and 17, strike ''6 months of the marketing year'' and insert ''2 months of the marketing season''.

On page 112, strike lines 20 through 22 and insert the following:

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

On page 116, strike lines 7 through 15 and insert the following:

''(a) OFFICIAL INSPECTION.—All peanuts placed under a marketing assistance loan under section 158G or otherwise sold or marketed shall be officially inspected and graded by a Federal or State inspector.

SA 2663. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 765, strike line 21 and insert the following:

SEC. 748. FOOD ANIMAL RESIDUE AVOIDANCE DATABASE PROGRAM.

Section 604 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7642) is amended by adding at the end the following:

''(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $1,000,000 for each of fiscal years 2002 through 2006.''.

SA 2664. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 945, strike lines 6 and 7 and insert the following:

SEC. 1024. DEFINITION OF ANIMAL UNDER THE ANIMAL WELFARE ACT.

Section 2g of the Animal Welfare Act (7 U.S.C. 2132(g)) is amended by striking ''excludes horses not used for research purposes and'' and inserting the following: ''birds, rats of the genus Rattus, and mice of the genus Mus bred for use in research, horses note used for research purposes, and''.

SEC. 1025. PENALTIES AND FOREIGN COMMERCE PROVISIONS OF THE ANIMAL WELFARE ACT.

SA 2665. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 977, strike the period at the end of line 15 and insert a period and the following:

SEC. 10___. REPORT ON RATS, MICE, AND BIRDS.

(a) IN GENERAL.—Not later than 1 year after date 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 on the implications of including rats, mice, and birds within the definition of animal under the Animal Welfare Act (7 U.S.C. 2131 et seq.).

(b) REQUIREMENTS.—The report under subsection (a) shall—

(1) be completed with input, consultation, and recommendations from the Secretary of Health and Human Services and the Institute for Animal Laboratory Research within the National Academy of Sciences;

(2) contain a description of the number and types of entities that currently use rats, mice, and birds, and are not subjected to regulations of the Department of Agriculture or

Department of Health and Human Services, or accreditation requirements of the Association for Assessment and Accreditation of Laboratory Animal Care;

(3) contain an estimate of the additional costs likely to be incurred by breeders and research facilities resulting from the additional regulatory requirements; and

(4) contain an estimate of the additional funding that the Animal and Plant Health Inspection Service would require to be able to ensure that the quality and frequency of inspections by the Department of Agriculture relating to other animals are not diminished by the increase in the number of facilities that would require inspections if the definition were amended to include rats, mice, and birds.

SA 2666. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 984, line 2, strike the period at the end and insert the following:

SEC. 10___. STUDY OF NONAMBULATORY LIVESTOCK.

The Secretary—

(1) shall investigate and submit to Congress a report on—

(A) the scope and cause of nonambulatory livestock; and

(B) the extent to which nonambulatory livestock may present handling and disposition problems during marketing; and

(2) based on the findings in the report, may promulgate regulations for the appropriate treatment, handling, and disposition of nonambulatory livestock at market agencies and dealers.

SA 2667. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

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

SEC. 1 . RESERVE STOCK LEVEL.

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

(1) in clause (i), by striking ''100,000,000'' and inserting ''75,000,000''; and

(2) in clause (ii), by striking ''15 percent'' and inserting ''10 percent''.

SA 2668. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 374, line 12, strike ''more than 50 percent'' and insert the words ''40 percent or more''.

SA 2669. Mr. HELMS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 97, strike line 11 and all that follows through page 116, line 15, and insert the following:

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

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

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

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

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

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

''(3) SELECTION BY PRODUCER.—If a county in which a historical peanut producer described in paragraph (2) is located is declared a disaster area during 1 or more of the 4 crop years described in paragraph (2), for the purposes of determining the 4-year average acreage for the historical peanut producer, the historical peanut producer may elect to substitute, for not more than 1 of the crop years during which a disaster is declared—

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

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

''(4) TIME FOR DETERMINATIONS; FACTORS.—

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

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

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

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

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

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

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

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

''(e) PREVENTION OF EXCESS PEANUT ACRES.—

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

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

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

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

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

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

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

''SEC. 158C. DIRECT PAYMENTS FOR PEANUTS.

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

''(b) PAYMENT RATE.—The payment rate used to make direct payments with respect

to peanuts for a fiscal year shall be equal to $0.018 per pound.

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

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

''(2) the payment acres on the farm; by

''(3) the payment yield for the farm.

''(d) TIME FOR PAYMENT.—

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

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

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

''(2) ADVANCE PAYMENTS.—

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

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

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

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

''SEC. 158D. COUNTER-CYCLICAL PAYMENTS FOR PEANUTS.

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

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

''(1) the greater of—

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

''(B) the national average loan rate for a marketing assistance loan for peanuts under section 158G in effect for the marketing season for peanuts under this chapter; and

''(2) the payment rate in effect for peanuts under section 158C for the purpose of making direct payments with respect to peanuts.

''(c) INCOME PROTECTION PRICE.—For the purposes of subsection (a), the income protection price for peanuts shall be equal to $520 per ton.

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

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

''(2) the payment acres on the farm; by

''(3) the payment yield for the farm.

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

''(1) the income protection price for peanuts; and

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

''(f) TIME FOR PAYMENTS.—

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

''(2) PARTIAL PAYMENT.—

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

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

''SEC. 158E. PRODUCER AGREEMENTS.

''(a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

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

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

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

''(C) to comply with the planting flexibility requirements of section 158F; and

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

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

''(b) FORECLOSURE.—

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

''(2) COMPLIANCE WITH REQUIREMENTS.—

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

''(B) APPLICABLE REQUIREMENTS.—On the resumption of operation or control over the farm by the peanut producers on the farm, the requirements of subsection (a) in effect on the date of the foreclosure shall apply.

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

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

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

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

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

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

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

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

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

''SEC. 158F. PLANTING FLEXIBILITY.

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

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

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

''(A) Fruits.

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

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

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

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

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

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

''(i) the quantity planted may not exceed the average annual planting history of the agricultural commodity by the peanut producers on the farm during the 1996 through 2001 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and

''(ii) direct payments and counter-cyclical payments shall be reduced by an acre for

each acre planted to the agricultural commodity.

"SEC. 158G. MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS FOR PEANUTS.

''(a) NONRECOURSE LOANS AVAILABLE.—

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

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

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

''(4) TREATMENT OF CERTAIN COMMINGLED COMMODITIES.—In carrying out this section, the Secretary shall make loans to peanut producers on a farm that would be eligible to obtain a marketing assistance loan but for the fact the peanuts owned by the peanut producers on the farm are commingled with other peanuts of other producers in facilities unlicensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the peanut producers on a farm obtaining the loan agree to immediately redeem the loan collateral in accordance with section 158E.

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

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

''(B) the Farm Service Agency; or

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

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

''(c) TERM OF LOAN.—

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

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

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

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

''(2) a rate that the Secretary determines will—

''(A) minimize potential loan forfeitures;

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

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

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

''(e) LOAN DEFICIENCY PAYMENTS.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"SEC. 158H. QUALITY IMPROVEMENT.

''(a) OFFICIAL INSPECTION.—All peanuts placed under a marketing assistance loan under section 158G or otherwise sold or marketed shall be officially inspected and graded by a Federal or State inspector.

SA 2670. Mrs. BOXER submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

On page 202, strike line 24 and insert the following:

(a) REGIONAL EQUITY.—Section 1230(b) of the Food Security Act of 1985 (16 U.S.C. 3830(b)) is amended by adding at the end the following:

''(3) REGIONAL EQUITY.—Not later than 1 year after the date of enactment of this paragraph, the Secretary shall reform compensation, selection, and other policies and rules to ensure that the overall enrollment of land in the comprehensive conservation enhancement program—

''(A) is equitable on a regional basis;

''(B) promotes achievement of important environmental goals; and

''(C) does not discriminate against regions in which the cost of land is high.''.

(b) REAUTHORIZATION.—''.

SA 2671. Mr. COCHRAN (for himself and Mr. ROBERTS) proposed an amendment to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; as follows:

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Agriculture, Conservation, and Rural Enhancement Act of 2001''.

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

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Subtitle A—Fixed Decoupled Payments and Farm Counter-Cyclical Savings Account Payments

Sec. 101. Payments to eligible producers.
Sec. 102. Payment yields.
Sec. 103. Base acres and payment acres for farms.
Sec. 104. Fixed, decoupled payments.
Sec. 105. Farm counter-cyclical savings accounts.
Sec. 106. Producer agreements.
Sec. 107. Planting flexibility.
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Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments

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Sec. 122. Loan rates.
Sec. 123. Term of loans.
Sec. 124. Repayment of loans.
Sec. 125. Loan deficiency payments.
Sec. 126. Payments in lieu of loan deficiency payments for grazed acreage.
Sec. 127. Special marketing loan provisions for upland cotton.
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TITLE I—COMMODITY PROGRAMS

SEC. 100. DEFINITIONS.

In this title (other than chapter 3 of subtitle C and except as provided in section 105(a)(4)):

(1) AGRICULTURAL ACT OF 1949.—The term ''Agricultural Act of 1949'' means the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), as in effect prior to the suspensions under section 181(b).

(2) AGRICULTURAL COMMODITY.—The term ''agricultural commodity'' means any agricultural commodity, food, feed, fiber, or livestock.

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

(4) COVERED COMMODITY.—The term ''covered commodity'' means—

(A) wheat, corn, grain sorghum, barley, oats, upland cotton, rice, and oilseeds; and

(B) in the case of subtitle B, extra long staple cotton, dry peas, lentils, and chickpeas.

(5) ELIGIBLE PRODUCER.—The term ''eligible producer'' means a producer described in section 101(a).

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

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

(7) FARM COUNTER-CYCLICAL SAVINGS ACCOUNT.—The terms ''farm counter-cyclical savings account'' and ''account'' mean a farm counter-cyclical savings account established under section 105.

(8) FARM COUNTER-CYCLICAL SAVINGS ACCOUNT PAYMENT.—The term ''farm counter-cyclical savings account payment'' means a matching contribution made by the Secretary to a farm counter-cyclical savings account under section 105.

(9) FIXED, DECOUPLED PAYMENT.—The term ''fixed, decoupled payment'' means a payment made to producers under section 104.

(10) OILSEED.—The term ''oilseed'' means a crop of soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or, if designated by the Secretary, another oilseed.

(11) PAYMENT ACRES.—The term ''payment acres'' means 85 percent of the base acres of a covered commodity on a farm, as established under section 103, on which fixed, decoupled payments are made.

(12) PAYMENT YIELD.—The term ''payment yield'' means the yield established under section 102 for a farm for a covered commodity.

(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 that 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—

(i) shall not take into consideration the existence of a hybrid seed contract; and

(ii) shall ensure that program requirements do not adversely affect the ability of the grower to receive a payment under this title.

(14) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

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

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

Subtitle A—Fixed Decoupled Payments and Farm Counter-Cyclical Savings Account Payments

SEC. 101. PAYMENTS TO ELIGIBLE PRODUCERS.

(a) IN GENERAL.—For each of the 2002 through 2006 crops of each covered commodity, the Secretary shall make fixed decoupled payments and farm counter-cyclical savings account payments under this subtitle to—

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

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

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

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

SEC. 102. PAYMENT YIELDS.

(a) IN GENERAL.—For the purpose of making fixed, decoupled payments under this subtitle, the Secretary shall provide for the establishment of a payment yield for each farm for each covered commodity in accordance with this section.

(b) USE OF FARM PROGRAM PAYMENT YIELD.—Except as provided in this section, the payment yield for each of the 2002 through 2006 crops of a covered commodity for a farm shall be the farm program payment yield for the 2002 crop of the covered commodity (other than oilseeds) as determined under section 505 of the Agricultural Act of 1949 (7 U.S.C. 1465).

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

(d) PAYMENT YIELDS FOR OILSEEDS.—

(1) IN GENERAL.—In the case of each oilseed, the Secretary shall determine the average yield for the oilseed on a farm for the 1998 through 2001 crop years, excluding any crop year in which the acreage planted to the oilseed was zero.

(2) ASSIGNED YIELDS.—If, for any of the crop years referred to in paragraph (1) in which the oilseed was planted, the producers on a farm would have satisfied the eligibility criteria established to carry out section 1102 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (7 U.S.C. 1421 note; Public Law 105–277) with respect to the production of the oilseed, the Secretary shall assign a yield for the crop year equal to 65 percent of the county yield.

(3) ADJUSTMENT FOR PAYMENT YIELD.—The payment yield for a farm for an oilseed shall be equal to the product obtained by multiplying—

(A) the average yield for the oilseed determined under paragraphs (1) and (2); by

(B) the ratio resulting from dividing—

(i) the national average yield for the oilseed for the 1981 through 1985 crops; by

(ii) the national average yield for the oilseed for the 1998 through 2001 crops.

SEC. 103. BASE ACRES AND PAYMENT ACRES FOR FARMS.

(a) ELECTION BY PRODUCERS OF BASE ACRE CALCULATION METHOD.—For the purpose of making fixed, decoupled payments to producers on a farm, the Secretary shall provide producers on the farm with an opportunity to elect 1 of the following methods as the

method by which the base acres of all covered commodities on the farm are determined:

(1) The 4-year average of—

(A) acreage actually planted to a covered commodity for harvest, grazing, haying, silage, or other similar purposes during the 1998 through 2001 crop years; and

(B) any acreage that was prevented from being planted during such crop years to the covered commodity because of drought, flood, or other natural disaster, or other condition beyond the control of the producers on the farm, as determined by the Secretary.

(2) The sum of—

(A) the contract acreage (as defined in section 102 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7202)) that would have been used by the Secretary to calculate the payment for fiscal year 2002 under such section 102 for the contract commodity on the farm; and

(B) the 4-year average determined under paragraph (1) for each oilseed produced on the farm.

(b) SINGLE ELECTION; TIME FOR ELECTION.—

(1) SINGLE ELECTION.—The producers on a farm shall have 1 opportunity to make the election described in subsection (a).

(2) TIME FOR ELECTION.—Not later than 180 days after the date of the enactment of this Act, the producers on a farm shall notify the Secretary of the election made by the producers on the farm under subsection (a).

(c) EFFECT OF FAILURE TO MAKE ELECTION.—If the producers on a farm fail to make the election under subsection (a), or fail to timely notify the Secretary of the selected option as required by subsection (b), the producers on the farm shall be deemed to have made the election described in subsection (a)(2) for the purpose of determining the base acres for all covered commodities on the farm.

(d) APPLICATION OF ELECTION TO ALL COVERED COMMODITIES.—The election made under subsection (a) or deemed to be made under subsection (c) with respect to a farm shall apply to all of the covered commodities produced on the farm.

(e) TREATMENT OF CONSERVATION RESERVE CONTRACT ACREAGE.—

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

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

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

(2) ELECTION.—For the fiscal year and crop year in which a base acre adjustment under paragraph (1) is first made, the producers on the farm shall elect to receive—

(A) fixed, decoupled payments with respect to the acreage added to the farm under this subsection; or

(B) a prorated payment under the conservation reserve contract.

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

(g) PREVENTION OF EXCESS BASE ACRES.—

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

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

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

(A) any peanut acres for the farm under chapter 3 of subtitle C;

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

(C) any other acreage on the farm enrolled in a voluntary conservation program under which production of any agricultural commodity is prohibited.

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

SEC. 104. FIXED, DECOUPLED PAYMENTS.

(a) IN GENERAL.—For each of the 2002 through 2006 fiscal years, the Secretary shall make fixed, decoupled payments available to producers on a farm with base acres under section 103, and a payment yield under section 102, with respect to a covered commodity.

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

(1) Wheat:

(A) In the case of each of the 2002 through 2005 crops, $0.7657 per bushel.

(B) In the case of the 2006 crop, $0.6308 per bushel.

(2) Corn:

(A) In the case of each of the 2002 through 2005 crops, $0.4334 per bushel.

(B) In the case of the 2006 crop, $0.3571 per bushel.

(3) Grain sorghum:

(A) In the case of each of the 2002 through 2005 crops, $0.5201 per bushel.

(B) In the case of the 2006 crop, $0.4284 per bushel.

(4) Barley:

(A) In the case of each of the 2002 through 2005 crops, $0.3612 per bushel.

(B) In the case of the 2006 crop, $0.2976 per bushel.

(5) Oats:

(A) In the case of each of the 2002 through 2005 crops, $0.0361 per bushel.

(B) In the case of the 2006 crop, $0.0298 per bushel.

(6) Upland cotton:

(A) In the case of each of the 2002 through 2005 crops, $0.1489 per pound.

(B) In the case of the 2006 crop, $0.1227 per pound.

(7) Rice:

(A) In the case of each of the 2002 through 2005 crops, $3.39 per hundredweight.

(B) In the case of the 2006 crop, $2.79 per hundredweight.

(8) Soybeans:

(A) In the case of each of the 2002 through 2005 crops, $0.6068 per bushel.

(B) In the case of the 2006 crop, $0.4999 per bushel.

(9) Oilseeds (other than soybeans):

(A) In the case of each of the 2002 through 2005 crops, $0.01021 per pound.

(B) In the case of the 2006 crop, $0.0088 per pound.

(c) PAYMENT AMOUNT.—The amount of the fixed, decoupled payment to be paid to the producers on a farm for a covered commodity for a fiscal year shall be equal obtained by multiplying—

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

(2) the payment acres of the covered commodity on the farm; by

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

(d) TIME FOR PAYMENT.—

(1) IN GENERAL.—The Secretary shall make fixed, decoupled payments—

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

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

(2) ADVANCE PAYMENTS.—

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

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

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

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

SEC. 105. FARM COUNTER-CYCLICAL SAVINGS ACCOUNTS.

(a) DEFINITIONS.—In this section:

(1) ADJUSTED GROSS REVENUE.—The term ''adjusted gross revenue'' means the adjusted gross income for all agricultural enterprises of a producer in a year, excluding revenue earned from nonagricultural sources, as determined by the Secretary—

(A) by taking into account gross receipts from the sale of crops and livestock on all agricultural enterprises of the producer, including insurance indemnities resulting from losses in the agricultural enterprises;

(B) by including all farm payments paid by the Secretary for all agricultural enterprises of the producer, including any marketing loan gains described in section 1001(3)(A) of the Food Security Act of 1985 (7 U.S.C. 1308(3)(A));

(C) by deducting the cost or basis of livestock or other items purchased for resale, such as feeder livestock, on all agricultural enterprises of the producer; and

(D) as represented on—

(i) a schedule F of the Federal income tax returns of the producer; or

(ii) a comparable tax form related to the agricultural enterprises of the producer, as approved by the Secretary.

(2) AGRICULTURAL ENTERPRISE.—The term ''agricultural enterprise'' means the production and marketing of all agricultural commodities (including livestock but excluding tobacco) on a farm or ranch.

(3) AVERAGE ADJUSTED GROSS REVENUE.—The term ''average adjusted gross revenue'' means—

(A) the average of the adjusted gross revenue of a producer for each of the preceding 5 taxable years; or

(B) in the case of a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, the estimated income of the producer that will be earned from all agricultural enterprises for the applicable year, as determined by the Secretary.

(4) PRODUCER.—The term ''producer'' means an individual or entity, as determined by the Secretary for an applicable year, that—

(A) shares in the risk of producing, or provides a material contribution in producing, an agricultural commodity for the applicable year;

(B) has a substantial beneficial interest in the agricultural enterprise in which the agricultural commodity is produced;

(C)(i) during each of the preceding 5 taxable years, has filed—

(I) a schedule F of the Federal income tax returns; or

(II) a comparable tax form related to the agricultural enterprises of the individual or entity, as approved by the Secretary; or

(ii) is a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, as determined by the Secretary; and

(D)(i) has earned at least $20,000 in average adjusted gross revenue for each of the preceding 5 taxable years;

(ii) is a limited resource farmer or rancher, as determined by the Secretary; or

(iii) in the case of a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, has at least $20,000 in estimated income from all agricultural enterprises for the applicable year, as determined by the Secretary.

(b) ESTABLISHMENT.—A producer may establish a farm counter-cyclical savings account in the name of the producer in a bank or financial institution selected by the producer and approved by the Secretary.

(c) CONTENT OF ACCOUNT.—A farm counter-cyclical savings account shall consist of—

(1) contributions of the producer; and

(2) matching contributions of the Secretary.

(d) PRODUCER CONTRIBUTIONS.—

(1) IN GENERAL.—Subject to paragraph (2), a producer may deposit such amounts in the account of the producer as the producer considers appropriate.

(2) MAXIMUM ACCOUNT BALANCE.—The balance of an account of a producer may not exceed 150 percent of the average adjusted gross revenue of the producer for the previous 5 years.

(e) MATCHING CONTRIBUTIONS.—

(1) IN GENERAL.—Subject to paragraphs (2) through (5), the Secretary shall provide a matching contribution on the amount deposited by the producer into the account.

(2) FORMULA.—The Secretary shall establish a formula to determine the amount of matching contributions that will be provided by the Secretary under paragraph (1).

(3) MAXIMUM CONTRIBUTIONS FOR INDIVIDUAL PRODUCER.—The amount of matching contributions that may be provided by the Secretary for an individual producer under this subsection shall not exceed $10,000.

(4) MAXIMUM CONTRIBUTIONS FOR ALL PRODUCERS.—The total amount of matching contributions that may be provided by the Secretary for all producers under this subsection shall not exceed—

(A) $800,000,000 for fiscal year 2002;

(B) $900,000,000 for fiscal year 2003;

(C) $1,000,000,000 for fiscal year 2004;

(D) $1,100,000,000 for fiscal year 2005; and

(E) $1,200,000,000 for fiscal year 2006.

(5) DATE FOR MATCHING CONTRIBUTIONS.—The Secretary shall provide the matching contributions required for a producer under paragraph (1) as of the date that a majority of the covered commodities grown by the producer are harvested.

(f) INTEREST.—Funds deposited into the account may earn interest at the commercial rates provided by the bank or financial institution in which the Account is established.

(g) USE.—Funds credited to the account—

(1) shall be available for withdrawal by a producer, in accordance with subsection (h); and

(2) may be used for purposes determined by the producer.

(h) WITHDRAWAL.—

(1) IN GENERAL.—Subject to paragraph (2), a producer may withdraw funds from the account if the adjusted gross revenue of the producer is less than 90 percent of average adjusted gross revenue of the producer for the previous 5 years.

(2) RETIREMENT.—

(A) IN GENERAL.—Subject to subparagraph (B), a producer that ceases to be actively engaged in farming, as determined by the Secretary—

(i) may withdraw the full balance from, and close, the account; and

(ii) may not establish another account.

(B) WAIVERS.—The Secretary shall promulgate regulations that provide for a waiver, in limited circumstances (as determined by the Secretary), of the application of subparagraph (B)(ii) to a producer.

(i) ADMINISTRATION.—The Secretary shall administer this section through the Farm Service Agency and local, county, and area offices of the Department of Agriculture.

SEC. 106. PRODUCER AGREEMENTS.

(a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

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

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

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

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

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

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

(b) FORECLOSURES.—

(1) IN GENERAL.—The Secretary shall not require the producers on a farm to repay a fixed, decoupled payment if the farm has been foreclosed on and the Secretary determines that forgiving the repayment is appropriate to provide fair and equitable treatment.

(2) COMPLIANCE WITH REQUIREMENTS.—

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

(B) APPLICABLE REQUIREMENTS.—On the resumption of operation or control over the farm by the producers on the farm, the requirements of subsection (a) in effect on the date of the foreclosure shall apply.

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

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

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

(3) TRANSFER OF PAYMENT BASE AND YIELD.—There is no restriction on the transfer of the base acres or payment yield of a farm as part of a transfer or change described in paragraph (1).

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

(5) EXCEPTION.—If a producer entitled to a fixed, decoupled payment dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment, in accordance with regulations promulgated by the Secretary.

SEC. 107. PLANTING FLEXIBILITY.

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

(b) LIMITATIONS AND EXCEPTIONS REGARDING CERTAIN COMMODITIES.—

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

(A) Fruits.

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

(C) Wild rice.

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

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

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

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

(i) the quantity planted may not exceed the average annual planting history of the agricultural commodity by the producers on the farm during the 1991 through 1995 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and

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

SEC. 108. PRODUCTION FLEXIBILITY CONTRACTS.

If, on or before the date of the enactment of this Act, the producers on a farm receive all or any portion of the payment authorized for fiscal year 2002 under a production flexibility contract entered into under section 111 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7211), the Secretary shall reduce the amount of the fixed, decoupled payment otherwise due the producers on the farm for fiscal year 2002 by the amount of the fiscal year 2002 payment received by the producers on the farm under the production flexibility contract.

Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments

SEC. 121. NONRECOURSE MARKETING ASSISTANCE LOANS FOR COVERED COMMODITIES.

(a) NONRECOURSE LOANS AVAILABLE.—

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

(2) TERMS AND CONDITIONS.—The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under section 122 for the covered commodity.

(b) ELIGIBLE PRODUCTION.—The producers on a farm shall be eligible for a marketing assistance loan under subsection (a) for any quantity of a covered commodity produced on the farm.

(c) TREATMENT OF CERTAIN COMMINGLED COMMODITIES.—In carrying out this subtitle, the Secretary shall make loans to the producers on a farm that would be eligible to obtain a marketing assistance loan but for the fact the covered commodity owned by the producers on the farm is commingled with covered commodities of other producers in facilities unlicensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the producers on the farm obtaining the loan agree to immediately redeem the loan collateral in accordance with section 176.

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

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

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

SEC. 122. LOAN RATES.

(a) WHEAT.—

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

(A) not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $2.58 per bushel.

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

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

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

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

(b) FEED GRAINS.—

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

(A) not less than 85 percent of the simple average price received by producers of corn or grain sorghum, respectively, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of the covered commodity, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $1.89 per bushel.

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

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

(B) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan rate for the covered commodity for the corresponding crop by an amount not to exceed 5 percent in any year; or

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

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

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

(B) not more than—

(i)(I) $1.65 per bushel for barley; or

(II) $1.70 per bushel for barley used only for feed purposes, as determined by the Secretary; and

(ii) $1.21 per bushel for oats.

(c) UPLAND COTTON.—

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

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

(B) 90 percent of the average, for the 15-week period beginning July 1 of the year preceding the year in which the crop is planted, of the 5 lowest-priced growths of the growths quoted for Middling 1 3/32-inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year preceding the year in which the crop is planted between the average Northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for the base quality of upland cotton), as determined by the Secretary.

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

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

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

(f) OILSEEDS.—

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

(A) not less than 85 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $4.92 per bushel.

(2) OTHER OILSEEDS.—The loan rate for a marketing assistance loan under section 121 for each oilseed (other than soybeans) shall be—

(A) not less than 85 percent of the simple average price received by producers of the oilseed, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of the oilseed, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $0.093 per pound.

(g) DRY PEAS, LENTILS, AND CHICKPEAS.—The loan rate for a marketing assistance loan under section 121 for dry peas, lentils, large chickpeas, and small chickpeas shall be—

(1) not less than 85 percent of the simple average price received by producers of dry peas, lentils, large chickpeas, and small chickpeas, individually, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of dry peas, lentils, large chickpeas, and small chickpeas, individually, excluding the year in which the average price was the highest and the year in which the average rice was the lowest in the period; but

(2) not less than—

(A) in the case of dry peas—

(i) a loan rate established by the Secretary, taking into consideration the feed prices of dry peas; but

(ii) not less than $5.83 per hundredweight;

(B) in the case of lentils, $11.00 per hundredweight;

(C) in the case of large chickpeas, $15.00 per hundredweight; and

(D) in the case of small chickpeas, $7.00 per hundredweight.

SEC. 123. TERM OF LOANS.

(a) TERM OF LOAN.—In the case of each covered commodity (other than upland cotton or extra long staple cotton), a marketing assistance loan under section 121 shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made.

(b) SPECIAL RULE FOR COTTON.—A marketing assistance loan for upland cotton or extra long staple cotton shall have a term of

10 months beginning on the first day of the month in which the loan is made.

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

SEC. 124. REPAYMENT OF LOANS.

(a) REPAYMENT RATES FOR WHEAT, FEED GRAINS, OILSEEDS, DRY PEAS, LENTILS, AND CHICKPEAS.—The Secretary shall permit producers on a farm to repay a marketing assistance loan under section 121 for wheat, corn, grain sorghum, barley, oats, oilseeds, dry peas, lentils, and chickpeas at a rate that is the lesser of—

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

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

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

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

(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 AND RICE.—The Secretary shall permit producers on a farm to repay a marketing assistance loan under section 121 for upland cotton and rice at a rate that is the lesser of—

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

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

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

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

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

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

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

(1) IN GENERAL.—During the period beginning on the date of the enactment of this Act and ending July 31, 2007, the prevailing world market price for upland cotton (adjusted to United States quality and location) established under subsection (d) shall be further adjusted if—

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

(B) the Friday through Thursday average price quotation for the lowest-priced United States growth as quoted for Middling (M) 1 3/32-inch cotton delivered C.I.F. Northern Europe is greater than the Friday through Thursday average price of the 5 lowest-priced growths of upland cotton, as quoted for Middling (M) 1 3/32-inch cotton, delivered C.I.F. Northern Europe (referred to in this section as the ''Northern Europe price'').

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

(A) The United States share of world exports.

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

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

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

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

(B) the Northern Europe price.

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

SEC. 125. LOAN DEFICIENCY PAYMENTS.

(a) IN GENERAL.—Except as provided in subsection (d), the Secretary may make loan deficiency payments available to—

(1) producers on a farm that, although eligible to obtain a marketing assistance loan under section 121 with respect to a covered commodity, agree to forgo obtaining the loan for the covered commodity in return for payments under this section; and

(2) effective only for the 2000 and 2001 crop years, producers that, although not eligible to obtain such a marketing assistance loan under section 121, produce a covered commodity.

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

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

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

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

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

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

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

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

(1) the date on which the producers on the farm marketed or otherwise lost beneficial interest in the covered commodity, as determined by the Secretary; or

(2) the date the producers on the farm request the payment.

(f) LOST BENEFICIAL INTEREST.—Effective for the 2001 crop only, if a producer eligible for a payment under subsection (a) loses beneficial interest in the covered commodity, the producer shall be eligible for the payment determined as of the date the producer lost beneficial interest in the covered commodity, as determined by the Secretary.

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

(a) IN GENERAL.—For each of the 2002 through 2006 crops of wheat, barley, grain sorghum, and oats, in the case of the producers on a farm that would be eligible for a loan deficiency payment under section 125 for wheat, barley, grain sorghum, or oats, but that elects to use acreage planted to the wheat, barley, grain sorghum, or oats for the grazing of livestock, the Secretary shall make a payment to the producers on the farm under this section if the producers on the farm enter into an agreement with the Secretary to forgo any other harvesting of the wheat, barley, grain sorghum, or oats on the acreage.

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

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

(2) the payment quantity obtained by multiplying—

(A) the quantity of the grazed acreage on the farm with respect to which the producers on the farm elect to forgo harvesting of wheat, barley, grain sorghum, or oats; and

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

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

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

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

(d) PROHIBITION ON CROP INSURANCE OR NONINSURED CROP ASSISTANCE.—The producers on a farm shall not be eligible for insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) or noninsured crop assistance under section 192 with respect to a 2002 through 2006 crop of wheat, barley, grain sorghum, or oats planted on acreage that the producers on the farm elect, in the agreement required by subsection (a), to use for the grazing of livestock in lieu of any other harvesting of the crop.

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

(a) COTTON USER MARKETING CERTIFICATES.—

(1) ISSUANCE.—During the period beginning on the date of the enactment of this Act and ending July 31, 2007, subject to paragraph (4), the Secretary shall issue marketing certificates or cash payments, at the option of the recipient, to domestic users and exporters for documented purchases by domestic users and sales for export by exporters made in the week following a consecutive 4-week period in which—

(A) the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1 3/32-inch cotton, delivered C.I.F. Northern Europe exceeds the Northern Europe price by more than 1.25 cents per pound; and

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

(2) VALUE OF CERTIFICATES OR PAYMENTS.—Subject to paragraph (4), the value of the marketing certificates or cash payments shall be based on the amount of the difference (reduced by 1.25 cents per pound) in the prices during the 4th week of the consecutive 4-week period multiplied by the quantity of upland cotton included in the documented sales.

(3) ADMINISTRATION OF MARKETING CERTIFICATES.—

(A) REDEMPTION, MARKETING, OR EXCHANGE.—

(i) IN GENERAL.—The Secretary shall establish procedures for redeeming marketing certificates for cash or marketing or exchange of the certificates for agricultural commodities owned by the Commodity Credit Corporation or pledged to the Commodity Credit Corporation as collateral for a loan in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates, including enhancing the competitiveness and marketability of United States cotton.

(ii) PRICE RESTRICTIONS.—Any price restrictions that would otherwise apply to the disposition of agricultural commodities by the Commodity Credit Corporation shall not apply to the redemption of certificates under this subsection.

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

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

(4) APPLICATION OF THRESHOLD.—

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

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

(b) SPECIAL IMPORT QUOTA.—

(1) ESTABLISHMENT.—

(A) IN GENERAL.—The President shall carry out an import quota program during the period beginning on the date of the enactment of this Act and ending July 31, 2007, as provided in this subsection.

(B) PROGRAM REQUIREMENTS.—Except as provided in paragraph (1)(B) and subparagraph (C), 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 C.I.F. Northern Europe, adjusted for the value of any certificate issued under subsection (a), exceeds the Northern Europe price by more than 1.25 cents per pound, there shall immediately be in effect a special import quota.

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

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

(2) QUANTITY.—The quota shall be equal to 1 week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the most recent 3 months for which data are available.

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

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

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

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

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

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

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

(6) DEFINITION 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.

(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 5 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.

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

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

(A) QUANTITY.—The quantity of the quota shall be equal to 21 days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent 3 months for which data are available.

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

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

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

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

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

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

(D) DEFINITIONS.—In this subsection:

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

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

(II) production of the current crop; and

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

(ii) DEMAND.—The term ''demand'' means—

(I) the average seasonally adjusted annual rate of domestic mill consumption during the most recent 3 months for which data are available; and

(II) the larger of—

(aa) average exports of upland cotton during the preceding 6 marketing years; or

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

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

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

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

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

(a) COMPETITIVENESS PROGRAM.—Notwithstanding any other provision of law, during the period beginning on the date of the enactment of this Act and ending on July 31, 2007, 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 4th 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.

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

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

(a) HIGH MOISTURE FEED GRAINS.—

(1) RECOURSE LOANS AVAILABLE.—For each of the 2002 through 2006 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 promulgated by the Secretary; or

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

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

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

(2) ELIGIBILITY FOR 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 producers on the farm equivalent to a quantity obtained by multiplying—

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

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

(3) 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 121.

(b) RECOURSE LOANS AVAILABLE FOR SEED COTTON.—For each of the 2002 through 2006 crops of upland cotton and extra long staple cotton, the Secretary shall make available recourse seed cotton loans, as determined by the Secretary, on any production.

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

SEC. 130. NONRECOURSE MARKETING ASSISTANCE LOANS FOR WOOL AND MOHAIR.

(a) IN GENERAL.—For each of the 2002 through 2006 marketing years for wool and mohair, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for wool and mohair produced on the farm during that marketing year.

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

(1) $1.10 per pound for graded wool;

(2) $0.40 per pound for nongraded wool (including unshorn pelts); and

(3) $3.65 per pound for mohair.

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

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

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

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

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

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

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

(e) LOAN DEFICIENCY PAYMENTS.—

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

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

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

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

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

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

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

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

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

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

SEC. 131. NONRECOURSE MARKETING ASSISTANCE LOANS FOR HONEY.

(a) IN GENERAL.—For each of the 2002 through 2006 crops of honey, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for the crop of honey produced on the farm.

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

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

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

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

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

(e) LOAN DEFICIENCY PAYMENTS.—

(1) IN GENERAL.—The Secretary may make loan deficiency payments available to producers on a farm of honey that, although eligible to obtain a marketing assistance loan under subsection (a), agree to forgo obtaining the loan in return for a payment under this subsection.

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

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

(B) the quantity of honey that the producers on the farm are eligible to place under loan, but for which the producers on the farm forgo obtaining the loan in return for a payment under this subsection.

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

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

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

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

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

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

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

Subtitle C—Other Commodities

CHAPTER 1—DAIRY

SEC. 141. MILK PRICE SUPPORT PROGRAM.

(a) IN GENERAL.—During the period beginning on January 1, 2002, and ending on December 31, 2006, the Secretary shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(b) RATE.—During the period specified in subsection (a), the price of milk shall be supported at a rate equal to $9.90 per hundredweight for milk containing 3.67 percent butterfat.

(c) PURCHASE PRICES.—

(1) UNIFORM PRICES.—The support purchase prices under this section for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary.

(2) AMOUNT.—The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under subsection (b).

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

(1) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate.

(2) NOTIFICATION OF CONGRESS.—Not later than 10 days after making or changing an allocation, the Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

(3) ADMINISTRATION.—Section 553 of title 5, United States Code, shall not apply with respect to the implementation of this section.

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

SEC. 142. DAIRY EXPORT INCENTIVE AND DAIRY INDEMNITY PROGRAMS.

(a) DAIRY EXPORT INCENTIVE PROGRAM.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14(a)) is amended by striking ''2002'' and inserting ''2006''.

(b) DAIRY INDEMNITY PROGRAM.—Section 3 of Public Law 90–484 (7 U.S.C. 450l) is amended by striking ''1995'' and inserting ''2006''.

SEC. 143. FLUID MILK PROMOTION.

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

''(3) FLUID MILK PRODUCT.—The term 'fluid milk product' has the meaning given the term in—

''(A) section 1000.15 of title 7, Code of Federal Regulations, subject to such amendments as may be made by the Secretary; or

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

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

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

(1) by striking subsection (a); and

(2) by redesignating subsections (b) and (c) as subsections (a) and (b), respectively.

SEC. 144. DAIRY PRODUCT MANDATORY REPORTING.

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

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

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

SEC. 145. EXEMPTION OF MILK HANDLERS FROM MINIMUM PRICE REQUIREMENTS.

(a) IN GENERAL.—Section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by adding at the end the following:

''(M) EXEMPTION OF MILK HANDLERS FROM MINIMUM PRICE REQUIREMENTS.—Notwithstanding any other provision of this section, no handler that sells Class I milk in a marketing area shall be exempt during any month from any minimum milk price requirement established under paragraph (A) if the total distribution of Class I milk produced on the farm of the handler in the marketing area during the preceding month exceeds the lesser of—

''(i) 3 percent of the total quantity of Class I milk distributed in the marketing area; or

''(ii) 5,000,000 pounds.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) takes effect on January 1, 2002.

CHAPTER 2—SUGAR

SEC. 151. SUGAR PROGRAM.

(a) SUGARCANE.—The Secretary shall make loans available to processors of domestically grown sugarcane at a rate equal to 18 cents per pound for raw cane sugar.

(b) SUGAR BEETS.—The Secretary shall make loans available to processors of domestically grown sugar beets at a rate equal to 22.9 cents per pound for refined beet sugar.

(c) LOAN RATE ADJUSTMENTS.—

(1) DEFINITIONS.—In this subsection:

(A) AGREEMENT ON AGRICULTURE.—The term ''Agreement on Agriculture'' means the Agreement on Agriculture referred to in section 101(d)(2) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(2)).

(B) MAJOR SUGAR COUNTRIES.—The term ''major sugar growing, producing, and exporting countries'' means—

(i) the countries of the European Union; and

(ii) the 10 foreign countries not covered by subparagraph (A) that the Secretary determines produce the greatest quantity of sugar.

(2) ADJUSTMENTS.—The Secretary may reduce the loan rate specified in subsection (a) for domestically grown sugarcane and subsection (b) for domestically grown sugar beets if the Secretary determines that negotiated reductions in export subsidies and domestic subsidies provided for sugar of other major sugar growing, producing, and exporting countries in the aggregate exceed the commitments made as part of the Agreement on Agriculture.

(3) EXTENT OF REDUCTION.—The Secretary shall not reduce the loan rate under subsection (a) or (b) below a rate that provides an equal measure of support to that provided by other major sugar growing, producing, and exporting countries, based on an examination of both domestic and export subsidies subject to reduction in the Agreement on Agriculture.

(4) ANNOUNCEMENT OF REDUCTION.—The Secretary shall announce any loan rate reduction to be made under this subsection as far in advance as is practicable.

(d) TERM OF LOANS.—

(1) IN GENERAL.—A loan under this section during any fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature at the earlier of—

(A) the end of the 9-month period beginning on the first day of the first month after the month in which the loan is made; or

(B) the end of the fiscal year in which the loan is made.

(2) SUPPLEMENTAL LOANS.—In the case of a loan made under this section in the last 3 months of a fiscal year, the processor may repledge the sugar as collateral for a second loan in the subsequent fiscal year, except that the second loan shall—

(A) be made at the loan rate in effect at the time the second loan is made; and

(B) mature in 9 months less the quantity of time that the first loan was in effect.

(e) LOAN TYPE; PROCESSOR ASSURANCES.—

(1) NONRECOURSE LOANS.—The Secretary shall carry out this section through the use of nonrecourse loans.

(2) PROCESSOR ASSURANCES.—

(A) IN GENERAL.—The Secretary shall obtain from each processor that receives a loan under this section such assurances as the Secretary considers adequate to ensure that the processor will provide payments to producers that are proportional to the value of the loan received by the processor for sugar beets and sugarcane delivered by producers served by the processor.

(B) MINIMUM PAYMENTS.—The Secretary may establish appropriate minimum payments for purposes of this paragraph.

(3) ADMINISTRATION.—The Secretary may not impose or enforce any prenotification or similar administrative requirement that has the effect of preventing a processor from choosing to forfeit the loan collateral on the maturity of the loan.

(f) LOANS FOR IN-PROCESS SUGAR.—

(1) DEFINITION OF IN-PROCESS SUGARS AND SYRUPS.—In this subsection, the term ''in-process sugars and syrups'' does not include raw sugar, liquid sugar, invert sugar, invert syrup, or other finished product that is otherwise eligible for a loan under subsection (a) or (b).

(2) AVAILABILITY.—The Secretary shall make nonrecourse loans available to processors of a crop of domestically grown sugarcane and sugar beets for in-process sugars and syrups derived from the crops.

(3) LOAN RATE.—The loan rate shall be equal to 80 percent of the loan rate applicable to raw cane sugar or refined beet sugar, as determined on the basis of the source material for the in-process sugars and syrups.

(4) FURTHER PROCESSING ON FORFEITURE.—

(A) IN GENERAL.—As a condition on the forfeiture of in-process sugars and syrups serving as collateral for a loan under paragraph (2), the processor shall, within such reasonable time period as the Secretary may prescribe and at no cost to the Commodity Credit Corporation, convert the in-process sugars and syrups into raw cane sugar or refined beet sugar of acceptable grade and quality for sugars eligible for loans under subsection (a) or (b).

(B) TRANSFER TO CORPORATION.—Once the in-process sugars and syrups are fully processed into raw cane sugar or refined beet sugar, the processor shall transfer the sugar to the Corporation.

(C) PAYMENT TO PROCESSOR.—Subject to subsection (g), on transfer of the sugar, the Secretary shall make a payment to the processor in an amount equal to the difference between—

(i) the loan rate for raw cane sugar or refined beet sugar, as appropriate; and

(ii) the loan rate the processor received under paragraph (1).

(5) LOAN CONVERSION.—If the processor does not forfeit the collateral as described in paragraph (4), but instead further processes the in-process sugars and syrups into raw cane sugar or refined beet sugar and repays the loan on the in-process sugars and syrups, the processor may obtain a loan under subsection (a) or (b) on the raw cane sugar or refined beet sugar, as appropriate.

(g) FORFEITURE PENALTY.—

(1) IN GENERAL.—A penalty shall be assessed on the forfeiture of any sugar pledged as collateral for a nonrecourse loan under this section.

(2) CANE SUGAR.—The penalty for cane sugar shall be 1 cent per pound.

(3) BEET SUGAR.—The penalty for beet sugar shall bear the same relation to the penalty for cane sugar as the marketing assessment for sugar beets bears to the marketing assessment for sugarcane.

(4) EFFECT OF FORFEITURE.—Any payments owed producers by a processor that forfeits any sugar pledged as collateral for a nonrecourse loan shall be reduced in proportion to the loan forfeiture penalty incurred by the processor.

(h) INFORMATION REPORTING.—

(1) DUTY OF PROCESSORS AND REFINERS TO REPORT.—A sugarcane processor, cane sugar refiner, and sugar beet processor shall furnish the Secretary, on a monthly basis, such information as the Secretary may require to administer sugar programs, including the quantity of purchases of sugarcane, sugar beets, and sugar, and production, importation, distribution, and stock levels of sugar.

(2) DUTY OF PRODUCERS TO REPORT.—

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

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

(3) DUTY OF IMPORTERS TO REPORT.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall require an importer of sugars, syrups, or molasses to be used for human consumption or to be used for the extraction of sugar for human consumption to report, in the manner prescribed by the Secretary, the quantities of the products imported by the importer and the sugar content or equivalent of the products.

(B) TARIFF-RATE QUOTAS.—Subparagraph (A) shall not apply to sugars, syrups, or molasses that are within the quantities of tariff-rate quotas that are at the lower rate of duties.

(4) PENALTY.—Any person willfully failing or refusing to furnish the information, or furnishing willfully any false information, shall be subject to a civil penalty of not more than $10,000 for each such violation.

(5) MONTHLY REPORTS.—Taking into consideration the information received under this subsection, the Secretary shall publish on a monthly basis composite data on production, imports, distribution, and stock levels of sugar.

(i) AVOIDING FORFEITURES; CORPORATION INVENTORY DISPOSITION.—

(1) NO COST.—Subject to subsection (e)(3), to the maximum extent practicable, the Secretary shall operate the program established under this section at no cost to the Federal Government by avoiding the forfeiture of sugar to the Commodity Credit Corporation.

(2) INVENTORY DISPOSITION.—

(A) IN GENERAL.—To carry out paragraph (1), the Commodity Credit Corporation may accept bids to obtain raw cane sugar or refined beet sugar in the inventory of the Corporation from (or otherwise make available such commodities, on appropriate terms and conditions, to) processors of sugarcane and processors of sugar beets (acting in conjunction with the producers of the sugarcane or sugar beets processed by the processors) in return for the reduction of production of raw cane sugar or refined beet sugar, as appropriate.

(B) ADDITIONAL AUTHORITY.—The authority provided under this paragraph is in addition to any authority of the Corporation under any other law.

(j) CROPS.—This section shall be effective only for the 1996 through 2006 crops of sugar beets and sugarcane.

SEC. 152. STORAGE FACILITY LOANS.

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

(b) ELIGIBLE PROCESSORS.—A storage facility loan shall be made available to any processor of domestically produced sugarcane or sugar beets that (as determined by the Secretary)—

(1) has a satisfactory credit history;

(2) has a need for increased storage capacity, taking into account the effects of marketing allotments); and

(3) demonstrates an ability to repay the loan.

(c) TERM OF LOANS.—A storage facility loan shall—

(1) have a minimum term of 7 of seven years; and

(2) be in such amounts and on such terms and conditions (including down payment, security requirements, and eligible equipment) as are normal, customary, and appropriate for the size and commercial nature of the borrower.

SEC. 153. FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR.

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

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

(1) in the section heading—

(A) by inserting ''**FLEXIBLE**'' before ''**MARKETING**''; and

(B) by striking ''**AND CRYSTALLINE FRUCTOSE**'';

(2) in subsection (a)—

(A) in paragraph (1)—

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

(ii) by striking ''1992 through 1998'' and inserting ''2002 through 2006'';

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

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

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

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

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

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

(II) by striking ''and'' following the semicolon;

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

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

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

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

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

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

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

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

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

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

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

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

(i) in the paragraph heading, by striking ''QUARTERLY REESTIMATES'' and inserting ''REESTIMATES''; and

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

(3) in subsection (b)—

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

''(1) IN GENERAL.—By the beginning of each fiscal year, the Secretary shall establish for that fiscal year appropriate allotments under section 359c for the marketing by processors of sugar processed from sugar beets and from domestically-produced sugarcane at a level that the Secretary estimates will result in no forfeitures of sugar to the Commodity Credit Corporation under the loan program for sugar established under section 151 of the Agriculture, Conservation, and Rural Enhancement Act of 2001.''; and

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

(4) by striking subsection (c);

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

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

(A) by striking paragraph (2);

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

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

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

(ii) by striking ''or crystalline fructose''.

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

(1) in the section heading, by inserting ''**FLEXIBLE**'' after ''**OF**'';

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

(3) in subsection (b)—

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

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

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

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

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

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

(5) by striking subsection (d) and inserting the following:

''(d) FILLING CANE SUGAR AND BEET SUGAR ALLOTMENTS.—

''(1) CANE SUGAR.—Each marketing allotment for cane sugar established under this section may only be filled with sugar processed from domestically grown sugarcane.

''(2) BEET SUGAR.—Each marketing allotment for beet sugar established under this section may only be filled with sugar domestically processed from sugar beets.'';

(6) by striking subsection (e);

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

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

(A) by striking ''The allotment'' and inserting the following:

''(1) IN GENERAL.—The allotment'';

(B) in paragraph (1) (as so redesignated)—

(i) by striking ''the 5'' and inserting ''the'';

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

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

(C) by inserting after paragraph (1) (as so designated) the following:

''(2) OFFSHORE ALLOTMENT.—

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

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

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

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

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

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

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

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

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

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

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

(10) in subsection (g)—

(A) in paragraph (1), by striking ''359b(a)(2)—'' and all that follows through the comma at the end of subparagraph (C) and inserting ''359b(a)(3), adjust upward or downward marketing allotments in a fair and equitable manner'';

(B) in paragraph (2), by striking ''359f(b)'' and inserting ''359f(c)''; and

(C) in paragraph (3)—

(i) in the paragraph heading, by striking ''REDUCTIONS'' and inserting ''CARRY-OVER OF REDUCTIONS'';

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

(iii) by striking ''price support'' and inserting ''nonrecourse'';

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

(v) by striking '', if any,''; and

(11) by striking subsection (h) and inserting the following:

''(h) SUSPENSION OF ALLOTMENTS.—Whenever the Secretary estimates or reestimates under section 359b(a), or has reason to believe, that imports of sugars, syrups or molasses for human consumption or to be used for the extraction of sugar for human consumption, whether under a tariff-rate quota or in excess or outside of a tariff-rate quota, will exceed 1,532,000 short tons (raw value equivalent), and that the imports would lead to a reduction of the overall allotment quantity, the Secretary shall suspend the marketing allotments until such time as the imports have been restricted, eliminated, or reduced to or below the level of 1,532,000 short tons (raw value equivalent).''.

(d) ALLOCATION.—Section 359d(a)(2) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359dd(a)(2)) is amended—

(1) in subparagraph (A)—

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

''(i) IN GENERAL.—The Secretary'';

(B) in the first sentence of clause (i) (as so designated)—

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

(ii) by striking ''by taking'' and all that follows through ''allotment allocated.'' and inserting ''under this subparagraph.''; and

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

''(ii) MULTIPLE PROCESSOR STATES.—Except as provided in clauses (iii) and (iv), the Secretary shall allocate the allotment for cane sugar among multiple cane sugar processors in a single State based on—

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

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

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

''(iii) TALISMAN PROCESSING FACILITY.—In the case of allotments under clause (ii) attributable to the former operations of the Talisman processing facility, the Secretary shall allocate the allotment among processors in the State under clause (i) in accordance with the agreements of March 25 and 26, 1999, between the affected processors and the Department of the Interior.

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

''(I) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from among the 1997 through 2001 crop years;

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

''(III) past processings of sugar from sugarcane, based on the average of the 2 highest crop years from the 1997 through 2001 crop years.

''(v) NEW ENTRANTS.—

''(I) IN GENERAL.—Notwithstanding clauses (ii) and (iii), the Secretary, on application of any processor that begins processing sugarcane on or after the date of enactment of this clause, and after a hearing (if requested by the affected sugarcane processors and growers) and on such notice as the Secretary by regulation may prescribe, may provide the processor with an allocation that provides a fair, efficient and equitable distribution of the allocations from the allotment for the State in which the processor is located.

''(II) PROPORTIONATE SHARE STATES.—In the case of proportionate share States, the Secretary shall establish proportionate shares in a quantity sufficient to produce the sugarcane required to satisfy the allocations.

''(III) LIMITATION.—The allotment for a new processor under this clause shall not exceed 50,000 short tons (raw value).

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

(2) in subparagraph (B)—

(A) in the first sentence, by striking ''The Secretary'' and inserting the following:

''(i) IN GENERAL.—The Secretary'';

(B) in clause (i) (as so designated)—

(i) by striking ''interested parties'' and inserting ''the affected sugar beet processors and growers''; and

(ii) by striking ''processing capacity'' and all that follows through ''allotment allocated'' and inserting the following: ''the marketings of sugar processed from sugar beets of any or all of the 1996 through 2000 crops, and such other factors as the Secretary may consider appropriate after consultation with the affected sugar beet processors and growers.''; and

(C) by adding at the end the following:

''(ii) NEW PROCESSORS.—In the case of any processor that has started processing sugar beets after January 1, 1996, the Secretary shall provide the processor with an allocation that provides a fair, efficient and equitable distribution of the allocations.''.

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

(1) in paragraph (1)—

(A) in subparagraph (B), by striking the ''and'' after the semicolon;

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

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

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

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

(2) in paragraph (2)—

(A) in subparagraph (A), by striking the ''and'' after the semicolon;

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

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

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

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

(1) in subsection (a)—

(A) in the second sentence, by striking ''processor's allocation'' and inserting ''allocation to the processor''; and

(B) by adding at the end the following: ''The arbitration should be completed not more than 45 days after the request and shall be completed not more than 60 days after the request.'';

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

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

''(b) SUGAR BEET PROCESSING FACILITY CLOSURES.—

''(1) IN GENERAL.—If a sugar beet processing facility is closed and the sugar beet growers that previously delivered beets to the facility desire to deliver their beets to another processing company, the growers may petition the Secretary to modify existing allocations to allow the delivery.

''(2) INCREASED ALLOCATION FOR PROCESSING COMPANY.—The Secretary may increase the allocation to the processing company to which the growers desire to deliver their sugar beets, with the approval of the processing company, to a level that does not exceed the processing capacity of the processing company, to accommodate the change in deliveries.

''(3) DECREASED ALLOCATION FOR CLOSED COMPANY.—The increased allocation shall be deducted from the allocation to the company that owned the processing facility that has been closed and the remaining allocation will be unaffected.

''(4) TIMING.—The determinations of the Secretary on the issues raised by the petition shall be made within 60 days after the filing of the petition.''; and

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

(A) in paragraph (3)(A), by striking ''the preceding 5 years'' and inserting ''the 2 highest years from among the 1999, 2000, and 2001 crop years'';

(B) in paragraph (4)(A), by striking ''each'' and all that follows through ''in effect'' and inserting ''the 2 highest of the 1999, 2000, and 2001 crop years''; and

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

''(8) PROCESSING FACILITY CLOSURES.—

''(A) IN GENERAL.—If a sugarcane processing facility subject to this subsection is closed and the sugarcane growers that previously delivered sugarcane to the facility desire to deliver their sugarcane to another processing company, the growers may petition the Secretary to modify existing allocations to allow the delivery.

''(B) INCREASED ALLOCATION FOR PROCESSING COMPANY.—The Secretary may increase the allocation to the processing company to which the growers desire to deliver the sugarcane, with the approval of the processing company, to a level that does not exceed the processing capacity of the processing company, to accommodate the change in deliveries;

''(C) DECREASED ALLOCATION FOR CLOSED COMPANY.—The increased allocation shall be deducted from the allocation to the company that owned the processing facility that has been closed and the remaining allocation will be unaffected.

''(D) TIMING.—The determinations of the Secretary on the issues raised by the petition shall be made within 60 days after the filing of the petition.''.

(g) CONFORMING AMENDMENTS.—

(1) Part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 359aa et seq.) is amended by striking the part heading and inserting the following:

''PART VII—FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR''.

(2) Part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended by inserting before section 359a (7 U.S.C. 1359aa) the following:

''SEC. 359. DEFINITIONS.

''In this part:

''(1) MAINLAND STATE.—The term 'mainland State' means a State other than an offshore State.

''(2) OFFSHORE STATE.—The term 'offshore State' means a sugarcane producing State located outside of the continental United States.

''(3) STATE.—Notwithstanding section 301, the term 'State' means the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

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

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

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

(B) in the first sentence of subsection (b), by striking ''3 consecutive'' and inserting ''5 consecutive''; and

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

(4) Section 359j of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359jj) is amended to striking subsection (c).

CHAPTER 3—PEANUTS

SEC. 161. DEFINITIONS.

In this chapter:

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

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

(3) HISTORIC PEANUT PRODUCERS ON A FARM.—The term ''historic peanut producers on a farm'' means the peanut producers on a farm in the United States that produced or were prevented from planting peanuts during any of the 1998 through 2001 crop years.

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

(5) PAYMENT ACRES.—The term ''payment acres'' means 85 percent of the peanut acres on a farm, as established under section 162, on which fixed, decoupled payments and counter-cyclical payments are made.

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

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

(8) PEANUT PRODUCER.—The term ''peanut producer'' means an owner, operator, landlord, tenant, or sharecropper that—

(A) shares in the risk of producing a crop of peanuts in the United States; and

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

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

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

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

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

SEC. 162. PAYMENT YIELDS, PEANUT ACRES, AND PAYMENT ACRES FOR FARMS.

(a) PAYMENT YIELDS AND PAYMENT ACRES.—

(1) AVERAGE YIELD.—

(A) IN GENERAL.—The Secretary shall determine, for each historic peanut producer, the average yield for peanuts on all farms of the historic peanut producer for the 1998 through 2001 crop years, excluding any crop year in which the producers did not produce peanuts. Crop years 1996 or 1997 may be used to subsitute for any one of the crop years described herein in a county provided such

county was declared a disaster area during 1 or more of the 4 crop years 1998 through 2001.

(B) ASSIGNED YIELDS.—If, for any of the crop years referred to in subparagraph (A) in which peanuts were planted on a farm by the historic peanut producer, the historic peanut producer has satisfied the eligibility criteria established to carry out section 1102 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (7 U.S.C. 1421 note; Public Law 105–277), the Secretary shall assign to the historic peanut producer a yield for the farm for the crop year equal to 65 percent of the county yield, as determined by the Secretary.

(2) ACREAGE AVERAGE.—The Secretary shall determine, for the historic peanut producer, the 4-year average of—

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

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

(3) MULTIPLE HISTORIC PEANUT PRODUCERS.—If more than 1 historic peanut producer shared in the risk of producing the crop on the farm, the historic peanut producers shall receive their proportional share of the number of acres planted (or prevented from being planted) to peanuts for harvest on the farm based on the sharing arrangement that was in effect among the producers for the crop.

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

(A) the State average of acreage actually planted in peanuts; for

(B) the average of acreage for the historic peanut producer determined by the Secretary under paragraph (1).

(5) TIME FOR DETERMINATIONS; FACTORS.—

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

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

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

(1) ASSIGNMENT BY HISTORIC PEANUT PRODUCERS.—The Secretary shall provide each historic peanut producer with an opportunity to assign the average peanut yield and average acreage determined under subsection (a) for the historic peanut producer to cropland on a farm for each crop year through 2006.

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

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

(c) ELECTION.—Not later than 180 days after the date of the enactment of this Act, a historic peanut producer shall notify the Secretary of the assignments described in subsection (b) for crop year 2002. For crop years 2003 through 2006 a historic peanut producer shall notify the Secretary of the assignments described in subsection (b) no later than 180 days after January 1 of each year.

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

(e) PREVENTION OF EXCESS PEANUT ACRES.—

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

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

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

(A) any base acres for the farm under subtitle A;

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

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

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

SEC. 163. FIXED, DECOUPLED PAYMENTS FOR PEANUTS.

(a) IN GENERAL.—For each of the 2002 through 2006 fiscal years, the Secretary shall make fixed, decoupled payments to peanut producers on a farm with peanut acres under section 162 and a payment yield for peanuts under section 162.

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

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

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

(2) the payment acres on the farm; by

(3) the payment yield for the farm.

(d) TIME FOR PAYMENT.—

(1) IN GENERAL.—The Secretary shall make fixed, decoupled payments—

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

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

(2) ADVANCE PAYMENTS.—

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

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

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

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

SEC. 164. COUNTER-CYCLICAL PAYMENTS FOR PEANUTS.

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

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

(1) the greater of—

(A) the national average market price received by peanut producers during the 5-month marketing season for peanuts, as determined by the Secretary; or

(B) the national average loan rate for a marketing assistance loan for peanuts in effect for the 5-month marketing season for peanuts under this chapter; and

(2) the payment rate in effect for peanuts under section 163 for the purpose of making fixed, decoupled payments with respect to peanuts.

(c) TARGET PRICE.—For purposes of subsection (a), the target price for peanuts shall be equal to $550 per ton.

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

(1) the target price for peanuts; and

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

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

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

(2) the payment acres on the farm; by

(3) the payment yield for the farm.

(f) TIME FOR PAYMENTS.—

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

(2) PARTIAL PAYMENT.—

(A) IN GENERAL.—At the option of the Secretary, the peanut producers on a farm may elect to receive up to 40 percent of the projected counter-cyclical payment to be made

under this section for a crop of peanuts on completion of the first 2 months of the 5-month marketing season for the crop, as determined by the Secretary.

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

SEC. 165. PRODUCER AGREEMENTS.

(a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

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

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

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

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

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

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

(b) FORECLOSURE.—

(1) IN GENERAL.—The Secretary shall not require the peanut producers on a farm to repay a fixed, decoupled payment or counter-cyclical payment if the farm has been foreclosed on and the Secretary determines that forgiving the repayment is appropriate to provide fair and equitable treatment.

(2) COMPLIANCE WITH REQUIREMENTS.—

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

(B) APPLICABLE REQUIREMENTS.—On the resumption of operation or control over the farm by the peanut producers on the farm, the requirements of subsection (a) in effect on the date of the foreclosure shall apply.

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

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

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

(3) TRANSFER OF PAYMENT BASE AND YIELD.—There is no restriction on the transfer of the peanut acres or payment yield of a farm as part of a transfer or change described in paragraph (1).

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

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

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

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

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

SEC. 166. PLANTING FLEXIBILITY.

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

(b) LIMITATIONS AND EXCEPTIONS REGARDING CERTAIN COMMODITIES.—

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

(A) Fruits.

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

(C) Wild rice.

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

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

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

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

(i) the quantity planted may not exceed the average annual planting history of the agricultural commodity by the peanut producers on the farm during the 1991 through 1995 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and

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

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

(a) NONRECOURSE LOANS AVAILABLE.—

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

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

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

(4) TREATMENT OF CERTAIN COMMINGLED COMMODITIES.—In carrying out this subsection, the Secretary shall make loans to peanut producers on a farm that would be eligible to obtain a marketing assistance loan but for the fact the peanuts owned by the peanut producers on the farm are commingled with other peanuts of other producers in facilities unlicensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the peanut producers on a farm obtaining the loan agree to immediately redeem the loan collateral in accordance with section 176.

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

(A) a designated marketing association of peanut producers that is approved by the Secretary and that is operated primarily for the purpose of conducting loan activities on behalf of peanut producer members facilitating the use of commingled storage as a means of offering marketing alternatives. Such area marketing associations may construct or own storage facilities as necessary: *Provided further*, That separate marketing pools may be created for Valencia type peanuts produced in New Mexico;

(B) the Farm Service Agency; or

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

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

(c) TERM OF LOAN.—

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

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

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

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

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

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

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

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

(e) LOAN DEFICIENCY PAYMENTS.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SEC. 168. QUALITY IMPROVEMENT.

(a) OFFICIAL INSPECTION.—

(1) MANDATORY INSPECTION.—All edible peanuts shall be officially inspected and graded by a Federal or State inspector.

SEC. 169. TERMINATION OF MARKETING QUOTAS FOR PEANUTS AND COMPENSATION TO PEANUT QUOTA HOLDERS.

(a) REPEAL OF MARKETING QUOTAS FOR PEANUTS.—Effective beginning with the 2002 crop of peanuts, part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357 et seq.) is repealed.

(b) COMPENSATION OF QUOTA HOLDERS.—

(1) DEFINITIONS.—In this subsection:

(A) PEANUT QUOTA HOLDER.—

(i) IN GENERAL.—The term ''peanut quota holder'' means a person or entity that owns a farm that—

(I) held a peanut quota established for the farm for the 2001 crop of peanuts under part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357 et seq.) (as in effect before the amendment made by subsection (a));

(II) if there was not such a quota established for the farm for the 2001 crop of peanuts, would be eligible to have such a quota established for the farm for the 2002 crop of peanuts, in the absence of the amendment made by subsection (a); or

(III) is otherwise a farm that was eligible for such a quota as of the effective date of the amendments made by this section.

(ii) SEED OR EXPERIMENTAL PURPOSES.—The Secretary shall apply the definition of ''peanut quota holder'' without regard to temporary leases, transfers, or quotas for seed or experimental purposes.

(B) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(2) CONTRACTS.—The Secretary shall offer to enter into a contract with peanut quota holders for the purpose of providing compensation for the lost value of the quota as a result of the repeal of the marketing quota program for peanuts under the amendment made by subsection (a).

(3) PAYMENT PERIOD.—Under a contract, the Secretary shall make payments to an eligible peanut quota holder for each of fiscal years 2002 through 2005.

(4) TIME FOR PAYMENT.—The payments required under the contracts shall be provided in 4 equal installments not later than September 30 of each of fiscal years 2002 through 2005.

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

(A) $0.1025 per pound; by

(B) the actual farm poundage quota (excluding any quantity of seed and experimental peanuts) established for the farm of a peanut quota holder under section 358–1(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)) (as in effect prior to the amendment made by subsection (a)) for the 2001 marketing year.

(6) 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 the payments made to peanut quota holders under the contracts.

(B) NOTICE.—The peanut quota holder making the assignment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require, of any assignment made under this subsection.

(c) CONFORMING AMENDMENTS.—

(1) ADMINISTRATIVE PROVISIONS.—Section 361 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1361) is amended by striking ''peanuts,''.

(2) ADJUSTMENT OF QUOTAS.—Section 371 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1371) is amended—

(A) in the first sentence of subsection (a), by striking ''peanuts,''; and

(B) in the first sentence of subsection (b), by striking ''peanuts''.

(3) REPORTS AND RECORDS.—Section 373 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373) is amended—

(A) in the first sentence of subsection (a)—

(i) by striking ''peanuts,'' each place it appears;

(ii) by inserting ''and'' after ''from producers,''; and

(iii) by striking ''for producers, all'' and all that follows through the period at the end of the sentence and inserting ''for producers.''; and

(B) in subsection (b), by striking ''peanuts,''.

(4) EMINENT DOMAIN.—Section 378(c) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1378(c)) is amended in the first sentence—

(A) by striking ''cotton,'' and inserting ''cotton and''; and

(B) by striking ''and peanuts,''.

(d) CROPS.—This section and the amendments made by this section apply beginning with the 2002 crop of peanuts.

Subtitle D—Administration

SEC. 171. ADMINISTRATION.

(a) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity to carry out this title through the Commodity Credit Corporation.

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

(c) REGULATIONS.—

(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary and the Commodity Credit Corporation, as appropriate, shall promulgate such regulations as are necessary to implement this title.

(2) PROCEDURE.—The promulgation of the regulations shall be made without regard to—

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

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

(C) chapter 35 of title 44, United States Code (commonly known as the ''Paperwork Reduction Act'').

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

(d) PROTECTION OF PRODUCERS.—The protection afforded by section 525 of Public Law 106–170 (7 U.S.C. 7212 note) to producers on a farm that elect to accelerate the receipt of any payment under a production flexibility contract payable under subtitle B of title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7201 et seq.) shall apply to the advance payment of fixed, decoupled payments made under section 104 or 163 and counter-cyclical payments made under section 164.

SEC. 172. ADJUSTMENTS OF LOANS.

(a) IN GENERAL.—The Secretary may make appropriate adjustments in the loan rates for any covered commodity for differences in grade, type, quality, location, and other factors.

(b) MANNER.—The adjustments under this section shall, to the maximum extent practicable, be made in such manner that the average loan level for the covered commodity will, on the basis of the anticipated incidence of the factors described in subsection (a), be equal to the loan rate provided under this title.

(c) ADJUSTMENT ON COUNTY BASIS.—

(1) IN GENERAL.—The Secretary may establish loan rates for a crop of a covered commodity for producers on a farm in individual counties in a manner that results in the lowest such loan rate being 95 percent of the national average loan rate, except that the action shall not result in an increase in outlays.

(2) NATIONAL AVERAGE LOAN RATE.—Adjustments under this subsection shall not result in an increase in the national average loan rate for a covered commodity for any crop year.

SEC. 173. COMMODITY CREDIT CORPORATION INTEREST RATE.

(a) IN GENERAL.—Notwithstanding any other provision of law, the monthly Commodity Credit Corporation interest rate applicable to loans provided for agricultural commodities by the Corporation shall be 100 basis points greater than the rate determined under the applicable interest rate formula in effect on October 1, 1995.

(b) SUGAR.—For purposes of this section, raw cane sugar, refined beet sugar, and in process sugar eligible for a loan under section 156 shall not be considered an agricultural commodity.

SEC. 174. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.

(a) IN GENERAL.—Except as provided in subsection (b), no producer shall be personally liable for any deficiency arising from the sale of the collateral securing any nonrecourse loan made under this title unless the loan was obtained through a fraudulent representation by the producer.

(b) LIMITATIONS.—Subsection (a) shall not prevent the Commodity Credit Corporation or the Secretary from requiring a producer to assume liability for—

(1) a deficiency in the grade, quality, or quantity of a commodity stored on a farm or delivered by the producer;

(2) a failure to properly care for and preserve a commodity; or

(3) a failure or refusal to deliver a commodity in accordance with a program established under this title.

(c) ACQUISITION OF COLLATERAL.—In the case of a nonrecourse loan made under this title or the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), if the Commodity Credit Corporation acquires title to the unredeemed collateral, the Corporation shall be under no obligation to pay for any market value that the collateral may have in excess of the loan indebtedness.

(d) SUGARCANE AND SUGAR BEETS.—A security interest obtained by the Commodity Credit Corporation as a result of the execution of a security agreement by the processor of sugarcane or sugar beets shall be superior to all statutory and common law liens on raw cane sugar and refined beet sugar in favor of the producers of sugarcane and sugar beets and all prior recorded and unrecorded liens on the crops of sugarcane and sugar beets from which the sugar was derived.

(e) LOAN FORFEITURES.—Notwithstanding sections 106 through 106B of the Agricultural Act of 1949 (7 U.S.C. 1445 through 1445–2)—

(1) a producer-owned cooperative marketing association may fully settle, without further cost to the Association, a loan made for each of the 1994 and 1997 crops under sections 106 through 106B of that Act by forfeiting to the Commodity Credit Corporation the agricultural commodity covered by the loan regardless of the condition of the commodity;

(2) any losses to the Commodity Credit Corporation as a result of paragraph (1)—

(A) shall not be charged to the Account (as defined in section 106B(a) of that Act); and

(B) shall not affect the amount of any assessment imposed against the commodity under sections 106 through 106B of that Act; and

(3) the commodity forfeited pursuant to this section—

(A) shall not be counted for the purposes of any determination for any year pursuant to section 319 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e); and

(B) may be disposed of in a manner determined by the Secretary of Agriculture, except that the commodity may not be sold for use in the United States for human consumption.

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

(1) in clause (i), by striking ''100,000,000'' and inserting ''75,000,000''; and

(2) in clause (ii), by striking ''15 percent'' and inserting ''10 percent''.

SEC. 175. COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS.

(a) GENERAL SALES AUTHORITY.—The Commodity Credit Corporation may sell any commodity owned or controlled by the Corporation at any price that the Secretary determines will maximize returns to the Corporation.

(b) NONAPPLICATION OF SALES PRICE RESTRICTIONS.—Subsection (a) shall not apply to—

(1) a sale for a new or byproduct use;

(2) a sale of peanuts or oilseeds for the extraction of oil;

(3) a sale for seed or feed if the sale will not substantially impair any loan program;

(4) a sale of a commodity that has substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage;

(5) a sale for the purpose of establishing a claim arising out of a contract or against a person who has committed fraud, misrepresentation, or other wrongful act with respect to the commodity;

(6) a sale for export, as determined by the Corporation; and

(7) a sale for other than a primary use.

(c) PRESIDENTIAL DISASTER AREAS.—

(1) IN GENERAL.—Notwithstanding subsection (a), on such terms and conditions as the Secretary may consider in the public interest, the Corporation may make available any commodity or product owned or controlled by the Corporation for use in relieving distress—

(A) in any area in the United States (including the Virgin Islands) declared by the President to be an acute distress area because of unemployment or other economic cause, if the President finds that the use will not displace or interfere with normal marketing of agricultural commodities; and

(B) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

(2) COSTS.—Except on a reimbursable basis, the Corporation shall not bear any costs in connection with making a commodity available under paragraph (1) beyond the cost of the commodity to the Corporation incurred in—

(A) the storage of the commodity; and

(B) the handling and transportation costs in making delivery of the commodity to designated agencies at 1 or more central locations in each State or other area.

(d) EFFICIENT OPERATIONS.—Subsection (a) shall not apply to the sale of a commodity the disposition of which is desirable in the interest of the effective and efficient conduct of the operations of the Corporation because of the small quantity of the commodity involved, or because of the age, location, or questionable continued storability of the commodity.

SEC. 176. COMMODITY CERTIFICATES.

(a) IN GENERAL.—In making in-kind payments under subtitle C, the Commodity Credit Corporation may—

(1) acquire and use commodities that have been pledged to the Commodity Credit Corporation as collateral for loans made by the Corporation;

(2) use other commodities owned by the Commodity Credit Corporation; and

(3) redeem negotiable marketing certificates for cash under terms and conditions established by the Secretary.

(b) METHODS OF PAYMENT.—The Commodity Credit Corporation may make in-kind payments—

(1) by delivery of the commodity at a warehouse or other similar facility;

(2) by the transfer of negotiable warehouse receipts;

(3) by the issuance of negotiable certificates, which the Commodity Credit Corporation shall exchange for a commodity owned or controlled by the Corporation in accordance with regulations promulgated by the Corporation; or

(4) by such other methods as the Commodity Credit Corporation determines appropriate to promote the efficient, equitable, and expeditious receipt of the in-kind payments so that a person receiving the payments receives the same total return as if the payments had been made in cash.

(c) ADMINISTRATION.—

(1) FORM.—At the option of a person, the Commodity Credit Corporation shall make negotiable certificates authorized under subsection (b)(3) available to the person, in the form of program payments or by sale, in a manner that the Corporation determines will encourage the orderly marketing of commodities pledged as collateral for loans made by the Commodity Credit Corporation.

(2) TRANSFER.—A negotiable certificate issued in accordance with this subsection may be transferred to another person in accordance with regulations promulgated by the Secretary.

SEC. 177. 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 producers on a farm 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. 178. PAYMENT LIMITATIONS.

(a) IN GENERAL.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended—

(1) in paragraph (1)—

(A) by striking ''PAYMENTS UNDER PRODUCTION FLEXIBILITY CONTRACTS'' and inserting ''FIXED, DECOUPLED PAYMENTS'';

(B) by striking ''contract payments made under the Agricultural Market Transition Act to a person under 1 or more production flexibility contracts'' and inserting ''fixed, decoupled payments made to a person''; and

(C) by striking ''$40,000'' and inserting ''$80,000'';

(2) in paragraphs (2) and (3)—

(A) by striking ''payments specified'' and all that follows through ''and oilseeds'' and inserting ''following payments that a person shall be entitled to receive'';

(B) by striking ''$75,000'' and inserting ''$75,000, with a separate limitation for all covered commodities, for wool and mohair, for honey, and for peanuts'';

(C) by striking the period at the end of paragraph (2) and all that follows through ''the following'' in paragraph (3);

(D) by striking ''section 131'' and all that follows through ''section 132'' and inserting ''section 121 of the Agriculture, Conservation, and Rural Enhancement Act of 2001 for a crop of any covered commodity at a lower level than the original loan rate established for the covered commodity under section 122''; and

(E) by striking ''section 135'' and inserting ''section 125''; and

(3) by inserting after paragraph (2) the following:

''(3) LIMITATION ON COUNTER-CYCLICAL PAYMENTS.—The total amount of counter-cyclical payments that a person may receive during any crop year shall not exceed $75,000.''.

(b) DEFINITIONS.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking paragraph (4) and inserting the following:

''(4) DEFINITIONS.—In this title:

''(A) COVERED COMMODITY; FIXED, DECOUPLED PAYMENT.—The terms 'covered commodity' and 'fixed, decoupled payment' have the meaning given those terms in section 100 of the Agriculture, Conservation, and Rural Enhancement Act of 2001.

''(B) COUNTER-CYCLICAL PAYMENT.—The term 'counter-cyclical payment' has the meaning given those terms in section 161 of the Agriculture, Conservation, and Rural Enhancement Act of 2001.''.

(c) TRANSITION.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308), as in effect on the day before the date of the enactment of this Act, shall continue to apply with respect to fiscal year 2001 and the 2001 crop of any covered commodity.

Subtitle E—Price Support Authority

SEC. 181. SUSPENSION AND REPEAL OF 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 1996 through 2006 crops of loan commodities, peanuts, and sugar and shall not be applicable to milk during the period beginning on the date of enactment of this title and ending on December 31, 2006:

(1) Parts II through V of subtitle B of title III (7 U.S.C. 1326–1351).

(2) Subsections (a) through (j) of section 358 (7 U.S.C. 1358).

(3) Subsections (a) through (h) of section 358a (7 U.S.C. 1358a).

(4) Subsections (a), (b), (d), and (e) of section 358d (7 U.S.C. 1359).

(5) Part VII of subtitle B of title III (7 U.S.C. 1359aa–1359jj), but only with respect to sugar marketings through fiscal year 2002.

(6) In the case of peanuts, part I of subtitle C of title III (7 U.S.C. 1361–1368).

(7) In the case of upland cotton, section 377 (7 U.S.C. 1377).

(8) Subtitle D of title III (7 U.S.C. 1379a–1379j).

(9) Title IV (7 U.S.C. 1401–1407).

(b) AGRICULTURAL ACT OF 1949.—

(1) SUSPENSIONS.—The following provisions of the Agricultural Act of 1949 shall not be applicable to the 1996 through 2006 crops of loan commodities, peanuts, and sugar and shall not be applicable to milk during the period beginning on the date of enactment of this title and ending on December 31, 2006:

(A) Section 101 (7 U.S.C. 1441).

(B) Section 103(a) (7 U.S.C. 1444(a)).

(C) Section 105 (7 U.S.C. 1444b).

(D) Section 107 (7 U.S.C. 1445a).

(E) Section 110 (7 U.S.C. 1445e).

(F) Section 112 (7 U.S.C. 1445g).

(G) Section 115 (7 U.S.C. 1445k).

(H) Section 201 (7 U.S.C. 1446).

(I) Title III (7 U.S.C. 1447–1449).

(J) Title IV (7 U.S.C. 1421–1433d), other than sections 404, 412, and 416 (7 U.S.C. 1424, 1429, and 1431).

(K) Title V (7 U.S.C. 1461–1469).

(L) Title VI (7 U.S.C. 1471–1471j).

(2) CONFORMING AMENDMENTS.—The Agricultural Act of 1949 (7 U.S.C. 1441 et seq.) is amended—

(A) in section 101(b) (7 U.S.C. 1441(b)), by striking ''and peanuts''; and

(B) in section 408(c) (7 U.S.C. 1428(c)), by striking ''peanuts,''.

(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 1996 through 2006.

(d) AGRICULTURAL MARKET TRANSITION ACT.—

(1) IN GENERAL.—The Agricultural Market Transition Act (7 U.S.C. 7201 et seq.) (other than sections 101, 192, and 196 of that Act (7 U.S.C. 7201, 7332, 7333) is repealed.

(2) CONFORMING AMENDMENTS.—

(A) CROP INSURANCE.—Section 508(b)(7)(A) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)(7)(A)) is amended by striking ''Agricultural Market'' and inserting ''Agriculture, Conservation, and Rural Enhancement Act of 2001''.

(B) FLOOD RISK REDUCTION.—Section 385 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7334) is repealed.

(C) AGRICULTURAL MARKET TRANSITION ACT.—Section 101 of the Agricultural Market Transition Act (7 U.S.C. 7201) is amended—

(i) in the section heading, by striking ''**and purposes**'';

(ii) in subsection (a), by striking ''(a) SHORT TITLE.—''; and

(iii) by striking subsection (b).

(D) CONSERVATION FARM OPTION.—Section 1240M of the Food Security Act of 1985 (16 U.S.C. 3839bb) is repealed.

Subtitle F—Miscellaneous Commodity Provision

SEC. 191. AGRICULTURAL PRODUCERS SUPPLEMENTAL PAYMENTS AND ASSISTANCE.

(a) IN GENERAL.—The Secretary of Agriculture may use such funds of the Commodity Credit Corporation as are necessary to provide payments and assistance under Public Law 107–25 (115 Stat. 201) to persons that (as determined by the Secretary)—

(1) are eligible to receive the payments or assistance; but

(2) did not receive the payments or assistance because the Secretary failed to carry out Public Law 107–25 in a timely manner.

(b) LIMITATION.—The amount of payments or assistance provided under Public Law 107–25 and this section to an eligible person described in subsection (a) shall not exceed the amount of payments or assistance the person would have been eligible to receive if Public Law 107–25 had been implemented in a timely manner.

TITLE II—CONSERVATION

Subtitle A—Working Land Conservation Programs

SEC. 201. 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 amended to read as follows:

''CHAPTER 4—ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

''SEC. 1240. PURPOSES.

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

''(1) assisting producers in complying with this title, the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), the Safe Drinking Water Act (42 U.S.C. 300f et seq.), the Clean Air Act (42 U.S.C. 7401 et seq.), and other Federal, State, and local environmental laws (including regulations);

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

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

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

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

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

''SEC. 1240A. DEFINITIONS.

''In this chapter:

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

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

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

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

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

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

''(i) to provide the least cost practice or technical assistance; or

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

''(5) PRACTICE.—The term 'practice' means 1 or more structural practices, land management practices, and, as determined by the Secretary, comprehensive nutrient management planning practices.

''(6) PRODUCER.—The term 'producer' means a person that is engaged in livestock or agricultural production, as determined by the Secretary.

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

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

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

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

''(a) ESTABLISHMENT.—

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

''(2) ELIGIBLE PRACTICES.—

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

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

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

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

''(A) any producer that is eligible for assistance under this chapter; or

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

''(b) APPLICATION AND TERM.—With respect to practices implemented under this chapter—

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

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

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

''(2) each farm may not adopt more than 1 structural practice involving nutrient management during the period of fiscal years 2002 through 2006.

''(c) APPLICATION AND EVALUATION.—

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

''(2) COMPARABLE ENVIRONMENTAL VALUE.—

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

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

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

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

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

''(4) BIDDING DOWN.—If the Secretary determines that the environmental values of 2 or more applications for technical assistance, cost-share payments, or incentive payments are comparable, the Secretary shall not assign a higher priority to the application only because it would present the least cost to the program established under this chapter.

''(d) COST-SHARE PAYMENTS.—

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

''(2) EXCEPTIONS.—

''(A) LIMITED RESOURCE AND BEGINNING FARMERS; NATURAL DISASTERS.—The Secretary may increase the maximum Federal share under paragraph (1) to not more than 90 percent if the producer is a limited resource farmer or a beginning farmer or to address a natural disaster, as determined by the Secretary.

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

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

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

''(f) TECHNICAL ASSISTANCE.—

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

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

''(A) the type of expertise required;

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

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

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

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

''(5) NON-FEDERAL ASSISTANCE.—

''(A) IN GENERAL.—The Secretary may request the services of, and enter into a cooperative agreement with, a State water quality agency, State fish and wildlife agency, State forestry agency, or any other governmental or nongovernmental organization or person considered appropriate to assist in providing the technical assistance necessary to develop and implement conservation plans under the program.

''(B) PRIVATE SOURCES.—

''(i) IN GENERAL.—The Secretary shall ensure that the processes of writing and developing proposals and plans for contracts under this chapter, and of assisting in the implementation of practices covered by the contracts, are open to qualified private persons, including—

''(I) agricultural producers;

''(II) representatives from agricultural cooperatives;

''(III) agricultural input retail dealers;

''(IV) certified crop advisers;

''(V) persons providing technical consulting services; and

''(VI) other persons, as determined appropriate by the Secretary.

''(ii) OTHER CONSERVATION PROGRAMS.—The requirements of this subparagraph shall also apply to each other conservation program of the Department of Agriculture.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

''(g) PARTNERSHIPS AND COOPERATION.—

''(1) PURPOSES.—The Secretary may designate special projects, as recommended by the State Conservationist, with advice from the State technical committee, to enhance technical and financial assistance provided to several producers within a specific area to address environmental issues affected by agricultural production with respect to—

''(A) meeting the purposes and requirements of—

''(i) the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) or comparable State laws in impaired or threatened watersheds;

''(ii) the Safe Drinking Water Act (42 U.S.C. 300f et seq.) or comparable State laws in watersheds providing water for drinking water supplies; or

''(iii) the Clean Air Act (42 U.S.C. 7401 et seq.) or comparable State laws; or

''(B) watersheds of special significance or other geographic areas of environmental sensitivity; or

''(C) enhancing the technical capacity of producers to facilitate community-based planning, implementation of special projects, and conservation education involving multiple producers within an area.

''(2) INCENTIVES.—To realize the objectives of the special projects under paragraph (1), the Secretary shall provide incentives to producers participating in the special projects to encourage partnerships and sharing of technical and financial resources among producers and among producers and governmental organizations.

''(3) FUNDING.—

''(A) IN GENERAL.—The Secretary shall make available 5 percent of funds provided for each fiscal year under this chapter to carry out this subsection.

''(B) SPECIAL PROJECTS.—The purposes of the special projects under this subsection shall be to encourage—

''(i) producers to cooperate in the installation and maintenance of conservation systems that affect multiple agricultural operations;

''(ii) sharing of information and technical and financial resources; and

''(iii) cumulative environmental benefits across operations of producers.

''(4) FLEXIBILITY.—

''(A) IN GENERAL.—The Secretary may enter into agreements with States, local governmental and nongovernmental organizations, and persons to allow greater flexibility to adjust the application of eligibility criteria, approved practices, innovative conservation practices, and other elements of the programs described in subparagraph (B) to better reflect unique local circumstances and goals in a manner that is consistent with the purposes of this chapter.

''(B) APPLICABLE PROGRAMS.—Subparagraph (A) shall apply to—

''(i) the environmental quality incentives program established by this chapter;

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

''(iii) the conservation reserve enhancement program described in a notice issued on May 27, 1998 (63 FR 28965) or a successor program; and

''(iv) the wetlands reserve program established under subchapter C of chapter 1.

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

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

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

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

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

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

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

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

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

''(2)(A) address national conservation priorities involving—

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

''(ii) soil erosion;

''(iii) air quality; or

''(iv) assist producers in complying with—

''(I) this title;

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

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

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

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

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

''(C) are provided in special projects under section 1240B(g) with respect to which State or local governments have provided, or will provide, financial or technical assistance to producers for the same conservation or environmental purposes.

''SEC. 1240D. DUTIES OF PRODUCERS.

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

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

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

''(3) on the violation of a term or condition of the contract at any time the producer has control of the land, to refund any cost-share or incentive payment received with interest, and forfeit any future payments under this chapter, as determined by the Secretary;

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

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

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

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

''(a) IN GENERAL.—To be eligible to receive technical assistance, cost-share payments, or incentive payments under the environmental quality incentives program, an owner or producer of a livestock or agricultural operation must submit to the Secretary for approval a plan of operations that incorporates practices covered under this chapter, and is based on such principles, as the Secretary considers necessary to carry out the program, including a description of the practices to be implemented and the objectives to be met by the implementation of the plan.

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

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

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

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

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

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

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

''SEC. 1240G. LIMITATION ON PAYMENTS.

''(a) IN GENERAL.—Subject to subsection (b), the total amount of cost-share and incentive payments paid to a producer under this chapter may not exceed—

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

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

''(b) ATTRIBUTION.—An individual or entity may not receive, directly or indirectly, payments under this chapter that exceed $50,000 for any fiscal year.

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

''SEC. 1240H. CONSERVATION INNOVATION GRANTS.

''(a) IN GENERAL.—From funds made available to carry out this chapter, the Secretary shall use $100,000,000 for each fiscal year to pay the Federal share of competitive grants that are intended to stimulate innovative approaches to leveraging Federal investment in environmental enhancement and protection, in conjunction with agricultural production, through the environmental quality incentives program.

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

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

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

''(A) market systems for pollution reduction; and

''(B) provision of funds to promote adoption of best management practices and the storing of carbon in the soil; and

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

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

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

''SEC. 1240I. WORKING LAND ENVIRONMENTAL IMPROVEMENT OPTION.

''(a) PURPOSES.—The purposes of this section are—

''(1) to provide incentives to producers on agricultural working land to attain increased environmental benefits by implementing a systems approach to the conservation needs on the farm or ranch of the producer;

''(2) to target conservation systems instead of individual conservation practices;

''(3) to emphasize more comprehensive, multiyear agreements that enable a more integrated natural resource plan for the farm or ranch of the producer; and

''(4) to emphasize conservation systems that are based on land management instead of structural practices or land retirement.

''(b) DEFINITION OF CONSERVATION SYSTEM.—In this section, the term 'conservation system' means a set of multiple conservation practices that—

''(1) address 1 or more natural resources on a farm or ranch of a producer;

''(2) requires planning, implementation, management, and maintenance;

''(3) promotes 1 or more conservation purposes identified in the plan developed and approved by the Secretary under section 1240D;

''(4)(A) has not been implemented on the applicable agricultural land of the producer before receipt of a payment under this section; or

''(B) significantly enhances the existing conservation system; and

''(5) involves—

''(A) a basic conservation activity, such as pest management, contour farming, residue management, nutrient management, or similar activities, as determined by the Secretary;

''(B) a land use adjustment or protection activity, such as resource-conserving crop rotation, controlled, rotational grazing, or similar activities, as determined by the Secretary; or

''(C) an activity that fosters the long-term sustainability of all natural resources on the agricultural operation, as determined by the Secretary.

''(c) ESTABLISHMENT.—

''(1) IN GENERAL.—The Secretary shall establish a program that is designed to—

''(A) function as part of the environmental quality incentives program under this chapter; and

''(B) provide an option for producers to receive a bonus payment for engaging in new and more environmentally beneficial conservation practices on agricultural working land.

''(2) CONTRACT.—

''(A) IN GENERAL.—In exchange for a producer entering into a working land environmental improvement option contract, the Secretary shall provide an annual bonus payment, in an amount determined by the Secretary, to the producer in accordance with the contract.

''(B) RELATION TO EQUIP.—A contract under this section may be a component of, or separate from, a contract under section 1240B.

''(C) TERM.—A contract entered into under this section shall have a term of not less than 3, nor more than 10, years.

''(D) LINKAGE.—The Secretary shall not require that any producer enter into a contract under any other program under this chapter to be eligible to receive a bonus payment under a contract entered into under this section.

''(3) CONSERVATION SYSTEM PLAN.—

''(A) IN GENERAL.—A conservation system plan developed under this section that incorporates an integrated approach to conservation of natural resources on the farm or ranch of a producer may be included in a plan developed under section 1240D, under which conservation goals are achieved through individual practices.

''(B) ELIGIBLE SYSTEMS.—A conservation system that is eligible for a bonus payment under this section may be associated with a land management practice, structural practice, or comprehensive nutrient management practice that has been otherwise approved by the Secretary under this chapter.

''(4) IDENTIFICATION OF CONSERVATION SYSTEMS.—The State Conservationist and State Technical Committee for each State shall identify conservation activities that, in combination—

''(A) address the geographical, agronomic, and environmental conditions that are unique to the State or area; and

''(B) qualify as conservation systems under this section.

''(5) BONUS PAYMENTS.—A producer that implements a conservation system shall be eligible to receive an annual bonus payment that is in addition to any incentive payment, cost share payment, or technical assistance available to the producer under this chapter.

''(d) EVALUATION OF CONTRACT OFFERS.—

''(1) EVALUATION FACTORS.—In order to maximize environmental benefits per dollar expended under this section, the Secretary shall establish a list of multiple evaluation factors that are to be used to evaluate and rank the conservation systems proposed by producers.

''(2) REQUIRED PRIORITY FACTORS.—The Secretary shall give priority to offers that—

''(A) demonstrate the prior use of a conservation activity, such as conservation tillage;

''(B) address multiple natural resource conservation goals;

''(C) implement more comprehensive conservation systems; or

''(D) are submitted by a limited resource farmer, beginning farmer, or Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), as determined by the Secretary.

''(3) DISCRETIONARY FACTORS.—Additional evaluation factors may include—

''(A) the number of farms and ranches within the soil and water conservation district in which the agricultural operation of the producer is located;

''(B) with respect to the agricultural operation of the producer—

''(i) soil erosion;

''(ii) the potential for pesticide and nutrient leaching;

''(iii) animal waste generation; and

''(iv) wetland; and

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

''(4) POINTS.—Each evaluation factor shall be accorded a point value as determined by the Secretary.

''(5) OFFERS.—Each offer of a producer to enter into a contract under this section shall be ranked by the Secretary according to the number of points assigned the conservation system proposed in the offer.

''(e) PROCEDURE FOR RANKING AND SELECTING OFFERS.—

''(1) LOCAL ENVIRONMENTAL PROBLEMS AND PRIORITIES.—Each soil and water conservation district, or local working group, as designated by the Secretary, shall—

''(A) identify the environmental problems that exist within the district; and

''(B) determine which conservation systems and practices would best ameliorate the environmental problems of the district; and

''(C) make recommendations to the State conservationist and State technical committee of the respective State concerning the issues described in subparagraphs (A) and (B).

''(2) STATE CONSERVATIONIST.—The State conservationist for each State, in consultation with the State technical committee, shall—

''(A) summarize the information and recommendations provided by each soil and water conservation district of the State; and

''(B) transmit the information and recommendations to the Secretary (including a detailed description of intended priorities for funding within the State).

''(3) STATE FUNDING ALLOCATIONS.—

''(A) IN GENERAL.—The Secretary may use the information and recommendations supplied by each State Conservationist, including natural resource inventories, statistical studies, and reports, to determine funding allocations under this section for each State.

''(B) ELEMENTS OF ALLOCATION DETERMINATIONS.—A funding allocation shall be determined on the basis of—

''(i) the evaluation factors described in subsection (d); and

''(ii) the information and recommendations summarized by State conservationists under paragraph (2)(A).

''(C) NOTIFICATION.—The State conservationist for each State shall be notified of the funding allocation for the State.

''(4) RANKING, SELECTION OF OFFERS, AND AWARD OF BONUS PAYMENTS.—

''(A) RANKING OFFERS.—The State conservationist of the appropriate State, in consultation with the State technical committee and the soil and water conservation district in which the agricultural operation of a producer is located, shall rank each offer according to—

''(i) the criteria established by the Secretary; and

''(ii) the number of points awarded to the offer.

''(B) ACCEPTANCE OF OFFERS.—Based on the ranking of each offer of a producer by the State and the availability of funds for the State, the State conservationist may accept offers of producers that will receive bonus payments.

''(C) DETERMINATION OF BONUS PAYMENTS.—The State conservationist, in consultation with the State technical committee, and in consultation with the soil and water conservation district in which the agricultural operation of a producer is located, shall determine the amount of the bonus payment applicable to the conservation system that the producer offers to implement.

''(D) DETERMINATION OF AMOUNT OF BONUS PAYMENTS.—The amount of an annual bonus payment, to the extent practicable, shall be determined by the State conservationist, in consultation with the State technical committee and the soil and water conservation district in which the agricultural operation of the producer is located, using criteria established under the guidelines described in subparagraph (E).

''(E) GUIDELINES.—The criteria used to determine the amount of a bonus payment may be—

''(i) as objective and transparent as practicable; and

''(ii) based on—

''(I) to the maximum extent practicable, outcome-based factors relating to the natural resource and environmental benefits that result from the adoption, maintenance, and improvement in implementation of the conservation practice carried out by the producer;

''(II) system-based factors, including—

''(aa) the level and extent of conservation systems to be established or maintained;

''(bb) the cost of the adoption, maintenance, and improvement in implementation of the conservation system;

''(cc) the income loss that would be experienced, or economic value that would be forgone, by the producer because of land use adjustments resulting from the adoption, maintenance, and improvement of the conservation system; and

''(dd) the extent to which compensation would ensure maintenance and improvement of the conservation system; and

''(III) such other factors as the Secretary determines to be appropriate to encourage participation under this section.

''(f) LIMITATION ON ASSISTANCE.—The total amount of bonus payments a producer may receive under this section shall not exceed $25,000 for any fiscal year.

''(g) FUNDING.—Of the funds made available to carry out this chapter, the Secretary shall use to carry out this section—

''(1) $100,000,000 for fiscal year 2002;

''(2) $150,000,000 for fiscal year 2003; and

''(3) $200,000,000 for each of fiscal years 2004 and 2005; and

''(4) $300,000,000 for fiscal year 2006.''.

(b) FUNDING.—Section 1241(b) of the Food Security Act of 1985 (16 U.S.C. 3841(b)) is amended—

(1) in paragraph (1), by striking ''$130,000,000'' and all that follows through ''2002,'' and inserting ''$750,000,000 for fiscal year 2002, $1,000,000,000 for fiscal year 2003, $1,350,000,000 for fiscal year 2004, $1,450,000,000 for fiscal year 2005, and $1,650,000,000 for fiscal year 2006''; and

(2) by striking paragraph (2) and inserting the following:

''(2) OBLIGATION OF FUNDS.—

''(A) IN GENERAL.—If a contract under the environmental quality incentives program under chapter 4 of subtitle D is terminated prior to the end of the term of the contract and funds obligated for the contract are remaining, the remaining funds may be used to carry out any other contract under the program during the same fiscal year in which the original contract was terminated.

''(B) ADDITIONAL USES OF FUNDS.—Funding for contracts that terminate under the program administered under subchapter B of chapter 1 may be transferred to, and used to carry out, the program under chapter 4 of subtitle D.''.

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

SEC. 202. CONSERVATION RESERVE PROGRAM.

(a) EXTENSION OF PROGRAM.—

(1) IN GENERAL.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended—

(A) in subsections (a) and (b)(3), by striking ''2002'' each place it appears and inserting ''2006'';

(B) in subsection (d)—

(i) by striking ''2002'' and inserting ''2006''; and

(ii) by striking ''36,400,000'' and inserting ''40,000,000''; and

(C) in subsection (h)(1), by striking ''the 2001 and 2002'' and inserting ''each of the 2001 through 2006''.

(2) DUTIES OF OWNERS AND OPERATORS.—Section 1232(c) of the Food Security Act of 1985 (16 U.S.C. 3832(c)) is amended by striking ''2002'' and inserting ''2006''.

(b) CONSERVATION BUFFERS AND CONSERVATION RESERVE ENHANCEMENT PROGRAM.—Section 1231(b) of the Food Security Act of 1985 (16 U.S.C. 3831(b)) is amended—

(1) in paragraph (4)(D), by striking the period at the end and inserting ''; or''; and

(2) by adding at the end the following:

''(5) land that the Secretary determines is—

''(A) part of a field; and

''(B) no longer feasible to farm as a result of the remainder of the field having been enrolled—

''(i) to establish conservation buffers as part of the program described in a notice issued on March 24, 1998 (63 FR 14109) or a successor program; or

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

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

(1) in paragraph (1), by striking ''shall enter into contracts of not less than 10, nor more than 15, years.'' and inserting the following: ''may enter into contracts—

''(A) for land enrolled in the conservation reserve program that is not covered by a hardwood tree contract, covering not to exceed 3,000,000 acres, for 30 or more years; and

''(B) covering any remaining acreage, with terms of not less than 10, nor more than 15, years.''; and

(2) in paragraph (2)—

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

''(A) IN GENERAL.—In the'';

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

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

(C) by adding at the end the following:

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

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

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

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

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

(d) EXPANSION OF PILOT PROGRAM TO ALL STATES.—Section 1231(h) of the Food Security Act of 1985 (16 U.S.C. 3831(h)) is amended—

(1) in paragraph (1), by striking ''and 2002'' and all that follows through ''South Dakota'' and inserting ''through 2006 calendar years, the Secretary shall carry out a program in each State'';

(2) in paragraph (3)(C), by striking ''—'' and all that follows and inserting ''not more than 150,000 acres in any 1 State.''; and

(3) by striking paragraph (2) and redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively.

(e) HAYING AND GRAZING ON BUFFER STRIPS.—Section 1232(a)(7) of the Food Security Act of 1985 (16 U.S.C. 3832(a)(7)) is amended—

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

(2) in subparagraph (A)—

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

(B) in clause (i), by inserting ''subject to approval by the appropriate State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)),'' before ''harvesting or grazing''; and

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

(3) in subparagraph (B)—

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

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

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

(5) by adding at the end the following:

''(D) for maintenance purposes, the Secretary shall—

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

''(I) to establish conservation buffers as part of the program described in a notice issued on March 24, 1998 (63 FR 14109) or a successor program; and

''(II) into the conservation reserve enhancement program described in a notice issued on May 27, 1998 (63 FR 28965) or a successor program; and

''(ii) notwithstanding the amount of a rental payment limited by section 1234(c)(2) and specified in a contract entered into under this chapter, reduce the amount of the rental payment paid to a producer of land the forage of which is used for commercial purposes under clause (i) by an amount determined by the Secretary to be commensurate with the value of the reduction of benefit gained by enrollment of the land under clause (i).''.

(f) COST SHARE FOR HARDWOOD TREES.—Section 1234(b)(3) of the Food Security Act of 1985 (16 U.S.C. 3834(b)(3)) is amended by striking ''4-year'' and inserting ''5-year''.

(g) BASE HISTORY.—Section 1236 of the Food Security Act of 1985 (16 U.S.C. 3836) is amended by striking subsection (d) and inserting the following:

''(d) REDUCTION OR TERMINATION OF CROPLAND.—

''(1) IN GENERAL.—In addition to any other remedy available under any other law, the Secretary may reduce or terminate the quantity of cropland base and allotment history preserved under subsection (c) for acreage with respect to which a violation of a term or condition of a contract covering that acreage occurs.

''(2) REQUIRED TERMINATION.—The Secretary shall terminate the cropland base and allotment history for all cropland—

''(A) enrolled under this subchapter; and

''(B) used for—

''(i) the planting of hardwood trees under section 1231(e)(2);

''(ii) the pilot program under section 1231(h); or

''(iii) enrollment—

''(I) to establish conservation buffers as part of the program described in a notice issued on March 24, 1998 (63 FR 14109) or a successor program; or

''(II) in the program described in a notice issued on May 27, 1998 (63 FR 28965) or a successor program.''.

(h) FUNDING.—Section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended—

(1) by striking ''1996 through 2002'' and inserting ''2002 through 2006'';

(2) by inserting ''(including the provision of technical assistance)'' before ''authorized by''; and

(3) in paragraph (2), by striking ''subchapter C'' and inserting ''subchapters C and D''.

(i) STUDY ON ECONOMIC EFFECTS.—Not later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the economic effects on rural communities resulting from the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.).

SEC. 203. WETLANDS RESERVE PROGRAM.

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

(b) MAXIMUM ENROLLMENT.—Section 1237(b) of the Food Security Act of 1985 (16 U.S.C. 3837(b)) is amended by striking paragraph (1) and inserting the following:

''(1) MAXIMUM ENROLLMENT.—The total number of acres enrolled in the wetlands reserve program shall not exceed 2,225,000 acres, of which not more than 250,000 acres may be enrolled in any calendar year.''.

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

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

SEC. 204. FARMLAND PROTECTION PROGRAM.

(a) REMOVAL OF ACREAGE LIMITATION; EXPANSION OF PURPOSES.—Subsection (a) of section 388 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3830 note) is amended—

(1) by striking ''not less than 170,000, nor more than 340,000 acres of''; and

(2) by inserting ''(including ranchland), or agricultural land that contains historic or archaeological resources,'' after ''other productive soil''.

(b) ELIGIBLE ENTITIES.—Such section is further amended—

(1) in subsection (a), by striking ''a State or local government'' and inserting ''an eligible entity''; and

(2) by adding at the end the following:

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

''(1) any agency of any State or local government, or federally recognized Indian tribe, including farmland protection boards and land resource councils established under State law; and

''(2) any organization that—

''(A) is organized for, and at all times since the formation of the organization has been operated principally for, one or more of the conservation purposes specified in clause (i), (ii), or (iii) of section 170(h)(4)(A) of the Internal Revenue Code of 1986;

''(B) is an organization described in section 501(c)(3) of that Code that is exempt from taxation under section 501(a) of that Code;

''(C) is described in section 509(a)(2) of that Code; or

''(D) is described in section 509(a)(3) of that Code and is controlled by an organization described in section 509(a)(2) of that Code.

''(e) CONSERVATION PLAN.—Any highly erodible cropland for which a conservation easement or other interest is purchased under this subchapter shall be subject to the requirements of a conservation plan that requires, at the option of the Secretary, the conservion of the cropland to less intensive uses.

''(f) FUNDING.—

''(1) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to provide technical assistance and purchase conservation easements under this section—

''(A) $65,000,000 for fiscal year 2002;

''(B) $90,000,000 for each of fiscal years 2003 through 2005; and

''(C) $100,000,000 for fiscal year 2006.

''(2) COST SHARING.—

''(A) FEDERAL SHARE.—The Federal share of the cost of purchasing a conservation easement or other interest described in subsection (b) shall not exceed 50 percent.

''(B) NON-FEDERAL SHARE.—The non-Federal share of the cost of any project relating to the purchase of a conservation easement under this section may be made in the form of donations from any non-Federal source (including donations of conservation easements in a project area) that materially advance the goals of the project, as determined by the Secretary.''.

SEC. 205. WILDLIFE HABITAT INCENTIVE PROGRAM.

Section 387 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3836a) is amended by striking subsection (c) and inserting the following:

''(c) FUNDING.—Of the funds made available to carry out 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.), the Secretary of Agriculture shall use to carry out this section—

''(1) $50,000,000 for fiscal year 2002;

''(2) $60,000,000 for fiscal year 2003;

''(3) $65,000,000 for fiscal year 2004;

''(4) $75,000,000 for fiscal year 2005; and

''(5) $100,000,000 for fiscal year 2006.''.

SEC. 206. GRASSLAND RESERVE PROGRAM.

Chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.) is amended by adding at the end the following:

''Subchapter D—Grassland Reserve Program

''SEC. 1238. GRASSLAND RESERVE PROGRAM.

''(a) ESTABLISHMENT.—The Secretary, acting through the Natural Resource Conservation Service, shall establish a grassland reserve program (referred to in this subchapter as 'the program') to assist owners in restoring and protecting eligible land described in subsection (c).

''(b) ENROLLMENT CONDITIONS.—

''(1) IN GENERAL.—The Secretary shall enroll in the program, from willing owners, not less than—

''(A) 100 contiguous acres of land west of the 90th meridian; or

''(B) 50 contiguous acres of land east of the 90th meridian.

''(2) MAXIMUM ENROLLMENT.—The total number of acres enrolled in the program shall not exceed 2,000,000 acres.

''(3) METHODS OF ENROLLMENT.—The Secretary shall enroll land in the program through—

''(A) permanent easements or 30-year easements;

''(B) in a State that imposes a maximum duration for such an easement, an easement for the maximum duration allowed under State law; or

''(C) a 30-year rental agreement.

''(c) ELIGIBLE LAND.—Land shall be eligible to be enrolled in the program if the Secretary determines that the land is—

''(1) natural grassland or shrubland;

''(2) land that—

''(A) is located in an area that has been historically dominated by natural grassland or shrubland; and

''(B) has potential to serve as habitat for animal or plant populations of significant ecological value if the land is restored to natural grassland or shrubland; or

''(3) land that is incidental to land described in paragraph (1) or (2), if the incidental land is determined by the Secretary to be necessary for the efficient administration of the easement.

''SEC. 1238A. EASEMENTS AND AGREEMENTS.

''(a) IN GENERAL.—To be eligible to enroll land in the program, the owner of the land shall enter into an agreement with the Secretary—

''(1) to grant an easement that runs with the land to the Secretary;

''(2) to create and record an appropriate deed restriction in accordance with applicable State law to reflect the easement;

''(3) to provide a written statement of consent to the easement signed by persons holding a security interest or any vested interest in the land;

''(4) to provide proof of unencumbered title to the underlying fee interest in the land that is the subject of the easement; and

''(5) to comply with the terms of the easement and restoration agreement.

''(b) TERMS OF EASEMENT.—An easement under subsection (a) shall—

''(1) permit—

''(A) grazing on the land in a manner that is consistent with maintaining the viability of natural grass and shrub species indigenous to that locality;

''(B) haying (including haying for seed production) or mowing, except during the nesting season for birds in the area that are in significant decline, as determined by the Natural Resources Conservation Service State conservationist, or are protected Federal or State law; and

''(C) fire rehabilitation, construction of fire breaks, and fences (including placement of the posts necessary for fences);

''(2) prohibit—

''(A) the production of row crops, fruit trees, vineyards, or any other agricultural commodity that requires breaking the soil surface; and

''(B) except as permitted under paragraph (1)(C), the conduct of any other activities that would disturb the surface of the land covered by the easement, including—

''(i) plowing; and

''(ii) disking; and

''(3) include such additional provisions as the Secretary determines are appropriate to carry out this subchapter or to facilitate the administration of this subchapter.

''(c) EVALUATION AND RANKING OF EASEMENT APPLICATIONS.—

''(1) IN GENERAL.—The Secretary, in conjunction with State technical committees, shall establish criteria to evaluate and rank applications for easements under this subchapter.

''(2) CRITERIA.—In establishing the criteria, the Secretary shall emphasize support for

grazing operations, plant and animal biodiversity, and grassland and shrubland under the greatest threat of conversion.

''(d) RESTORATION AGREEMENTS.—

''(1) IN GENERAL.—The Secretary shall prescribe the terms by which grassland and shrubland subject to an easement under an agreement entered into under the program shall be restored.

''(2) REQUIREMENTS.—The restoration agreement shall describe the respective duties of the owner and the Secretary (including paying the Federal share of the cost of restoration and the provision of technical assistance).

''(e) VIOLATIONS.—

''(1) IN GENERAL.—On the violation of the terms or conditions of an easement or restoration agreement entered into under this section—

''(A) the easement shall remain in force; and

''(B) the Secretary may require the owner to refund all or part of any payments received by the owner under this subchapter, with interest on the payments as determined appropriate by the Secretary.

''(2) PERIODIC INSPECTIONS.—

''(A) IN GENERAL.—After providing notice to the owner, the Secretary shall conduct periodic inspections of land subject to easements under this subchapter to ensure that the terms of the easement and restoration agreement are being met.

''(B) LIMITATION.—The Secretary may not prohibit the owner, or a representative of the owner, from being present during a periodic inspection.

''SEC. 1238B. DUTIES OF SECRETARY.

''(a) IN GENERAL.—In return for the granting of an easement by an owner under this subchapter, the Secretary shall, in accordance with this section—

''(1) make easement payments;

''(2) pay the Federal share of the cost of restoration; and

''(3) provide technical assistance to the owner.

''(b) PAYMENT SCHEDULE.—

''(1) EASEMENT PAYMENTS.—

''(A) AMOUNT.—In return for the granting of an easement by an owner under this subchapter, the Secretary shall make easement payments to the owner in an amount equal to—

''(i) in the case of a permanent easement, the fair market value of the land less the grazing value of the land encumbered by the easement; and

''(ii) in the case of a 30-year easement or an easement for the maximum duration allowed under applicable State law, 30 percent of the fair market value of the land less the grazing value of the land for the period during which the land is encumbered by the easement.

''(B) SCHEDULE.—Easement payments may be provided in not less than 1 payment nor more than 10 annual payments of equal or unequal amount, as agreed to by the Secretary and the owner.

''(2) RENTAL AGREEMENT PAYMENTS.—

''(A) AMOUNT.—If an owner enters into a 30-year rental agreement authorized under section 1238(b)(3)(C), the Secretary shall make 30 annual rental payments to the owner in an amount that equals, to the maximum extent practicable, the 30-year easement payment amount under paragraph (1)(A)(ii).

''(B) ASSESSMENT.—Not less than once every 5 years throughout the 30-year rental period, the Secretary shall assess whether the value of the rental payments under subparagraph (A) equals, to the maximum extent practicable, the 30-year easement payments as of the date of the assessment.

''(C) ADJUSTMENT.—If on completion of the assessment under subparagraph (B), the Secretary determines that the rental payments do not equal, to the maximum extent practicable, the value of payments under a 30-year easement, the Secretary shall adjust the amount of the remaining payments to equal, to the maximum extent practicable, the value of a 30-year easement over the entire 30-year rental period.

''(c) FEDERAL SHARE OF COST OF RESTORATION.—The Secretary shall make payments to the owner of not more than 75 percent of the cost of carrying out measures and practices necessary to restore grassland and shrubland functions and values.

''(d) TECHNICAL ASSISTANCE.—

''(1) IN GENERAL.—The Secretary shall provide owners with technical assistance to execute easement documents and restore the grassland and shrubland.

''(2) REIMBURSEMENT BY COMMODITY CREDIT CORPORATION.—The Commodity Credit Corporation shall reimburse the Secretary, acting through the Natural Resources Conservation Service, for not more than 10 percent of the cost of acquisition of the easement and the Federal share of the cost of restoration obligated for that fiscal year.

''(e) PAYMENTS TO OTHERS.—If an owner that is entitled to a payment under this subchapter dies, becomes incompetent, is otherwise unable to receive the payment, or is succeeded by another person who renders or completes the required performance, the Secretary shall make the payment, in accordance with regulations promulgated by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable in light of all the circumstances.

''(f) OTHER PAYMENTS.—Easement payments received by an owner under this subchapter shall be in addition to, and not affect, the total amount of payments that the owner is otherwise eligible to receive under other Federal laws.

''SEC. 1238C. ADMINISTRATION.

''(a) DELEGATION TO PRIVATE ORGANIZATIONS.—

''(1) IN GENERAL.—The Secretary shall permit a private conservation or land trust organization or a State agency to hold and enforce an easement under this subchapter, in lieu of the Secretary, if—

''(A) the Secretary determines that granting such permission is likely to promote grassland and shrubland protection; and

''(B) the owner authorizes the private conservation or land trust or a State agency to hold and enforce the easement.

''(2) APPLICATION.—An organization that desires to hold an easement under this subchapter shall apply to the Secretary for approval.

''(3) APPROVAL BY SECRETARY.—The Secretary shall approve an organization under this subchapter that is constituted for conservation or ranching purposes and is competent to administer grassland and shrubland easements.

''(4) REASSIGNMENT.—If an organization holding an easement on land under this subchapter terminates—

''(A) the owner of the land shall reassign the easement to another organization described in paragraph (1) or to the Secretary; and

''(B) the owner and the new organization shall notify the Secretary in writing that a reassignment for termination has been made.

''(b) REGULATIONS.—Not later than 180 days after the date of enactment of this subchapter, the Secretary shall issue such regulations as are necessary to carry out this subchapter.''.

SEC. 207. RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.

Subtitle H of title XV of the Agriculture and Food Act of 1981 (16 U.S.C. 3451 et seq.) is amended to read as follows:

''Subtitle H—Resource Conservation and Development Program

''SEC. 1528. DEFINITIONS.

''In this subtitle:

''(1) AREA PLAN.—The term 'area plan' means a resource conservation and use plan that is developed by a council for a designated area of a State or States through a planning process and that includes 1 or more of the following elements:

''(A) A land conservation element, the purpose of which is to control erosion and sedimentation.

''(B) A water management element that provides 1 or more clear environmental or conservation benefits, the purpose of which is to provide for—

''(i) the conservation, use, and quality of water, including irrigation and rural water supplies;

''(ii) the mitigation of floods and high water tables;

''(iii) the repair and improvement of reservoirs;

''(iv) the improvement of agricultural water management; and

''(v) the improvement of water quality.

''(C) A community development element, the purpose of which is to improve—

''(i) the development of resources-based industries;

''(ii) the protection of rural industries from natural resource hazards;

''(iii) the development of adequate rural water and waste disposal systems;

''(iv) the improvement of recreation facilities;

''(v) the improvement in the quality of rural housing;

''(vi) the provision of adequate health and education facilities;

''(vii) the satisfaction of essential transportation and communication needs; and

''(viii) the promotion of food security, economic development, and education.

''(D) A land management element, the purpose of which is—

''(i) energy conservation;

''(ii) the protection of agricultural land, as appropriate, from conversion to other uses;

''(iii) farmland protection; and

''(iv) the protection of fish and wildlife habitats.

''(2) BOARD.—The term 'Board' means the Resource Conservation and Development Policy Advisory Board established under section 1533(a).

''(3) COUNCIL.—The term 'council' means a nonprofit entity (including an affiliate of the entity) operating in a State that is—

''(A) established by volunteers or representatives of States, local units of government, Indian tribes, or local nonprofit organizations to carry out an area plan in a designated area; and

''(B) designated by the chief executive officer or legislature of the State to receive technical assistance and financial assistance under this subtitle.

''(4) DESIGNATED AREA.—The term 'designated area' means a geographic area designated by the Secretary to receive technical assistance and financial assistance under this subtitle.

''(5) FINANCIAL ASSISTANCE.—The term 'financial assistance' means a grant or loan provided by the Secretary (or the Secretary

and other Federal agencies) to, or a cooperative agreement entered into by the Secretary (or the Secretary and other Federal agencies) with, a council, or association of councils, to carry out an area plan in a designated area, including assistance provided for planning, analysis, feasibility studies, training, education, and other activities necessary to carry out the area plan.

''(6) INDIAN TRIBE.—The term 'Indian tribe' has the meaning given the term by section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

''(7) LOCAL UNIT OF GOVERNMENT.—The term 'local unit of government' means—

''(A) any county, city, town, township, parish, village, or other general-purpose subdivision of a State; and

''(B) any local or regional special district or other limited political subdivision of a State, including any soil conservation district, school district, park authority, and water or sanitary district.

''(8) NONPROFIT ORGANIZATION.—The term 'nonprofit organization' means any organization that is—

''(A) described in section 501(c) of the Internal Revenue Code of 1986; and

''(B) exempt from taxation under section 501(a) of the Internal Revenue Code of 1986.

''(9) PLANNING PROCESS.—The term 'planning process' means actions taken by a council to develop and carry out an effective area plan in a designated area, including development of the area plan, goals, purposes, policies, implementation activities, evaluations and reviews, and the opportunity for public participation in the actions.

''(10) PROJECT.—The term 'project' means a project that is carried out by a council to achieve any of the elements of an area plan.

''(11) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

''(12) STATE.—The term 'State' means—

''(A) any State;

''(B) the District of Columbia; or

''(C) any territory or possession of the United States.

''(13) TECHNICAL ASSISTANCE.—The term 'technical assistance' means any service provided by the Secretary or agent of the Secretary, including—

''(A) inventorying, evaluating, planning, designing, supervising, laying out, and inspecting projects;

''(B) providing maps, reports, and other documents associated with the services provided;

''(C) providing assistance for the long-term implementation of area plans; and

''(D) providing services of an agency of the Department of Agriculture to assist councils in developing and carrying out area plans.

''SEC. 1529. RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.

''The Secretary shall establish a resource conservation and development program under which the Secretary shall provide technical assistance and financial assistance to councils to develop and carry out area plans and projects in designated areas—

''(1) to conserve and improve the use of land, develop natural resources, and improve and enhance the social, economic, and environmental conditions in primarily rural areas of the United States; and

''(2) to encourage and improve the capability of State, units of government, Indian tribes, nonprofit organizations, and councils to carry out the purposes described in paragraph (1).

''SEC. 1530. SELECTION OF DESIGNATED AREAS.

''The Secretary shall select designated areas for assistance under this subtitle on the basis of the elements of area plans.

''SEC. 1531. POWERS OF THE SECRETARY.

''In carrying out this subtitle, the Secretary may—

''(1) provide technical assistance to any council to assist in developing and implementing an area plan for a designated area;

''(2) cooperate with other departments and agencies of the Federal Government, States, local units of government, local Indian tribes, and local nonprofit organizations in conducting surveys and inventories, disseminating information, and developing area plans;

''(3) assist in carrying out an area plan approved by the Secretary for any designated area by providing technical assistance and financial assistance to any council; and

''(4) enter into agreements with councils in accordance with section 1532.

''SEC. 1532. ELIGIBILITY; TERMS AND CONDITIONS.

''(a) ELIGIBILITY.—Technical assistance and financial assistance may be provided by the Secretary under this subtitle to any council to assist in carrying out a project specified in an area plan approved by the Secretary only if—

''(1) the council agrees in writing—

''(A) to carry out the project; and

''(B) to finance or arrange for financing of any portion of the cost of carrying out the project for which financial assistance is not provided by the Secretary under this subtitle;

''(2) the project is included in an area plan and is approved by the council;

''(3) the Secretary determines that assistance is necessary to carry out the area plan;

''(4) the project provided for in the area plan is consistent with any comprehensive plan for the area;

''(5) the cost of the land or an interest in the land acquired or to be acquired under the plan by any State, local unit of government, Indian tribe, or local nonprofit organization is borne by the State, local unit of government, Indian tribe, or local nonprofit organization, respectively; and

''(6) the State, local unit of government, Indian tribe, or local nonprofit organization participating in the area plan agrees to maintain and operate the project.

''(b) LOANS.—

''(1) IN GENERAL.—Subject to paragraphs (2) and (3), a loan made under this subtitle shall be made on such terms and conditions as the Secretary may prescribe.

''(2) TERM.—A loan for a project made under this subtitle shall have a term of not more than 30 years after the date of completion of the project.

''(3) INTEREST RATE.—A loan made under this subtitle shall bear interest at the average rate of interest paid by the United States on obligations of a comparable term, as determined by the Secretary of the Treasury.

''(c) APPROVAL BY SECRETARY.—Technical assistance and financial assistance under this subtitle may not be made available to a council to carry out an area plan unless the area plan has been submitted to and approved by the Secretary.

''(d) WITHDRAWAL.—The Secretary may withdraw technical assistance and financial assistance with respect to any area plan if the Secretary determines that the assistance is no longer necessary or that sufficient progress has not been made toward developing or implementing the elements of the area plan.

''(e) USE OF OTHER ENTITIES AND PERSONS.—A council may use another person or entity to assist in developing and implementing an area plan and otherwise carrying out this subtitle.

''SEC. 1533. RESOURCE CONSERVATION AND DEVELOPMENT POLICY ADVISORY BOARD.

''(a) ESTABLISHMENT.—The Secretary shall establish within the Department of Agriculture a Resource Conservation and Development Policy Advisory Board.

''(b) COMPOSITION.—

''(1) IN GENERAL.—The Board shall be composed of at least 7 employees of the Department of Agriculture selected by the Secretary.

''(2) CHAIRPERSON.—A member of the Board shall be designated by the Secretary to serve as chairperson of the Board.

''(c) DUTIES.—The Board shall advise the Secretary regarding the administration of this subtitle, including the formulation of policies for carrying out this subtitle.

''SEC. 1534. EVALUATION OF PROGRAM.

''(a) IN GENERAL.—The Secretary, in consultation with councils, shall evaluate the program established under this subtitle to determine whether the program is effectively meeting the needs of, and the purposes identified by, States, units of government, Indian tribes, nonprofit organizations, and councils participating in, or served by, the program.

''(b) REPORT.—Not later than June 30, 2005, 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 results of the evaluation, together with any recommendations of the Secretary for continuing, terminating, or modifying the program.

''SEC. 1535. LIMITATION ON ASSISTANCE.

''In carrying out this subtitle, the Secretary shall provide technical assistance and financial assistance with respect to not more than 450 active designated areas.

''SEC. 1536. SUPPLEMENTAL AUTHORITY OF THE SECRETARY.

''The authority of the Secretary under this subtitle to assist councils in the development and implementation of area plans shall be supplemental to, and not in lieu of, any authority of the Secretary under any other provision of law.

''SEC. 1537. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—There are authorized to be such sums as are necessary to carry out this subtitle.

''(b) LOANS.—The Secretary shall not use more than $15,000,000 of any funds made available for a fiscal year to make loans under this subtitle.

''(c) AVAILABILITY.—Funds appropriated to carry out this subtitle shall remain available until expended.''.

SEC. 208. CONSERVATION OF PRIVATE GRAZING LAND.

(a) IN GENERAL.—Section 386 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 2005b) is amended by striking subsection (f) and inserting the following:

''(f) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section $40,000,000 for each of fiscal years 2002 through 2006.''.

(b) CONFORMING AMENDMENT.—Section 386(d)(2) of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 2005b(d)(2)) is amended by striking ''ELEMENTS.—'' and all that follows through ''EDUCATION.—Personnel'' and inserting ''ELEMENTS.—Personnel''.

SEC. 209. OTHER CONSERVATION PROGRAMS.

Chapter 5 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839bb et seq.) is amended to read as follows:

"CHAPTER 5—OTHER CONSERVATION PROGRAMS

"SEC. 1240M. WATERSHED RISK REDUCTION.

''(a) IN GENERAL.—The Secretary, acting through the Natural Resources Conservation Service (referred to in this section as the 'Secretary'), in cooperation with landowners and land users, may carry out such projects and activities (including the purchase of floodplain easements for runoff retardation and soil erosion prevention) as the Secretary determines to be necessary to safeguard lives and property from floods, drought, and the products of erosion on any watershed in any case in which fire, flood, or any other natural occurrence is causing or has caused a sudden impairment of that watershed.

''(b) PRIORITY.—In carrying out this section, the Secretary shall give priority to any project or activity described in subsection (a) that is carried out on a floodplain adjacent to a major river, as determined by the Secretary.

''(c) PROHIBITION ON DUPLICATIVE FUNDS.—No project or activity under subsection (a) that is carried out using funds made available under this section may be carried out using funds made available under any Federal disaster relief program relating to floods.

''(d) FUNDING.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 2002 through 2006.''.

Subtitle B—Miscellaneous Reforms and Extensions

SEC. 211. PRIVACY OF PERSONAL INFORMATION RELATING TO NATURAL RESOURCES CONSERVATION PROGRAMS.

Subtitle E of title XII of the Food Security Act of 1985 (16 U.S.C. 3841 et seq.) is amended—

(1) by redesignating sections 1244 and 1245 (16 U.S.C. 3844, 3845) as sections 1246 and 1247, respectively; and

(2) by inserting after section 1243 (16 U.S.C. 3843) the following:

"SEC. 1244. PRIVACY OF PERSONAL INFORMATION RELATING TO NATURAL RESOURCES CONSERVATION PROGRAMS.

''(a) INFORMATION RECEIVED FOR TECHNICAL AND FINANCIAL ASSISTANCE.—

''(1) IN GENERAL.—In accordance with section 552(b)(3) of title 5, United States Code, except as provided in subsection (c), information described in paragraph (2)—

''(A) shall not be considered to be public information; and

''(B) shall not be released to any person or Federal, State, local, or tribal agency outside the Department of Agriculture.

''(2) INFORMATION.—The information referred to in paragraph (1) is information—

''(A) provided to, or developed by, the Secretary (including a contractor of the Secretary) for the purpose of providing technical or financial assistance to an owner or producer with respect to any natural resources conservation program administered by the Natural Resources Conservation Service or the Farm Service Agency; and

''(B) that is proprietary to the agricultural operation or land that is a part of an agricultural operation of the owner or producer.

''(b) INVENTORY, MONITORING, AND SITE SPECIFIC INFORMATION.—Except as provided in subsection (c) and notwithstanding any other provision of law, in order to maintain the personal privacy, confidentiality, and cooperation of owners and producers, and to maintain the integrity of sample sites, the specific geographic locations of the National Resources Inventory of the Department of Agriculture data gathering sites and the information generated by those sites—

''(1) shall not be considered to be public information; and

''(2) shall not be released to any person or Federal, State, local, or tribal agency outside the Department of Agriculture.

''(c) EXCEPTIONS.—

''(1) RELEASE AND DISCLOSURE FOR ENFORCEMENT.—The Secretary may release or disclose to the Attorney General information covered by subsection (a) or (b) to the extent necessary to enforce the natural resources conservation programs referred to in subsection (a).

''(2) DISCLOSURE TO COOPERATING PERSONS AND AGENCIES.—

''(A) IN GENERAL.—The Secretary may release or disclose information covered by subsection (a) or (b) to a person or Federal, State, local, or tribal agency working in cooperation with the Secretary in providing technical and financial assistance described in subsection (a) or collecting information from National Resources Inventory data gathering sites.

''(B) USE OF INFORMATION.—The person or Federal, State, local, or tribal agency that receives information described in subparagraph (A) may release the information only for the purpose of assisting the Secretary—

''(i) in providing the requested technical or financial assistance; or

''(ii) in collecting information from National Resources Inventory data gathering sites.

''(3) STATISTICAL AND AGGREGATE INFORMATION.—Information covered by subsection (a) or (b) may be disclosed to the public if the information has been transformed into a statistical or aggregate form that does not allow the identification of any individual owner, producer, or specific data gathering site.

''(4) CONSENT OF OWNER OR PRODUCER.—

''(A) IN GENERAL.—An owner or producer may consent to the disclosure of information described in subsection (a) or (b).

''(B) CONDITION OF OTHER PROGRAMS.—The participation of the owner or producer in, and the receipt of any benefit by the owner or producer under, this title or any other program administered by the Secretary may not be conditioned on the owner or operator providing consent under this paragraph.

''(d) VIOLATIONS; PENALTIES.—Section 1770(c) shall apply with respect to the release of information collected in any manner or for any purpose prohibited by this section.''.

SEC. 212. ADMINISTRATIVE REQUIREMENTS FOR CONSERVATION PROGRAMS.

Subtitle E of title XII of the Food Security Act of 1985 (16 U.S.C. 3841 et seq.) (as redesignated and amended by section 211) is amended by inserting after section 1244 the following:

"SEC. 1245. ADMINISTRATIVE REQUIREMENTS FOR CONSERVATION PROGRAMS.

''(a) GOOD FAITH RELIANCE.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, except as provided in paragraph (4), the Secretary shall provide equitable relief to an owner or operator that has entered into a contract under a conservation program administered by the Secretary, and that is subsequently determined to be in violation of the contract, if the owner or operator in attempting to comply with the terms of the contract and enrollment requirements—

''(A) took actions in good faith reliance on the action or advice of an employee of the Secretary; and

''(B) had no knowledge that the actions taken were in violation of the contract.

''(2) TYPES OF RELIEF.—The Secretary shall—

''(A) to the extent the Secretary determines that an owner or operator has been injured by good faith reliance described in paragraph (1), allow the owner or operator—

''(i) to retain payments received under the contract;

''(ii) to continue to receive payments under the contract;

''(iii) to keep all or part of the land covered by the contract enrolled in the applicable program under this chapter;

''(iv) to reenroll all or part of the land covered by the contract in the applicable program under this chapter; or

''(v) to receive any other equitable relief the Secretary considers appropriate; and

''(B) require the owner or operator to take such actions as are necessary to remedy any failure to comply with the contract.

''(3) RELATIONSHIP TO OTHER LAW.—The authority to provide relief under this subsection shall be in addition to any other authority provided in this or any other Act.

''(4) EXCEPTIONS.—This section shall not apply to—

''(A) any pattern of conduct in which an employee of the Secretary takes actions or provides advice with respect to an owner or operator that the employee and the owner or operator know are inconsistent with applicable law (including regulations); or

''(B) an owner or operator takes any action, independent of any advice or authorization provided by an employee of the Secretary, that the owner or operator knows or should have known to be inconsistent with applicable law (including regulations).

''(5) APPLICABILITY OF RELIEF.—Relief under this section shall be available for contracts in effect on the date of enactment of this section.

''(b) EDUCATION, OUTREACH, MONITORING, AND EVALUATION.—In carrying out any conservation program administered by the Secretary, the Secretary—

''(1) shall provide education, outreach, monitoring, evaluation, and related services to agricultural producers (including owners and operators of small and medium-sized farms, socially disadvantaged agricultural producers, and limited resource agricultural producers);

''(2) may enter into contracts with private nonprofit, community-based organizations and educational institutions with demonstrated experience in providing the services described in paragraph (1), to provide those services; and

''(3) shall use such sums as are necessary from funds of the Commodity Credit Corporation to carry out activities described in paragraphs (1) and (2).

''(c) SOCIALLY DISADVANTAGED AND LIMITED RESOURCE OWNERS AND OPERATORS.—The Secretary shall provide outreach, training, and technical assistance specifically to encourage and assist socially disadvantaged and limited resource owners and operators to participate in conservation programs administered by the Secretary.

''(d) PROGRAM EVALUATION.—The Secretary shall maintain data concerning conservation security plans, conservation practices planned or implemented, environmental outcomes, economic costs, and related matters under conservation programs administered by the Secretary.

''(e) MEDIATION AND INFORMAL HEARINGS.—If the Secretary makes a decision under a conservation program administered by the Secretary that is adverse to an owner or operator, at the request of the owner or operator, the Secretary shall provide the owner

or operator with mediation services or an informal hearing on the decision.

''(f) REPORTS.—Not later than 18 months after the date of enactment of this subsection and at the end of each 2-year period thereafter, the Secretary shall submit to Congress a report evaluating the results of each conservation program administered by the Secretary, including—

''(1) an evaluation of the scope, quality, and outcomes of the conservation practices carried out under the program; and

''(2) recommendations for achieving specific and quantifiable improvements for the purposes of each of the programs.

''(g) INDIAN TRIBES.—In carrying out any conservation program administered by the Secretary on land under the jurisdiction of an Indian tribe, the Secretary shall cooperate with the tribal government of the Indian tribe to ensure, to the maximum extent practicable, that the program is administered in a fair and equitable manner.

''(h) BEGINNING FARMERS AND RANCHERS AND INDIAN TRIBES.—In carrying out any conservation program administered by the Secretary, the Secretary may provide to beginning farmers and ranchers (as identified by the Secretary) and Indian tribes, incentives to participate in the conservation program to—

''(1) foster new farming opportunities; and

''(2) enhance environmental stewardship over the long term.''.

SEC. 213. REFORM AND ASSESSMENT OF CONSERVATION PROGRAMS.

(a) IN GENERAL.—The Secretary of Agriculture shall develop a plan for—

(1) coordinating conservation programs administered by the Secretary that are targeted at agricultural land to—

(A) eliminate redundancy; and

(B) improve delivery; and

(2) to the maximum extent practicable—

(A) designing forms that are applicable to all such conservation programs;

(B) reducing and consolidating paperwork requirements for such programs;

(C) developing universal classification systems for all information obtained on the forms that can be used by other agencies of the Department of Agriculture;

(D) ensuring that the information and classification systems developed under this paragraph can be shared with other agencies of the Department through computer technologies used by agencies; and

(E) developing 1 format for a conservation plan that can be applied to all conservation programs targeted at agricultural land.

(b) REPORT.—Not later than 180 days after the date of enactment of this Act, the Secretary shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the plan developed under subsection (a), including any recommendations for implementation of the plan.

(c) NATIONAL CONSERVATION PLAN.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate a plan and estimated budget for implementing the appraisal of the soil, water, air, and related resources of the Nation contained in the National Conservation Program under section 5 of the Soil and Water Resources Conservation Act of 1977 (16 U.S.C. 2004) as the primary vehicle for managing conservation on agricultural land in the United States.

(2) REPORT ON IMPLEMENTATION.—Not later than April 30, 2005, the Secretary shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the status of the implementation of the plan described in paragraph (1).

SEC. 214. CERTIFICATION OF PRIVATE PROVIDERS OF TECHNICAL ASSISTANCE.

The Soil Conservation and Domestic Allotment Act is amended by inserting after section 15 (16 U.S.C. 590o) the following:

''SEC. 16. CERTIFICATION OF PRIVATE PROVIDERS OF TECHNICAL ASSISTANCE.

''(a) IN GENERAL.—The Secretary shall, to the maximum extent practicable, subject to subsections (b), (c), and (d), establish a more effective and more broadly functioning system for the delivery of technical assistance in support of the conservation programs administered by the Secretary by—

''(1) integrating the use of third party technical assistance providers (including farmers and ranchers) into the technical assistance delivery system; and

''(2) using, to the maximum extent practicable, private, third party providers.

''(b) PURPOSE.—To achieve the timely completion of conservation plans and other technical assistance functions, third party providers described in subsection (a)(1) shall be used to—

''(1) prepare conservation plans, including agronomically sound nutrient management plans;

''(2) design, install and certify conservation practices;

''(3) train producers; and

''(4) carry out such other activities as the Secretary determines to be appropriate.

''(c) OUTSIDE ASSISTANCE.—

''(1) IN GENERAL.—The Secretary may contract directly with qualified persons not employed by the Department to provide conservation technical assistance.

''(2) PAYMENT BY SECRETARY.—

''(A) IN GENERAL.—The Secretary shall provide a payment or voucher to an owner or operator enrolled in a conservation program administered by the Secretary if the owner or operator elects to obtain technical assistance from a person certified to provide technical assistance under this section.

''(B) DETERMINATION.—In determining whether to provide a payment or voucher under subparagraph (A), the Secretary shall seek to maximize the assistance received from qualified private, third party providers to most expeditiously and efficiently achieve the objectives of this title.

''(d) CERTIFICATION OF PUBLIC AND PRIVATE PROVIDERS OF TECHNICAL ASSISTANCE.—

''(1) ESTABLISHMENT OF PROCEDURES.—The Secretary shall establish procedures for ensuring that only persons with the training, experience, and capability to provide professional, high quality assistance are certified by the Secretary to provide, to agricultural producers and landowners participating, or seeking to participate, in a conservation program administered by the Secretary, technical assistance in planning, designing, or certifying any aspect of a particular project under the conservation program.

''(2) PUBLIC AND PRIVATE PROVIDERS.—Certified technical assistance providers shall include—

''(A) agricultural producers;

''(B) agribusiness representatives;

''(C) representatives from agricultural cooperatives;

''(D) agricultural input retail dealers;

''(E) certified crop advisers;

''(F) employees of the Department; or

''(G) any group recognized by a Memorandum of Understanding with the Department relating to certification.

''(3) EQUIVALENCE.—The Secretary shall ensure that any certification program of the Department for public and private technical service providers shall meet or exceed the testing and continuing education standards of the Certified Crop Adviser program.

''(4) STANDARDS.—The Secretary shall establish standards for the conduct of—

''(A) the certification process conducted by the Secretary; and

''(B) periodic recertification by the Secretary of providers.

''(5) CERTIFICATION REQUIRED.—A provider may not provide to any producer technical assistance described in paragraph (2) unless the provider is certified by the Secretary.

''(6) NONDUPLICATION OF PREVIOUS CERTIFICATION.—The Secretary shall consider, as certified, a provider that has skills and qualifications in a particular area of technical expertise if the skills and qualifications of the provider have been certified by another entity the certification program of which meets nationally recognized and accepted standards for training, testing and otherwise establishing professional qualifications (including the Certified Crop Adviser program).

''(7) FEE.—

''(A) PAYMENT.—

''(i) IN GENERAL.—Except as provided in clause (ii), in exchange for certification or recertification, a private provider shall pay to the Secretary a fee in an amount determined by the Secretary.

''(ii) PRIOR CERTIFICATION.—The Secretary shall not require a provider to pay a fee under clause (i) for the certification of skills and qualifications that have already been certified by another entity under this section.

''(B) ACCOUNT.—A fee paid to the Secretary under subparagraph (A) shall be—

''(i) credited to the account in the Treasury that incurs costs relating to implementing this section; and

''(ii) made available to the Secretary for use for conservation programs administered by the Secretary, without further appropriation, until expended.

''(8) NATIONAL TRAINING CENTERS.—

''(A) IN GENERAL.—The Secretary, acting in equal parthership with the Certified Crop Adviser program, shall establish training centers to facilitate the training and certification of technical assistance providers under this section.

''(B) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this paragraph.

''(9) OTHER REQUIREMENTS.—The Secretary may establish such other requirements as the Secretary determines are necessary to carry out this section.

''(10) REGULATIONS.—Not later than 180 days after the date of enactment of this subchapter, the Secretary shall promulgate regulations to carry out this section.''.

SEC. 215. EXTENSION OF CONSERVATION AUTHORITIES.

(a) ECARP AUTHORITY.—Section 1230(a)(1) of the Food Security Act of 1985 (16 U.S.C. 3830(a)(1)) is amended by striking ''2002'' and inserting ''2006''.

(b) FLOOD RISK REDUCTION.—Section 385(a) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7334(a)) is amended by striking ''2002'' and inserting ''2006''.

(c) RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.—Section 1538 of the Agriculture and Food Act of 1981 (16 U.S.C. 3461) is amended in the first sentence by striking

''for each of the fiscal years 1996 through 2002'' and inserting ''for each fiscal year''.

SEC. 216. USE OF SYMBOLS, SLOGANS, AND LOGOS.

Section 356 of the Federal Agriculture Improvement Act of 1996 (16 U.S.C. 5801 et seq.) is amended—

(1) in subsection (c)—

(A) by redesignating paragraphs (4) through (7) as paragraphs (5) through (8), respectively; and

(B) by inserting after paragraph (3) the following:

''(4) on the written approval of the Secretary, to use, license, or transfer symbols, slogans, and logos of the Department;''; and

(2) in subsection (d), by adding at the end the following:

''(3) USE OF SYMBOLS, SLOGANS, AND LOGOS.—

''(A) IN GENERAL.—The Secretary may authorize the Foundation to use, license, or transfer symbols, slogans, and logos of the Department.

''(B) INCOME.—

''(i) IN GENERAL.—All revenue received by the Foundation from the use, licensing, or transfer of symbols, slogans, and logos of the Department shall be transferred to the Secretary.

''(ii) CONSERVATION OPERATIONS.—The Secretary shall transfer all revenue received under clause (i) to the account within the Natural Resources Conservation Service that is used to carry out conservation operations.''.

SEC. 217. TECHNICAL AMENDMENTS.

(a) DELINEATION OF WETLANDS; EXEMPTIONS TO PROGRAM INELIGIBILITY.—

(1) REFERENCES TO PRODUCER.—Section 322(e) of the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127; 110 Stat. 991) is amended by inserting ''each place it appears'' before ''and inserting''.

(2) GOOD FAITH EXEMPTION.—Section 1222(h)(2) of the Food Security Act of 1985 (16 U.S.C. 3822(h)(2)) is amended by striking ''to actively'' and inserting ''to be actively''.

(3) DETERMINATIONS.—Section 1222(j) of the Food Security Act of 1985 (16 U.S.C. 3822(j)) is amended by striking ''National'' and inserting ''Natural''.

(b) WILDLIFE HABITAT INCENTIVE PROGRAM.—Section 387 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3836a) is amended in the section heading by striking ''**INCENTIVES**'' and inserting ''**INCENTIVE**''.

SEC. 218. EFFECT OF AMENDMENTS.

(a) IN GENERAL.—Except as otherwise specifically provided in this title and notwithstanding any other provision of law, this title and the amendments made by this title shall not affect the authority of the Secretary of Agriculture to carry out a conservation program for any of the 1996 through 2002 fiscal or calendar years under a provision of law in effect immediately before the date of enactment of this Act.

(b) LIABILITY.—A provision of this title or an amendment made by this title shall not affect the liability of any person under any provision of law as in effect immediately before the date of enactment of this Act.

TITLE III—TRADE

Subtitle A—Agricultural Trade Development and Assistance Act of 1954 and Related Statutes

SEC. 301. UNITED STATES POLICY.

Section 2(2) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691(2)) is amended by inserting before the semicolon at the end the following: ''and conflict prevention''.

SEC. 302. PROVISION OF AGRICULTURAL COMMODITIES.

Section 202 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1722) is amended—

(1) in subsection (b), by adding at the end the following:

''(3) PROGRAM DIVERSITY.—The Administrator shall—

''(A) encourage eligible organizations to propose and implement program plans to address 1 or more aspects of the program under section 201; and

''(B) consider proposals that incorporate a variety of program objectives and strategic plans based on the identification by eligible organizations of appropriate activities to assist development in foreign countries.'';

(2) in subsection (e)(1), by striking ''not less than $10,000,000, and not more than $28,000,000,'' and inserting ''not less than 5 percent nor more than 10 percent of the funds''; and

(3) by adding at the end the following:

''(h) CERTIFIED INSTITUTIONAL PARTNERS.—

''(1) IN GENERAL.—The Administrator or the Secretary, as applicable, shall promulgate regulations and issue guidelines to permit private voluntary organizations and cooperatives to be certified as institutional partners.

''(2) REQUIREMENTS.—To become a certified institutional partner, a private voluntary organization or cooperative shall submit to the Administrator a certification of organizational capacity that describes—

''(A) the financial, programmatic, commodity management, and auditing abilities and practices of the organization or cooperative; and

''(B) the capacity of the organization or cooperative to carry out projects in particular countries.

''(3) MULTI-COUNTRY PROPOSALS.—A certified institutional partner shall be eligible to—

''(A) submit a single proposal for 1 or more countries that are the same as, or similar to, those countries in which the certified institutional partner has already demonstrated organizational capacity;

''(B) receive expedited review and approval of the proposal; and

''(C) receive commodities and assistance under this section for use in 1 or more countries.''.

SEC. 303. GENERATION AND USE OF CURRENCIES BY PRIVATE VOLUNTARY ORGANIZATIONS AND COOPERATIVES.

Section 203 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1723) is amended—

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

(2) in subsection (a), by striking ''the recipient country, or in a country'' and inserting ''1 or more recipient countries, or 1 or more countries'';

(3) in subsection (b)—

(A) by striking ''in recipient countries, or in countries'' and inserting ''1 or more recipient countries, or in 1 or more countries''; and

(B) by striking ''foreign currency'';

(4) in subsection (c)—

(A) by striking ''foreign currency''; and

(B) by striking ''the recipient country, or in a country'' and inserting ''1 or more recipient countries, or in 1 or more countries''; and

(5) in subsection (d)—

(A) by striking ''Foreign currencies'' and inserting ''Proceeds'';

(B) in paragraph (2)—

(i) by striking ''income generating'' and inserting ''income-generating''; and

(ii) by striking ''the recipient country or within a country'' and inserting ''1 or more recipient countries or within 1 or more countries''; and

(C) in paragraph (3)—

(i) by inserting a comma after ''invested''; and

(ii) by inserting a comma after ''used''.

SEC. 304. LEVELS OF ASSISTANCE.

Section 204(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1724(a)) is amended—

(1) in paragraph (1), by striking ''that for each of fiscal years 1996 through 2002 is not less than 2,025,000 metric tons.'' and inserting ''that is not less than—

''(A) 2,100,000 metric tons for fiscal year 2002;

''(B) 2,200,000 metric tons for fiscal year 2003;

''(C) 2,300,000 metric tons for fiscal year 2004;

''(D) 2,400,000 metric tons for fiscal year 2005; and

''(E) 2,500,000 metric tons for fiscal year 2006.''; and

(2) in paragraph (2), by striking ''1996 through 2002'' and inserting ''2002 through 2006''.

SEC. 305. FOOD AID CONSULTATIVE GROUP.

Section 205 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1725) is amended—

(1) in subsection (a), by inserting '', policies, guidelines,'' after ''regulations'';

(2) in subsection (d), by inserting ''policies,'' after ''regulations,'' each place it appears; and

(3) in subsection (f), by striking ''2002'' and inserting ''2006''.

SEC. 306. MAXIMUM LEVEL OF EXPENDITURES.

Section 206(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1726(a)) is amended by striking ''$1,000,000,000'' and inserting ''$2,000,000,000''.

SEC. 307. ADMINISTRATION.

Section 207 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1726a) is amended—

(1) in subsection (a)—

(A) by redesignating paragraph (2) as paragraph (3); and

(B) by striking paragraph (1) and inserting the following:

''(1) RECIPIENT COUNTRIES.—A proposal to enter into a nonemergency food assistance agreement under this title shall identify the recipient country or countries that are the subject of the agreement.

''(2) TIMING.—Not later than 120 days after the date of submission to the Administrator of a proposal submitted by an eligible organization under this title, the Administrator shall determine whether to accept the proposal.'';

(2) in subsection (b), by striking ''guideline'' each place it appears and inserting ''guideline or policy determination'';

(3) in subsection (d), by striking ''a United States field mission'' and inserting ''an eligible organization with an approved program under this title''; and

(4) by adding at the end the following:

''(e) TIMELY APPROVAL.—

''(1) IN GENERAL.—The Administrator shall finalize program agreements and resource requests for programs under this section before the beginning of each fiscal year.

''(2) REPORT.—Not later than December 1 of each year, the Administrator shall submit to

the Committee on Agriculture and the Committee on International Relations of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that contains—

''(A) a list of programs, countries, and commodities approved to date for assistance under this section; and

''(B) a statement of the total amount of funds approved to date for transportation and administrative costs under this section.

''(f) DIRECT DELIVERY.—In addition to practices in effect on the date of enactment of this subsection, the Secretary may approve an agreement that provides for direct delivery of agricultural commodities to milling or processing facilities more than 50 percent of the interest in which is owned by United States citizens in foreign countries, with the proceeds of transactions transferred in cash to eligible organizations described in section 202(d) to carry out approved projects.''.

SEC. 308. ASSISTANCE FOR STOCKPILING AND RAPID TRANSPORTATION, DELIVERY, AND DISTRIBUTION OF SHELF-STABLE PREPACKAGED FOODS.

Section 208(f) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1726b(f)) is amended by striking ''and 2002'' and inserting ''through 2006''.

SEC. 309. SALE PROCEDURE.

Section 403 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733) is amended by adding at the end the following:

''(1) SALE PROCEDURE.—

''(1) IN GENERAL.—Subsection (b) shall apply to sales of commodities in recipient countries to generate proceeds to carry out projects under—

''(A) section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)); and

''(B) title VIII of the Agricultural Trade Act of 1978.

''(2) CURRENCIES.—Sales of commodities described in paragraph (1) may be in United States dollars or in a different currency.

''(3) SALE PRICE.—Sales of commodities described in paragraph (1) shall be made at a reasonable market price in the economy where the commodity is to be sold, as determined by the Secretary or the Administrator, as appropriate.''.

SEC. 310. PREPOSITIONING.

Section 407(c)(4) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736a(c)(4)) is amended by striking ''and 2002'' and inserting ''through 2006''.

SEC. 311. EXPIRATION DATE.

Section 408 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736b) is amended by striking ''2002'' and inserting ''2006''.

SEC. 312. MICRONUTRIENT FORTIFICATION PROGRAM.

Section 415 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736g–2) is amended—

(1) in subsection (a)—

(A) in the first sentence, by striking ''a micronutrient fortification pilot program'' and inserting ''micronutrient fortification programs''; and

(B) in the second sentence—

(i) by striking ''the program'' and inserting ''a program'';

(ii) in paragraph (1), by striking ''and'' at the end;

(iii) in paragraph (2)—

(I) by striking ''whole''; and

(II) by striking the period at the end and inserting ''; and''; and

(iv) by adding at the end the following:

''(3) encourage technologies and systems for the improved quality and safety of fortified grains and other commodities that are readily transferable to developing countries.'';

(2) in the first sentence of subsection (c)—

(A) by striking ''the pilot program, whole'' and inserting ''a program,'';

(B) by striking ''the pilot program may'' and inserting ''a program may''; and

(C) by striking ''including'' and inserting ''such as''; and

(3) in subsection (d), by striking ''2002'' and inserting ''2006''.

SEC. 313. FARMER-TO-FARMER PROGRAM.

Section 501(c) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1737(c)) is amended—

(1) by striking ''0.4'' and inserting ''0.5,''; and

(2) by striking ''2002'' and inserting ''2006''.

Subtitle B—Agricultural Trade Act of 1978

SEC. 321. EXPORT CREDIT GUARANTEE PROGRAM.

(a) TERM OF SUPPLIER CREDIT PROGRAM.—Section 202(a)(2) of the Agricultural Trade Act of 1978 (7 U.S.C. 5622(a)(2)) is amended by striking ''180'' and inserting ''360''.

(b) PROCESSED AND HIGH-VALUE PRODUCTS.—Section 202(k)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5622(k)(1)) is amended by striking '', 2001, and 2002'' and inserting ''through 2006''.

(c) REPORT.—Section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622) is amended by adding at the end the following:

''(l) REPORT ON AGRICULTURAL EXPORT CREDIT PROGRAMS.—

''(1) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, and annually thereafter, the Secretary shall submit to the Committee on Agriculture and the Committee on International Relations of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate a report on the status of multilateral negotiations regarding agricultural export credit programs at the World Trade Organization and the Organization of Economic Cooperation and Development in fulfillment of Article 10.2 of the Agreement on Agriculture (as described in section 101(d)(2) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(2))).

''(2) CLASSIFIED INFORMATION.—The report under paragraph (1) shall be submitted in unclassified form, but may contain a classified annex.''.

(d) REAUTHORIZATION.—Section 211(b)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(b)(1)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 322. MARKET ACCESS PROGRAM.

(a) IN GENERAL.—Section 211(c) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and indenting appropriately;

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

''(1) IN GENERAL.—The Commodity'';

(3) by striking subparagraph (A) (as so redesignated) and inserting the following:

''(A) in addition to any funds that may be specifically appropriated to implement a market access program, not more than $100,000,000 for fiscal year 2002, $120,000,000 for fiscal year 2003, $140,000,000 for fiscal year 2004, $160,000,000 for fiscal year 2005, and $190,000,000 for fiscal year 2006, of the funds of, or an equal value of commodities owned by, the Commodity Credit Corporation, except that this paragraph shall not apply to section 203(h); and''; and

(4) by adding at the end the following:

''(2) PROGRAM PRIORITIES.—Of funds made available under paragraph (1)(A) in excess of $90,000,000 for any fiscal year, priority shall be given to proposals—

''(A) made by eligible trade organizations that have never participated in the market access program under this title; or

''(B) for market access programs in emerging markets.''.

(b) UNITED STATES QUALITY EXPORT INITIATIVE.—

(1) FINDINGS.—Congress finds that—

(A) the market access program established under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) and foreign market development cooperator program established under title VII of that Act (7 U.S.C. 7251 et seq.) target generic and value-added agricultural products, with little emphasis on the high quality of United States agricultural products; and

(B) new promotional tools are needed to enable United States agricultural products to compete in higher margin, international markets on the basis of quality.

(2) INITIATIVE.—Section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) is amended by adding at the end the following:

''(h) UNITED STATES QUALITY EXPORT INITIATIVE.—

''(1) IN GENERAL.—Subject to the availability of appropriations, using the authorities under this section, the Secretary shall establish a program under which, on a competitive basis, using practical and objective criteria, several agricultural products are selected to carry the 'U.S. Quality' seal.

''(2) PROMOTIONAL ACTIVITIES.—Agricultural products selected under paragraph (1) shall be promoted using the 'U.S. Quality' seal at trade fairs in key markets through electronic and print media.

''(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this subsection.''.

SEC. 323. EXPORT ENHANCEMENT PROGRAM.

(a) IN GENERAL.—Section 301(e)(1)(G) of the Agricultural Trade Act of 1978 (7 U.S.C. 5651(e)(1)(G)) is amended by striking ''fiscal year 2002'' and inserting ''each of fiscal years 2002 through 2006''.

(b) UNFAIR TRADE PRACTICES.—Section 102(5)(A) of the Agricultural Trade Act of 1978 (7 U.S.C. 5602(5)(A)) is amended—

(1) in clause (i), by striking ''or'' at the end;

(2) in clause (ii), by striking the period at the end and inserting '', including, in the case of a state trading enterprise engaged in the export of an agricultural commodity, pricing practices that are not consistent with sound commercial practices conducted in the ordinary course of trade; or''; and

(3) by adding at the end the following:

''(iii) changes United States export terms of trade through a deliberate change in the dollar exchange rate of a competing exporter.''.

SEC. 324. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

Section 703 of the Agricultural Trade Act of 1978 (7 U.S.C. 5723) is amended to read as follows:

''SEC. 703. FUNDING.

''(a) IN GENERAL.—To carry out this title, the Secretary shall use funds of the Commodity Credit Corporation, or commodities of the Commodity Credit Corporation of a comparable value, in the following amounts:

''(1) For fiscal year 2002, $37,500,000.

''(2) For fiscal year 2003, $40,000,000.

''(3) For fiscal year 2004 and each subsequent fiscal year, $42,500,000.

''(b) PROGRAM PRIORITIES.—Of funds or commodities provided under subsection (a) in excess of $35,000,000 for any fiscal year, priority shall be given to proposals—

''(1) made by eligible trade organizations that have never participated in the program established under this title; or

''(2) for programs established under this title in emerging markets.''.

SEC. 325. FOOD FOR PROGRESS AND EDUCATION PROGRAMS.

(a) IN GENERAL.—The Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) is amended by adding at the end the following:

''TITLE VIII—FOOD FOR PROGRESS AND EDUCATION PROGRAMS

''SEC. 801. DEFINITIONS.

''In this title:

''(1) COOPERATIVE.—The term 'cooperative' means a private sector organization the members of which—

''(A) own and control the organization;

''(B) share in the profits of the organization; and

''(C) are provided services (such as business services and outreach in cooperative development) by the organization.

''(2) CORPORATION.—The term 'Corporation' means the Commodity Credit Corporation.

''(3) DEVELOPING COUNTRY.—The term 'developing country' means a foreign country that has—

''(A) a shortage of foreign exchange earnings; and

''(B) difficulty meeting all of the food needs of the country through commercial channels and domestic production.

''(4) ELIGIBLE COMMODITY.—The term 'eligible commodity' means an agricultural commodity (including vitamins and minerals) acquired by the Secretary or the Corporation for disposition in a program authorized under this title through—

''(A) commercial purchases; or

''(B) inventories of the Corporation.

''(5) ELIGIBLE ORGANIZATION.—The term 'eligible organization' means a private voluntary organization, cooperative, nongovernmental organization, or foreign country, as determined by the Secretary.

''(6) EMERGING AGRICULTURAL COUNTRY.—The term 'emerging agricultural country' means a foreign country that—

''(A) is an emerging democracy; and

''(B) has made a commitment to introduce or expand free enterprise elements in the agricultural economy of the country.

''(7) FOOD SECURITY.—The term 'food security' means access by all people at all times to sufficient food and nutrition for a healthy and productive life.

''(8) NONGOVERNMENTAL ORGANIZATION.—

''(A) IN GENERAL.—The term 'nongovernmental organization' means an organization that operates on a local level to solve development problems in a foreign country in which the organization is located.

''(B) EXCLUSION.—The term 'nongovernmental organization' does not include an organization that is primarily an agency or instrumentality of the government of a foreign country.

''(9) PRIVATE VOLUNTARY ORGANIZATION.—The term 'private voluntary organization' means a nonprofit, nongovernmental organization that—

''(A) receives—

''(i) funds from private sources; and

''(ii) voluntary contributions of funds, staff time, or in-kind support from the public;

''(B) is engaged in or is planning to engage in nonreligious voluntary, charitable, or development assistance activities; and

''(C) in the case of an organization that is organized under the laws of the United States or a State, is an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from taxation under section 501(a) of that Code.

''(10) PROGRAM.—The term 'program' means a food or nutrition assistance or development initiative proposed by an eligible organization and approved by the Secretary under this title.

''(11) RECIPIENT COUNTRY.—The term 'recipient country' means an emerging agricultural country that receives assistance under a program.

''SEC. 802. FOOD FOR PROGRESS AND EDUCATION PROGRAMS.

''(a) IN GENERAL.—To provide agricultural commodities to support the introduction or expansion of free trade enterprises in national economies in recipient countries, and to provide food or nutrition assistance in recipient countries, the Secretary shall establish food for progress and education programs under which the Secretary may enter into agreements (including multiyear agreements and for programs in more than 1 country) with—

''(1) the governments of emerging agricultural countries;

''(2) private voluntary organizations;

''(3) nonprofit agricultural organizations and cooperatives;

''(4) nongovernmental organizations; and

''(5) other private entities.

''(b) CONSIDERATIONS.—In determining whether to enter into an agreement to establish a program under subsection (a), the Secretary shall take into consideration whether an emerging agricultural country is committed to carrying out, or is carrying out, policies that promote—

''(1) economic freedom;

''(2) private production of food commodities for domestic consumption; and

''(3) the creation and expansion of efficient domestic markets for the purchase and sale of those commodities.

''(c) INTERNATIONAL FOOD FOR EDUCATION AND NUTRITION PROGRAM.—

''(1) IN GENERAL.—In cooperation with other countries, the Secretary shall establish an initiative within the food for progress and education programs under this title to be known as the 'International Food for Education and Nutrition Program', through which the Secretary may provide to eligible organizations agricultural commodities and technical and nutritional assistance in connection with education programs to improve food security and enhance educational opportunities for preschool age and primary school age children in recipient countries.

''(2) AGREEMENTS.—In carrying out this subsection, the Secretary—

''(A) shall administer the programs under this subsection in manner that is consistent with this title; and

''(B) may enter into agreements with eligible organizations—

''(i) to purchase, acquire, and donate eligible commodities to eligible organizations to carry out agreements in recipient countries; and

''(ii) to provide technical and nutritional assistance to carry out agreements in recipient countries.

''(3) OTHER DONOR COUNTRIES.—The Secretary shall encourage other donor countries, directly or through eligible organizations—

''(A) to donate goods and funds to recipient countries; and

''(B) to provide technical and nutritional assistance to recipient countries.

''(4) PRIVATE SECTOR.—The President and the Secretary are urged to encourage the support and active involvement of the private sector, foundations, and other individuals and organizations in programs and activities assisted under this subsection.

''(5) GRADUATION.—An agreement with an eligible organization under this subsection shall include provisions—

''(A)(i) to sustain the benefits to the education, enrollment, and attendance of children in schools in the targeted communities when the provision of commodities and assistance to a recipient country under the program under this subsection terminates; and

''(ii) to estimate the period of time required until the recipient country or eligible organization is able to provide sufficient assistance without additional assistance under this subsection; or

''(B) to provide other long-term benefits to targeted populations of the recipient country.

''(6) ANNUAL REPORT.—The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report that describes—

''(A) the results of the implementation of this subsection during the year covered by the report, including the impact on the enrollment, attendance, and performance of children in preschools and primary schools targeted under the program under this subsection; and

''(B) the level of commitments by, and the potential for obtaining additional goods and assistance from, other countries for subsequent years.

''(d) TERMS.—

''(1) IN GENERAL.—The Secretary may provide agricultural commodities under this title on—

''(A) a grant basis; or

''(B) subject to paragraph (2), credit terms.

''(2) CREDIT TERMS.—Payment for agricultural commodities made available under this title that are purchased on credit terms shall be made on the same basis as payments made under section 103 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1703).

''(3) NO EFFECT ON DOMESTIC PROGRAMS.—The Secretary shall not make an agricultural commodity available for disposition under this section in any amount that will reduce the amount of the commodity that is traditionally made available through donations to domestic feeding programs or agencies, as determined by the Secretary.

''(e) REPORTS.—Each eligible organization that enters into an agreement under this title shall submit to the Secretary, at such time as the Secretary may request, a report containing such information as the Secretary may request relating to the use of agricultural commodities and funds provided to the eligible organization under this title.

''(f) COORDINATION.—To ensure that the provision of commodities under this section is coordinated with and complements other foreign assistance provided by the United States, assistance under this section shall be coordinated through the mechanism designated by the President to coordinate assistance under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.).

''(g) QUALITY ASSURANCE.—

''(1) IN GENERAL.—The Secretary shall ensure, to the maximum extent practicable, that each eligible organization participating in 1 or more programs under this section—

''(A) uses eligible commodities made available under this title—

''(i) in an effective manner;

''(ii) in the areas of greatest need; and

''(iii) in a manner that promotes the purposes of this title;

''(B) in using eligible commodities, assesses and takes into account the needs of recipient countries and the target populations of the recipient countries;

''(C) works with recipient countries, and indigenous institutions or groups in recipient countries, to design and carry out mutually acceptable programs authorized in subsection (h)(2)(C)(i);

''(D) monitors and reports on the distribution or sale of eligible commodities provided under this title using methods that, as determined by the Secretary, facilitate accurate and timely reporting;

''(E) periodically evaluates the effectiveness of the program of the eligible organization, including, as applicable, an evaluation of whether the development or food and nutrition purposes of the program can be sustained in a recipient country if the assistance provided to the recipient country is reduced and eventually terminated; and

''(F) considers means of improving the operation of the program of the eligible organization.

''(2) CERTIFIED INSTITUTIONAL PARTNERS.—

''(A) IN GENERAL.—The Secretary shall promulgate regulations and guidelines to permit private voluntary organizations and cooperatives to be certified as institutional partners.

''(B) REQUIREMENTS.—To become a certified institutional partner, a private voluntary organization or cooperative shall submit to the Secretary a certification of organizational capacity that describes—

''(i) the financial, programmatic, commodity management, and auditing abilities and practices of the organization or cooperative; and

''(ii) the capacity of the organization or cooperative to carry out projects in particular countries.

''(C) MULTICOUNTRY PROPOSALS.—A certified institutional partner shall be eligible to—

''(i) submit a single proposal for 1 or more countries that are the same as, or similar to, those countries in which the certified institutional partner has already demonstrated organizational capacity;

''(ii) receive expedited review and approval of the proposal; and

''(iii) request commodities and assistance under this section for use in 1 or more countries.

''(D) MULTIYEAR AGREEMENTS.—In carrying out this title, on request and subject to the availability of commodities, the Secretary is encouraged to approve agreements that provide for commodities to be made available for distribution on a multiyear basis, if the agreements otherwise meet the requirements of this title.

''(h) TRANSSHIPMENT AND RESALE.—

''(1) IN GENERAL.—The transshipment or resale of an eligible commodity to a country other than a recipient country shall be prohibited unless the transshipment or resale is approved by the Secretary.

''(2) MONETIZATION.—

''(A) IN GENERAL.—Subject to subparagraphs (B) through (D), an eligible commodity provided under this section may be sold for foreign currency or United States dollars or bartered, with the approval of the Secretary.

''(B) SALE OR BARTER OF FOOD ASSISTANCE.—The sale or barter of eligible commodities under this title may be conducted only within (as determined by the Secretary)—

''(i) a recipient country or country nearby to the recipient country; or

''(ii) another country, if—

''(I) the sale or barter within the recipient country or nearby country is not practicable; and

''(II) the sale or barter within countries other than the recipient country or nearby country will not disrupt commercial markets for the agricultural commodity involved.

''(C) HUMANITARIAN OR DEVELOPMENT PURPOSES.—The Secretary may authorize the use of proceeds or exchanges to reimburse, within a recipient country or other country in the same region, the costs incurred by an eligible organization for—

''(i)(I) programs targeted at hunger and malnutrition; or

''(II) development programs involving food security or education;

''(ii) transportation, storage, and distribution of eligible commodities provided under this title; and

''(iii) administration, sales, monitoring, and technical assistance.

''(D) EXCEPTION.—The Secretary shall not approve the use of proceeds described in subparagraph (C) to fund any administrative expenses of a foreign government.

''(E) PRIVATE SECTOR ENHANCEMENT.—As appropriate, the Secretary may provide eligible commodities under this title in a manner that uses commodity transactions as a means of developing in the recipient countries a competitive private sector that can provide for the importation, transportation, storage, marketing, and distribution of commodities.

''(i) DISPLACEMENT OF COMMERCIAL SALES.—In carrying out this title, the Secretary shall, to the maximum extent practicable consistent with the purposes of this title, avoid—

''(1) displacing any commercial export sale of United States agricultural commodities that would otherwise be made;

''(2) disrupting world prices of agricultural commodities; or

''(3) disrupting normal patterns of commercial trade of agricultural commodities with foreign countries.

''(j) DEADLINE FOR PROGRAM ANNOUNCEMENTS.—

''(1) IN GENERAL.—Before the beginning of the applicable fiscal year, the Secretary shall, to the maximum extent practicable—

''(A) make all determinations concerning program agreements and resource requests for programs under this title; and

''(B) announce those determinations.

''(2) REPORT.—Not later than November 1 of the applicable fiscal year, 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 list of programs, countries, and commodities, and the total amount of funds for transportation and administrative costs, approved to date under this title.

''(k) MILITARY DISTRIBUTION OF ASSISTANCE.—

''(1) IN GENERAL.—The Secretary shall ensure, to the maximum extent practicable, that agricultural commodities made available under this title are provided without regard to—

''(A) the political affiliation, geographic location, ethnic, tribal, or religious identity of the recipient; or

''(B) any other extraneous factors, as determined by the Secretary.

''(2) PROHIBITION ON HANDLING OF COMMODITIES BY THE MILITARY.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall not enter into an agreement under this title to provide agricultural commodities if the agreement requires or permits the distribution, handling, or allocation of agricultural commodities by the military forces of any foreign government or insurgent group.

''(B) EXCEPTION.—The Secretary may authorize the distribution, handling, or allocation of commodities by the military forces of a country in exceptional circumstances in which—

''(i) nonmilitary channels are not available for distribution, handling, or allocation;

''(ii) the distribution, handling, or allocation is consistent with paragraph (1); and

''(iii) the Secretary determines that the distribution, handling, or allocation is necessary to meet the emergency health, safety, or nutritional requirements of the population of a recipient country.

''(3) ENCOURAGEMENT OF SAFE PASSAGE.—In entering into an agreement under this title that involves 1 or more areas within a recipient country that is experiencing protracted warfare or civil unrest, the Secretary shall, to the maximum extent practicable, encourage all parties to the conflict to—

''(A) permit safe passage of the commodities and other relief supplies; and

''(B) establish safe zones for—

''(i) medical and humanitarian treatment; and

''(ii) evacuation of injured persons.

''(l) LEVEL OF ASSISTANCE.—The cost of commodities made available under this title, and the expenses incurred in connection with the provision of those commodities shall be in addition to the level of assistance provided under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.).

''(m) COMMODITY CREDIT CORPORATION.—

''(1) IN GENERAL.—Subject to paragraphs (6) through (8), the Secretary may use the funds, facilities, and authorities of the Corporation to carry out this title.

''(2) MINIMUM TONNAGE.—Subject to paragraphs (5) and (7)(B), not less than 400,000 metric tons of commodities may be provided under this title for each of fiscal years 2002 through 2006.

''(3) AUTHORIZATION OF APPROPRIATIONS.—In addition to tonnage authorized under paragraph (2), there are authorized to be appropriated such sums as are necessary to carry out this title.

''(4) TITLE I FUNDS.—In addition to tonnage and funds authorized under paragraphs (2), (3), and (7)(B), the Corporation may use funds appropriated to carry out title I of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701 et seq.)) in carrying out this section with respect to commodities made available under this title.

''(5) INTERNATIONAL FOOD FOR EDUCATION AND NUTRITION PROGRAM.—

''(A) IN GENERAL.—Of the funds that would be available to carry out paragraph (2), the Secretary may use not more than $200,000,000 for each fiscal year to carry out the initiative established under subsection (c).

''(B) REALLOCATION.—Tons not allocated under subsection (c) by June 30 of each fiscal year shall be made available for proposals submitted under the food for progress and education programs under subsection (a).

''(6) LIMITATION ON PURCHASES OF COMMODITIES.—The Corporation may purchase agricultural commodities for disposition under

this title only if Corporation inventories are insufficient to satisfy commitments made in agreements entered into under this title.

''(7) ELIGIBLE COSTS AND EXPENSES.—

''(A) IN GENERAL.—Subject to subparagraph (B), with respect to an eligible commodity made available under this title, the Corporation may pay—

''(i) the costs of acquiring the eligible commodity;

''(ii) the costs associated with packaging, enriching, preserving, and fortifying of the eligible commodity;

''(iii) the processing, transportation, handling, and other incidental costs incurred before the date on which the commodity is delivered free on board vessels in United States ports;

''(iv) the vessel freight charges from United States ports or designated Canadian transshipment ports, as determined by the Secretary, to designated ports of entry abroad;

''(v) the costs associated with transporting the eligible commodity from United States ports to designated points of entry abroad in a case in which—

''(I) a recipient country is landlocked;

''(II) ports of a recipient country cannot be used effectively because of natural or other disturbances;

''(III) carriers to a specific country are unavailable; or

''(IV) substantial savings in costs or time may be gained by the use of points of entry other than ports;

''(vi) the transportation and associated distribution costs incurred in moving the commodity (including repositioned commodities) from designated points of entry or ports of entry abroad to storage and distribution sites;

''(vii) in the case of an activity under subsection (c), the internal transportation, storage, and handling costs incurred in moving the eligible commodity, if the Secretary determines that payment of the costs is appropriate and that the recipient country is a low income, net food-importing country that—

''(I) meets the poverty criteria established by the International Bank for Reconstruction and Development for Civil Works Preference; and

''(II) has a national government that is committed to or is working toward, through a national action plan, the World Declaration on Education for All convened in 1990 in Jomtien, Thailand, and the followup Dakar Framework for Action of the World Education Forum in 2000;

''(viii) the charges for general average contributions arising out of the ocean transport of commodities transferred; and

''(ix) the costs, in addition to costs authorized by clauses (i) through (viii), of providing—

''(I) assistance in the administration, sale, and monitoring of food assistance activities under this title; and

''(II) technical assistance for monetization programs.

''(B) FUNDING.—Except for costs described in subparagraph (A)(i), not more than $80,000,000 of funds that would be made available to carry out paragraph (2) may be used to cover costs under this paragraph unless authorized in advance in an appropriation Act.

''(8) PAYMENT OF ADMINISTRATIVE COSTS.—An eligible organization that receives payment for administrative costs through monetization of the eligible commodity under subsection (h)(2) shall not be eligible to receive payment for the same administrative costs through direct payments under paragraph (7)(A)(ix)(I).''.

(b) CONFORMING AMENDMENTS.—

(1) Section 416(b)(7)(D)(iii) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)(7)(D)(iii)) is amended by striking ''the Food for Progress Act of 1985'' and inserting ''title VIII of the Agricultural Trade Act of 1978''.

(2) The Act of August 19, 1958 (7 U.S.C. 1431 note; Public Law 85–683) is amended by striking ''the Food for Progress Act of 1985'' and inserting ''title VIII of the Agricultural Trade Act of 1978''.

(3) Section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o) is repealed.

SEC. 326. EXPORTER ASSISTANCE INITIATIVE.

(a) FINDINGS.—Congress find that—

(1) information in the possession of Federal agencies other than the Department of Agriculture that is necessary for the export of agricultural commodities and products is available only from multiple disparate sources; and

(2) because exporters often need access to information quickly, exporters lack the time to search multiple sources to access necessary information, and exporters often are unaware of where the necessary information can be located.

(b) INITIATIVE.—Title I of the Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) is amended by adding at the end the following:

''SEC. 107. EXPORTER ASSISTANCE INITIATIVE.

''(a) IN GENERAL.—In order to create a single source of information for exports of United States agricultural commodities, the Secretary shall develop a website on the Internet that collates onto a single website all information from all agencies of the Federal Government that is relevant to the export of United States agricultural commodities.

''(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out subsection (a)—

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

''(2) $500,000 for each of fiscal years 2005 and 2006.''.

Subtitle C—Miscellaneous Agricultural Trade Provisions

SEC. 331. BILL EMERSON HUMANITARIAN TRUST.

Section 302 of the Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f–1) is amended by striking ''2002'' each place it appears in subsection (b)(2)(B)(i) and paragraphs (1) and (2) of subsection (h) and inserting ''2006''.

SEC. 332. EMERGING MARKETS.

Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5622 note; Public Law 101–624) is amended by striking ''2002'' each place it appears in subsections (a) and (d)(1)(A)(i) and inserting ''2006''.

SEC. 333. BIOTECHNOLOGY AND AGRICULTURAL TRADE PROGRAM.

Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5622 note; Public Law 101–624) is amended by adding at the end the following:

''(g) BIOTECHNOLOGY AND AGRICULTURAL TRADE PROGRAM.—

''(1) IN GENERAL.—The Secretary of Agriculture shall establish a program to enhance foreign acceptance of agricultural biotechnology and United States agricultural products developed through biotechnology.

''(2) FOCUS.—The program shall address the continuing and increasing market access, regulatory, and marketing issues relating to export commerce of United States agricultural biotechnology products.

''(3) EDUCATION AND OUTREACH.—

''(A) FOREIGN MARKETS.—Support for United States agricultural market development organizations to carry out education and other outreach efforts concerning biotechnology shall target such educational initiatives directed toward—

''(i) producers, buyers, consumers, and media in foreign markets through initiatives in foreign markets; and

''(ii) government officials, scientists, and trade officials from foreign countries through exchange programs.

''(B) FUNDING FOR EDUCATION AND OUTREACH.—Funding for activities under subparagraph (A) may be—

''(i) used through—

''(I) the emerging markets program under this section; or

''(II) the Cochran Fellowship Program under section 1543; or

''(ii) applied directly to foreign market development cooperators through the foreign market development cooperator program established under section 702.

''(4) RAPID RESPONSE.—The Secretary shall assist exporters of United States agricultural commodities in cases in which the exporters are harmed by unwarranted and arbitrary barriers to trade due to—

''(A) marketing of biotechnology products;

''(B) food safety;

''(C) disease; or

''(D) other sanitary or phytosanitary concerns.

''(5) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $16,000,000 for each of fiscal years 2002 through 2006.''.

SEC. 334. SURPLUS COMMODITIES FOR DEVELOPING OR FRIENDLY COUNTRIES.

(a) USE OF CURRENCIES.—Section 416(b)(7)(D) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)(7)(D)) is amended—

(1) in clauses (i) and (iii), by striking ''foreign currency'' each place it appears;

(2) in clause (ii)—

(A) in the first sentence, by striking ''Foreign currencies'' and inserting ''Proceeds''; and

(B) in the second sentence, by striking ''foreign currency''; and

(3) in clause (iv)—

(A) by striking ''Foreign currency proceeds'' and inserting ''Proceeds''; and

(B) by striking ''; or'' and all that follows and inserting a period.

(b) IMPLEMENTATION OF AGREEMENTS.—Section 416(b)(8) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)(8)) is amended by striking ''(8)(A)'' and all that follows through ''(B) The Secretary'' and inserting the following:

''(8) ADMINISTRATIVE PROVISIONS.—

''(A) DIRECT DELIVERY.—In addition to practices in effect on the date of enactment of this subparagraph, the Secretary may approve an agreement that provides for direct delivery of eligible commodities to milling or processing facilities more than 40 percent of the interest in which is owned by United States citizens in recipient countries, with the proceeds of transactions transferred in cash to eligible organizations to carry out approved projects.

''(B) REGULATIONS.—The Secretary''.

(c) CERTIFIED INSTITUTIONAL PARTNERS.—Section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) is amended by adding at the end the following:

''(c) CERTIFIED INSTITUTIONAL PARTNERS.—

''(1) IN GENERAL.—The Secretary shall promulgate regulations and guidelines to permit private voluntary organizations and cooperatives to be certified as institutional partners.

''(2) REQUIREMENTS.—To become a certified institutional partner, a private voluntary organization or cooperative shall submit to the Secretary a certification of organizational capacity that describes—

''(A) the financial, programmatic, commodity management, and auditing abilities and practices of the organization or cooperative; and

''(B) the capacity of the organization or cooperative to carry out projects in particular countries.

''(3) MULTI-COUNTRY PROPOSALS.—A certified institutional partner shall be eligible to—

''(A) submit a single proposal for 1 or more countries that are the same as, or similar to, those countries in which the certified institutional partner has already demonstrated organizational capacity;

''(B) receive expedited review and approval of the proposal; and

''(C) request commodities and assistance under this section for use in 1 or more countries.''.

SEC. 335. AGRICULTURAL TRADE WITH CUBA.

(a) IN GENERAL.—Section 908 of the Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act, 2001 (22 U.S.C. 7207), is amended by striking subsection (b).

(b) CONFORMING AMENDMENTS.—Section 908(a) of the Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act, 2001 (22 U.S.C. 7207(a)) (as amended by subsection (a)), is amended—

(1) by striking ''(a)'' and all that follows through ''Notwithstanding'' and inserting the following:

''(a) IN GENERAL.—Notwithstanding'';

(2) by striking ''(2) RULE OF CONSTRUCTION.—Nothing in paragraph (1)'' and inserting the following:

''(b) RULE OF CONSTRUCTION.—Nothing in subsection (a)''; and

(3) by striking ''(3) WAIVER.—The President may waive the application of paragraph (1)'' and inserting the following:

''(c) WAIVER.—The President may waive the application of subsection (a)''.

TITLE IV—NUTRITION PROGRAMS

SEC. 401. SHORT TITLE.

This title may be cited as the ''Food Stamp Reauthorization Act of 2001''.

Subtitle A—Food Stamp Program

SEC. 411. ENCOURAGEMENT OF PAYMENT OF CHILD SUPPORT.

(a) EXCLUSION.—Section 5(d)(6) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(6)) is amended by adding at the end the following: ''and child support payments made by a household member to or for an individual who is not a member of the household if the household member is legally obligated to make the payments,''.

(b) SIMPLIFIED PROCEDURE.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in subsection (e), by striking paragraph (4) and inserting the following:

''(4) DEDUCTION FOR CHILD SUPPORT PAYMENTS.—

''(A) IN GENERAL.—In lieu of providing an exclusion for legally obligated child support payments made by a household member under subsection (d)(6), a State agency may elect to provide a deduction for the amount of the payments.

''(B) ORDER OF DETERMINING DEDUCTIONS.—A deduction under this paragraph shall be determined before the computation of the excess shelter expense deduction under paragraph (6).''; and

(2) by adding at the end the following:

''(n) STATE OPTIONS TO SIMPLIFY DETERMINATION OF CHILD SUPPORT PAYMENTS MADE BY HOUSEHOLD MEMBERS.—

''(1) IN GENERAL.—Regardless of whether a State agency elects to provide a deduction under subsection (e)(4), the Secretary shall establish simplified procedures to allow State agencies, at the option of the State agencies, to determine the amount of the legally obligated child support payments made, including procedures to allow the State agency to rely on information from the agency responsible for implementing the program under part D of title IV of the Social Security Act (42 U.S.C. 661 et seq.) concerning payments made in prior months in lieu of obtaining current information from the household.

''(2) DURATION OF DETERMINATION OF AMOUNT OF SUPPORT PAYMENTS.—If a State agency makes a determination of the amount of support payments of a household under paragraph (1), the State agency may provide that the amount of the exclusion or deduction for the household shall not change until the eligibility of the household is next redetermined under section 11(e)(4).''.

SEC. 412. SIMPLIFIED DEFINITION OF INCOME.

Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended—

(1) by striking ''and (15)'' and inserting ''(15)''; and

(2) by inserting before the period at the end the following: '', (16) at the option of the State agency, any educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits, and the like (other than loans, grants, scholarships, fellowships, veterans' educational benefits, and the like excluded under paragraph (3)), to the extent that they are required to be excluded under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.), (17) at the option of the State agency, any State complementary assistance program payments that are excluded for the purpose of determining eligibility for medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1), and (18) at the option of the State agency, any types of income that the State agency does not consider when determining eligibility for (A) cash assistance under a program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or the amount of such assistance, or (B) medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1), except that this paragraph does not authorize a State agency to exclude wages or salaries, benefits under title I, II, IV, X, XIV, or XVI of the Social Security Act (42 U.S.C. 1381 et seq.), regular payments from a government source (such as unemployment benefits and general assistance), worker's compensation, child support payments made to a household member by an individual who is legally obligated to make the payments, or such other types of income the consideration of which the Secretary determines by regulation to be essential to equitable determinations of eligibility and benefit levels''.

SEC. 413. INCREASE IN BENEFITS TO HOUSEHOLDS WITH CHILDREN.

Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking paragraph (1) and inserting the following:

''(1) STANDARD DEDUCTION.—

''(A) IN GENERAL.—Subject to the other provisions of this paragraph, the Secretary shall allow for each household a standard deduction that is equal to the greater of—

''(i) the applicable percentage specified in subparagraph (C) of the applicable income standard of eligibility established under subsection (c)(1); or

''(ii) the minimum deduction specified in subparagraph (D).

''(B) GUAM.—The Secretary shall allow for each household in Guam a standard deduction that is—

''(i) equal to the applicable percentage specified in subparagraph (C) of twice the income standard of eligibility established under subsection (c)(1) for the 48 contiguous States and the District of Columbia; but

''(ii) not less than the minimum deduction for Guam specified in subparagraph (D).

''(C) HOUSEHOLDS OF 6 OR MORE MEMBERS.—The income standard of eligibility established under subsection (c)(1) for a household of 6 members shall be used to calculate the standard deduction for each household of 6 or more members.

''(D) APPLICABLE PERCENTAGE.—For the purpose of subparagraph (A), the applicable percentage shall be—

''(i) 8 percent for each of fiscal years 2002 through 2007;

''(ii) 8.25 percent for fiscal year 2008;

''(iii) 8.5 percent for each of fiscal years 2009 and 2010; and

''(iv) 9 percent for fiscal year 2011 and each fiscal year thereafter.

''(E) MINIMUM DEDUCTION.—The minimum deduction shall be $134, $229, $189, $269, and $118 for the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States, respectively.''.

SEC. 414. SIMPLIFIED DETERMINATION OF HOUSING COSTS.

(a) IN GENERAL.—Section 5(e)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(7)) is amended—

(1) in subparagraph (A)—

(A) by striking ''A household'' and inserting the following:

''(i) IN GENERAL.—A household''; and

(B) by adding at the end the following:

''(ii) INCLUSION OF CERTAIN PAYMENTS.—In determining the shelter expenses of a household under this paragraph, the State agency shall include any required payment to the landlord of the household without regard to whether the required payment is designated to pay specific charges.''; and

(2) by adding at the end the following:

''(D) HOMELESS HOUSEHOLDS.—

''(i) ALTERNATIVE DEDUCTION.—In lieu of the deduction provided under subparagraph (A), a State agency may elect to allow a household in which all members are homeless individuals, but that is not receiving free shelter throughout the month, to receive a deduction of $143 per month.

''(ii) INELIGIBILITY.—The State agency may make a household with extremely low shelter costs ineligible for the alternative deduction under clause (i).''.

(b) CONFORMING AMENDMENTS.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in subsection (e)—

(A) by striking paragraph (5); and

(B) by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively; and

(2) in subsection (k)(4)(B), by striking ''subsection (e)(7)'' and inserting ''subsection (e)(6)''.

SEC. 415. SIMPLIFIED UTILITY ALLOWANCE.

Section 5(e)(6)(C)(iii) of the Food Stamp Act of 1977 (as amended by section 414(b)(1)(B)) is amended—

(1) in subclause (I)(bb), by inserting ''(without regard to subclause (III))'' after ''Secretary finds''; and

(2) by adding at the end the following:

''(III) INAPPLICABILITY OF CERTAIN RESTRICTIONS.—Clauses (ii)(II) and (ii)(III) shall not apply in the case of a State agency that has made the use of a standard utility allowance mandatory under subclause (I).''.

SEC. 416. SIMPLIFIED PROCEDURE FOR DETERMINATION OF EARNED INCOME.

Section 5(f)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(1)) is amended by adding at the end the following:

''(C) SIMPLIFIED DETERMINATION OF EARNED INCOME.—

''(i) IN GENERAL.—A State agency may elect to determine monthly earned income by multiplying weekly income by 4 and biweekly income by 2.

''(ii) ADJUSTMENT OF EARNED INCOME DEDUCTION.—A State agency that makes an election described in clause (i) shall adjust the earned income deduction under subsection (e)(2)(B) to the extent necessary to prevent the election from resulting in increased costs to the food stamp program, as determined consistent with standards promulgated by the Secretary.''.

SEC. 417. SIMPLIFIED DETERMINATION OF DEDUCTIONS.

Section 5(f)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(1)) (as amended by section 416) is amended by adding at the end the following:

''(D) SIMPLIFIED DETERMINATION OF DEDUCTIONS.—

''(i) IN GENERAL.—Except as provided in clause (ii), for the purposes of subsection (e), a State agency may elect to disregard until the next redetermination of eligibility under section 11(e)(4) 1 or more types of changes in the circumstances of a household that affect the amount of deductions the household may claim under subsection (e).

''(ii) CHANGES THAT MAY NOT BE DISREGARDED.—Under clause (i), a State agency may not disregard—

''(I) any reported change of residence; or

''(II) under standards prescribed by the Secretary, any change in earned income.''.

SEC. 418. SIMPLIFIED DEFINITION OF RESOURCES.

Section 5(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by adding at the end the following:

''(6) EXCLUSION OF TYPES OF FINANCIAL RESOURCES NOT CONSIDERED UNDER CERTAIN OTHER FEDERAL PROGRAMS.—

''(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall promulgate regulations under which a State agency may, at the option of the State agency, exclude from financial resources under this subsection any types of financial resources that the State agency does not consider when determining eligibility for—

''(i) cash assistance under a program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

''(ii) medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1).

''(B) LIMITATIONS.—Subparagraph (A) does not authorize a State agency to exclude—

''(i) cash;

''(ii) licensed vehicles;

''(iii) amounts in any account in a financial institution that are readily available to the household; or

''(iv) any other similar type of resource the inclusion in financial resources of which the Secretary determines by regulation to be essential to equitable determinations of eligibility under the food stamp program, except to the extent that any of those types of resources are excluded under another paragraph of this subsection.''.

SEC. 419. ALTERNATIVE ISSUANCE SYSTEMS IN DISASTERS.

Section 5(h)(3)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2014(h)(3)(B)) is amended—

(1) in the first sentence, by inserting ''issuance methods and'' after ''shall adjust''; and

(2) in the second sentence, by inserting '', any conditions that make reliance on electronic benefit transfer systems described in section 7(i) impracticable,'' after ''personnel''.

SEC. 420. STATE OPTION TO REDUCE REPORTING REQUIREMENTS.

Section 6(c)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)(1)) is amended—

(1) in subparagraph (B), by striking ''on a monthly basis''; and

(2) by adding at the end the following:

''(D) FREQUENCY OF REPORTING.—

''(i) IN GENERAL.—Except as provided in subparagraphs (A) and (C), a State agency may require households that report on a periodic basis to submit reports—

''(I) not less often than once each 6 months; but

''(II) not more often than once each month.

''(ii) REPORTING BY HOUSEHOLDS WITH EXCESS INCOME.—A household required to report less often than once each 3 months shall, notwithstanding subparagraph (B), report in a manner prescribed by the Secretary if the income of the household for any month exceeds the standard established under section 5(c)(2).''.

SEC. 421. BENEFITS FOR ADULTS WITHOUT DEPENDENTS.

(a) IN GENERAL.—Section 6(o) of the Food Stamp Act of 1977 (7 U.S.C. 2015(o)) is amended—

(1) in paragraph (1)—

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

(B) in subparagraph (C)—

(i) by striking ''subsection (d)(4),'' and inserting ''subsection (d)(4)''; and

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

(C) by adding at the end the following:

''(D) a job search program or job search training program if—

''(i) the program meets standards established by the Secretary to ensure that the participant is continuously and actively seeking employment in the private sector; and

''(ii) no position is currently available for the participant in an employment or training program that meets the requirements of subparagraph (C).'';

(2) in paragraph (2)—

(A) by striking ''36-month'' and inserting ''24-month''; and

(B) by striking ''3'' and inserting ''6'';

(3) by striking paragraph (5) and inserting the following:

''(5) ELIGIBILITY OF INDIVIDUALS WHILE MEETING WORK REQUIREMENT.—Notwithstanding paragraph (2), an individual who would otherwise be ineligible under that paragraph shall be eligible to participate in the food stamp program during any period in which the individual meets the work requirement of subparagraph (A), (B), or (C) of that paragraph.''; and

(4) in paragraph (6)(A)(ii)—

(A) in subclause (III), by adding ''and'' at the end;

(B) in subclause (IV)—

(i) by striking ''3'' and inserting ''6''; and

(ii) by striking ''; and'' and inserting a period; and

(C) by striking subclause (V).

(b) IMPLEMENTATION OF AMENDMENTS.—For the purpose of implementing the amendments made by subsection (a), a State agency shall disregard any period during which an individual received food stamp benefits before the effective date of this title.

SEC. 422. PRESERVATION OF ACCESS TO ELECTRONIC BENEFITS.

(a) IN GENERAL.—Section 7(i)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)(1)) is amended by adding at the end the following:

''(E) ACCESS TO EBT SYSTEMS.—

''(i) IN GENERAL.—No benefits shall be taken off-line or otherwise made inaccessible because of inactivity until at least 180 days have elapsed since a household last accessed the account of the household.

''(ii) NOTICE TO HOUSEHOLD.—In a case in which benefits are taken off-line or otherwise made inaccessible, the household shall be sent a notice that—

''(I) explains how to reactivate the benefits; and

''(II) offers assistance if the household is having difficulty accessing the benefits of the household.''.

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply with respect to each State agency beginning on the date on which the State agency, after the date of enactment of this Act, enters into a contract to operate an electronic benefit transfer system.

SEC. 423. COST NEUTRALITY FOR ELECTRONIC BENEFIT TRANSFER SYSTEMS.

Section 7(i)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)(2)) is amended—

(1) by striking subparagraph (A); and

(2) by redesignating subparagraphs (B) through (I) as subparagraphs (A) through (H), respectively.

SEC. 424. ALTERNATIVE PROCEDURES FOR RESIDENTS OF CERTAIN GROUP FACILITIES.

(a) IN GENERAL.—Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by adding at the end the following:

''(f) SIMPLIFIED PROCEDURES FOR RESIDENTS OF CERTAIN GROUP FACILITIES.—

''(1) IN GENERAL.—At the option of the State agency, allotments for residents of facilities described in subparagraph (B), (C), (D), or (E) of section 3(i)(5) may be determined and issued under this subsection in lieu of subsection (a).

''(2) AMOUNT OF ALLOTMENT.—The allotment for each eligible resident described in paragraph (1) shall be calculated in accordance with standardized procedures established by the Secretary that take into account the allotments typically received by residents of facilities described in paragraph (1).

''(3) ISSUANCE OF ALLOTMENT.—

''(A) IN GENERAL.—The State agency shall issue an allotment determined under this subsection to the administration of a facility described in paragraph (1) as the authorized representative of the residents of the facility.

''(B) ADJUSTMENT.—The Secretary shall establish procedures to ensure that a facility described in paragraph (1) does not receive a greater proportion of a resident's monthly allotment than the proportion of the month during which the resident lived in the facility.

''(4) DEPARTURES OF COVERED RESIDENTS.—

''(A) NOTIFICATION.—Any facility described in paragraph (1) that receives an allotment for a resident under this subsection shall—

''(i) notify the State agency promptly on the departure of the resident; and

''(ii) notify the resident, before the departure of the resident, that the resident—

''(I) is eligible for continued benefits under the food stamp program; and

''(II) should contact the State agency concerning continuation of the benefits.

''(B) ISSUANCE TO DEPARTED RESIDENTS.—On receiving a notification under subparagraph (A)(i) concerning the departure of a resident, the State agency—

''(i) shall promptly issue the departed resident an allotment for the days of the month after the departure of the resident (calculated in a manner prescribed by the Secretary) unless the departed resident reapplies to participate in the food stamp program; and

''(ii) may issue an allotment for the month following the month of the departure (but not any subsequent month) based on this subsection unless the departed resident reapplies to participate in the food stamp program.

''(C) STATE OPTION.—The State agency may elect not to issue an allotment under subparagraph (B)(i) if the State agency lacks sufficient information on the location of the departed resident to provide the allotment.

''(D) EFFECT OF REAPPLICATION.—If the departed resident reapplies to participate in the food stamp program, the allotment of the departed resident shall be determined without regard to this subsection.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended—

(A) by striking ''(i) 'Household' means (1) an'' and inserting the following:

''(i)(1) 'Household' means—

''(A) an'';

(B) in the first sentence, by striking ''others, or (2) a group'' and inserting the following: ''others; or

''(B) a group'';

(C) in the second sentence, by striking ''Spouses'' and inserting the following:

''(2) Spouses'';

(D) in the third sentence, by striking ''Notwithstanding'' and inserting the following:

''(3) Notwithstanding'';

(E) in paragraph (3) (as designated by subparagraph (D)), by striking ''the preceding sentences'' and inserting ''paragraphs (1) and (2)'';

(F) in the fourth sentence, by striking ''In no event'' and inserting the following:

''(4) In no event'';

(G) in the fifth sentence, by striking ''For the purposes of this subsection, residents'' and inserting the following:

''(5) For the purposes of this subsection, the following persons shall not be considered to be residents of institutions and shall be considered to be individual households:

''(A) Residents''; and

(H) in paragraph (5) (as designated by subparagraph (G))—

(i) by striking ''Act, or are individuals'' and inserting the following: ''Act.

''(B) Individuals'';

(ii) by striking ''such section, temporary'' and inserting the following: ''that section.

''(C) Temporary'';

(iii) by striking ''children, residents'' and inserting the following: ''children.

''(D) Residents'';

(iv) by striking ''coupons, and narcotics'' and inserting the following: ''coupons.

''(E) Narcotics''; and

(v) by striking ''shall not'' and all that follows and inserting a period.

(2) Section 5(a) of the Food Stamp Act of 1977 (7 U.S.C. 2014(a)) is amended by striking ''the third sentence of section 3(i)'' each place it appears and inserting ''section 3(i)(4)''.

(3) Section 8(e)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2017(e)(1)) is amended by striking ''the last sentence of section 3(i)'' and inserting ''section 3(i)(5)''.

(4) Section 17(b)(1)(B)(iv)(III)(aa) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(iv)(III)(aa)) is amended by striking ''the last 2 sentences of section 3(i)'' and inserting ''paragraphs (4) and (5) of section 3(i)''.

SEC. 425. AVAILABILITY OF FOOD STAMP PROGRAM APPLICATIONS ON THE INTERNET.

Section 11(e)(2)(B)(ii) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(2)(B)(ii)) is amended—

(1) by inserting ''(I)'' after ''(ii)'';

(2) in subclause (I) (as designated by paragraph (1)), by adding ''and'' at the end; and

(3) by adding at the end the following:

''(II) if the State agency maintains a website for the State agency, shall make the application available on the website in each language in which the State agency makes a printed application available;''.

SEC. 426. SIMPLIFIED DETERMINATIONS OF CONTINUING ELIGIBILITY.

(a) IN GENERAL.—Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

(1) by striking paragraph (4) and inserting the following:

''(4)(A) that the State agency shall periodically require each household to cooperate in a redetermination of the eligibility of the household.

''(B) A redetermination under subparagraph (A) shall—

''(i) be based on information supplied by the household; and

''(ii) conform to standards established by the Secretary.

''(C) The interval between redeterminations of eligibility under subparagraph (A) shall not exceed the eligibility review period;'' and

(2) in paragraph (10)—

(A) by striking ''within the household's certification period''; and

(B) by striking ''or until'' and all that follows through ''occurs earlier''.

(b) CONFORMING AMENDMENTS.—

(1) Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended—

(A) by striking ''Certification period'' and inserting ''Eligibility review period''; and

(B) by striking ''certification period'' each place it appears and inserting ''eligibility review period''.

(2) Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(A) in subsection (d)(2), by striking ''in the certification period which'' and inserting ''that''; and

(B) in subsection (e) (as amended by section 414(b)(1)(B))—

(i) in paragraph (5)(B)(ii)—

(I) in subclause (II), by striking ''certification period'' and inserting ''eligibility review period''; and

(II) in subclause (III), by striking ''has been anticipated for the certification period'' and inserting ''was anticipated when the household applied or at the most recent redetermination of eligibility for the household''; and

(ii) in paragraph (6)(C)(iii)(II), by striking ''the end of a certification period'' and inserting ''each redetermination of the eligibility of the household''.

(3) Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended—

(A) in subsection (c)(1)(C)(iv), by striking ''certification period'' each place it appears and inserting ''interval between required redeterminations of eligibility''; and

(B) in subsection (d)(1)(D)(v)(II), by striking ''a certification period'' and inserting ''an eligibility review period''.

(4) Section 8(c) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)) is amended—

(A) in the second sentence of paragraph (1), by striking ''within a certification period''; and

(B) in paragraph (2)(B), by striking ''expiration of'' and all that follows through ''during a certification period,'' and inserting ''termination of benefits to the household,''.

(5) Section 11(e)(16) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(16)) is amended by striking ''the certification or recertification'' and inserting ''determining the eligibility''.

SEC. 427. CLEARINGHOUSE FOR SUCCESSFUL NUTRITION EDUCATION EFFORTS.

Section 11(f) of the Food Stamp Act of 1977 (7 U.S.C. 2020(f)) is amended by striking paragraph (2) and inserting the following:

''(2) NUTRITION EDUCATION CLEARINGHOUSE.—The Secretary shall—

''(A) request State agencies to submit to the Secretary descriptions of successful nutrition education programs designed for use in the food stamp program and other nutrition assistance programs;

''(B) make the descriptions submitted under subparagraph (A) available on the website of the Department of Agriculture; and

''(C) inform State agencies of the availability of the descriptions on the website.''.

SEC. 428. TRANSITIONAL FOOD STAMPS FOR FAMILIES MOVING FROM WELFARE.

(a) IN GENERAL.—Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended by adding at the end the following:

''(s) TRANSITIONAL BENEFITS OPTION.—

''(1) IN GENERAL.—A State agency may provide transitional food stamp benefits to a household that ceases to receive cash assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

''(2) TRANSITIONAL BENEFITS PERIOD.—Under paragraph (1), a household may continue to receive food stamp benefits for a period of not more than 6 months after the date on which cash assistance is terminated.

''(3) AMOUNT OF BENEFITS.—During the transitional benefits period under paragraph (2), a household shall receive an amount of food stamp benefits equal to the allotment received in the month immediately preceding the date on which cash assistance was terminated, adjusted for—

''(A) the change in household income as a result of the termination of cash assistance; and

''(B) any changes in circumstances that may result in an increase in the food stamp allotment of the household and that the household elects to report.

''(4) DETERMINATION OF FUTURE ELIGIBILITY.—In the final month of the transitional benefits period under paragraph (2), the State agency may—

''(A) require the household to cooperate in a redetermination of eligibility; and

''(B) initiate a new eligibility review period for the household without regard to whether the preceding eligibility review period has expired.

''(5) LIMITATION.—A household shall not be eligible for transitional benefits under this subsection if the household—

''(A) loses eligibility under section 6;

''(B) is sanctioned for a failure to perform an action required by Federal, State, or local law relating to a cash assistance program described in paragraph (1); or

''(C) is a member of any other category of households designated by the State agency as ineligible for transitional benefits.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended by adding at the end the following: ''The limits specified in this section may be extended until the end of any transitional benefit period established under section 11(s).''.

(2) Section 6(c) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)) is amended by striking ''No household'' and inserting ''Except in a case in which a household is receiving transitional benefits during the transitional benefits period under section 11(s), no household''.

SEC. 429. DELIVERY TO RETAILERS OF NOTICES OF ADVERSE ACTION.

Section 14(a) of the Food Stamp Act of 1977 (7 U.S.C. 2023(a)) is amended by striking paragraph (2) and inserting the following:

''(2) DELIVERY OF NOTICES.—A notice under paragraph (1) shall be delivered by any form of delivery that the Secretary determines will provide evidence of the delivery.''.

SEC. 430. REFORM OF QUALITY CONTROL SYSTEM.

(a) IN GENERAL.—Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) is amended—

(1) in paragraph (1)—

(A) by striking ''enhances payment accuracy'' and all that follows through ''(A) the Secretary'' and inserting the following: ''enhances payment accuracy and that has the following elements:

''(A) ENHANCED ADMINISTRATIVE FUNDING.—With respect to fiscal year 2001, the Secretary'';

(B) in subparagraph (A)—

(i) by striking ''one percentage point to a maximum of 60'' and inserting ''½ of 1 percentage point to a maximum of 55''; and

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

(C) by striking subparagraph (B) and all that follows and inserting the following:

''(B) INVESTIGATION AND INITIAL SANCTIONS.—

''(i) INVESTIGATION.—Except as provided under subparagraph (C), for any fiscal year in which the Secretary determines that a 95 percent statistical probability exists that the payment error rate of a State agency exceeds the national performance measure for payment error rates announced under paragraph (6) by more than 1 percentage point, other than for good cause shown, the Secretary shall investigate the administration by the State agency of the food stamp program unless the Secretary determines that sufficient information is already available to review the administration by the State agency.

''(ii) INITIAL SANCTIONS.—If an investigation under clause (i) results in a determination that the State agency has been seriously negligent (as determined under standards promulgated by the Secretary), the State agency shall pay the Secretary an amount that reflects the extent of such negligence (as determined under standards promulgated by the Secretary), not to exceed 5 percent of the amount provided to the State agency under subsection (a) for the fiscal year.

''(C) ADDITIONAL SANCTIONS.—If, for any fiscal year, the Secretary determines that a 95 percent statistical probability exists that the payment error rate of a State agency exceeds the national performance measure for payment error rates announced under paragraph (6) by more than 1 percentage point, other than for good cause shown, and that the State agency was sanctioned under this paragraph or was the subject of an investigation or review under subparagraph (B)(i) for each of the 2 immediately preceding fiscal years, the State agency shall pay to the Secretary an amount equal to the product obtained by multiplying—

''(i) the value of all allotments issued by the State agency in the fiscal year;

''(ii) the lesser of—

''(I) the ratio that—

''(aa) the amount by which the payment error rate of the State agency for the fiscal year exceeds by more than 1 percentage point the national performance measure for the fiscal year; bears to

''(bb) 10 percent; or

''(II) 1; and

''(iii) the amount by which the payment error rate of the State agency for the fiscal year exceeds by more than 1 percentage point the national performance measure for the fiscal year.

''(D) CORRECTIVE ACTION PLANS.—The Secretary shall foster management improvements by the States by requiring State agencies to develop and implement corrective action plans to reduce payment errors.'';

(2) in paragraph (2)(A), by inserting before the semicolon the following: '', as adjusted downward as appropriate under paragraph (10)'';

(3) in paragraph (4), by striking ''(4)'' and all that follows through the end of the first sentence and inserting the following:

''(4) REPORTING REQUIREMENTS.—The Secretary may require a State agency to report any factors that the Secretary considers necessary to determine a State agency's payment error rate, enhanced administrative funding, claim for payment error under paragraph (1), or performance under the performance measures under paragraph (11).'';

(4) in paragraph (5), by striking ''(5)'' and all that follows through the end of the second sentence and inserting the following:

''(5) PROCEDURES.—To facilitate the implementation of this subsection, each State agency shall expeditiously submit to the Secretary data concerning the operations of the State agency in each fiscal year sufficient for the Secretary to establish the payment error rate for the State agency for the fiscal year, to comply with paragraph (10), and to determine the amount of enhanced administrative funding under paragraph (1)(A), high performance bonus payments under paragraph (11), or claims under subparagraph (B) or (C) of paragraph (1).'';

(5) in paragraph (6)—

(A) in the first and third sentences, by striking ''paragraph (5)'' each place it appears and inserting ''paragraph (8)''; and

(B) in the first sentence, by inserting ''(but determined without regard to paragraph (10))'' before ''times that''; and

(6) by adding at the end the following:

''(10) ADJUSTMENTS OF PAYMENT ERROR RATE.—

''(A) FISCAL YEAR 2002.—

''(i) ADJUSTMENT FOR HIGHER PERCENTAGE OF HOUSEHOLDS WITH EARNED INCOME.—Subject to subparagraph (B), with respect to fiscal year 2002, in applying paragraph (1), the Secretary shall adjust the payment error rate determined under paragraph (2)(A) as necessary to take into account any increases in errors that result from the State agency's serving a higher percentage of households with earned income than the lesser of—

''(I) the percentage of households with earned income that receive food stamps in all States; or

''(II) the percentage of households with earned income that received food stamps in the State in fiscal year 1992.

''(ii) ADJUSTMENT FOR HIGHER PERCENTAGE OF HOUSEHOLDS WITH NONCITIZEN MEMBERS.—Subject to subparagraph (B), with respect to fiscal year 2002, in applying paragraph (1), the Secretary shall adjust the payment error rate determined under paragraph (2)(A) as necessary to take into account any increases in errors that result from the State agency's serving a higher percentage of households with 1 or more members who are not United States citizens than the lesser of—

''(I) the percentage of households with 1 or more members who are not United States citizens that receive food stamps in all States; or

''(II) the percentage of households with 1 or more members who are not United States citizens that received food stamps in the State in fiscal year 1998.

''(B) EXPANDED APPLICABILITY TO STATE AGENCIES SUBJECT TO SANCTIONS.—In the case of a State agency subject to sanctions for fiscal year 2001 or any fiscal year thereafter under paragraph (1), the adjustments described in subparagraph (A) shall apply to the State agency for the fiscal year.

''(C) ADDITIONAL ADJUSTMENTS.—For fiscal year 2003 and each fiscal year thereafter, the Secretary may make such additional adjustments to the payment error rate determined under paragraph (2)(A) as the Secretary determines to be consistent with achieving the purposes of this Act.''.

(b) APPLICABILITY.—Except as otherwise provided in the amendments made by subsection (a), the amendments made by subsection (a) shall apply to fiscal year 2001 and each fiscal year thereafter.

SEC. 431. IMPROVEMENT OF CALCULATION OF STATE PERFORMANCE MEASURES.

(a) IN GENERAL.—Section 16(c)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)(8)) is amended—

(1) in subparagraph (B), by striking ''180 days after the end of the fiscal year'' and inserting ''the first May 31 after the end of the fiscal year referred to in subparagraph (A)''; and

(2) in subparagraph (C), by striking ''30 days thereafter'' and inserting ''the first June 30 after the end of the fiscal year referred to in subparagraph (A)''.

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

SEC. 432. BONUSES FOR STATES THAT DEMONSTRATE HIGH PERFORMANCE.

(a) IN GENERAL.—Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) (as amended by section 430(a)(6)) is amended by adding at the end the following:

''(11) HIGH PERFORMANCE BONUS PAYMENTS.—

''(A) IN GENERAL.—The Secretary shall—

''(i) with respect to fiscal year 2002 and each fiscal year thereafter, measure the performance of each State agency with respect to each of the performance measures specified in subparagraph (B); and

''(ii) in fiscal year 2003 and each fiscal year thereafter, subject to subparagraphs (C) and (D), make high performance bonus payments to the State agencies with the highest or most improved performance with respect to those performance measures.

''(B) PERFORMANCE MEASURES.—The performance measures specified in this subparagraph are—

''(i) the ratio, expressed as a percentage, that—

''(I) the number of households in the State that—

''(aa) receive food stamps;

''(bb) have incomes less than 130 percent of the poverty line (as defined in section 673 of the Community Services Block Grant Act (42 U.S.C. 9902));

''(cc) have annual earnings equal to at least 1000 times the Federal minimum hourly rate under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.); and

''(dd) have children under age 18; bears to

''(II) the number of households in the State that meet the criteria specified in items (bb) through (dd) of subclause (I); and

''(ii) 4 additional performance measures, established by the Secretary in consultation with the National Governors Association, the American Public Human Services Association, and the National Conference of State Legislatures not later than 180 days after the date of enactment of this paragraph, of which not less than 1 performance measure shall relate to provision of timely and appropriate services to applicants for and recipients of food stamp benefits.

''(C) HIGH PERFORMANCE BONUS PAYMENTS.—

''(i) DEFINITION OF CASELOAD.—In this subparagraph, the term 'caseload' has the meaning given the term in section 6(o)(6)(A).

''(ii) AMOUNT OF PAYMENTS.—

''(I) IN GENERAL.—In fiscal year 2003 and each fiscal year thereafter, the Secretary shall—

''(aa) make 1 high performance bonus payment of $6,000,000 for each of the 5 performance measures under subparagraph (B); and

''(bb) allocate the high performance bonus payment with respect to each performance measure in accordance with subclauses (II) and (III).

''(II) PAYMENTS FOR PERFORMANCE MEASURES.—In fiscal year 2003 and each fiscal year thereafter, the Secretary shall allocate, in accordance with subclause (III), the high performance bonus payment made for each performance measure under subparagraph (B) among the 6 State agencies with, as determined by the Secretary by regulation—

''(aa) the greatest improvement in the level of performance with respect to the performance measure between the 2 most recent years for which the Secretary determines that reliable data are available;

''(bb) the highest performance in the performance measure for the most recent year for which the Secretary determines that reliable data are available; or

''(cc) a combination of the greatest improvement described in item (aa) and the highest performance described in item (bb).

''(III) ALLOCATION AMONG STATE AGENCIES ELIGIBLE FOR PAYMENTS.—A high performance bonus payment under subclause (II) made for a performance measure shall be allocated among the 6 State agencies eligible for the payment in the ratio that—

''(aa) the caseload of each of the 6 State agencies eligible for the payment; bears to

''(bb) the caseloads of the 6 State agencies eligible for the payment.

''(D) PROHIBITION ON RECEIPT OF HIGH PERFORMANCE BONUS PAYMENTS BY STATE AGENCIES SUBJECT TO SANCTIONS.—If, for any fiscal year, a State agency is subject to a sanction under paragraph (1), the State agency shall not be eligible for a high performance bonus payment for the fiscal year.

''(E) PAYMENTS NOT SUBJECT TO JUDICIAL REVIEW.—A determination by the Secretary whether, and in what amount, to make a high performance bonus payment under this paragraph shall not be subject to judicial review.''.

(b) APPLICABILITY.—The amendment made by subsection (a) takes effect on the date of enactment of this Act.

SEC. 433. EMPLOYMENT AND TRAINING PROGRAM.

(a) LEVELS OF FUNDING.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking '', to remain available until expended,''; and

(B) by striking clause (vii) and inserting the following:

''(vii) for each of fiscal years 2002 through 2006, $90,000,000, to remain available until expended.'';

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

''(B) ALLOCATION.—Funds made available under subparagraph (A) shall be made available to and reallocated among State agencies under a reasonable formula that—

''(i) is determined and adjusted by the Secretary; and

''(ii) takes into account the number of individuals who are not exempt from the work requirement under section 6(o).''; and

(3) by striking subparagraphs (E) through (G) and inserting the following:

''(E) ADDITIONAL ALLOCATIONS FOR STATES THAT ENSURE AVAILABILITY OF WORK OPPORTUNITIES.—

''(i) IN GENERAL.—In addition to the allocations under subparagraph (A), from funds made available under section 18(a)(1), the Secretary shall allocate not more than $25,000,000 for each of fiscal years 2002 through 2006 to reimburse a State agency that is eligible under clause (ii) for the costs incurred in serving food stamp recipients who—

''(I) are not eligible for an exception under section 6(o)(3); and

''(II) are placed in and comply with a program described in subparagraph (B) or (C) of section 6(o)(2).

''(ii) ELIGIBILITY.—To be eligible for an additional allocation under clause (i), a State agency shall—

''(I) exhaust the allocation to the State agency under subparagraph (A) (including any reallocation that has been made available under subparagraph (C)); and

''(II) make and comply with a commitment to offer a position in a program described in subparagraph (B) or (C) of section 6(o)(2) to each applicant or recipient who—

''(aa) is in the last month of the 6-month period described in section 6(o)(2);

''(bb) is not eligible for an exception under section 6(o)(3);

''(cc) is not eligible for a waiver under section 6(o)(4); and

''(dd) is not eligible for an exemption under section 6(o)(6).''.

(b) RESCISSION OF CARRYOVER FUNDS.—Notwithstanding any other provision of law, funds provided under section 16(h)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)(A)) for any fiscal year before fiscal year 2002 shall cease to be available on the date of enactment of this Act, unless obligated by a State agency before that date.

(c) PARTICIPANT EXPENSES.—Section 6(d)(4)(I)(i)(I) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)(I)(i)(I)) is amended by striking ''$25 per month'' and inserting ''$50 per month''.

(d) FEDERAL REIMBURSEMENT.—Section 16(h)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(3)) is amended by striking ''$25'' and inserting ''$50''.

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

SEC. 434. REAUTHORIZATION OF FOOD STAMP PROGRAM AND FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS.

(a) REDUCTIONS IN PAYMENTS FOR ADMINISTRATIVE COSTS.—Section 16(k)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(3)) is amended—

(1) in the first sentence of subparagraph (A), by striking ''2002'' and inserting ''2006''; and

(2) in subparagraph (B)(ii), by striking ''2002'' and inserting ''2006''.

(b) CASH PAYMENT PILOT PROJECTS.—Section 17(b)(1)(B)(vi) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(vi)) is amended by striking ''2002'' and inserting ''2006''.

(c) GRANTS TO IMPROVE FOOD STAMP PARTICIPATION.—Section 17(i)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(i)(1)(A)) is amended in the first sentence by striking ''2002'' and inserting ''2006''.

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended in the first sentence by striking ''2002'' and inserting ''2006''.

SEC. 435. COORDINATION OF PROGRAM INFORMATION EFFORTS.

Section 16(k)(5) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(5)) is amended—

(1) in subparagraph (A), by striking ''No funds'' and inserting ''Except as provided in subparagraph (C), no funds''; and

(2) by adding at the end the following:

''(C) FOOD STAMP INFORMATIONAL ACTIVITIES.—Subparagraph (A) shall not apply to any funds or expenditures described in clause (i) or (ii) of subparagraph (B) used to pay the costs of any activity that is eligible for reimbursement under subsection (a)(4).''.

SEC. 436. EXPANDED GRANT AUTHORITY.

Section 17(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(a)(1)) is amended—

(1) by striking '', by way of making contracts with or grants to public or private organizations or agencies,'' and inserting ''enter into contracts with or make grants to public or private organizations or agencies under this section to''; and

(2) by adding at the end the following: ''The waiver authority of the Secretary under subsection (b) shall extend to all contracts and grants under this section.''.

SEC. 437. ACCESS AND OUTREACH PILOT PROJECTS.

Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by striking subsection (h) and inserting the following:

''(h) ACCESS AND OUTREACH PILOT PROJECTS.—

''(1) IN GENERAL.—The Secretary shall make grants to State agencies and other entities to pay the Federal share of the eligible costs of projects to improve—

''(A) access by eligible individuals to benefits under the food stamp program; or

''(B) outreach to individuals eligible for those benefits.

''(2) FEDERAL SHARE.—The Federal share shall be 75 percent.

''(3) TYPES OF PROJECTS.—To be eligible for a grant under this subsection, a project may consist of—

''(A) establishing a single site at which individuals may apply for—

''(i) benefits under the food stamp program; and

''(ii)(I) supplemental security income benefits under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.);

''(II) benefits under the medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.);

''(III) benefits under the State children's health insurance program under title XXI of the Social Security Act (42 U.S.C. 1397aa et seq.);

''(IV) benefits under the special supplemental nutrition program for women, infants, and children under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786); or

''(V) benefits under such other programs as the Secretary determines to be appropriate;

''(B) developing forms that allow an individual to apply for more than 1 of the programs referred to in subparagraph (A);

''(C) dispatching State agency personnel to conduct outreach and enroll individuals in the food stamp program and other programs in nontraditional venues (such as shopping malls, schools, community centers, county fairs, clinics, food banks, and job training centers);

''(D) developing systems to enable increased participation in the provision of benefits under the food stamp program through farmers' markets, roadside stands, and other community-supported agriculture programs, including wireless electronic benefit transfer systems and other systems appropriate to open-air settings where farmers and other vendors sell directly to consumers;

''(E) allowing individuals to submit applications for the food stamp program by means of the telephone or the Internet, in particular individuals who live in rural areas, elderly individuals, and individuals with disabilities;

''(F) encouraging consumption of fruit and vegetables by developing a cost-effective system for providing discounts for purchases of fruit and vegetables made through use of electronic benefit transfer cards;

''(G) reducing barriers to participation by individuals, with emphasis on working families, eligible immigrants, elderly individuals, and individuals with disabilities;

''(H) developing training materials, guidebooks, and other resources to improve access and outreach;

''(I) conforming verification practices under the food stamp program with verification practices under other assistance programs; and

''(J) such other activities as the Secretary determines to be appropriate.

''(4) SELECTION.—

''(A) IN GENERAL.—The Secretary shall develop criteria for selecting recipients of grants under this subsection that include the consideration of—

''(i) the demonstrated record of a State agency or other entity in serving low-income individuals;

''(ii) the ability of a State agency or other entity to reach hard-to-serve populations;

''(iii) the level of innovative proposals in the application of a State agency or other entity for a grant; and

''(iv) the development of partnerships between public and private sector entities and linkages with the community.

''(B) PREFERENCE.—In selecting recipients of grants under paragraph (1), the Secretary shall provide a preference to any applicant that consists of a partnership between a State and a private entity, such as—

''(i) a food bank;

''(ii) a community-based organization;

''(iii) a public school;

''(iv) a publicly-funded health clinic;

''(v) a publicly-funded day care center; and

''(vi) a nonprofit health or welfare agency.

''(C) GEOGRAPHICAL DISTRIBUTION OF RECIPIENTS.—

''(i) IN GENERAL.—Subject to clause (ii), the Secretary shall select, from all eligible applications received, at least 1 recipient to receive a grant under this subsection from—

''(I) each region of the Department of Agriculture administering the food stamp program; and

''(II) each additional rural or urban area that the Secretary determines to be appropriate.

''(ii) EXCEPTION.—The Secretary shall not be required to select grant recipients under clause (i) to the extent that the Secretary determines that an insufficient number of eligible grant applications has been received.

''(5) PROJECT EVALUATIONS.—

''(A) IN GENERAL.—The Secretary shall conduct evaluations of projects funded by grants under this subsection.

''(B) LIMITATION.—Not more than 10 percent of funds made available to carry out this subsection shall be used for project evaluations described in subparagraph (A).

''(6) MAINTENANCE OF EFFORT.—A State agency or other entity shall provide assurances to the Secretary that funds provided to the State agency or other entity under this subsection will be used only to supplement, not to supplant, the amount of Federal, State, and local funds otherwise expended to carry out access and outreach activities in the State under this Act.

''(7) FUNDING.—There is authorized to be appropriated to carry out this subsection $3,000,000 for the period of fiscal years 2003 through 2005.''.

SEC. 438. CONSOLIDATED BLOCK GRANTS AND ADMINISTRATIVE FUNDS.

(a) CONSOLIDATED FUNDING.—Section 19(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking ''the Commonwealth of Puerto Rico'' and inserting ''governmental entities specified in subparagraph (D)'';

(B) in clause (ii), by striking ''and'' at the end; and

(C) by striking clause (iii) and all that follows and inserting the following:

''(iii) for fiscal year 2002, $1,356,000,000; and

''(iv) for each of fiscal years 2003 through 2006, the amount provided in clause (iii), as adjusted by the percentage by which the thrifty food plan has been adjusted under section 3(o)(4) between June 30, 2001, and June 30 of the immediately preceding fiscal year;

to pay the expenditures for nutrition assistance programs for needy persons as described in subparagraphs (B) and (C).'';

(2) in subparagraph (B)—

(A) by striking ''(B) The'' and inserting the following:

''(B) MAXIMUM PAYMENTS TO COMMONWEALTH OF PUERTO RICO.—

''(i) IN GENERAL.—The'';

(B) by inserting ''of Puerto Rico'' after ''Commonwealth'' each place it appears; and

(C) by adding at the end the following:

''(ii) EXCEPTION FOR EXPENDITURES FOR CERTAIN SYSTEMS.—Notwithstanding subparagraph (A) and clause (i), the Commonwealth of Puerto Rico may spend not more than $6,000,000 of the amount required to be paid to the Commonwealth for fiscal year 2002 under subparagraph (A) to pay 100 percent of the costs of—

''(I) upgrading and modernizing the electronic data processing system used to carry out nutrition assistance programs for needy persons;

''(II) implementing systems to simplify the determination of eligibility to receive that nutrition assistance; and

''(III) operating systems to deliver benefits through electronic benefit transfers.''; and

(3) by adding at the end the following:

''(C) AMERICAN SAMOA.—For each fiscal year, the Secretary shall reserve 0.4 percent of the funds made available under subparagraph (A) for payment to American Samoa to pay 100 percent of the expenditures for a nutrition assistance program extended under section 601(c) of Public Law 96–597 (48 U.S.C. 1469d(c)).

''(D) GOVERNMENTAL ENTITY.—A governmental entity specified in this subparagraph is—

''(i) the Commonwealth of Puerto Rico; and

''(ii) for fiscal year 2003 and each fiscal year thereafter, American Samoa.''.

(b) CONFORMING AMENDMENT.—Section 24 of the Food Stamp Act of 1977 (7 U.S.C. 2033) is repealed.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section take effect on October 1, 2002.

(2) EXCEPTION FOR EXPENDITURES FOR CERTAIN SYSTEMS.—The amendments made by subsection (a)(2) take effect on the date of enactment of this Act.

SEC. 439. ASSISTANCE FOR COMMUNITY FOOD PROJECTS.

Section 25 of the Food Stamp Act of 1977 (7 U.S.C. 2034) is amended—

(1) in subsection (b)(2)(B), by striking ''2002'' and inserting ''2006'';

(2) in subsection (d)—

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

(B) by striking paragraph (4) and inserting the following:

''(4) encourage long-term planning activities, and multisystem, interagency approaches with multistakeholder collaborations, that build the long-term capacity of communities to address the food and agriculture problems of the communities, such as food policy councils and food planning associations; or

''(5) meet, as soon as practicable, specific neighborhood, local, or State food and agriculture needs, including needs for—

''(A) infrastructure improvement and development;

''(B) planning for long-term solutions; or

''(C) the creation of innovative marketing activities that mutually benefit farmers and low-income consumers.''; and

(3) in subsection (e)(1), by striking ''50'' and inserting ''75''.

SEC. 440. AVAILABILITY OF COMMODITIES FOR THE EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) IN GENERAL.—Section 27 of the Food Stamp Act of 1977 (7 U.S.C. 2036) is amended—

(1) in subsection (a)—

(A) by striking ''1997 through 2002'' and inserting ''2002 through 2006''; and

(B) by striking ''$100,000,000'' and inserting ''$110,000,000''; and

(2) by adding at the end the following:

''(c) USE OF FUNDS FOR RELATED COSTS.—

''(1) IN GENERAL.—For each of fiscal years 2002 through 2006, the Secretary shall use $10,000,000 of the funds made available under subsection (a) to pay the direct and indirect costs of States relating to the processing, storing, transporting, and distributing to eligible recipient agencies of—

''(A) commodities purchased by the Secretary under subsection (a); and

''(B) commodities acquired from other sources, including commodities acquired by gleaning (as defined in section 111(a) of the Hunger Prevention Act of 1988 (7 U.S.C. 612c note; Public Law 100–435)).

''(2) ALLOCATION OF FUNDS.—The amount required to be used in accordance with paragraph (1) shall be allocated in accordance with section 204(a) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)).''.

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

SEC. 441. INNOVATIVE PROGRAMS FOR ADDRESSING COMMON COMMUNITY PROBLEMS.

The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

''SEC. 28. INNOVATIVE PROGRAMS FOR ADDRESSING COMMON COMMUNITY PROBLEMS.

''(a) IN GENERAL.—The Secretary shall offer to enter into a contract with a nongovernmental organization described in subsection (b) to coordinate with Federal agencies, States, political subdivisions, and nongovernmental organizations (referred to in this section as 'targeted entities') to develop, and recommend to the targeted entities, innovative programs for addressing common community problems, including loss of farms, rural poverty, welfare dependency, hunger, the need for job training, juvenile crime prevention, and the need for self-sufficiency by individuals and communities.

''(b) NONGOVERNMENTAL ORGANIZATION.—The nongovernmental organization referred to in subsection (a)—

''(1) shall be selected on a competitive basis; and

''(2) as a condition of entering into the contract—

''(A) shall be experienced in working with targeted entities, and in organizing workshops that demonstrate programs to targeted entities;

''(B) shall be experienced in identifying programs that effectively address problems described in subsection (a) that can be implemented by other targeted entities;

''(C) shall agree—

''(i) to contribute in-kind resources toward the establishment and maintenance of programs described in subsection (a); and

''(ii) to provide to targeted entities, free of charge, information on the programs;

''(D) shall be experienced in, and capable of, receiving information from, and communicating with, targeted entities throughout the United States; and

''(E) shall be experienced in operating a national information clearinghouse that addresses 1 or more of the problems described in subsection (a).

''(c) AUDITS.—The Secretary shall establish auditing procedures and otherwise ensure the effective use of funds made available under this section.

''(d) FUNDING.—

''(1) IN GENERAL.—Not later than 30 days after the date of enactment of this section, and on October 1, 2002, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this section $200,000, to remain available until expended.

''(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.''.

SEC. 442. REPORT ON USE OF ELECTRONIC BENEFIT TRANSFER SYSTEMS.

Not later than 1 year after the date of enactment of this Act, the Secretary of Agriculture shall submit to Congress a report on—

(1) difficulties relating to use of electronic benefit transfer systems in issuance of food stamp benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.);

(2) the extent to which there exists fraud, and the types of fraud that exist, in use of the electronic benefit transfer systems; and

(3) the efforts being made by the Secretary of Agriculture, retailers, electronic benefit transfer system contractors, and States to address the problems described in paragraphs (1) and (2).

SEC. 443. VITAMIN AND MINERAL SUPPLEMENTS.

(a) IN GENERAL.—Section 3(g)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2012(g)(1)) is amended by striking ''or food product'' and inserting '', food product, or dietary supplement that provides exclusively 1 or more vitamins or minerals''.

(b) IMPACT STUDY.—

(1) IN GENERAL.—Not later than April 1, 2003, the Secretary of Agriculture shall enter into a contract with a scientific research organization to study and develop a report on the technical issues, economic impacts, and health effects associated with allowing individuals to use benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) to purchase dietary supplements that provide exclusively 1 or more vitamins or minerals (referred to in this subsection as ''vitamin-mineral supplements'').

(2) REQUIRED ELEMENTS.—At a minimum, the study shall examine—

(A) the extent to which problems arise in the purchase of vitamin-mineral supplements with electronic benefit transfer cards;

(B) the extent of any difficulties in distinguishing vitamin-mineral supplements from herbal and botanical supplements for which food stamp benefits may not be used;

(C) whether participants in the food stamp program spend more on vitamin-mineral supplements than nonparticipants;

(D) to what extent vitamin-mineral supplements are substituted for other foods purchased with use of food stamp benefits;

(E) the proportion of the average food stamp allotment that is being used to purchase vitamin-mineral supplements; and

(F) the extent to which the quality of the diets of participants in the food stamp program has changed as a result of allowing participants to use food stamp benefits to purchase vitamin-mineral supplements.

(3) REPORT.—The report required under paragraph (1) shall be submitted to the Secretary of Agriculture not later than 2 years after the date on which the contract referred to in that paragraph is entered into.

(4) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $3,000,000 to carry out this subsection.

Subtitle B—Miscellaneous Provisions

SEC. 451. REAUTHORIZATION OF COMMODITY PROGRAMS.

(a) 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 ''2002'' and inserting ''2006''.

(b) 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) by striking subsection (a) and inserting the following:

''(a) GRANTS PER ASSIGNED CASELOAD SLOT.—

''(1) IN GENERAL.—In carrying out the program under section 4 (referred to in this section as the 'commodity supplemental food program'), for each of fiscal years 2003 through 2006, the Secretary shall provide to each State agency from funds made available to carry out that section (including any such funds remaining available from the preceding fiscal year), a grant per assigned caseload slot for administrative costs incurred by the State agency and local agencies in the State in operating the commodity supplemental food program.

''(2) AMOUNT OF GRANTS.—For each of fiscal years 2003 through 2006, the amount of each grant per caseload slot shall be equal to $50, adjusted by the percentage change between—

''(A) the value of the State and local government price index, as published by the Bureau of Economic Analysis of the Department of Commerce, for the 12-month period ending June 30 of the second preceding fiscal year; and

''(B) the value of that index for the 12-month period ending June 30 of the preceding fiscal year.''; and

(2) in subsection (d)(2), by striking ''2002'' each place it appears and inserting ''2006''.

(c) 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 ''2002'' and inserting ''2006''.

(d) EMERGENCY FOOD ASSISTANCE.—Section 204(a)(1) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)(1)) is amended in the first sentence—

(1) by striking ''2002'' and inserting ''2006'';

(2) by striking ''administrative''; and

(3) by inserting ''storage,'' after ''processing,''.

SEC. 452. PARTIAL RESTORATION OF BENEFITS TO LEGAL IMMIGRANTS.

(a) RESTORATION OF BENEFITS TO ALL QUALIFIED ALIEN CHILDREN.—

(1) IN GENERAL.—Section 402(a)(2)(J) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(J)) is amended by striking ''who'' and all that follows through ''is under'' and inserting ''who is under''.

(2) CONFORMING AMENDMENTS.—

(A) Section 403(c)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613(c)(2)) is amended by adding at the end the following:

''(L) Assistance or benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).''.

(B) Section 421(d) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1631(d)) is amended by adding at the end the following:

''(3) This section shall not apply to assistance or benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) to the extent that a qualified alien is eligible under section 402(a)(2)(J).''.

(C) Section 5(i)(2)(E) of the Food Stamp Act of 1977 (7 U.S.C. 2014(i)(2)(E)) is amended by inserting before the period at the end the following: '', or to any alien who is under 18 years of age''.

(3) APPLICABILITY.—The amendments made by this subsection shall apply to fiscal year 2004 and each fiscal year thereafter.

(b) WORK REQUIREMENT FOR LEGAL IMMIGRANTS.—

(1) WORKING IMMIGRANT FAMILIES.—Section 402(a)(2)(B)(ii)(I) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(B)(ii)(I)) is amended by striking ''40'' and inserting ''40 (or 16, in the case of the specified Federal program described in paragraph (3)(B))''.

(2) CONFORMING AMENDMENTS.—

(A) Section 213A(a)(3)(A) of the Immigration and Nationality Act (8 U.S.C.

1183a(a)(3)(A)) is amended by striking ''40'' and inserting ''40 (or 16, in the case of the specified Federal program described in section 402(a)(3)(B) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(3)(B)))''.

(B) Section 421(b)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1631(b)(2)(A)) is amended by striking ''40'' and inserting ''40 (or 16, in the case of the specified Federal program described in section 402(a)(3)(B))''.

(c) RESTORATION OF BENEFITS TO REFUGEES AND ASYLEES.—Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) is amended—

(1) in subparagraph (A), by striking ''programs described in paragraph (3)'' and inserting ''program described in paragraph (3)(A)''; and

(2) by adding at the end the following:

''(L) FOOD STAMP EXCEPTION FOR REFUGEES AND ASYLEES.—With respect to eligibility for benefits for the specified Federal program described in paragraph (3)(B), paragraph (1) shall not apply to an alien with respect to which an action described in subparagraph (A) was taken and was not revoked.''.

(d) RESTORATION OF BENEFITS TO DISABLED ALIENS.—Section 402(a)(2)(F) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(F)) is amended by striking ''(i) was'' and all that follows through ''(II) in the case'' and inserting the following:

''(i) in the case of the specified Federal program described in paragraph (3)(A)—

''(I) was lawfully residing in the United States on August 22, 1996; and

''(II) is blind or disabled, as defined in paragraph (2) or (3) of section 1614(a) of the Social Security Act (42 U.S.C. 1382c(a)); and

''(ii) in the case''.

SEC. 453. COMMODITIES FOR SCHOOL LUNCH PROGRAMS.

(a) IN GENERAL.—Section 6(e)(1)(B) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1755(e)(1)(B)) is amended by striking ''2001'' and inserting ''2003''.

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on the date of enactment of this Act.

SEC. 454. ELIGIBILITY FOR FREE AND REDUCED PRICE MEALS.

(a) IN GENERAL.—Section 9(b) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)) is amended by adding at the end the following:

''(7) EXCLUSION OF CERTAIN MILITARY HOUSING ALLOWANCES.—For each of fiscal years 2002 and 2003, the amount of a basic allowance provided under section 403 of title 37, United States Code, on behalf of a member of a uniformed service for housing that is acquired or constructed under subchapter IV of chapter 169 of title 10, United States Code, or any related provision of law, shall not be considered to be income for the purpose of determining the eligibility of a child who is a member of the household of the member of a uniformed service for free or reduced price lunches under this Act.''.

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on the date of enactment of this Act.

SEC. 455. ELIGIBILITY FOR ASSISTANCE UNDER THE SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN.

(a) IN GENERAL.—Section 17(d)(2)(B)(i) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(2)(B)(i)) is amended—

(1) by striking ''basic allowance for housing'' and inserting the following: ''basic allowance—

''(I) for housing'';

(2) by striking ''and'' at the end and inserting ''or''; and

(3) by adding at the end the following:

''(II) provided under section 403 of title 37, United States Code, for housing that is acquired or constructed under subchapter IV of chapter 169 of title 10, United States Code, or any related provision of law; and''.

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

SEC. 456. SENIORS FARMERS' MARKET NUTRITION PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall carry out and expand a seniors farmers' market nutrition program.

(b) PROGRAM PURPOSES.—The purposes of the seniors farmers' market nutrition program are—

(1) to provide to low-income seniors resources in the form of fresh, nutritious, unprepared, locally grown fruits, vegetables, and herbs from farmers' markets, roadside stands, and community-supported agriculture programs;

(2) to increase domestic consumption of agricultural commodities by expanding or assisting in the expansion of domestic farmers' markets, roadside stands, and community-supported agriculture programs; and

(3) to develop or aid in the development of new farmers' markets, roadside stands, and community-supported agriculture programs.

(c) REGULATIONS.—The Secretary of Agriculture may promulgate such regulations as the Secretary considers necessary to carry out the seniors farmers' market nutrition program under this section.

(d) FUNDING.—

(1) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, and on October 1, 2002, and each October 1 thereafter through October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this section $15,000,000.

(2) RECEIPT AND ACCEPTANCE.—The Secretary of Agriculture shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.

SEC. 457. FRUIT AND VEGETABLE PILOT PROGRAM.

(a) IN GENERAL.—In the school year beginning July 2002, the Secretary of Agriculture shall use funds made available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), to conduct a pilot program to make available to students, in 25 elementary or secondary schools in each of 4 States, and in elementary or secondary schools on 1 Indian reservation, free fruits and vegetables throughout the school day in—

(1) a cafeteria;

(2) a student lounge; or

(3) another designated room of the school.

(b) PUBLICITY.—A school that participates in the pilot program shall widely publicize within the school the availability of free fruits and vegetables under the pilot program.

(c) EVALUATION OF PILOT PROGRAM.—

(1) IN GENERAL.—The Secretary of Agriculture shall conduct an evaluation of the results of the pilot program to determine—

(A) whether students took advantage of the pilot program;

(B) whether interest in the pilot program increased or lessened over time; and

(C) what effect, if any, the pilot program had on vending machine sales.

(2) FUNDING.—The Secretary shall use $200,000 of the funds described in subsection (a) to carry out the evaluation under this subsection.

SEC. 458. CONGRESSIONAL HUNGER FELLOWS PROGRAM.

(a) SHORT TITLE.—This section may be cited as the ''Congressional Hunger Fellows Act of 2001''.

(b) FINDINGS.—Congress finds that—

(1) there are—

(A) a critical need for compassionate individuals who are committed to assisting people who suffer from hunger; and

(B) a need for those individuals to initiate and administer solutions to the hunger problem;

(2) Bill Emerson, the distinguished late Representative from the 8th District of Missouri, demonstrated—

(A) his commitment to solving the problem of hunger in a bipartisan manner;

(B) his commitment to public service; and

(C) his great affection for the institution and the ideals of Congress;

(3) George T. (Mickey) Leland, the distinguished late Representative from the 18th District of Texas, demonstrated—

(A) his compassion for individuals in need;

(B) his high regard for public service; and

(C) his lively exercise of political talents;

(4) the special concern that Mr. Emerson and Mr. Leland demonstrated during their lives for the hungry and poor was an inspiration for others to work toward the goals of equality and justice for all; and

(5) since those 2 outstanding leaders maintained a special bond of friendship regardless of political affiliation and worked together to encourage future leaders to recognize and provide service to others, it is especially appropriate to honor the memory of Mr. Emerson and Mr. Leland by establishing a fellowship program to develop and train the future leaders of the United States to pursue careers in humanitarian service.

(c) DEFINITIONS.—In this section:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees'' means—

(A) the Committee on Agriculture and the Committee on International Relations of the House of Representatives; and

(B) the Committee on Agriculture, Nutrition, and Forestry and the Committee on Foreign Relations of the Senate.

(2) BOARD.—The term ''Board'' means the Board of Trustees of the Program.

(3) FUND.—The term ''Fund'' means the Congressional Hunger Fellows Trust Fund established by subsection (g).

(4) PROGRAM.—The term ''Program'' means the Congressional Hunger Fellows Program established by subsection (d).

(d) ESTABLISHMENT.—There is established as an independent entity of the legislative branch of the United States Government an entity to be known as the ''Congressional Hunger Fellows Program''.

(e) BOARD OF TRUSTEES.—

(1) IN GENERAL.—The Program shall be subject to the supervision and direction of a Board of Trustees.

(2) MEMBERS OF THE BOARD.—

(A) APPOINTMENT.—

(i) IN GENERAL.—The Board shall be composed of 6 voting members appointed under clause (ii) and 1 nonvoting ex-officio member designated by clause (iii).

(ii) VOTING MEMBERS.—The voting members of the Board shall be the following:

(I) 2 members appointed by the Speaker of the House of Representatives.

(II) 1 member appointed by the minority leader of the House of Representatives.

(III) 2 members appointed by the majority leader of the Senate.

(IV) 1 member appointed by the minority leader of the Senate.

(iii) NONVOTING MEMBER.—The Executive Director of the Program shall serve as a nonvoting ex-officio member of the Board.

(B) TERMS.—

(i) IN GENERAL.—Each member of the Board shall serve for a term of 4 years.

(ii) INCOMPLETE TERM.—If a member of the Board does not serve the full term of the member, the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

(C) VACANCY.—A vacancy on the Board—

(i) shall not affect the powers of the Board; and

(ii) shall be filled in the same manner as the original appointment was made.

(D) CHAIRPERSON.—As the first order of business of the first meeting of the Board, the members shall elect a Chairperson.

(E) COMPENSATION.—

(i) IN GENERAL.—Subject to clause (ii), a member of the Board shall not receive compensation for service on the Board.

(ii) TRAVEL.—A member of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Board.

(3) DUTIES.—

(A) BYLAWS.—

(i) ESTABLISHMENT.—The Board shall establish such bylaws and other regulations as are appropriate to enable the Board to carry out this section, including the duties described in this paragraph.

(ii) CONTENTS.—Bylaws and other regulations established under clause (i) shall include provisions—

(I) for appropriate fiscal control, accountability for funds, and operating principles;

(II) to prevent any conflict of interest, or the appearance of any conflict of interest, in—

(aa) the procurement and employment actions taken by the Board or by any officer or employee of the Board; and

(bb) the selection and placement of individuals in the fellowships developed under the Program;

(III) for the resolution of a tie vote of the members of the Board; and

(IV) for authorization of travel for members of the Board.

(iii) SUBMISSION TO CONGRESS.—Not later than 90 days after the date of the first meeting of the Board, the Chairperson of the Board shall submit to the appropriate congressional committees a copy of the bylaws established by the Board.

(B) BUDGET.—For each fiscal year in which the Program is in operation—

(i) the Board shall determine a budget for the Program for the fiscal year; and

(ii) all spending by the Program shall be in accordance with the budget unless a change is approved by the Board.

(C) PROCESS FOR SELECTION AND PLACEMENT OF FELLOWS.—The Board shall review and approve the process established by the Executive Director for the selection and placement of individuals in the fellowships developed under the Program.

(D) ALLOCATION OF FUNDS TO FELLOWSHIPS.—The Board shall determine—

(i) the priority of the programs to be carried out under this section; and

(ii) the amount of funds to be allocated for the fellowships established under subsection (f)(3)(A).

(f) PURPOSES; AUTHORITY OF PROGRAM.—

(1) PURPOSES.—The purposes of the Program are—

(A) to encourage future leaders of the United States to pursue careers in humanitarian service;

(B) to recognize the needs of people who are hungry and poor;

(C) to provide assistance and compassion for people in need;

(D) to increase awareness of the importance of public service; and

(E) to provide training and development opportunities for the leaders through placement in programs operated by appropriate entities.

(2) AUTHORITY.—The Program may develop fellowships to carry out the purposes of the Program, including the fellowships described in paragraph (3).

(3) FELLOWSHIPS.—

(A) IN GENERAL.—The Program shall establish and carry out the Bill Emerson Hunger Fellowship and the Mickey Leland Hunger Fellowship.

(B) CURRICULUM.—

(i) IN GENERAL.—The fellowships established under subparagraph (A) shall provide experience and training to develop the skills and understanding necessary to improve the humanitarian conditions and the lives of individuals who suffer from hunger, including—

(I) training in direct service to the hungry in conjunction with community-based organizations through a program of field placement; and

(II) experience in policy development through placement in a governmental entity or nonprofit organization.

(ii) FOCUS.—

(I) BILL EMERSON HUNGER FELLOWSHIP.—The Bill Emerson Hunger Fellowship shall address hunger and other humanitarian needs in the United States.

(II) MICKEY LELAND HUNGER FELLOWSHIP.—The Mickey Leland Hunger Fellowship shall address international hunger and other humanitarian needs.

(iii) WORK PLAN.—To carry out clause (i) and to assist in the evaluation of the fellowships under paragraph (4), the Program shall, for each fellow, approve a work plan that identifies the target objectives for the fellow in the fellowship, including the specific duties and responsibilities relating to the objectives.

(C) PERIOD OF FELLOWSHIP.—

(i) EMERSON FELLOWSHIP.—A Bill Emerson Hunger Fellowship awarded under this paragraph shall be for a period of not more than 1 year.

(ii) LELAND FELLOWSHIP.—A Mickey Leland Hunger Fellowship awarded under this paragraph shall be for a period of not more than 2 years, of which not less than 1 year shall be dedicated to fulfilling the requirement of subparagraph (B)(i)(I).

(D) SELECTION OF FELLOWS.—

(i) IN GENERAL.—A fellowship shall be awarded through a nationwide competition established by the Program.

(ii) QUALIFICATION.—A successful applicant shall be an individual who has demonstrated—

(I) an intent to pursue a career in humanitarian service and outstanding potential for such a career;

(II) leadership potential or leadership experience;

(III) diverse life experience;

(IV) proficient writing and speaking skills;

(V) an ability to live in poor or diverse communities; and

(VI) such other attributes as the Board determines to be appropriate.

(iii) AMOUNT OF AWARD.—

(I) IN GENERAL.—Each individual awarded a fellowship under this paragraph shall receive a living allowance and, subject to subclause (II), an end-of-service award as determined by the Program.

(II) REQUIREMENT FOR SUCCESSFUL COMPLETION OF FELLOWSHIP.—Each individual awarded a fellowship under this paragraph shall be entitled to receive an end-of-service award at an appropriate rate for each month of satisfactory service as determined by the Executive Director.

(iv) RECOGNITION OF FELLOWSHIP AWARD.—

(I) EMERSON FELLOW.—An individual awarded a Bill Emerson Hunger Fellowship shall be known as an ''Emerson Fellow''.

(II) LELAND FELLOW.—An individual awarded a Mickey Leland Hunger Fellowship shall be known as a ''Leland Fellow''.

(4) EVALUATIONS.—

(A) IN GENERAL.—The Program shall conduct periodic evaluations of the Bill Emerson and Mickey Leland Hunger Fellowships.

(B) REQUIRED ELEMENTS.—Each evaluation shall include—

(i) an assessment of the successful completion of the work plan of each fellow;

(ii) an assessment of the impact of the fellowship on the fellows;

(iii) an assessment of the accomplishment of the purposes of the Program; and

(iv) an assessment of the impact of each fellow on the community.

(g) TRUST FUND.—

(1) ESTABLISHMENT.—There is established in the Treasury of the United States a fund to be known as the ''Congressional Hunger Fellows Trust Fund'', consisting of—

(A) amounts appropriated to the Fund under subsection (k);

(B) any amounts earned on investment of amounts in the Fund under paragraph (2); and

(C) amounts received under subsection (i)(3)(A).

(2) INVESTMENT OF AMOUNTS.—

(A) IN GENERAL.—

(i) AUTHORITY TO INVEST.—The Secretary of the Treasury shall invest such portion of the Fund as is not, in the judgment of the Secretary of the Treasury, required to meet current withdrawals.

(ii) TYPES OF INVESTMENTS.—Each investment may be made only in an interest-bearing obligation of the United States or an obligation guaranteed as to principal and interest by the United States that, as determined by the Secretary of the Treasury in consultation with the Board, has a maturity suitable for the Fund.

(B) ACQUISITION OF OBLIGATIONS.—For the purpose of investments under subparagraph (A), obligations may be acquired—

(i) on original issue at the issue price; or

(ii) by purchase of outstanding obligations at the market price.

(C) SALE OF OBLIGATIONS.—Any obligation acquired by the Fund may be sold by the Secretary of the Treasury at the market price.

(D) CREDITS TO FUND.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Fund shall be credited to and form a part of the Fund.

(3) TRANSFERS OF AMOUNTS.—

(A) IN GENERAL.—The amounts required to be transferred to the Fund under this subsection shall be transferred at least monthly from the general fund of the Treasury to the Fund on the basis of estimates made by the Secretary of the Treasury.

(B) ADJUSTMENTS.—Proper adjustment shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(h) EXPENDITURES; AUDITS.—

(1) IN GENERAL.—The Secretary of the Treasury shall transfer to the Program from the amounts described in subsections (g)(2)(D) and (i)(3)(A) such sums as the Board determines to be necessary to enable the Program to carry out this section.

(2) LIMITATION.—The Secretary may not transfer to the Program the amounts appropriated to the Fund under subsection (k).

(3) USE OF FUNDS.—Funds transferred to the Program under paragraph (1) shall be used—

(A) to provide a living allowance for the fellows;

(B) to defray the costs of transportation of the fellows to the fellowship placement sites;

(C) to defray the costs of appropriate insurance of the fellows, the Program, and the Board;

(D) to defray the costs of preservice and midservice education and training of fellows;

(E) to pay staff described in subsection (i);

(F) to make end-of-service awards under subsection (f)(3)(D)(iii)(II); and

(G) for such other purposes as the Board determines to be appropriate to carry out the Program.

(4) AUDIT BY COMPTROLLER GENERAL.—

(A) IN GENERAL.—The Comptroller General of the United States shall conduct an annual audit of the accounts of the Program.

(B) BOOKS.—The Program shall make available to the Comptroller General all books, accounts, financial records, reports, files, and other papers, things, or property belonging to or in use by the Program and necessary to facilitate the audit.

(C) REPORT TO CONGRESS.—The Comptroller General shall submit to the appropriate congressional committees a copy of the results of each audit under subparagraph (A).

(i) STAFF; POWERS OF PROGRAM.—

(1) EXECUTIVE DIRECTOR.—

(A) IN GENERAL.—The Board shall appoint an Executive Director of the Program who shall—

(i) administer the Program; and

(ii) carry out such other functions consistent with this section as the Board shall prescribe.

(B) RESTRICTION.—The Executive Director may not serve as Chairperson of the Board.

(C) COMPENSATION.—The Executive Director shall be paid at a rate not to exceed the rate payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(2) STAFF.—

(A) IN GENERAL.—With the approval of a majority of the Board, the Executive Director may appoint and fix the pay of such additional personnel as the Executive Director considers necessary to carry out this section.

(B) COMPENSATION.—An individual appointed under subparagraph (A) shall be paid at a rate not to exceed the rate payable for level GS–15 of the General Schedule.

(3) POWERS.—

(A) GIFTS.—

(i) IN GENERAL.—The Program may solicit, accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Program.

(ii) USE OF GIFTS.—Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall—

(I) be deposited in the Fund; and

(II) be available for disbursement on order of the Board.

(B) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—To carry out this section, the Program may procure temporary and intermittent services in accordance with section 3109(b) of title 5, United States Code, at rates for individuals that do not exceed the daily equivalent of the annual rate of basic pay payable for level GS–15 of the General Schedule.

(C) CONTRACT AUTHORITY.—To carry out this section, the Program may, with the approval of a majority of the members of the Board, contract with and compensate Government and private agencies or persons without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

(D) OTHER NECESSARY EXPENDITURES.—

(i) IN GENERAL.—Subject to clause (ii), the Program may make such other expenditures as the Program considers necessary to carry out this section.

(ii) PROHIBITION.—The Program may not expend funds to develop new or expanded projects at which fellows may be placed.

(j) REPORT.—Not later than December 31 of each year, the Board shall submit to the appropriate congressional committees a report on the activities of the Program carried out during the preceding fiscal year that includes—

(1) an analysis of the evaluations conducted under subsection (f)(4) during the fiscal year; and

(2) a statement of—

(A) the total amount of funds attributable to gifts received by the Program in the fiscal year under subsection (i)(3)(A); and

(B) the total amount of funds described in subparagraph (A) that were expended to carry out the Program in the fiscal year.

(k) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $18,000,000.

(l) EFFECTIVE DATE.—This section takes effect on October 1, 2002.

SEC. 459. NUTRITION INFORMATION AND AWARENESS PILOT PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture may establish, in not more than 15 States, a pilot program to increase the domestic consumption of fresh fruits and vegetables.

(b) PURPOSE.—The purpose of the program shall be to provide funds to States to assist eligible public and private sector entities with cost-share assistance to carry out demonstration projects—

(1) to increase fruit and vegetable consumption; and

(2) to convey related health promotion messages.

(c) PRIORITY.—To the maximum extent practicable, the Secretary shall—

(1) establish the program in States in which the production of fruits or vegetables is a significant industry, as determined by the Secretary; and

(2) base the program on strategic initiatives, including—

(A) health promotion and education interventions;

(B) public service and paid advertising or marketing activities;

(C) health promotion campaigns relating to locally grown fruits and vegetables; and

(D) social marketing campaigns.

(d) PARTICIPANT ELIGIBILITY.—In selecting States to participate in the program, the Secretary shall take into consideration, with respect to projects and activities proposed to be carried out by the State under the program—

(1) experience in carrying out similar projects or activities;

(2) innovation; and

(3) the ability of the State—

(A) to conduct marketing campaigns for, promote, and track increases in levels of, produce consumption; and

(B) to optimize the availability of produce through distribution of produce.

(e) FEDERAL SHARE.—The Federal share of the cost of any project or activity carried out using funds provided under this section shall be 50 percent.

(f) USE OF FUNDS.—Funds made available to carry out this section shall not be made available to any foreign for-profit corporation.

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $25,000,000 for each of fiscal years 2002 through 2006.

SEC. 460. EFFECTIVE DATE.

Except as otherwise provided in this title, the amendments made by this title take effect on September 1, 2002, except that a State agency may, at the option of the State agency, elect not to implement any or all of the amendments until October 1, 2002.

TITLE V—CREDIT

Subtitle A—Farm Ownership Loans

SEC. 501. DIRECT LOANS.

Section 302(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922(b)(1)) is amended by striking ''operated'' and inserting ''participated in the business operations of''.

SEC. 502. FINANCING OF BRIDGE LOANS.

Section 303(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1923(a)(1)) is amended—

(1) in subparagraph (C), by striking ''or'' at the end;

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

(3) by adding at the end the following:

''(E) refinancing, during a fiscal year, a short-term, temporary bridge loan made by a commercial or cooperative lender to a beginning farmer or rancher for the acquisition of land for a farm or ranch, if—

''(i) the Secretary approved an application for a direct farm ownership loan to the beginning farmer or rancher for acquisition of the land; and

''(ii) funds for direct farm ownership loans under section 346(b) were not available at the time at which the application was approved.''.

SEC. 503. LIMITATIONS ON AMOUNT OF FARM OWNERSHIP LOANS.

Section 305 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1925) is amended by striking subsection (a) and inserting the following:

''(a) IN GENERAL.—The Secretary shall not make or insure a loan under section 302, 303, 304, 310D, or 310E that would cause the unpaid indebtedness under those sections of any 1 borrower to exceed the lesser of—

''(1) the value of the farm or other security; or

''(2)(A) in the case of a loan made by the Secretary—

''(i) to a beginning farmer or rancher, $250,000, as adjusted (beginning with fiscal year 2003) by the inflation percentage applicable to the fiscal year in which the loan is made; or

''(ii) to a borrower other than a beginning farmer or rancher, $200,000; or

''(B) in the case of a loan guaranteed by the Secretary, $700,000, as—

''(i) adjusted (beginning with fiscal year 2000) by the inflation percentage applicable

to the fiscal year in which the loan is guaranteed; and

''(ii) reduced by the amount of any unpaid indebtedness of the borrower on loans under subtitle B that are guaranteed by the Secretary.''.

SEC. 504. JOINT FINANCING ARRANGEMENTS.

Section 307(a)(3)(D) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(3)(D)) is amended—

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

''(i) IN GENERAL.—Subject to clause (ii), if''; and

(2) by adding at the end the following:

''(ii) BEGINNING FARMERS AND RANCHERS.—The interest rate charged a beginning farmer or rancher for a loan described in clause (i) shall be 50 basis points less than the rate charged farmers and ranchers that are not beginning farmers or ranchers.''.

SEC. 505. GUARANTEE PERCENTAGE FOR BEGINNING FARMERS AND RANCHERS.

Section 309(h)(6) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(h)(6)) is amended by striking ''GUARANTEED UP'' and all that follows through ''more than'' and inserting ''GUARANTEED AT 95 PERCENT.—The Secretary shall guarantee''.

SEC. 506. GUARANTEE OF LOANS MADE UNDER STATE BEGINNING FARMER OR RANCHER PROGRAMS.

Section 309 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929) is amended by adding at the end the following:

''(j) GUARANTEE OF LOANS MADE UNDER STATE BEGINNING FARMER OR RANCHER PROGRAMS.—The Secretary may guarantee under this title a loan made under a State beginning farmer or rancher program, including a loan financed by the net proceeds of a qualified small issue agricultural bond for land or property described in section 144(a)(12)(B)(ii) of the Internal Revenue Code of 1986.''.

SEC. 507. DOWN PAYMENT LOAN PROGRAM.

Section 310E of the Consolidated Farm and Rural Development Act (7 U.S.C. 1935) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking ''30 percent'' and inserting ''40 percent''; and

(B) in paragraph (3), by striking ''10 years'' and inserting ''20 years''; and

(2) in subsection (c)(3)(B), by striking ''10-year'' and inserting ''20-year''.

SEC. 508. BEGINNING FARMER AND RANCHER CONTRACT LAND SALES PROGRAM.

Subtitle A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922 et seq.) is amended by adding at the end the following:

''SEC. 310F. BEGINNING FARMER AND RANCHER CONTRACT LAND SALES PROGRAM.

''(a) IN GENERAL.—Not later than October 1, 2002, the Secretary shall carry out a pilot program in not fewer than 10 geographically dispersed States, as determined by the Secretary, to guarantee up to 5 loans per State in each of fiscal years 2003 through 2006 made by a private seller of a farm or ranch to a qualified beginning farmer or rancher on a contract land sale basis, if the loan meets applicable underwriting criteria and a commercial lending institution agrees to serve as escrow agent.

''(b) DATE OF COMMENCEMENT OF PROGRAM.—The Secretary shall commence the pilot program on making a determination that guarantees of contract land sales present a risk that is comparable with the risk presented in the case of guarantees to commercial lenders.''.

Subtitle B—Operating Loans

SEC. 511. DIRECT LOANS.

Section 311(c)(1)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(c)(1)(A)) is amended by striking ''who has not'' and all that follows through ''5 years''.

SEC. 512. AMOUNT OF GUARANTEE OF LOANS FOR TRIBAL FARM OPERATIONS; WAIVER OF LIMITATIONS FOR TRIBAL OPERATIONS AND OTHER OPERATIONS.

(a) AMOUNT OF GUARANTEE OF LOANS FOR TRIBAL OPERATIONS.—Section 309(h) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(h)) is amended—

(1) in paragraph (4), by striking ''paragraphs (5) and (6)'' and inserting ''paragraphs (5), (6), and (7)''; and

(2) by adding at the end the following:

''(7) AMOUNT OF GUARANTEE OF LOANS FOR TRIBAL OPERATIONS.—In the case of an operating loan made to a farmer or rancher who is a member of an Indian tribe and whose farm or ranch is within an Indian reservation (as defined in section 335(e)(1)(A)(ii)), the Secretary shall guarantee 95 percent of the loan.''.

(b) WAIVER OF LIMITATIONS.—Section 311(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(c)) is amended—

(1) in paragraph (1), by striking ''paragraph (3)'' and inserting ''paragraphs (3) and (4)''; and

(2) by adding at the end the following:

''(4) WAIVERS.—

''(A) TRIBAL FARM AND RANCH OPERATIONS.—The Secretary shall waive the limitation under paragraph (1)(C) or (3) for a direct loan made under this subtitle to a farmer or rancher who is a member of an Indian tribe and whose farm or ranch is within an Indian reservation (as defined in section 335(e)(1)(A)(ii)) if the Secretary determines that commercial credit is not generally available for such farm or ranch operations.

''(B) OTHER FARM AND RANCH OPERATIONS.—On a case-by-case determination not subject to administrative appeal, the Secretary may grant a borrower a waiver, 1 time only for a period of 2 years, of the limitation under paragraph (1)(C) 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 or ranch operation;

''(ii) the borrower applied for commercial credit from at least 2 commercial lenders;

''(iii) the borrower was unable to obtain a commercial loan (including a loan guaranteed by the Secretary); and

''(iv) the borrower successfully has completed, or will complete within 1 year, borrower training under section 359 (from which requirement the Secretary shall not grant a waiver under section 359(f)).''.

Subtitle C—Administrative Provisions

SEC. 521. ELIGIBILITY OF LIMITED LIABILITY COMPANIES FOR FARM OWNERSHIP LOANS, FARM OPERATING LOANS, AND EMERGENCY LOANS.

(a) IN GENERAL.—Sections 302(a), 311(a), and 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922(a), 1941(a), 1961(a)) are amended by striking ''and joint operations'' each place it appears and inserting ''joint operations, and limited liability companies''.

(b) CONFORMING AMENDMENT.—Section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended by striking ''or joint operations'' each place it appears and inserting ''joint operations, or limited liability companies''.

SEC. 522. DEBT SETTLEMENT.

Section 331(b)(4) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981(b)(4)) is amended by striking ''carried out—'' and all that follows through ''(B) after'' and inserting ''carried out after''.

SEC. 523. TEMPORARY AUTHORITY TO ENTER INTO CONTRACTS; PRIVATE COLLECTION AGENCIES.

(a) IN GENERAL.—Section 331 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981) is amended by striking subsections (d) and (e).

(b) APPLICATION.—The amendment made by subsection (a) shall not apply to a contract entered into before the effective date of this Act.

SEC. 524. INTEREST RATE OPTIONS FOR LOANS IN SERVICING.

Section 331B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981b) is amended—

(1) by striking ''lower of (1) the'' and inserting the following: ''lowest of—

''(1) the''; and

(2) by striking ''original loan or (2) the'' and inserting the following: ''original loan;

''(2) the rate being charged by the Secretary for loans, other than guaranteed loans, of the same type at the time at which the borrower applies for a deferral, consolidation, rescheduling, or reamortization; or

''(3) the''.

SEC. 525. ANNUAL REVIEW OF BORROWERS.

Section 333 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983) is amended by striking paragraph (2) and inserting the following:

''(2) except with respect to a loan under section 306, 310B, or 314—

''(A) an annual review of the credit history and business operation of the borrower; and

''(B) an annual review of the continued eligibility of the borrower for the loan;''.

SEC. 526. SIMPLIFIED LOAN APPLICATIONS.

Section 333A(g)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983a(g)(1)) is amended by striking ''of loans the principal amount of which is $50,000 or less'' and inserting ''of farmer program loans the principal amount of which is $100,000 or less''.

SEC. 527. INVENTORY PROPERTY.

Section 335(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985(c)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B)—

(i) in clause (i), by striking ''75 days'' and inserting ''135 days''; and

(ii) by adding at the end the following:

''(iv) COMBINING AND DIVIDING OF PROPERTY.—To the maximum extent practicable, the Secretary shall maximize the opportunity for beginning farmers and ranchers to purchase real property acquired by the Secretary under this title by combining or dividing inventory parcels of the property in such manner as the Secretary determines to be appropriate.''; and

(B) in subparagraph (C)—

(i) by striking ''75 days'' and inserting ''135 days''; and

(ii) by striking ''75-day period'' and inserting ''135-day period'';

(2) by striking paragraph (2) and inserting the following:

''(2) PREVIOUS LEASE.—In the case of real property acquired before April 4, 1996, that the Secretary leased before April 4, 1996, not later than 60 days after the lease expires, the Secretary shall offer to sell the property in accordance with paragraph (1).''; and

(3) in paragraph (3)—

(A) in subparagraph (A), by striking ''subparagraph (B)'' and inserting ''subparagraphs (B) and (C)''; and

(B) by adding at the end the following:

''(C) OFFER TO SELL OR GRANT FOR FARMLAND PRESERVATION.—For the purpose of farmland preservation, the Secretary shall—

''(i) in consultation with the State Conservationist, and the State technical committee established under subtitle G of title XII of the Food Security Act of 1985 (16 U.S.C. 3861 et seq.), of each State in which inventory property is located, identify each parcel of inventory property in the State that should be preserved for agricultural use; and

''(ii) offer to sell or grant an easement, restriction, development right, or similar legal right to each parcel identified under clause (i) to a State, a political subdivision of a State, or a private nonprofit organization separately from the underlying fee or other rights to the property owned by the United States.''.

SEC. 528. DEFINITIONS.

(a) QUALIFIED BEGINNING FARMER OR RANCHER.—Section 343(a)(11)(F) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(11)(F)) is amended by striking ''25 percent'' and inserting ''30 percent''.

(b) DEBT FORGIVENESS.—Section 343(a)(12) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(12)) is amended by striking subparagraph (B) and inserting the following:

''(B) EXCEPTIONS.—The term 'debt forgiveness' does not include—

''(i) consolidation, rescheduling, reamortization, or deferral of a loan; or

''(ii) any write-down provided as part of a resolution of a discrimination complaint against the Secretary.''.

(c) LIVESTOCK.—Section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)) (as amended by section 637(a)) is amended by adding at the end the following:

''(14) LIVESTOCK.—The term 'livestock' includes horses.''.

SEC. 529. LOAN AUTHORIZATION LEVELS.

Section 346 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994) is amended—

(1) in subsection (b)—

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

''(1) IN GENERAL.—The Secretary may make or guarantee loans under subtitles A and B from the Agricultural Credit Insurance Fund provided for in section 309 for not more than $3,750,000,000 for each of fiscal years 2002 through 2006, of which, for each fiscal year—

''(A) $750,000,000 shall be for direct loans, of which—

''(i) $200,000,000 shall be for farm ownership loans under subtitle A; and

''(ii) $550,000,000 shall be for operating loans under subtitle B; and

''(B) $3,000,000,000 shall be for guaranteed loans, of which—

''(i) $1,000,000,000 shall be for guarantees of farm ownership loans under subtitle A; and

''(ii) $2,000,000,000 shall be for guarantees of operating loans under subtitle B.''; and

(B) in paragraph (2)(A)(ii), by striking ''farmers and ranchers'' and all that follows and inserting ''farmers and ranchers 35 percent for each of fiscal years 2002 through 2006.''; and

(2) in subsection (c), by striking the last sentence.

SEC. 530. INTEREST RATE REDUCTION PROGRAM.

Section 351 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999) is amended—

(1) in subsection (a)—

(A) by striking ''PROGRAM.—'' and all that follows through ''The Secretary'' and inserting ''PROGRAM.—The Secretary''; and

(B) by striking paragraph (2);

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

''(c) AMOUNT OF INTEREST RATE REDUCTION.—

''(1) IN GENERAL.—In return for a contract entered into by a lender under subsection (b) for the reduction of the interest rate paid on a loan, the Secretary shall make payments to the lender in an amount equal to not more than 100 percent of the cost of reducing the annual rate of interest payable on the loan, except that such payments shall not exceed the cost of reducing the rate by more than—

''(A) in the case of a borrower other than a beginning farmer or rancher, 3 percent; and

''(B) in the case of a beginning farmer or rancher, 4 percent.

''(2) BEGINNING FARMERS AND RANCHERS.—The percentage reduction of the interest rate for which payments are authorized to be made for a beginning farmer or rancher under paragraph (1) shall be 1 percent more than the percentage reduction for farmers and ranchers that are not beginning farmers or ranchers.''; and

(3) in subsection (e), by striking paragraph (2) and inserting the following:

''(2) MAXIMUM AMOUNT OF FUNDS.—

''(A) IN GENERAL.—The total amount of funds used by the Secretary to carry out this section for a fiscal year shall not exceed $750,000,000.

''(B) BEGINNING FARMERS AND RANCHERS.—

''(i) IN GENERAL.—The Secretary shall reserve not less than 25 percent of the funds used by the Secretary under subparagraph (A) to make payments for guaranteed loans made to beginning farmers and ranchers.

''(ii) DURATION OF RESERVATION OF FUNDS.—Funds reserved for beginning farmers or ranchers under clause (i) for a fiscal year shall be reserved only until April 1 of the fiscal year.''.

SEC. 531. OPTIONS FOR SATISFACTION OF OBLIGATION TO PAY RECAPTURE AMOUNT FOR SHARED APPRECIATION AGREEMENTS.

(a) IN GENERAL.—Section 353(e)(7) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001(e)(7)) is amended—

(1) in subparagraph (C), by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively, and adjusting the margins appropriately;

(2) by redesignating subparagraphs (A) through (C) as clauses (i) through (iii), respectively, and adjusting the margins appropriately;

(3) by striking the paragraph heading and inserting the following:

''(7) OPTIONS FOR SATISFACTION OF OBLIGATION TO PAY RECAPTURE AMOUNT.—

''(A) IN GENERAL.—As an alternative to repaying the full recapture amount at the end of the term of the shared appreciation agreement (as determined by the Secretary in accordance with this subsection), a borrower may satisfy the obligation to pay the amount of recapture by—

''(i) financing the recapture payment in accordance with subparagraph (B); or

''(ii) granting the Secretary an agricultural use protection and conservation easement on the property subject to the shared appreciation agreement in accordance with subparagraph (C).

''(B) FINANCING OF RECAPTURE PAYMENT.—''; and

(4) by adding at the end the following:

''(C) AGRICULTURAL USE PROTECTION AND CONSERVATION EASEMENT.—

''(i) IN GENERAL.—Subject to clause (iii), the Secretary shall accept an agricultural use protection and conservation easement from the borrower for all of the real security property subject to the shared appreciation agreement in lieu of payment of the recapture amount.

''(ii) TERM.—The term of an easement accepted by the Secretary under this subparagraph shall be 25 years.

''(iii) CONDITIONS.—The easement shall require that the property subject to the easement shall continue to be used or conserved for agricultural and conservation uses in accordance with sound farming and conservation practices, as determined by the Secretary.

''(iv) REPLACEMENT OF METHOD OF SATISFYING OBLIGATION.—A borrower that has begun financing of a recapture payment under subparagraph (B) may replace that financing with an agricultural use protection and conservation easement under this subparagraph.''.

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply to a shared appreciation agreement entered into under section 353(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001(e)) that—

(1) matures on or after the date of enactment of this Act; or

(2) matured before the date of enactment of this Act, if—

(A) the recapture amount was reamortized under section 353(e)(7) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001(e)(7)) (as in effect on the day before the date of enactment of this Act); or

(B)(i) the recapture amount had not been paid before the date of enactment of this Act because of circumstances beyond the control of the borrower; and

(ii) the borrower acted in good faith (as determined by the Secretary) in attempting to repay the recapture amount.

SEC. 532. WAIVER OF BORROWER TRAINING CERTIFICATION REQUIREMENT.

Section 359 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006a) is amended by striking subsection (f) and inserting the following:

''(f) WAIVERS.—

''(1) IN GENERAL.—The Secretary may waive the requirements of this section for an individual borrower if the Secretary determines that the borrower demonstrates adequate knowledge in areas described in this section.

''(2) CRITERIA.—The Secretary shall establish criteria providing for the application of paragraph (1) consistently in all counties nationwide.''.

SEC. 533. ANNUAL REVIEW OF BORROWERS.

Section 360(d)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006b(d)(1)) is amended by striking ''biannual'' and inserting ''annual''.

Subtitle D—Farm Credit

SEC. 541. REPEAL OF BURDENSOME APPROVAL REQUIREMENTS.

(a) BANKS FOR COOPERATIVES.—Section 3.1(11)(B) of the Farm Credit Act of 1971 (12 U.S.C. 2122(11)(B)) is amended—

(1) by striking clause (iii); and

(2) by redesignating clause (iv) as clause (iii).

(b) OTHER SYSTEM BANKS; ASSOCIATIONS.—Section 4.18A of the Farm Credit Act of 1971 (12 U.S.C. 2206a) is amended—

(1) in subsection (a)(1), by striking ''3.1(11)(B)(iv)'' and inserting ''3.1(11)(B)(iii)''; and

(2) by striking subsection (c).

SEC. 542. BANKS FOR COOPERATIVES.

Section 3.7(b) of the Farm Credit Act of 1971 (12 U.S.C. 2128(b)) is amended—

(1) in paragraphs (1) and (2)(A)(i), by striking ''farm supplies'' each place it appears and inserting ''agricultural supplies''; and

(2) by adding at the end the following:

''(4) DEFINITION OF AGRICULTURAL SUPPLY.—In this subsection, the term 'agricultural supply' includes—

''(A) a farm supply; and

''(B)(i) agriculture-related processing equipment;

''(ii) agriculture-related machinery; and

''(iii) other capital goods related to the storage or handling of agricultural commodities or products.''.

SEC. 543. INSURANCE CORPORATION PREMIUMS.

(a) REDUCTION IN PREMIUMS FOR GSE-GUARANTEED LOANS.—

(1) IN GENERAL.—Section 5.55 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4) is amended—

(A) in subsection (a)—

(i) in paragraph (1)—

(I) in subparagraph (A), by striking ''government-guaranteed loans provided for in subparagraph (C)'' and inserting ''loans provided for in subparagraphs (C) and (D)'';

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

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

(IV) by adding at the end the following:

''(D) the annual average principal outstanding for such year on the guaranteed portions of Government Sponsored Enterprise-guaranteed loans made by the bank that are in accrual status, multiplied by a factor, not to exceed 0.0015, determined by the Corporation at the sole discretion of the Corporation.''; and

(ii) by adding at the end the following:

''(4) DEFINITION OF GOVERNMENT SPONSORED ENTERPRISE-GUARANTEED LOAN.—In this section and sections 1.12(b) and 5.56(a), the term 'Government Sponsored Enterprise-guaranteed loan' means a loan or credit, or portion of a loan or credit, that is guaranteed by an entity that is chartered by Congress to serve a public purpose and the debt obligations of which are not explicitly guaranteed by the United States, including the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank System, and the Federal Agricultural Mortgage Corporation, but not including any other institution of the Farm Credit System.''; and

(B) in subsection (e)(4)(B), by striking ''government-guaranteed loans described in subsection (a)(1)(C)'' and inserting ''loans described in subparagraph (C) or (D) of subsection (a)(1)''.

(2) CONFORMING AMENDMENTS.—

(A) Section 1.12(b) of the Farm Credit Act of 1971 (12 U.S.C. 2020(b)) is amended—

(i) in paragraph (1), by inserting ''and Government Sponsored Enterprise-guaranteed loans (as defined in section 5.55(a)(4)) provided for in paragraph (4)'' after ''government-guaranteed loans (as defined in section 5.55(a)(3)) provided for in paragraph (3)'';

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

(iii) in paragraph (3), by striking the period at the end and inserting ''; and''; and

(iv) by adding at the end the following:

''(4) the annual average principal outstanding for such year on the guaranteed portions of Government Sponsored Enterprise-guaranteed loans (as so defined) made by the association, or by the other financing institution and funded by or discounted with the Farm Credit Bank, that are in accrual status, multiplied by a factor, not to exceed 0.0015, determined by the Corporation for the purpose of setting the premium for such guaranteed portions of loans under section 5.55(a)(1)(D).''.

(B) Section 5.56(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–5(a)) is amended—

(i) in paragraph (1), by inserting ''and Government Sponsored Enterprise-guaranteed loans (as defined in section 5.55(a)(4))'' after ''government-guaranteed loans'';

(ii) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(iii) by inserting after paragraph (3) the following:

''(4) the annual average principal outstanding on the guaranteed portions of Government Sponsored Enterprise-guaranteed loans (as defined in section 5.55(a)(4)) that are in accrual status;''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) take effect on the date on which Farm Credit System Insurance Corporation premiums are due from insured Farm Credit System banks under section 5.55 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4) for calendar year 2001.

SEC. 544. BOARD OF DIRECTORS OF THE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

Section 8.2(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–2(b)) is amended—

(1) in paragraph (2)—

(A) by striking ''15'' and inserting ''17'';

(B) in subparagraph (A), by striking ''common stock'' and all that follows and inserting ''Class A voting common stock;'';

(C) in subparagraph (B), by striking ''common stock'' and all that follows and inserting ''Class B voting common stock;'';

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

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

''(C) 2 members shall be elected by holders of Class A voting common stock and Class B voting common stock, 1 of whom shall be the chief executive officer of the Corporation and 1 of whom shall be another executive officer of the Corporation; and'';

(2) in paragraph (3), by striking ''(2)(C)'' and inserting ''(2)(D)'';

(3) in paragraph (4)—

(A) in subparagraph (A), by striking ''(A) or (B)'' and inserting ''(A), (B), or (C)''; and

(B) in subparagraph (B), by striking ''(2)(C)'' and inserting ''(2)(D)'';

(4) in paragraph (5)(A)—

(A) by inserting ''executive officers of the Corporation or'' after ''from among persons who are''; and

(B) by striking ''such a representative'' and inserting ''such an executive officer or representative'';

(5) in paragraph (6)(B), by striking ''(A) and (B)'' and inserting ''(A), (B), and (C)'';

(6) in paragraph (7), by striking ''8 members'' and inserting ''Nine members'';

(7) in paragraph (8)—

(A) in the paragraph heading, by inserting ''OR EXECUTIVE OFFICERS OF THE CORPORATION'' after ''EMPLOYEES''; and

(B) by inserting ''or executive officers of the Corporation'' after ''United States''; and

(8) by striking paragraph (9) and inserting the following:

''(9) CHAIRPERSON.—

''(A) ELECTION.—The permanent board shall annually elect a chairperson from among the members of the permanent board.

''(B) TERM.—The term of the chairperson shall coincide with the term served by elected members of the permanent board under paragraph (6)(B).''.

Subtitle E—General Provisions

SEC. 551. INAPPLICABILITY OF FINALITY RULE.

Section 281(a)(1) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7001(a)(1)) is amended—

(1) by striking ''This subsection'' and inserting the following:

''(A) IN GENERAL.—Except as provided in subparagraph (B), this subsection''; and

(2) by adding at the end the following:

''(B) AGRICULTURAL CREDIT DECISIONS.—This subsection shall not apply with respect to an agricultural credit decision made by such a State, county, or area committee, or employee of such a committee, under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.).''.

SEC. 552. TECHNICAL AMENDMENTS.

(a) Section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended by striking ''Disaster Relief and Emergency Assistance Act'' each place it appears and inserting ''Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.)''.

(b) Section 336(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1986(b)) is amended in the second sentence by striking ''provided for in section 332 of this title''.

(c) Section 359(c)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006a(c)(1)) is amended by striking ''established pursuant to section 332,''.

(d) Section 360(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006b(a)) is amended by striking ''established pursuant to section 332''.

SEC. 553. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b) and section 543(b), this title and the amendments made by this title take effect on October 1, 2001.

(b) BOARD OF DIRECTORS OF THE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.—The amendments made by section 544 take effect on the date of enactment of this Act.

TITLE VI—RURAL DEVELOPMENT

Subtitle A—Empowerment of Rural America

SEC. 601. NATIONAL RURAL COOPERATIVE AND BUSINESS EQUITY FUND.

The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by adding at the end the following:

"Subtitle G—National Rural Cooperative and Business Equity Fund

"SEC. 383A. SHORT TITLE.

''This subtitle may be cited as the 'National Rural Cooperative and Business Equity Fund Act'.

"SEC. 383B. PURPOSE.

''The purpose of this subtitle is to revitalize rural communities and enhance farm income through sustainable rural business development by providing Federal funds and credit enhancements to a private equity fund in order to encourage investments by institutional and noninstitutional investors for the benefit of rural America.

"SEC. 383C. DEFINITIONS.

''In this subtitle:

''(1) AUTHORIZED PRIVATE INVESTOR.—The term 'authorized private investor' means an individual, legal entity, or affiliate or subsidiary of an individual or legal entity that—

''(A) is eligible to receive a loan guarantee under this title;

''(B) is eligible to receive a loan guarantee under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.);

''(C) is created under the National Consumer Cooperative Bank Act (12 U.S.C. 3011 et seq.);

''(D) is an insured depository institution subject to section 383E(b)(2);

''(E) is a Farm Credit System institution described in section 1.2(a) of the Farm Credit Act of 1971 (12 U.S.C. 2002(a)); or

''(F) is determined by the Board to be an appropriate investor in the Fund.

''(2) BOARD.—The term 'Board' means the board of directors of the Fund established under section 383G.

''(3) FUND.—The term 'Fund' means the National Rural Cooperative and Business Equity Fund established under section 383D.

''(4) GROUP OF SIMILAR AUTHORIZED PRIVATE INVESTORS.—The term 'group of similar investors' means any 1 of the following:

''(A) Insured depository institutions with total assets of more than $250,000,000.

''(B) Insured depository institutions with total assets equal to or less than $250,000,000.

''(C) Farm Credit System institutions described in section 1.2(a) of the Farm Credit Act of 1971 (12 U.S.C. 2002(a)).

''(D) Cooperative financial institutions (other than Farm Credit System institutions).

''(E) Private investors, other than those described in subparagraphs (A) through (D), authorized by the Secretary.

''(F) Other nonprofit organizations, including credit unions.

''(5) INSURED DEPOSITORY INSTITUTION.—The term 'insured depository institution' means any bank or savings association the deposits of which are insured under the Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.).

''(6) RURAL BUSINESS.—The term 'rural business' means a rural cooperative, a value-added agricultural enterprise, or any other business located or locating in a rural area.

"SEC. 383D. ESTABLISHMENT.

''(a) AUTHORITY.—

''(1) IN GENERAL.—On certification by the Secretary that, to the maximum extent practicable, the parties proposing to establish a fund provide a broad representation of all of the groups of similar authorized private investors described in subparagraphs (A) through (F) of section 383C(4), the parties may establish a non-Federal entity under State law to purchase shares of, and manage a fund to be known as the 'National Rural Cooperative and Business Equity Fund', to generate and provide equity capital to rural businesses.

''(2) OWNERSHIP.—

''(A) IN GENERAL.—To the maximum extent practicable, equity ownership of the Fund shall be distributed among authorized private investors representing all of the groups of similar authorized private investors described in subparagraphs (A) through (F) of section 383C(4).

''(B) EXCLUSION OF GROUPS.—No group of authorized private investors shall be excluded from equity ownership of the Fund during any period during which the Fund is in existence if an authorized private investor representative of the group is able and willing to invest in the Fund.

''(b) PURPOSES.—The purposes of the Fund shall be—

''(1) to strengthen the economy of rural areas;

''(2) to further sustainable rural business development;

''(3) to encourage—

''(A) start-up rural businesses;

''(B) increased opportunities for small and minority-owned rural businesses; and

''(C) the formation of new rural businesses;

''(4) to enhance rural employment opportunities;

''(5) to provide equity capital to rural businesses, many of which have difficulty obtaining equity capital; and

''(6) to leverage non-Federal funds for rural businesses.

''(c) ARTICLES OF INCORPORATION AND BYLAWS.—The articles of incorporation and bylaws of the Fund shall set forth purposes of the Fund that are consistent with the purposes described in subsection (b).

"SEC. 383E. INVESTMENT IN THE FUND.

''(a) IN GENERAL.—Of the funds made available under section 383H, the Secretary shall—

''(1) subject to subsection (b)(1), make available to the Fund $150,000,000;

''(2) subject to subsection (c), guarantee 50 percent of each investment made by an authorized private investor in the Fund; and

''(3) subject to subsection (d), guarantee the repayment of principal of, and accrued interest on, debentures issued by the Fund to authorized private investors.

''(b) PRIVATE INVESTMENT.—

''(1) MATCHING REQUIREMENT.—Under subsection (a)(1), the Secretary shall make an amount available to the Fund only after an equal amount has been invested in the Fund by authorized private investors in accordance with this subtitle and the terms and conditions set forth in the bylaws of the Fund.

''(2) INSURED DEPOSITORY INSTITUTIONS.—

''(A) IN GENERAL.—Subject to subparagraphs (B) and (C)—

''(i) an insured depository institution may be an authorized private investor in the Fund; and

''(ii) an investment in the Fund may be considered to be part of the record of an institution in meeting the credit needs of the community in which the institution is located under any applicable Federal law.

''(B) INVESTMENT LIMIT.—The total investment in the Fund of an insured depository institution shall not exceed 5 percent of the capital and surplus of the institution.

''(C) REGULATORY AUTHORITY.—An appropriate Federal banking agency may, by regulation or order, impose on any insured depository institution investing in the Fund, any safeguard, limitation, or condition (including an investment limit that is lower than the investment limit under subparagraph (B)) that the Federal banking agency considers to be appropriate to ensure that the institution operates—

''(i) in a financially sound manner; and

''(ii) in compliance with all applicable law.

''(c) GUARANTEE OF PRIVATE INVESTMENTS.—

''(1) IN GENERAL.—The Secretary shall guarantee, under terms and conditions determined by the Secretary, 50 percent of any loss of the principal of an investment made in the Fund by an authorized private investor.

''(2) MAXIMUM TOTAL GUARANTEE.—The aggregate potential liability of the Secretary with respect to all guarantees under paragraph (1) shall not apply to more than $300,000,000 in private investments in the Fund.

''(3) REDEMPTION OF GUARANTEE.—

''(A) DATE.—An authorized private investor in the Fund may redeem a guarantee under paragraph (1), with respect to the total investments in the Fund and the total losses of the authorized private investor as of the date of redemption—

''(i) on the date that is 5 years after the date of the initial investment by the authorized private investor; or

''(ii) annually thereafter.

''(B) EFFECT OF REDEMPTION.—On redemption of a guarantee under subparagraph (A)—

''(i) the shares in the Fund of the authorized private investor shall be redeemed; and

''(ii) the authorized private investor shall be prohibited from making any future investment in the Fund.

''(d) DEBT SECURITIES.—

''(1) IN GENERAL.—The Fund may, at the discretion of the Board, generate additional capital through—

''(A) the issuance of debt securities; and

''(B) other means determined to be appropriate by the Board.

''(2) GUARANTEE OF DEBT BY SECRETARY.—

''(A) IN GENERAL.—The Secretary shall guarantee 100 percent of the principal of, and accrued interest on, debentures issued by the Fund that are approved by the Secretary.

''(B) MAXIMUM DEBT GUARANTEED BY SECRETARY.—The outstanding value of debentures issued by the Fund and guaranteed by the Secretary shall not exceed the lesser of—

''(i) the amount equal to twice the value of the assets held by the Fund; or

''(ii) $500,000,000.

''(C) RECAPTURE OF GUARANTEE PAYMENTS.—If the Secretary makes a payment on a debt security issued by the Fund as a result of a guarantee of the Secretary under this paragraph, the Secretary shall have priority over other creditors for repayment of the debt security.

''(3) AUTHORIZED PRIVATE INVESTORS.—An authorized private investor may purchase debt securities issued by the Fund.

"SEC. 383F. INVESTMENTS AND OTHER ACTIVITIES OF THE FUND.

''(a) INVESTMENTS.—

''(1) IN GENERAL.—

''(A) TYPES.—Subject to subparagraphs (B) and (C), the Fund may—

''(i) make equity investments in a rural business that meets—

''(I) the requirements of paragraph (6); and

''(II) such other requirements as the Board may establish; and

''(ii) extend credit to the rural business in—

''(I) the form of mezzanine debt or subordinated debt; or

''(II) any other form of quasi-equity.

''(B) LIMITATIONS ON INVESTMENTS.—

''(i) TOTAL INVESTMENTS BY A SINGLE RURAL BUSINESS.—Subject to clause (ii), investment by the Fund in a single rural business shall not exceed the greater of—

''(I) an amount equal to 7 percent of the capital of the Fund; or

''(II) $2,000,000.

''(ii) WAIVER.—The Secretary may waive the limitation in clause (i) in any case in which an investment exceeding the limits specified in clause (i) is necessary to preserve prior investments in the rural business.

''(iii) TOTAL NONEQUITY INVESTMENTS.—Except in the case of a project to assist a rural cooperative, the total amount of nonequity investments described in subparagraph (A)(ii) that may be provided by the Fund shall not exceed 20 percent of the total investments of the Fund in the project.

''(C) LIMITATION.—Notwithstanding subparagraph (B), the amount of any investment by the Fund in a rural business shall not exceed the aggregate amount invested in like securities by other private entities in that rural business.

''(2) PROCEDURES.—The Fund shall implement procedures to ensure that—

''(A) the financing arrangements of the Fund meet the Fund's primary focus of providing equity capital; and

''(B) the Fund does not compete with conventional sources of credit.

''(3) DIVERSITY OF PROJECTS.—The Fund—

''(A) shall seek to make equity investments in a variety of viable projects, with a significant share of investments—

''(i) in smaller enterprises (as defined in section 384A) in rural communities of diverse sizes; and

''(ii) in cooperative and noncooperative enterprises; and

''(B) shall be managed in a manner that diversifies the risks to the Fund among a variety of projects.

''(4) LIMITATION ON RURAL BUSINESSES ASSISTED.—The Fund shall not invest in any rural business that is primarily retail in nature (as determined by the Board), other than a purchasing cooperative.

''(5) INTEREST RATE LIMITATIONS.—Returns on investments in and by the Fund and returns on the extension of credit by participants in projects assisted by the Fund, shall not be subject to any State or Federal law establishing a maximum allowable interest rate.

''(6) REQUIREMENTS FOR RECIPIENTS.—

''(A) OTHER INVESTMENTS.—Any recipient of amounts from the Fund shall make or obtain a significant investment from a source of capital other than the Fund.

''(B) SPONSORSHIP.—To be considered for an equity investment from the Fund, a rural business investment project shall be sponsored by a regional, State, or local sponsoring or endorsing organization such as—

''(i) a financial institution;

''(ii) a development organization; or

''(iii) any other established entity engaging or assisting in rural business development, including a rural cooperative.

''(b) TECHNICAL ASSISTANCE.—The Fund, under terms and conditions established by the Board, shall use not less than 2 percent of capital provided by the Federal Government to provide technical assistance to rural businesses seeking an equity investment from the Fund.

''(c) ANNUAL AUDIT.—

''(1) IN GENERAL.—The Board shall authorize an annual audit of the financial statements of the Fund by a nationally recognized auditing firm using generally accepted accounting principles.

''(2) AVAILABILITY OF AUDIT RESULTS.—The results of the audit required by paragraph (1) shall be made available to investors in the Fund.

''(d) ANNUAL REPORT.—The Board shall prepare and make available to the public an annual report that—

''(1) describes the projects funded with amounts from the Fund;

''(2) specifies the recipients of amounts from the Fund;

''(3) specifies the coinvestors in all projects that receive amounts from the Fund; and

''(4) meets the reporting requirements, if any, of the State under the law of which the Fund is established.

''(e) OTHER AUTHORITIES.—

''(1) IN GENERAL.—The Board may exercise such other authorities as are necessary to carry out this subtitle.

''(2) OVERSIGHT.—The Secretary shall enter in to a contract with the Administrator of the Small Business Administration under which the Administrator of the Small Business Administration shall be responsible for the routine duties of the Secretary in regard to the Fund.

''SEC. 383G. GOVERNANCE OF THE FUND.

''(a) IN GENERAL.—The Fund shall be governed by a board of directors that represents all of the authorized private investors in the Fund and the Federal Government and that consists of—

''(1) a designee of the Secretary;

''(2) 2 members who are appointed by the Secretary and are not Federal employees, including—

''(A) 1 member with expertise in venture capital investment; and

''(B) 1 member with expertise in cooperative development;

''(3) 8 members who are elected by the authorized private investors with investments in the Fund; and

''(4) 1 member who is appointed by the Board and who is a community banker from an insured depository institution that has—

''(A) total assets equal to or less than $250,000,000; and

''(B) an investment in the Fund.

''(b) LIMITATION ON VOTING CONTROL.—No individual investor or group of authorized investors may control more than 25 percent of the votes on the Board.

''SEC. 383H. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated such sums as are necessary to carry out this subtitle.''.

SEC. 602. RURAL BUSINESS INVESTMENT PROGRAM.

The Consolidated Farm and Rural Development Act (as amended by section 601) is amended by adding at the end the following:

''Subtitle H—Rural Business Investment Program

''SEC. 384A. DEFINITIONS.

''In this subtitle:

''(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 this subtitle.

''(6) LICENSE.—The term 'license' means a license issued by the Secretary as provided in section 384D(c).

''(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 section 384D(d), 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) the paid-in capital and paid-in surplus of a corporate Rural Business Investment Company, the contributed capital of the partners of a partnership Rural Business Investment Company, or 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 unfunded commitments may be counted as private capital for purposes of approval by the Secretary of any request for leverage, but 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) 50 percent of funds from the National Rural Cooperative and Business Equity Fund;

''(II) 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 this subtitle;

''(III) funds invested by an employee welfare benefit plan or pension plan; and

''(IV) 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 this subtitle, by any Federal agency, other than the Department of Agriculture, 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 on a Federal or State reservation or other federally recognized Indian tribal group; 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 section 384D(d); and

''(B) has entered into a participation agreement with the Secretary.

''(15) SMALLER ENTERPRISE.—The term 'smaller enterprise' means any rural business concern that, together with its affiliates—

''(A) has—

''(i) a net financial worth of not more than $6,000,000, as of the date on which assistance is provided under this subtitle to the rural business concern; and

''(ii) an average net income for the 2-year period preceding the date on which assistance is provided under this subtitle to the rural business concern, of not more than $2,000,000, after Federal income taxes (excluding any carryover losses) except that, for purposes of this clause, 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 net income (determined without regard to this clause), multiplied by 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 net income (so determined) less any deduction for State (and local) income taxes calculated under subclause (I), multiplied by the marginal Federal income tax rate that would have applied if the rural business concern were a corporation; or

''(B) 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.

''SEC. 384B. PURPOSES.

''The purposes of the Rural Business Investment Program established under this subtitle 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.

''SEC. 384C. 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 section 384D(d) for the purposes set forth in section 384B;

''(2) guarantee the debentures issued by Rural Business Investment Companies as provided in section 384E; and

''(3) make grants to Rural Business Investment Companies, and to other entities, under section 384H.

''SEC. 384D. SELECTION OF RURAL BUSINESS INVESTMENT COMPANIES.

''(a) ELIGIBILITY.—A company shall be eligible to apply to participate, as a Rural Business Investment Company, in the program established under this subtitle if—

''(1) the company is a newly formed for-profit entity or a newly formed for-profit subsidiary of such an entity;

''(2) the company has a management team with experience in community development financing or relevant venture capital financing; and

''(3) the company will invest in enterprises that will create wealth and job opportunities in rural areas, with an emphasis on smaller businesses.

''(b) APPLICATION.—To participate, as a Rural Business Investment Company, in the program established under this subtitle, a company meeting the eligibility requirements of subsection (a) shall submit an application to the Secretary that includes—

''(1) a business plan describing how the company intends to make successful developmental venture capital investments in identified rural areas;

''(2) information regarding the community development finance or relevant venture capital qualifications and general reputation of the management of the company;

''(3) a description of how the company intends to work with community organizations and to seek to address the unmet capital needs of the communities served;

''(4) a proposal describing how the company intends to use the grant funds provided under this subtitle to provide operational assistance to smaller enterprises financed by the company, including information regarding whether the company intends to use licensed professionals, when necessary, on the staff of the company or from an outside entity;

''(5) with respect to binding commitments to be made to the company under this subtitle, an estimate of the ratio of cash to in-kind contributions;

''(6) 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 subtitle;

''(7) 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

''(8) such other information as the Secretary may require.

''(c) ISSUANCE OF LICENSE.—

''(1) SUBMISSION OF APPLICATION.—Each applicant for a license to operate as a Rural Business Investment Company under this subtitle shall submit to the Secretary an application, in a form and including such documentation as may be prescribed by the Secretary.

''(2) PROCEDURES.—

''(A) STATUS.—Not later than 90 days after the initial receipt by the Secretary of an application under this subsection, the Secretary shall provide the applicant with a written report describing the status of the application and any requirements remaining for completion of the application.

''(B) APPROVAL OR DISAPPROVAL.—Within a reasonable time after receiving a completed application submitted in accordance with this subsection and in accordance with such requirements as the Secretary may prescribe by regulation, the Secretary shall—

''(i) approve the application and issue a license for the operation to the applicant, if the requirements of this section are satisfied; or

''(ii) disapprove the application and notify the applicant in writing of the disapproval.

''(3) MATTERS CONSIDERED.—In reviewing and processing any application under this subsection, the Secretary—

''(A) shall determine whether—

''(i) the applicant meets the requirements of subsection (d); and

''(ii) the management of the applicant is qualified and has the knowledge, experience, and capability necessary to comply with this subtitle;

''(B) shall 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) shall not take into consideration any projected shortage or unavailability of grant funds or leverage.

''(d) APPROVAL; DESIGNATION.—The Secretary may approve an applicant to operate as a Rural Business Investment Company under this subtitle and designate the applicant as a Rural Business Investment Company, if—

''(1) the Secretary determines that the application satisfies the requirements of subsection (b);

''(2) 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

''(3) the applicant enters into a participation agreement with the Secretary.

''SEC. 384E. DEBENTURES.

''(a) IN GENERAL.—The Secretary may guarantee the timely payment of principal and interest, as scheduled, on debentures issued by any Rural Business Investment Company.

''(b) TERMS AND CONDITIONS.—The Secretary may make guarantees under this section 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.

''(c) FULL FAITH AND CREDIT OF THE UNITED STATES.—Section 381H(i) shall apply to any guarantee under this section.

''(d) MAXIMUM GUARANTEE.—Under this section, the Secretary may—

''(1) 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 300 percent of the private capital of the Rural Business Investment Company, as determined by the Secretary; and

''(2) provide for the use of discounted debentures.

''SEC. 384F. ISSUANCE AND GUARANTEE OF TRUST CERTIFICATES.

''(a) 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 subtitle, if the certificates are based on and backed by a trust or pool approved by the Secretary and composed solely of guaranteed debentures.

''(b) GUARANTEE.—

''(1) 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 section.

''(2) LIMITATION.—Each guarantee under this subsection shall be limited to the extent of principal and interest on the guaranteed debentures that compose the trust or pool.

''(3) PREPAYMENT OR DEFAULT.—

''(A) IN GENERAL.—In the event 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.

''(B) INTEREST.—Interest on prepaid or defaulted debentures shall accrue and be guaranteed by the Secretary only through the date of payment of the guarantee.

''(C) REDEMPTION.—At any time during its term, a trust certificate may be called for redemption due to prepayment or default of all debentures.

''(c) FULL FAITH AND CREDIT OF THE UNITED STATES.—Section 381H(i) shall apply to any guarantee of a trust certificate issued by the Secretary under this section.

''(d) SUBROGATION AND OWNERSHIP RIGHTS.—

''(1) 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.

''(2) 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 section.

''(e) MANAGEMENT AND ADMINISTRATION.—

''(1) REGISTRATION.—The Secretary shall provide for a central registration of all trust certificates issued under this section.

''(2) CREATION OF POOLS.—The Secretary may—

''(A) 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

''(B) issue trust certificates to facilitate the creation of those trusts or pools.

''(3) 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.

''(4) REGULATION OF BROKERS AND DEALERS.—The Secretary may regulate brokers and dealers in trust certificates issued under this section.

''(5) ELECTRONIC REGISTRATION.—Nothing in this subsection prohibits the use of a book-entry or other electronic form of registration for trust certificates issued under this section.

''SEC. 384G. FEES.

''(a) IN GENERAL.—The Secretary may charge such fees as the Secretary considers appropriate with respect to any guarantee or grant issued under this subtitle.

''(b) TRUST CERTIFICATE.—Notwithstanding subsection (a), the Secretary shall not collect a fee for any guarantee of a trust certificate under section 384F, except that any agent of the Secretary may collect a fee approved by the Secretary for the functions described in section 384F(e)(2).

''(c) LICENSE.—

''(1) IN GENERAL.—The Secretary may prescribe fees to be paid by each applicant for a license to operate as a Rural Business Investment Company under this subtitle.

''(2) USE OF AMOUNTS.—Fees collected under this subsection—

''(A) shall be deposited in the account for salaries and expenses of the Secretary; and

''(B) are authorized to be appropriated solely to cover the costs of licensing examinations.

''SEC. 384H. OPERATIONAL ASSISTANCE GRANTS.

''(a) IN GENERAL.—

''(1) AUTHORITY.—In accordance with this section, the Secretary may make grants to Rural Business Investment Companies and to other entities, as authorized by this subtitle, 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 other terms as the Secretary may require.

''(3) USE OF FUNDS.—The proceeds of a grant made under this paragraph may be used by the Rural Business Investment Company receiving the grant only to—

''(A) provide operational assistance in connection with an equity investment (made with capital raised after the effective date of this subtitle) in a business located in a rural area; or

''(B) pay operational expenses of the Rural Business Investment Company.

''(4) SUBMISSION OF PLANS.—A Rural Business Investment Company shall be eligible for a grant under this section 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) 50 percent of the amount of resources (in cash or in kind) raised by the Rural Business Investment Company; or

''(ii) $1,000,000.

''(B) 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 subtitle.

''(b) SUPPLEMENTAL GRANTS.—

''(1) IN GENERAL.—The Secretary may make supplemental grants to Rural Business Investment Companies and to other entities, as authorized by this subtitle under such terms as the Secretary may require, to provide additional operational assistance to smaller enterprises financed, or expected to be financed, by the Rural Business Investment Companies and other entities.

''(2) MATCHING REQUIREMENT.—The Secretary may require, as a condition of any supplemental grant made under this subsection, that the Rural Business Investment Company or entity receiving the grant provide from resources (in cash or in kind), other than resources provided by the Secretary, a matching contribution equal to the amount of the supplemental grant.

''SEC. 384I. RURAL BUSINESS INVESTMENT COMPANIES.

''(a) ORGANIZATION.—For the purpose of this subtitle, a Rural Business Investment Company shall—

''(1) 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 subtitle;

''(2)(A) 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

''(B) if a limited partnership or a limited liability company, have succession for a period of not less than 10 years; and

''(3) possess the powers reasonably necessary to perform the functions and conduct the activities.

''(b) ARTICLES.—The articles of any Rural Business Investment Company—

''(1) shall specify in general terms—

''(A) the purposes for which the Rural Business Investment Company is formed;

''(B) the name of the Rural Business Investment Company;

''(C) the area or areas in which the operations of the Rural Business Investment Company are to be carried out;

''(D) the place where the principal office of the Rural Business Investment Company is to be located; and

''(E) the amount and classes of the shares of capital stock of the Rural Business Investment Company;

''(2) may contain any other provisions consistent with this subtitle 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

''(3) shall be subject to the approval of the Secretary.

''(c) CAPITAL REQUIREMENTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the private capital of each Rural Business Investment Company shall be not less than—

''(A) $5,000,000; or

''(B) $10,000,000, with respect to each Rural Business Investment Company authorized or

seeking authority to issue participating securities to be purchased or guaranteed by the Secretary under this subtitle.

''(2) EXCEPTION.—The Secretary may, in the discretion of the Secretary and based on a showing of special circumstances and good cause, permit the private capital of a Rural Business Investment Company described in paragraph (1)(B) to be less than $10,000,000, but not less than $5,000,000, if the Secretary determines that the action would not create or otherwise contribute to an unreasonable risk of default or loss to the Federal Government.

''(3) ADEQUACY.—In addition to the requirements of paragraph (1), the Secretary shall—

''(A) 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;

''(B) determine that the Rural Business Investment Company will be able to comply with the requirements of this subtitle; and

''(C) require that at least 75 percent of the capital of each Rural Business Investment Company is invested in rural business concerns.

''(d) DIVERSIFICATION OF OWNERSHIP.—The Secretary shall ensure that the management of each Rural Business Investment Company licensed after the date of enactment of this subtitle 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.

''SEC. 384J. FINANCIAL INSTITUTION INVESTMENTS.

''(a) IN GENERAL.—Except as otherwise provided in this section and notwithstanding any other provision of law, the following banks, associations, and institutions may invest in any Rural Business Investment Company or in any entity established to invest solely in Rural Business Investment Companies:

''(1) Any national bank.

''(2) Any member bank of the Federal Reserve System.

''(3) Any Federal savings association.

''(4) Any Farm Credit System institution described in section 1.2(a) of the Farm Credit Act of 1971 (12 U.S.C. 2002(a)).

''(5) Any insured bank that is not a member of the Federal Reserve System, to the extent permitted under applicable State law.

''(b) LIMITATION.—No bank, association, or institution described in subsection (a) may make investments described in subsection (a) that are greater than 5 percent of the capital and surplus of the bank, association, or institution.

''(c) 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 30 percent of the voting 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.).

''SEC. 384K. REPORTING REQUIREMENT.

''Each Rural Business Investment Company that participates in the program established under this subtitle shall provide to the Secretary such information as the Secretary may require, including—

''(1) information relating to the measurement criteria that the Rural Business Investment Company proposed in the program application of the Rural Business Investment Company; and

''(2) in each case in which the Rural Business Investment Company under this subtitle 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.

''SEC. 384L. EXAMINATIONS.

''(a) IN GENERAL.—Each Rural Business Investment Company that participates in the program established under this subtitle shall be subject to examinations made at the direction of the Secretary in accordance with this section.

''(b) ASSISTANCE OF PRIVATE SECTOR ENTITIES.—An examination under this section may be conducted with the assistance of a private sector entity that has the qualifications and the expertise necessary to conduct such an examination.

''(c) COSTS.—

''(1) 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.

''(2) PAYMENT.—Any Rural Business Investment Company against which the Secretary assesses costs under this paragraph shall pay the costs.

''(d) DEPOSIT OF FUNDS.—Funds collected under this section shall—

''(1) be deposited in the account that incurred the costs for carrying out this section;

''(2) be made available to the Secretary to carry out this section, without further appropriation; and

''(3) remain available until expended.

''SEC. 384M. INJUNCTIONS AND OTHER ORDERS.

''(a) IN GENERAL.—

''(1) APPLICATION BY SECRETARY.—Whenever, in the judgment of the Secretary, a Rural Business Investment Company or any other person has engaged or is about to engage in any act or practice that constitutes or will constitute a violation of a provision of this subtitle (including any rule, regulation, order, or participation agreement under this subtitle), the Secretary may apply to the appropriate district court of the United States for an order enjoining the act or practice, or for an order enforcing compliance with the provision, rule, regulation, order, or participation agreement.

''(2) JURISDICTION; RELIEF.—The court shall have jurisdiction over the action and, on a showing by the Secretary that the Rural Business Investment Company or other person has engaged or is about to engage in an act or practice described in paragraph (1), a permanent or temporary injunction, restraining order, or other order, shall be granted without bond.

''(b) JURISDICTION.—

''(1) IN GENERAL.—In any proceeding under subsection (a), the court as a court of equity may, to such extent as the court considers necessary, take exclusive jurisdiction over the Rural Business Investment Company and the assets of the Rural Business Investment Company, wherever located.

''(2) TRUSTEE OR RECEIVER.—The court shall have jurisdiction in any proceeding described in paragraph (1) to appoint a trustee or receiver to hold or administer the assets.

''(c) SECRETARY AS TRUSTEE OR RECEIVER.—

''(1) AUTHORITY.—The Secretary may act as trustee or receiver of a Rural Business Investment Company.

''(2) APPOINTMENT.—On the request of the Secretary, the court shall appoint the Secretary to act as a trustee or receiver of a Rural Business Investment Company unless the court considers the appointment inequitable or otherwise inappropriate by reason of any special circumstances involved.

''SEC. 384N. ADDITIONAL PENALTIES FOR NONCOMPLIANCE.

''(a) IN GENERAL.—With respect to any Rural Business Investment Company that violates or fails to comply with this subtitle (including any rule, regulation, order, or participation agreement under this subtitle), the Secretary may, in accordance with this section—

''(1) void the participation agreement between the Secretary and the Rural Business Investment Company; and

''(2) cause the Rural Business Investment Company to forfeit all of the rights and privileges derived by the Rural Business Investment Company under this subtitle.

''(b) ADJUDICATION OF NONCOMPLIANCE.—

''(1) IN GENERAL.—Before the Secretary may cause a Rural Business Investment Company to forfeit rights or privileges under subsection (a), a court of the United States of competent jurisdiction must find that the Rural Business Investment Company committed a violation, or failed to comply, in a cause of action brought for that purpose in the district, territory, or other place subject to the jurisdiction of the United States, in which the principal office of the Rural Business Investment Company is located.

''(2) PARTIES AUTHORIZED TO FILE CAUSES OF ACTION.—Each cause of action brought by the United States under this subsection shall be brought by the Secretary or by the Attorney General.

''SEC. 384O. UNLAWFUL ACTS AND OMISSIONS; BREACH OF FIDUCIARY DUTY.

''(a) PARTIES DEEMED TO COMMIT A VIOLATION.—Whenever any Rural Business Investment Company violates this subtitle (including any rule, regulation, order, or participation agreement under this subtitle), by reason of the failure of the Rural Business Investment Company to comply with this subtitle or by reason of its engaging in any act or practice that constitutes or will constitute a violation of this subtitle, the violation shall also be deemed to be a violation and an unlawful act committed by any person that, directly or indirectly, authorizes, orders, participates in, causes, brings about, counsels, aids, or abets in the commission of any acts, practices, or transactions that constitute or will constitute, in whole or in part, the violation.

''(b) FIDUCIARY DUTIES.—It shall be unlawful for any officer, director, employee, agent, or other participant in the management or conduct of the affairs of a Rural Business Investment Company to engage in any act or practice, or to omit any act or practice, in breach of the fiduciary duty of the officer, director, employee, agent, or participant if, as a result of the act or practice, the Rural Business Investment Company suffers or is in imminent danger of suffering financial loss or other damage.

''(c) UNLAWFUL ACTS.—Except with the written consent of the Secretary, it shall be unlawful—

''(1) for any person to take office as an officer, director, or employee of any Rural Business Investment Company, or to become an agent or participant in the conduct of the affairs or management of a Rural Business Investment Company, if the person—

''(A) has been convicted of a felony, or any other criminal offense involving dishonesty or breach of trust; or

''(B) has been found civilly liable in damages, or has been permanently or temporarily enjoined by an order, judgment, or decree of a court of competent jurisdiction, by reason of any act or practice involving fraud, or breach of trust; and

''(2) for any person to continue to serve in any of the capacities described in paragraph (1), if—

''(A) the person is convicted of a felony, or any other criminal offense involving dishonesty or breach of trust; or

''(B) the person is found civilly liable in damages, or is permanently or temporarily enjoined by an order, judgment, or decree of a court of competent jurisdiction, by reason of any act or practice involving fraud or breach of trust.

''SEC. 384P. REMOVAL OR SUSPENSION OF DIRECTORS OR OFFICERS.

''Using the procedures established by the Secretary for removing or suspending a director or an officer of a Rural Business Investment Company, the Secretary may remove or suspend any director or officer of any Rural Business Investment Company.

''SEC. 384Q. CONTRACTING OF FUNCTIONS.

''Notwithstanding any other provision of law, the Secretary shall enter into an interagency agreement with the Administrator of the Small Business Administration to carry out, on behalf of the Secretary, the day-to-day management and operation of the program authorized by this subtitle.

''SEC. 384R. REGULATIONS.

''The Secretary may promulgate such regulations as the Secretary considers necessary to carry out this subtitle.

''SEC. 384S. FUNDING.

''(a) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture—

''(1) such sums as may be necessary for the cost of guaranteeing $350,000,000 of debentures under this subtitle; and

''(2) $50,000,000 to make grants under this subtitle.

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

''(c) AVAILABILITY OF FUNDS.—Funds transferred under subsection (a) shall remain available until expended.''.

SEC. 603. FULL FUNDING OF PENDING RURAL DEVELOPMENT LOAN AND GRANT APPLICATIONS.

(a) DEFINITION OF APPLICATION.—In this section, the term ''application'' does not include an application for a loan, loan guarantee, or grant that, as of the date of enactment of this Act, is in the preapplication phase of consideration under regulations of the Secretary of Agriculture in effect on the date of enactment of this Act.

(b) ACCOUNT.—There is established in the Treasury of the United States an account to be known as the ''Rural America Infrastructure Development Account'' (referred to in this section as the ''Account'') to fund rural development loans, loan guarantees, and grants described in subsection (d) that are pending on the date of enactment of this Act.

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

(d) USE OF FUNDS.—

(1) ELIGIBLE PROGRAMS.—Subject to paragraph (2), the Secretary shall use the funds in the Account to provide funds for applications that are pending on the date of enactment of this Act for—

(A) community facility direct loans under section 306(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(1));

(B) community facility grants under paragraph (19), (20), or (21) of section 306(a) of that Act (7 U.S.C. 1926(a));

(C) water or waste disposal grants or direct loans under paragraph (1) or (2) of section 306(a) of that Act (7 U.S.C. 1926(a));

(D) rural water or wastewater technical assistance and training grants under section 306(a)(14) of that Act (7 U.S.C. 1926(a)(14));

(E) emergency community water assistance grants under section 306A of that Act (7 U.S.C. 1926a);

(F) business and industry guaranteed loans authorized under section 310B(a)(1)(A) of that Act (7 U.S.C. 1932(a)(1)(A)); and

(G) solid waste management grants under section 310B(b) of that Act (7 U.S.C. 1932(b)).

(2) LIMITATIONS.—

(A) APPROPRIATED AMOUNTS.—Funds in the Account shall be available to the Secretary to provide funds for pending applications for loans, loan guarantees, and grants described in paragraph (1) only to the extent that funds for the loans, loan guarantees, and grants appropriated in the annual appropriations Act for fiscal year 2002 have been exhausted.

(B) PROGRAM REQUIREMENTS.—The Secretary may use the Account to provide funds for a pending application for a loan, loan guarantee, or grant described in paragraph (1) only if the Secretary processes, reviews, and approves the application in accordance with regulations in effect on the date of enactment of this Act.

SEC. 604. RURAL ENDOWMENT PROGRAM.

(a) IN GENERAL.—The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) (as amended by section 602) is amended by adding at the end the following:

''Subtitle I—Rural Endowment Program

''SEC. 385A. PURPOSE.

''The purpose of this subtitle is to provide rural communities with technical and financial assistance to implement comprehensive community development strategies to reduce the economic and social distress resulting from poverty, high unemployment, outmigration, plant closings, agricultural downturn, declines in the natural resource-based economy, or environmental degradation.

''SEC. 385B. DEFINITIONS.

''In this subtitle:

''(1) COMPREHENSIVE COMMUNITY DEVELOPMENT STRATEGY.—The term 'comprehensive community development strategy' means a community development strategy described in section 385C(e).

''(2) ELIGIBLE RURAL AREA.—

''(A) IN GENERAL.—The term 'eligible rural area' means an area with a population of 25,000 inhabitants or less, as determined by the Secretary using the most recent decennial census.

''(B) EXCLUSIONS.—The term 'eligible rural area' does not include—

''(i) any area designated by the Secretary as a rural empowerment zone or rural enterprise community; or

''(ii) an urbanized area immediately adjacent to an incorporated city or town with a population of more than 25,000 inhabitants.

''(3) ENDOWMENT FUND.—The term 'endowment fund' means a long-term fund that an approved program entity is required to establish under section 385C(f)(3).

''(4) PERFORMANCE-BASED BENCHMARKS.—The term 'performance-based benchmarks' means a set of annualized goals and tasks established by a recipient of a grant under the Program, in collaboration with the Secretary, for the purpose of measuring performance in meeting the comprehensive community development strategy of the recipient.

''(5) PROGRAM.—The term 'Program' means the Rural Endowment Program established under section 385C(a).

''(6) PROGRAM ENTITY.—The term 'program entity' means—

''(A) a private nonprofit community-based development organization;

''(B) a unit of local government (including a multijurisdictional unit of local government);

''(C) an Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b));

''(D) a consortium comprised of an organization described in subparagraph (A) and a unit of local government; or

''(E) a consortium of entities specified in subparagraphs (A) through (D);

that serves an eligible rural area.

''(7) PROGRAM-RELATED INVESTMENT.—The term 'program-related investment' means—

''(A) a loan, loan guarantee, grant, payment of a technical fee, or other expenditure provided for an affordable housing, community facility, small business, environmental improvement, or other community development project that is part of a comprehensive community development strategy; and

''(B) support services relating to a project described in subparagraph (A).

''SEC. 385C. RURAL ENDOWMENT PROGRAM.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—The Secretary may establish a program, to be known as the 'Rural Endowment Program', to provide approved program entities with assistance in developing and implementing comprehensive community development strategies for eligible rural areas.

''(2) PURPOSES.—The purposes of the Program are—

''(A) to enhance the ability of an eligible rural area to engage in comprehensive community development;

''(B) to leverage private and public resources for the benefit of community development efforts in eligible rural areas;

''(C) to make available staff of Federal agencies to directly assist the community development efforts of an approved program entity or eligible rural area; and

''(D) to strengthen the asset base of an eligible rural area to further long-term, ongoing community development.

''(b) APPLICATIONS.—

''(1) IN GENERAL.—To receive an endowment grant under the Program, the eligible entity shall submit an application at such time, in such form, and containing such information as the Secretary may require.

''(2) REGIONAL APPLICATIONS.—

''(A) IN GENERAL.—Where appropriate, the Secretary shall encourage regional applications from program entities serving more than 1 eligible rural area.

''(B) CRITERIA FOR APPLICATIONS.—To be eligible for an endowment grant for a regional application, the program entities that submit the application shall demonstrate that—

''(i) a comprehensive community development strategy for the eligible rural areas is best accomplished through a regional approach; and

''(ii) the combined population of the eligible rural areas covered by the comprehensive community development strategy is 75,000 inhabitants or less.

''(C) AMOUNT OF ENDOWMENT GRANTS.—For the purpose of subsection (f)(2), 2 or more program entities that submit a regional application shall be considered to be a single program entity.

''(3) PREFERENCE.—The Secretary shall give preference to a joint application submitted by a private, nonprofit community development corporation and a unit of local government.

''(c) ENTITY APPROVAL.—The Secretary shall approve a program entity to receive grants under the Program, if the program entity meets criteria established by the Secretary, including the following:

''(1) DISTRESSED RURAL AREA.—The program entity shall serve a rural area that suffers from economic or social distress resulting from poverty, high unemployment, outmigration, plant closings, agricultural downturn, declines in the natural resource-based economy, or environmental degradation.

''(2) CAPACITY TO IMPLEMENT STRATEGY.—The program entity shall demonstrate the capacity to implement a comprehensive community development strategy.

''(3) GOALS.—The goals described in the application submitted under subsection (b) shall be consistent with this section.

''(4) PARTICIPATION PROCESS.—The program entity shall demonstrate the ability to convene and maintain a multi-stakeholder, community-based participation process.

''(d) PLANNING GRANTS TO CONDITIONALLY APPROVED PROGRAM ENTITIES.—

''(1) IN GENERAL.—The Secretary may award supplemental grants to approved program entities to assist the approved program entities in the development of a comprehensive community development strategy under subsection (e).

''(2) ELIGIBILITY FOR SUPPLEMENTAL GRANTS.—In determining whether to award a supplemental grant to an approved program entity, the Secretary shall consider the economic need of the approved program entity.

''(3) LIMITATIONS ON AMOUNT OF GRANTS.—Under this subsection, an approved program entity may receive a supplemental grant in an amount of not more than $100,000.

''(e) ENDOWMENT GRANT AWARD.—

''(1) IN GENERAL.—To be eligible for an endowment grant under the Program, an approved program entity shall develop, and obtain the approval of the Secretary for, a comprehensive community development strategy that—

''(A) is designed to reduce economic or social distress resulting from poverty, high unemployment, outmigration, plant closings, agricultural downturn, declines in the natural resource-based economy, or environmental degradation;

''(B) addresses a broad range of the development needs of a community, including economic, social, and environmental needs, for a period of not less than 10 years;

''(C) is developed with input from a broad array of local governments and business, civic, and community organizations;

''(D) specifies measurable performance-based outcomes for all activities; and

''(E) includes a financial plan for achieving the outcomes and activities of the comprehensive community development strategy that identifies sources for, or a plan to meet, the requirement for a non-Federal share under subsection (f)(4)(B).

''(2) FINAL APPROVAL.—

''(A) IN GENERAL.—An approved program entity shall receive final approval if the Secretary determines that—

''(i) the comprehensive community development strategy of the approved program entity meets the requirements of this section;

''(ii) the management and organizational structure of the approved program entity is sufficient to oversee fund and development activities;

''(iii) the approved program entity has established an endowment fund; and

''(iv) the approved program entity will be able to provide the non-Federal share required under subsection (f)(4)(B).

''(B) CONDITIONS.—As part of the final approval, the approved program entity shall agree to—

''(i) achieve, to the maximum extent practicable, performance-based benchmarks; and

''(ii) comply with the terms of the comprehensive community development strategy for a period of not less than 10 years.

''(f) ENDOWMENT GRANTS.—

''(1) IN GENERAL.—Under the Program, the Secretary may make endowment grants to approved program entities with final approval to implement an approved comprehensive community development strategy.

''(2) AMOUNT OF GRANTS.—An endowment grant to an approved program entity shall be in an amount of not more than $6,000,000, as determined by the Secretary based on—

''(A) the size of the population of the eligible rural area for which the endowment grant is to be used;

''(B) the size of the eligible rural area for which the endowment grant is to be used;

''(C) the extent of the comprehensive community development strategy to be implemented using the endowment grant award; and

''(D) the extent to which the community suffers from economic or social distress resulting from—

''(i) poverty;

''(ii) high unemployment;

''(iii) outmigration;

''(iv) plant closings;

''(v) agricultural downturn;

''(vi) declines in the natural resource-based economy; or

''(vii) environmental degradation.

''(3) ENDOWMENT FUNDS.—

''(A) ESTABLISHMENT.—On notification from the Secretary that the program entity has been approved under subsection (c), the approved program entity shall establish an endowment fund.

''(B) FUNDING OF ENDOWMENT.—Federal funds provided in the form of an endowment grant under the Program shall—

''(i) be deposited in the endowment fund;

''(ii) be the sole property of the approved program entity;

''(iii) be used in a manner consistent with this subtitle; and

''(iv) be subject to oversight by the Secretary for a period of not more than 10 years.

''(C) INTEREST.—Interest earned on Federal funds in the endowment fund shall be—

''(i) retained by the grantee; and

''(ii) treated as Federal funds are treated under subparagraph (B).

''(D) LIMITATION.—The Secretary shall promulgate regulations on matching funds and returns on program-related investments only to the extent that such funds or proceeds are used in a manner consistent with this subtitle.

''(4) CONDITIONS.—

''(A) DISBURSEMENT.—

''(i) IN GENERAL.—Each endowment grant award shall be disbursed during a period not to exceed 5 years beginning during the fiscal year containing the date of final approval of the approved program entity under subsection (e)(3).

''(ii) MANNER OF DISBURSEMENT.—Subject to subparagraph (B), the Secretary may disburse a grant award in 1 lump sum or in incremental disbursements made each fiscal year.

''(iii) INCREMENTAL DISBURSEMENTS.—If the Secretary elects to make incremental disbursements, for each fiscal year after the initial disbursement, the Secretary shall make a disbursement under clause (i) only if the approved program entity—

''(I) has met the performance-based benchmarks of the approved program entity for the preceding fiscal year; and

''(II) has provided the non-Federal share required for the preceding fiscal year under subparagraph (B).

''(iv) ADVANCE DISBURSEMENTS.—The Secretary may make disbursements under this paragraph notwithstanding any provision of law limiting grant disbursements to amounts necessary to cover expected expenses on a term basis.

''(B) NON-FEDERAL SHARE.—

''(i) IN GENERAL.—Except as provided in clause (ii), for each disbursement under subparagraph (A), the Secretary shall require the approved program entity to provide a non-Federal share in an amount equal to 50 percent of the amount of funds received by the approved program entity under the disbursement.

''(ii) LOWER NON-FEDERAL SHARE.—In the case of an approved program entity that serves a small, poor rural area (as determined by the Secretary), the Secretary may—

''(I) reduce the non-Federal share to not less than 20 percent; and

''(II) allow the non-Federal share to be provided in the form of in-kind contributions.

''(iii) BINDING COMMITMENTS; PLAN.—For the purpose of meeting the non-Federal share requirement with respect to the first disbursement of an endowment grant award to the approved program entity under the Program, an approved program entity shall—

''(I) have, at a minimum, binding commitments to provide the non-Federal share required with respect to the first disbursement of the endowment grant award; and

''(II) if the Secretary is making incremental disbursements of a grant, develop a viable plan for providing the remaining amount of the required non-Federal share.

''(C) LIMITATIONS.—

''(i) IN GENERAL.—Subject to clause (ii), of each disbursement, an approved program entity shall use—

''(I) not more than 10 percent for administrative costs of carrying out program-related investments;

''(II) not more than 20 percent for the purpose of maintaining a loss reserve account; and

''(III) the remainder for program-related investments contained in the comprehensive community development strategy.

''(ii) LOSS RESERVE ACCOUNT.—If all disbursed funds available under a grant are expended in accordance with clause (i) and the grant recipient has no expected losses to

cover for a fiscal year, the recipient may use funds in the loss reserve account described in clause (i)(II) for program-related investments described in clause (i)(III) for which no reserve for losses is required.

''(g) FEDERAL AGENCY ASSISTANCE.—Under the Program, the Secretary shall provide and coordinate technical assistance for grant recipients by designated field staff of Federal agencies.

''(h) PRIVATE TECHNICAL ASSISTANCE.—

''(1) IN GENERAL.—Under the Program, the Secretary may make grants to qualified intermediaries to provide technical assistance and capacity building to approved program entities under the Program.

''(2) DUTIES.—A qualified intermediary that receives a grant under this subsection shall—

''(A) provide assistance to approved program entities in developing, coordinating, and overseeing investment strategy;

''(B) provide technical assistance in all aspects of planning, developing, and managing the Program; and

''(C) facilitate Federal and private sector involvement in rural community development.

''(3) ELIGIBILITY.—To be considered a qualified intermediary under this subsection, an intermediary shall—

''(A) be a private, nonprofit community development organization;

''(B) have expertise in Federal or private rural community development policy or programs; and

''(C) have experience in providing technical assistance, planning, and capacity building assistance to rural communities and nonprofit entities in eligible rural areas.

''(4) MAXIMUM AMOUNT OF GRANTS.—A qualified intermediary may receive a grant under this subsection of not more than $100,000.

''(5) FUNDING.—Of the amounts made available under section 385D, the Secretary may use to carry out this subsection not more than $2,000,000 for each of not more than 2 fiscal years.

''SEC. 385D. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated such sums as are necessary to carry out this subtitle for each of fiscal years 2002 through 2006.''.

SEC. 605. ENHANCEMENT OF ACCESS TO BROADBAND SERVICE IN RURAL AREAS.

The Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) is amended by adding at the end the following:

''TITLE VI—RURAL BROADBAND ACCESS

''SEC. 601. ACCESS TO BROADBAND TELECOMMUNICATIONS SERVICES IN RURAL AREAS.

''(a) PURPOSE.—The purpose of this section is to provide grants, loans, and loan guarantees to provide funds for the costs of the construction, improvement, and acquisition of facilities and equipment for broadband service in eligible rural communities.

''(b) DEFINITIONS.—In this section:

''(1) BROADBAND SERVICE.—The term 'broadband service' means any technology identified by the Secretary as having the capacity to transmit data to enable a subscriber to the service to originate and receive high-quality voice, data, graphics, or video.

''(2) ELIGIBLE RURAL COMMUNITY.—The term 'eligible rural community' means any incorporated or unincorporated place that has not more than 20,000 inhabitants, based on the most recent available population statistics of the Bureau of the Census.

''(c) GRANTS.—The Secretary shall make grants to eligible entities described in subsection (e) to provide funds for the construction, improvement, or acquisition of facilities and equipment for the provision of broadband service in eligible rural communities.

''(d) LOANS AND LOAN GUARANTEES.—The Secretary shall make or guarantee loans to eligible entities described in subsection (e) to provide funds for the construction, improvement, or acquisition of facilities and equipment for the provision of broadband service in eligible rural communities.

''(e) ELIGIBLE ENTITIES.—To be eligible to obtain a grant under this section, an entity must—

''(1) be eligible to obtain a loan or loan guarantee to furnish, improve, or extend a rural telecommunications service under this Act; and

''(2) submit to the Secretary a proposal for a project that meets the requirements of this section.

''(f) BROADBAND SERVICE.—The Secretary shall, from time to time as advances in technology warrant, review and recommend modifications of rate-of-data transmission criteria for purposes of the identification of broadband service technologies under subsection (b)(1).

''(g) TECHNOLOGICAL NEUTRALITY.—For purposes of determining whether or not to make a grant, loan, or loan guarantee for a project under this section, the Secretary shall not take into consideration the type of technology proposed to be used under the project.

''(h) TERMS AND CONDITIONS FOR LOANS AND LOAN GUARANTEES.—A loan or loan guarantee under subsection (d) shall—

''(1) be made available in accordance with the requirements of the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.);

''(2) bear interest at an annual rate of, as determined by the Secretary—

''(A) 4 percent per annum; or

''(B) the current applicable market rate; and

''(3) have a term not to exceed the useful life of the assets constructed, improved, or acquired with the proceeds of the loan or extension of credit.

''(i) USE OF LOAN PROCEEDS TO REFINANCE LOANS FOR DEPLOYMENT OF BROADBAND SERVICE.—Notwithstanding any other provision of this Act, the proceeds of any loan made by the Secretary under this Act may be used by the recipient of the loan for the purpose of refinancing an outstanding obligation of the recipient on another telecommunications loan made under this Act if the use of the proceeds for that purpose will further the construction, improvement, or acquisition of facilities and equipment for the provision of broadband service in eligible rural communities.

''(j) FUNDING.—

''(1) IN GENERAL.—Not later than 30 days after the date of enactment of this title, on October 1, 2002, and on each October 1 thereafter through October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this section $100,000,000, to remain available until expended.

''(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.

''(k) TERMINATION OF AUTHORITY.—

''(1) IN GENERAL.—No grant, loan, or loan guarantee may be made under this section after September 30, 2006.

''(2) EFFECT ON VALIDITY OF GRANT, LOAN, OR LOAN GUARANTEE.—Notwithstanding paragraph (1), any grant, loan, or loan guarantee made under this section before the date specified in paragraph (1) shall be valid.''.

SEC. 606. VALUE-ADDED AGRICULTURAL PRODUCT MARKET DEVELOPMENT GRANTS.

Section 231 of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note; Public Law 106–224) is amended—

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

(2) by striking subsection (a) and inserting the following:

''(a) DEFINITION OF VALUE-ADDED AGRICULTURAL PRODUCT.—The term 'value-added agricultural product' means any agricultural commodity or product that—

''(1)(A) has undergone a change in physical state; or

''(B) 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; and

''(2) as a result of the change in physical state or the manner in which the agricultural commodity or product was produced—

''(A) the customer base for the agricultural commodity or product has been expanded; and

''(B) a greater portion of the revenue derived from the processing of the agricultural commodity or product is available to the producer of the commodity or product.

''(b) GRANT PROGRAM.—

''(1) PURPOSES.—The purposes of this subsection are—

''(A) to increase the share of the food and agricultural system profit received by agricultural producers;

''(B) to increase the number and quality of rural self-employment opportunities in agriculture and agriculturally-related businesses and the number and quality of jobs in agriculturally-related businesses;

''(C) to help maintain a diversity of size in farms and ranches by stabilizing the number of small and mid-sized farms;

''(D) to increase the diversity of food and other agricultural products available to consumers, including nontraditional crops and products and products grown or raised in a manner that enhances the value of the products to the public; and

''(E) to conserve and enhance the quality of land, water, and energy resources, wildlife habitat, and other landscape values and amenities in rural areas.

''(2) GRANTS.—From amounts made available under paragraph (6), the Secretary shall make award competitive grants—

''(A) to an eligible independent producer (as determined by the Secretary) of a value-added agricultural product to assist the producer—

''(i) to develop a business plan for viable marketing opportunities for the value-added agricultural product; or

''(ii) to develop strategies that are intended to create marketing opportunities for the producer; and

''(B) to an eligible nonprofit entity (as determined by the Secretary) to assist the entity—

''(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.

''(3) AMOUNT OF GRANT.—

''(A) IN GENERAL.—The total amount provided under this subsection to a grant recipient may not exceed $500,000.

''(B) PRIORITY.—The Secretary shall give priority to grant proposals for less than $200,000 submitted under this subsection.

''(4) GRANTEE STRATEGIES.—A grantee under paragraph (2) shall use the grant—

''(A) to develop a business plan or perform a feasibility study to establish a viable marketing opportunity for a value-added agricultural product; or

''(B) to provide capital to establish alliances or business ventures that allow the producer of the value-added agricultural product to better compete in domestic or international markets.

''(5) GRANTS FOR MARKETING OR PROCESSING CERTIFIED ORGANIC AGRICULTURAL PRODUCTS.—

''(A) IN GENERAL.—Out of any amount that is made available to the Secretary for a fiscal year under paragraph (2), the Secretary shall use not less than 5 percent of the amount for grants to assist producers of certified organic agricultural products in post-farm marketing or processing of the products through a business or cooperative ventures that—

''(i) expand the customer base of the certified organic agricultural products; and

''(ii) increase the portion of product revenue available to the producers.

''(B) CERTIFIED ORGANIC AGRICULTURAL PRODUCT.—For the purposes of this paragraph, a certified organic agricultural product does not have to meet the requirements of the definition of 'value-added agricultural product' under subsection (a).

''(C) INSUFFICIENT APPLICATIONS.—If, for any fiscal year, the Secretary receives an insufficient quantity of applications for grants described in subparagraph (A) to use the funds reserved under subparagraph (A), the Secretary may use the excess reserved funds to make grants for any other purpose authorized under this subsection.

''(6) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $75,000,000 for each of fiscal years 2002 through 2006.'';

(3) in subsection (c)(1) (as redesignated)—

(A) by striking ''subsection (a)(2)'' and inserting ''subsection (b)(2)'';

(B) by striking ''$5,000,000'' and inserting ''7.5 percent''; and

(C) by striking ''subsection (a)'' and inserting ''subsection (b)''; and

(4) in subsection (d) (as redesignated), by striking ''subsections (a) and (b)'' and inserting ''subsections (b) and (c)''.

SEC. 607. NATIONAL RURAL DEVELOPMENT INFORMATION CLEARINGHOUSE.

Section 2381 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125b) is amended to read as follows:

''SEC. 2381. NATIONAL RURAL DEVELOPMENT INFORMATION CLEARINGHOUSE.

''(a) ESTABLISHMENT.—The Secretary shall establish and maintain, within the rural development mission area of the Department of Agriculture, a National Rural Development Information Clearinghouse (referred to in this section as the 'Clearinghouse') to perform the functions specified in subsection (b).

''(b) FUNCTIONS.—The Clearinghouse shall collect information and data from, and disseminate information and data to, any person or public or private entity about programs and services provided by Federal, State, local, and tribal agencies, institutions of higher education, and private, for-profit, and nonprofit organizations and institutions under which a person or public or private entity residing or operating in a rural area may be eligible for any kind of financial, technical, or other assistance, including business, venture capital, economic, credit and community development assistance, health care, job training, education, and emotional and financial counseling.

''(c) MODES OF COLLECTION AND DISSEMINATION OF INFORMATION.—In addition to other modes for the collection and dissemination of the types of information and data specified under subsection (b), the Secretary shall ensure that the Clearinghouse maintains an Internet website that provides for dissemination and collection, through voluntary submission or posting, of the information and data.

''(d) FEDERAL AGENCIES.—On request of the Secretary and to the extent permitted by law, the head of a Federal agency shall provide to the Clearinghouse such information as the Secretary may request to enable the Clearinghouse to carry out this section.

''(e) STATE, LOCAL, AND TRIBAL AGENCIES, INSTITUTIONS OF HIGHER EDUCATION, AND NONPROFIT AND FOR-PROFIT ORGANIZATIONS.—The Secretary shall request State, local, and tribal agencies, institutions of higher education, and private, for-profit, and nonprofit organizations and institutions to provide to the Clearinghouse information concerning applicable programs or services described in subsection (b).

''(f) PROMOTION OF CLEARINGHOUSE.—The Secretary prominently shall promote the existence and availability of the Clearinghouse in all activities of the Department of Agriculture relating to rural areas of the United States.

''(g) FUNDING.—

''(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall use to operate and maintain the Clearinghouse not more than $600,000 of the funds available to the Rural Housing Service, the Rural Utilities Service, and the Rural Business-Cooperative Service for each fiscal year.

''(2) LIMITATION.—Funds available to the Rural Housing Service, the Rural Utilities Service, and the Rural Business-Cooperative Service for the payment of loan costs (as defined in section 502 of Federal Credit Reform Act of 1990 (2 U.S.C. 661a)) shall not be used to operate and maintain the Clearinghouse.''.

Subtitle B—National Rural Development Partnership

SEC. 611. SHORT TITLE.

This subtitle may be cited as the ''National Rural Development Partnership Act of 2001''.

SEC. 612. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) is amended by adding at the end the following:

''SEC. 377. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.

''(a) DEFINITIONS.—In this section:

''(1) AGENCY WITH RURAL RESPONSIBILITIES.—The term 'agency with rural responsibilities' means any executive agency (as defined in section 105 of title 5, United States Code) that—

''(A) implements Federal law targeted at rural areas, including—

''(i) the Act of April 24, 1950 (commonly known as the 'Granger-Thye Act') (64 Stat. 82, chapter 9);

''(ii) the Intergovernmental Cooperation Act of 1968 (82 Stat. 1098);

''(iii) section 41742 of title 49, United States Code;

''(iv) the Rural Development Act of 1972 (86 Stat. 657);

''(v) the Rural Development Policy Act of 1980 (94 Stat. 1171);

''(vi) the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.);

''(vii) amendments made to section 334 of the Public Health Service Act (42 U.S.C. 254g) by the Rural Health Clinics Act of 1983 (97 Stat. 1345); and

''(viii) the Rural Housing Amendments of 1983 (97 Stat. 1240) and the amendments made by the Rural Housing Amendments of 1983 to title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.); or

''(B) administers a program that has a significant impact on rural areas, including—

''(i) the Appalachian Regional Commission;

''(ii) the Department of Agriculture;

''(iii) the Department of Commerce;

''(iv) the Department of Defense;

''(v) the Department of Education;

''(vi) the Department of Energy;

''(vii) the Department of Health and Human Services;

''(viii) the Department of Housing and Urban Development;

''(ix) the Department of the Interior;

''(x) the Department of Justice;

''(xi) the Department of Labor;

''(xii) the Department of Transportation;

''(xiii) the Department of the Treasury;

''(xiv) the Department of Veterans Affairs;

''(xv) the Environmental Protection Agency;

''(xvi) the Federal Emergency Management Administration;

''(xvii) the Small Business Administration;

''(xviii) the Social Security Administration;

''(xix) the Federal Reserve System;

''(xx) the United States Postal Service;

''(xxi) the Corporation for National Service;

''(xxii) the National Endowment for the Arts and the National Endowment for the Humanities; and

''(xxiii) other agencies, commissions, and corporations.

''(2) COORDINATING COMMITTEE.—The term 'Coordinating Committee' means the National Rural Development Coordinating Committee established by subsection (c).

''(3) PARTNERSHIP.—The term 'Partnership' means the National Rural Development Partnership continued by subsection (b).

''(4) STATE RURAL DEVELOPMENT COUNCIL.—The term 'State rural development council' means a State rural development council that meets the requirements of subsection (d).

''(b) PARTNERSHIP.—

''(1) IN GENERAL.—The Secretary shall continue the National Rural Development Partnership composed of—

''(A) the Coordinating Committee; and

''(B) State rural development councils.

''(2) PURPOSES.—The purposes of the Partnership are—

''(A) to empower and build the capacity of States and rural communities within States to design unique responses to their own special rural development needs, with local determinations of progress and selection of projects and activities;

''(B) to encourage participants to be flexible and innovative in establishing new partnerships and trying fresh, new approaches to rural development issues, with responses to rural development that use different approaches to fit different situations; and

''(C) to encourage all partners in the Partnership (Federal, State, local, and tribal governments, the private sector, and nonprofit organizations) to be fully engaged and share equally in decisions.

''(3) GOVERNING PANEL.—

''(A) IN GENERAL.—A panel consisting of representatives of the Coordinating Committee and State rural development councils shall be established to lead and coordinate the strategic operation, policies, and practices of the Partnership.

''(B) ANNUAL REPORTS.—In conjunction with the Coordinating Committee and State rural development councils, the panel shall prepare and submit to Congress an annual report on the activities of the Partnership.

''(4) ROLE OF FEDERAL GOVERNMENT.—The role of the Federal Government in the Partnership shall be that of a partner and facilitator, with Federal agencies authorized—

''(A) to cooperate with States to implement the Partnership;

''(B) to provide States with the technical and administrative support necessary to plan and implement tailored rural development strategies to meet local needs;

''(C) to ensure that the head of each agency referred to in subsection (a)(1)(B) designates a senior-level agency official to represent the agency on the Coordinating Committee and directs appropriate field staff to participate fully with the State rural development council within the jurisdiction of the field staff; and

''(D) to enter into cooperative agreements with, and to provide grants and other assistance to, State rural development councils.

''(5) ROLE OF PRIVATE AND NONPROFIT SECTOR ORGANIZATIONS.—Private and nonprofit sector organizations are encouraged—

''(A) to act as full partners in the Partnership and State rural development councils; and

''(B) to cooperate with participating government organizations in developing innovative approaches to the solution of rural development problems.

''(c) NATIONAL RURAL DEVELOPMENT COORDINATING COMMITTEE.—

''(1) ESTABLISHMENT.—The Secretary shall establish a National Rural Development Coordinating Committee.

''(2) COMPOSITION.—The Coordinating Committee shall be composed of—

''(A) 1 representative of each agency with rural responsibilities that elects to participate in the Coordinating Committee; and

''(B) representatives, approved by the Secretary, of—

''(i) national associations of State, regional, local, and tribal governments and intergovernmental and multijurisdictional agencies and organizations;

''(ii) national public interest groups;

''(iii) other national nonprofit organizations that elect to participate in the activities of the Coordinating Committee; and

''(iv) the private sector.

''(3) DUTIES.—The Coordinating Committee shall—

''(A) provide support for the work of the State rural development councils;

''(B) facilitate coordination among Federal programs and activities, and with State, local, tribal, and private programs and activities, affecting rural development;

''(C) enhance the effectiveness, responsiveness, and delivery of Federal programs in rural areas;

''(D) gather and provide to Federal authorities information and input for the development and implementation of Federal programs impacting rural economic and community development;

''(E) notwithstanding any other provision of law, review and comment on policies, regulations, and proposed legislation that affect or would affect rural areas;

''(F) provide technical assistance to State rural development councils for the implementation of Federal programs;

''(G) notwithstanding any other provision of law, develop and facilitate strategies to reduce or eliminate administrative and regulatory impediments; and

''(H) require each State receiving funds under this section to submit an annual report on the use of the funds by the State, including a description of strategic plans, goals, performance measures, and outcomes for the State rural development council of the State.

''(4) ELECTION NOT TO PARTICIPATE.—An agency with rural responsibilities that elects not to participate in the Partnership and the Coordinating Committee shall submit to Congress a report that describes—

''(A) how the programmatic responsibilities of the Federal agency that target or have an impact on rural areas are better achieved without participation by the agency in the Partnership; and

''(B) a more effective means of partnership-building and collaboration to achieve the programmatic responsibilities of the agency.

''(d) STATE RURAL DEVELOPMENT COUNCILS.—

''(1) ESTABLISHMENT.—Notwithstanding chapter 63 of title 31, United States Code, each State may elect to participate in the Partnership by entering into an agreement with the Secretary to establish a State rural development council.

''(2) STATE DIVERSITY.—Each State rural development council shall—

''(A) have a nonpartisan membership that is broad and representative of the economic, social, and political diversity of the State; and

''(B) carry out programs and activities in a manner that reflects the diversity of the State.

''(3) DUTIES.—A State rural development council shall—

''(A) facilitate collaboration among Federal, State, local, and tribal governments and the private and nonprofit sectors in the planning and implementation of programs and policies that target or have an impact on rural areas of the State;

''(B) enhance the effectiveness, responsiveness, and delivery of Federal and State programs in rural areas of the State;

''(C) gather and provide to the Coordinating Committee and other appropriate organizations information on the condition of rural areas in the State;

''(D) monitor and report on policies and programs that address, or fail to address, the needs of the rural areas of the State;

''(E) provide comments to the Coordinating Committee and other appropriate organizations on policies, regulations, and proposed legislation that affect or would affect the rural areas of the State;

''(F) notwithstanding any other provision of law, in conjunction with the Coordinating Committee, facilitate the development of strategies to reduce or eliminate conflicting or duplicative administrative or regulatory requirements of Federal, State, local, and tribal governments;

''(G) use grant or cooperative agreement funds provided by the Partnership under an agreement entered into under paragraph (1) to—

''(i) retain an Executive Director and such support staff as are necessary to facilitate and implement the directives of the State rural development council; and

''(ii) pay expenses associated with carrying out subparagraphs (A) through (F); and

''(H)(i) provide to the Coordinating Committee an annual plan with goals and performance measures; and

''(ii) submit to the Coordinating Committee an annual report on the progress of the State rural development council in meeting the goals and measures.

''(4) AUTHORITIES.—A State rural development council may—

''(A) solicit funds to supplement and match funds provided under paragraph (3)(G); and

''(B) engage in activities, in addition to those specified in paragraph (3), appropriate to accomplish the purposes for which the State rural development council is established.

''(5) COMMENTS OR RECOMMENDATIONS.—A State rural development council may provide comments and recommendations to an agency with rural responsibilities related to the activities of the State rural development council within the State.

''(6) ACTIONS OF STATE RURAL DEVELOPMENT COUNCIL MEMBERS.—When carrying out a program or activity authorized by a State rural development council or this subtitle, a member of the council shall be regarded as a full-time employee of the Federal Government for purposes of chapter 171 of title 28, United States Code, and the Federal Advisory Committee Act (5 U.S.C. App.).

''(7) FEDERAL PARTICIPATION IN STATE RURAL DEVELOPMENT COUNCILS.—

''(A) IN GENERAL.—The State Director for Rural Development of a State, other employees of the Department of Agriculture, and employees of other Federal agencies that elect to participate in the Partnership shall fully participate in the governance and operations of State rural development councils on an equal basis with other members of the State rural development councils.

''(B) CONFLICTS.—A Federal employee who participates in a State rural development council shall not participate in the making of any council decision if the agency represented by the Federal employee has any financial or other interest in the outcome of the decision.

''(C) FEDERAL GUIDANCE.—The Office of Government Ethics, in consultation with the Attorney General, shall issue guidance to all Federal employees that participate in State rural development councils that describes specific decisions that—

''(i) would constitute a conflict of interest for the Federal employee; and

''(ii) from which the Federal employee must recuse himself or herself.

''(e) ADMINISTRATIVE SUPPORT OF THE PARTNERSHIP.—

''(1) DETAIL OF EMPLOYEES.—

''(A) IN GENERAL.—In order to provide experience in intergovernmental collaboration, the head of an agency with rural responsibilities that elects to participate in the Partnership may, and is encouraged to, detail an employee of the agency with rural responsibilities to the Partnership without reimbursement for a period of up to 12 months.

''(B) CIVIL SERVICE STATUS.—The detail shall be without interruption or loss of civil service status or privilege.

''(2) ADDITIONAL SUPPORT.—The Secretary shall provide for any additional support staff to the Partnership as the Secretary determines to be necessary to carry out the duties of the Partnership.

''(f) FUNDING.—

''(1) AUTHORIZATION OF APPROPRIATIONS.—

''(A) IN GENERAL.—There are authorized to be appropriated such sums as are necessary to carry out this section.

''(B) AMOUNT OF FINANCIAL ASSISTANCE.—In providing financial assistance to State rural development councils, the Secretary and heads of other Federal agencies shall provide assistance that, to the maximum extent practicable, is—

''(i) uniform in amount; and

''(ii) targeted to newly created State rural development councils.

''(C) FEDERAL SHARE.—The Secretary shall develop a plan to decrease, over time, the Federal share of the cost of the core operations of State rural development councils.

''(2) FEDERAL AGENCIES.—

''(A) IN GENERAL.—Notwithstanding any other provision of law limiting the ability of an agency to provide funds to the Partnership with other agencies, in order to carry out the purposes described in subsection (b)(2), the Partnership shall be eligible to receive grants, gifts, contributions, or technical assistance from, or enter into contracts with, any Federal agency.

''(B) ASSISTANCE.—Federal agencies are encouraged to use funds made available for programs that target or have an impact on rural areas to provide assistance to, and enter into contracts with, the Partnership, as described in subparagraph (A).

''(3) CONTRIBUTIONS.—The Partnership may accept private contributions.

''(4) FEDERAL FINANCIAL SUPPORT FOR STATE RURAL DEVELOPMENT COUNCILS.—Notwithstanding any other provision of law, a Federal agency may use funds made available under paragraph (1) or (2) to enter into a cooperative agreement, contract, or other agreement with a State rural development council to support the core operations of the State rural development council, regardless of the legal form of organization of the State rural development council.

''(g) MATCHING REQUIREMENTS FOR STATE RURAL DEVELOPMENT COUNCILS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), a State rural development council shall provide matching funds, or in-kind goods or services, to support the activities of the State rural development council in an amount that is not less than 33 percent of the amount of Federal funds received under an agreement under subsection (d)(1).

''(2) EXCEPTIONS TO MATCHING REQUIREMENT FOR CERTAIN FEDERAL FUNDS.—Paragraph (1) shall not apply to funds, grants, funds provided under contracts or cooperative agreements, gifts, contributions, or technical assistance received by a State rural development council from a Federal agency that are used—

''(A) to support 1 or more specific program or project activities; or

''(B) to reimburse the State rural development council for services provided to the Federal agency providing the funds, grants, funds provided under contracts or cooperative agreements, gifts, contributions, or technical assistance.

''(h) TERMINATION.—The authority provided under this section shall terminate on the date that is 5 years after the date of enactment of this section.''.

Subtitle C—Consolidated Farm and Rural Development Act

SEC. 621. WATER OR WASTE DISPOSAL GRANTS.

Section 306(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)) is amended—

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

''(2) WATER, WASTE DISPOSAL, AND WASTEWATER FACILITY GRANTS.—

''(A) AUTHORITY.—

''(i) IN GENERAL.—The'';

(2) by striking ''$590,000,000'' and inserting ''$1,500,000,000'';

(3) by striking ''The amount'' and inserting the following:

''(ii) AMOUNT.—The amount'';

(4) by striking ''paragraph'' and inserting ''subparagraph'';

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

''(iii) GRANT RATE.—The Secretary shall''; and

(6) by adding at the end the following:

''(B) REVOLVING FUNDS FOR FINANCING WATER AND WASTEWATER PROJECTS.—

''(i) IN GENERAL.—The Secretary may make grants to qualified private, nonprofit entities to capitalize revolving funds for the purpose of providing loans to eligible borrowers 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.

''(ii) ELIGIBLE BORROWERS.—To be eligible to obtain a loan from a revolving fund under clause (i), a borrower shall be eligible to obtain a loan, loan guarantee, or grant under paragraph (1) or this paragraph.

''(iii) MAXIMUM AMOUNT OF LOANS.—The amount of a loan made to an eligible borrower under this subparagraph shall not exceed—

''(I) $100,000 for costs described in clause (i)(I); and

''(II) $100,000 for costs described in clause (i)(II).

''(iv) TERM.—The term of a loan made to an eligible borrower under this subparagraph shall not exceed 10 years.

''(v) ADMINISTRATION.—The Secretary shall limit the amount of grant funds that may be used by a grant recipient for administrative costs incurred under this subparagraph.

''(vi) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subparagraph $30,000,000 for each of fiscal years 2002 through 2006.''.

SEC. 622. RURAL BUSINESS OPPORTUNITY GRANTS.

Section 306(a)(11)(D) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 623. RURAL WATER AND WASTEWATER CIRCUIT RIDER PROGRAM.

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended by added at the end the following:

''(22) RURAL WATER AND WASTEWATER CIRCUIT RIDER PROGRAM.—

''(A) IN GENERAL.—The Secretary shall establish a national rural water and wastewater circuit rider program that is based on the rural water circuit rider program of the National Rural Water Association that (as of the date of enactment of this paragraph) receives funding from the Secretary, acting through the Rural Utilities Service.

''(B) RELATIONSHIP TO EXISTING PROGRAM.—The program established under subparagraph (A) shall not affect the authority of the Secretary to carry out the circuit rider program for which funds are made available under the heading ''RURAL COMMUNITY ADVANCEMENT PROGRAM'' of title III of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002.

''(C) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph $15,000,000 for each of fiscal years 2003 through 2006.''.

SEC. 624. MULTIJURISDICTIONAL REGIONAL PLANNING ORGANIZATIONS.

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) (as amended by section 623) is amended by added at the end the following:

''(23) MULTIJURISDICTIONAL REGIONAL PLANNING ORGANIZATIONS.—

''(A) GRANTS.—The Secretary shall provide grants to multijurisdictional regional planning and development organizations to pay the Federal share of the cost of providing assistance to local governments to improve the infrastructure, services, and business development capabilities of local governments and local economic development organizations.

''(B) PRIORITY.—In determining which organizations will receive a grant under this paragraph, the Secretary shall provide a priority to an organization that—

''(i) serves a rural area that, during the most recent 5-year period—

''(I) had a net out-migration of inhabitants, or other population loss, from the rural area that equals or exceeds 5 percent of the population of the rural area; or

''(II) had a median household income that is less than the nonmetropolitan median household income of the applicable State; and

''(ii) has a history of providing substantive assistance to local governments and economic development organizations.

''(C) FEDERAL SHARE.—A grant provided under this paragraph shall be for not more than 75 percent of the cost of providing assistance described in subparagraph (A).

''(D) MAXIMUM AMOUNT OF GRANTS.—The amount of a grant provided to an organization under this paragraph shall not exceed $100,000.

''(E) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph $30,000,000 for each of fiscal years 2003 through 2006.''.

SEC. 625. CERTIFIED NONPROFIT ORGANIZATIONS SHARING EXPERTISE.

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) (as amended by section 624) is amended by added at the end the following:

''(24) CERTIFIED NONPROFIT ORGANIZATIONS SHARING EXPERTISE.—

''(A) CERTIFIED ORGANIZATIONS.—

''(i) IN GENERAL.—To be certified by the Secretary to provide technical assistance in 1 or more rural development fields, an organization shall—

''(I) be a nonprofit organization (which may include an institution of higher education) with experience in providing technical assistance in the applicable rural development field;

''(II) develop a plan, approved by the Secretary, describing the manner in which grant funds will be used and the source of non-Federal funds; and

''(III) meet such other criteria as the Secretary may establish, based on the needs of eligible entities for the technical assistance.

''(iii) LIST.—The Secretary shall make available to the public a list of certified organizations in each area that the Secretary

determines have substantial experience in providing the assistance described in subparagraph (B).

''(B) GRANTS.—The Secretary may provide grants to certified organizations to pay for costs of providing technical assistance to local governments and nonprofit entities to improve the infrastructure, services, and business development capabilities of local governments and local economic development organizations.

''(C) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph $20,000,000 for each of fiscal years 2003 through 2006.''.

SEC. 626. LOAN GUARANTEES FOR CERTAIN RURAL DEVELOPMENT LOANS.

(a) LOAN GUARANTEES FOR WATER, WASTEWATER, AND ESSENTIAL COMMUNITY FACILITIES LOANS.—Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1925(a)) (as amended by section 625) is amended by adding at the end the following:

''(25) LOAN GUARANTEES FOR WATER, WASTEWATER, AND ESSENTIAL COMMUNITY FACILITIES LOANS.—

''(A) IN GENERAL.—The Secretary may guarantee under this title a loan made to finance a community facility or water or waste facility project, including a loan financed by the net proceeds of a bond described in section 144(a)(12)(B)(ii) of the Internal Revenue Code of 1986.

''(B) REQUIREMENTS.—To be eligible for a loan guarantee under subparagraph (A), an individual or entity offering to purchase the loan must demonstrate to the Secretary that the person has—

''(i) the capabilities and resources necessary to service the loan in a manner that ensures the continued performance of the loan, as determined by the Secretary; and

''(ii) the ability to generate capital to provide borrowers of the loan with the additional credit necessary to properly service the loan.''.

(b) LOAN GUARANTEES FOR CERTAIN LOANS.—Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended by adding at the end the following:

''(h) LOAN GUARANTEE FOR CERTAIN LOANS.—The Secretary may guarantee loans made in subsection (a) to finance the issuance of bonds for the projects described in section 306(a)(25).''.

SEC. 627. RURAL FIREFIGHTERS AND EMERGENCY PERSONNEL GRANT PROGRAM.

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) (as amended by section 626(a)) is amended by adding at the end the following:

''(26) RURAL FIREFIGHTERS AND EMERGENCY MEDICAL PERSONNEL GRANT PROGRAM.—

''(A) IN GENERAL.—The Secretary may make grants to units of general local government and Indian tribes (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)) to pay the cost of training firefighters and emergency medical personnel in firefighting, emergency medical practices, and responding to hazardous materials and bioagents in rural areas.

''(B) USE OF FUNDS.—

''(i) SCHOLARSHIPS.—

''(I) IN GENERAL.—Not less than 60 percent of the amounts made available for competitively awarded grants under this paragraph shall be used to provide grants to fund partial scholarships for training of individuals at training centers approved by the Secretary.

''(II) PRIORITY.—In awarding grants under this clause, the Secretary shall give priority to grant applicants with relatively low transportation costs considering the location of the grant applicant and the proposed location of the training.

''(ii) GRANTS FOR TRAINING CENTERS.—

''(I) EXISTING CENTERS.—

''(aa) IN GENERAL.—A grant under subparagraph (A) may be used to provide financial assistance to State and regional centers that provide training for firefighters and emergency medical personnel for improvements to the training facility, equipment, curricula, and personnel.

''(bb) LIMITATION.—Not more than $2,000,000 shall be provided to any single training center for any fiscal year under this subclause.

''(II) ESTABLISHMENT OF NEW CENTERS.—

''(aa) IN GENERAL.—A grant under subparagraph (A) may be used to provide the Federal share of the costs of establishing a regional training center for firefighters and emergency medical personnel.

''(bb) FEDERAL SHARE.—The amount of a grant under this subclause for a training center shall not exceed 50 percent of the cost of establishing the training center.

''(C) FUNDING.—

''(i) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this paragraph—

''(I) not later than 30 days after the date of enactment of this Act, $10,000,000; and

''(II) on October 1, 2002, and each October 1 thereafter through October 1, 2005, $30,000,000.

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

''(iii) AVAILABILITY OF FUNDS.—Funds transferred under clause (i) shall remain available until expended.''.

SEC. 628. EMERGENCY COMMUNITY WATER ASSISTANCE GRANT PROGRAM.

Section 306A(i) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a(i)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 629. WATER AND WASTE FACILITY GRANTS FOR NATIVE AMERICAN TRIBES.

Section 306C of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926c(e)) is amended by striking subsection (e) and inserting the following:

''(e) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—Subject to paragraph (2), there is authorized to be appropriated—

''(A) for grants under this section, $30,000,000 for each fiscal year;

''(B) for loans under this section, $30,000,000 for each fiscal year; and

''(C) for grants under this section to benefit Indian tribes (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), $20,000,000 for each fiscal year.

''(2) EXCEPTION.—An entity eligible to receive funding through a grant made under section 306D shall not be eligible for a grant from funds made available under subparagraph (1)(C).''.

SEC. 630. WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

Section 306D(d)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926d(d)(1)) is amended by striking ''and 2002'' and inserting ''through 2006''.

SEC. 631. RURAL COOPERATIVE DEVELOPMENT GRANTS.

Section 310B(e)(9) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)(9)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 632. GRANTS TO BROADCASTING SYSTEMS.

Section 310B(f) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(f)) is amended by adding at the end the following:

''(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $5,000,000 for each of fiscal years 2002 through 2006.''.

SEC. 633. BUSINESS AND INDUSTRY LOAN MODIFICATIONS.

Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended by striking subsection (g) and inserting the following:

''(g) BUSINESS AND INDUSTRY DIRECT AND GUARANTEED LOANS.—

''(1) LOAN GUARANTEES FOR THE PURCHASE OF COOPERATIVE STOCK.—

''(A) NEW AND EXPANDING COOPERATIVES.—

''(i) IN GENERAL.—The Secretary may guarantee a loan under subsection (a) to farmers, ranchers, or cooperatives for the purpose of purchasing start-up capital stock for the expansion or creation of a cooperative venture that will process agricultural commodities or otherwise process value-added agricultural products.

''(ii) FINANCIAL CONDITION.—In determining the appropriateness of a loan guarantee under this subparagraph, the Secretary—

''(I) shall fully review the feasibility and other relevant aspects of the cooperative venture to be established;

''(II) may not require a review of the financial condition or statements of any individual farmer or rancher involved in the cooperative, other than the applicant for a guarantee under this subparagraph; and

''(III) shall base any guarantee, to the maximum extent practicable, on the merits of the cooperative venture to be established.

''(iii) COLLATERAL.—As a condition of making a loan guarantee under this subparagraph, the Secretary may not require additional collateral by a farmer or rancher, other than stock purchased or issued pursuant to the loan and guarantee of the loan.

''(iv) ELIGIBILITY.—To be eligible for a loan guarantee under this subparagraph, a farmer or rancher must produce the agricultural commodity that will be processed by the cooperative.

''(v) PROCESSING CONTRACTS DURING INITIAL PERIOD.—The cooperative, for which a farmer or rancher receives a guarantee to purchase stock under this subparagraph, may contract for services to process agricultural commodities, or otherwise process value-added agricultural products, during the 5-year 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.

''(B) EXISTING COOPERATIVES.—The Secretary may guarantee a loan under subsection (a) to a farmer or rancher to join a cooperative in order to sell the agricultural commodities or products produced by the farmer or rancher.

''(C) FINANCIAL INFORMATION.—Financial information required by the Secretary from a farmer or rancher as a condition of making a loan guarantee under this paragraph shall be provided in the manner generally required by commercial agricultural lenders in the area.

''(2) LOANS TO COOPERATIVES.—

''(A) IN GENERAL.—The Secretary may make or guarantee a loan under subsection (a) to a cooperative that is headquartered in a metropolitan area if the loan is used for a project or venture described in subsection (a) that is located in a rural area.

''(B) REFINANCING.—A cooperative organization owned by farmers or ranchers that is eligible for a business and industry loan under made or guaranteed under subsection (a) shall be eligible to refinance an existing loan with a lender if—

''(i) the cooperative organization—

''(I) is current and performing with respect to the existing loan; and

''(II) is not, and has not been, in default with respect to the existing loan; and

''(ii) there is adequate security or full collateral for the refinanced loan.

''(3) BUSINESS AND INDUSTRY LOAN APPRAISALS.—The Secretary may require that any appraisal made in connection with a business and industry loan made or guaranteed under subsection (a) be conducted by a specialized appraiser that uses standards that are similar to standards used for similar purposes in the private sector, as determined by the Secretary.

''(4) FEES.—The Secretary may assess a 1-time fee for any loan guaranteed under subsection (a) in an amount that does not exceed 2 percent of the guaranteed principal portion of the loan.''.

SEC. 634. VALUE-ADDED INTERMEDIARY RELENDING PROGRAM.

Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) (as amended by section 626(b)) is amended by adding at the end the following:

''(i) VALUE-ADDED INTERMEDIARY RELENDING PROGRAM.—

''(1) IN GENERAL.—In accordance with this subsection, the Secretary shall make loans under the terms and conditions of the intermediary relending program established under section 1323(b)(2)(C) of the Food Security Act of 1985 (7 U.S.C. 1932 note; Public Law 99–198).

''(2) LOANS.—Using funds made available to carry out this subsection, the Secretary shall make loans to eligible intermediaries to make loans to ultimate recipients, under the terms and conditions of the intermediary relending program, for projects to establish, enlarge, and operate enterprises that add value to agricultural commodities and products of agricultural commodities.

''(3) ELIGIBLE INTERMEDIARIES.—Intermediaries that are eligible to receive loans under paragraph (2) shall include State agencies.

''(4) PREFERENCE FOR BIOENERGY PROJECTS.—In making loans using loan funds made available under paragraph (2), an eligible intermediary shall give preference to bioenergy projects in accordance with regulations promulgated by the Secretary.

''(5) COMPOSITION OF CAPITAL.—The capital for a project carried out by an ultimate recipient and assisted with loan funds made available under paragraph (2) shall be comprised of—

''(A) not more than 15 percent of the total cost of a project; and

''(B) not less than 50 percent of the equity funds provided by agricultural producers.

''(6) LOAN CONDITIONS.—

''(A) TERMS OF LOANS.—A loan made to an intermediary using loan funds made available under paragraph (2) shall have a term of not to exceed 30 years.

''(B) INTEREST.—The interest rate on such a loan shall be—

''(i) in the case of each of the first 2 years of the loan period, 0 percent; and

''(ii) in the case of each of the remaining years of the loan period, 2 percent.

''(7) LIMITATIONS ON AMOUNT OF LOAN FUNDS PROVIDED.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), an intermediary or ultimate recipient shall be eligible to receive not more than $2,000,000 of the loan funds made available under paragraph (2).

''(B) STATE AGENCIES.—Subparagraph (A) shall not apply in the case of a State agency with respect to loan funds provided to the State agency as an intermediary.

''(8) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $15,000,000 for each of fiscal years 2003 through 2006.''.

SEC. 635. USE OF RURAL DEVELOPMENT LOANS AND GRANTS FOR OTHER PURPOSES.

Subtitle A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) (as amended by section 508) is amended by adding at the end the following:

''SEC. 310G. USE OF RURAL DEVELOPMENT LOANS AND GRANTS FOR OTHER PURPOSES.

''If, after making a loan or a grant described in section 381E(d), the Secretary determines that the circumstances under which the loan or grant was made have sufficiently changed to make the project or activity for which the loan or grant was made available no longer appropriate, the Secretary may allow the loan borrower or grant recipient to use property (real and personal) purchased or improved with the loan or grant funds, or proceeds from the sale of property (real and personal) purchased with such funds, for another project or activity that (as determined by the Secretary)—

''(1) will be carried out in the same area as the original project or activity;

''(2) meets the criteria for a loan or a grant described in section 381E(d); and

''(3) satisfies such additional requirements as are established by the Secretary.''.

SEC. 636. SIMPLIFIED APPLICATION FORMS FOR LOAN GUARANTEES.

Section 333A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983a) (as amended by section 526) is amended by striking subsection (g) and inserting the following:

''(g) 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 $100,000 or less; and

''(B) business and industry guaranteed loans under section 310B(a)(1) 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 paragraph (1) or (2) of section 306(a) 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.''.

SEC. 637. DEFINITION OF RURAL AND RURAL AREA.

(a) IN GENERAL.—Section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)) is amended by adding at the end the following:

''(13) RURAL AND RURAL AREA.—

''(A) IN GENERAL.—Except as otherwise provided in this paragraph, the terms 'rural' and 'rural area' mean a city, town, or unincorporated area that has a population of 50,000 inhabitants or less, other than an urbanized area immediately adjacent to a city, town, or unincorporated area that has a population in excess of 50,000 inhabitants.

''(B) WATER AND WASTE DISPOSAL GRANTS AND DIRECT AND GUARANTEED LOANS.—For the purpose of water and waste disposal grants and direct and guaranteed loans provided under paragraphs (1) and (2) of section 306(a), the terms 'rural' and 'rural area' mean any area not in a city or town with a population in excess of 10,000 inhabitants, according to the most recent census of the United States.

''(C) COMMUNITY FACILITY LOANS AND GRANTS.—For the purpose of community facility direct and guaranteed loans and grants under paragraphs (1), (19), (20), and (21) of section 306(a), the terms 'rural' and 'rural area' mean a city, town, or unincorporated area that has a population of no more than 50,000 inhabitants.

''(D) BUSINESS AND INDUSTRY DIRECT AND GUARANTEED LOANS.—For the purpose of business and industry direct and guaranteed loans under section 310B(a)(1), the terms 'rural' and 'rural area' mean any area other than a city or town that has a population of greater than 50,000 inhabitants and the immediately adjacent urbanized area of such city or town.

''(E) MULTIJURISDICTIONAL REGIONAL PLANNING ORGANIZATIONS; NATIONAL RURAL DEVELOPMENT PARTNERSHIP.—In sections 306(a)(23) and 377, the term 'rural area' means—

''(i) all the territory of a State that is not within the boundary of any standard metropolitan statistical area; and

''(ii) all territory within any standard metropolitan statistical area within a census tract having a population density of less than 20 persons per square mile, as determined by the Secretary according to the most recent census of the United States as of any date.

''(F) RURAL ENTREPRENEURS AND MICROENTERPRISE ASSISTANCE PROGRAM; NATIONAL RURAL COOPERATIVE AND BUSINESS EQUITY FUND.—In section 378 and subtitle G, the term 'rural area' means an area that is located—

''(i) outside a standard metropolitan statistical area; or

''(ii) within a community that has a population of 50,000 inhabitants or less.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended by striking paragraph (7).

(2) Section 381A of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009) is amended—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

SEC. 638. RURAL ENTREPRENEURS AND MICROENTERPRISE ASSISTANCE PROGRAM.

Subtitle D of the Consolidated Farm and Rural Development Act (as amended by section 612) is amended by adding at the end the following:

"SEC. 378. RURAL ENTREPRENEURS AND MICROENTERPRISE ASSISTANCE PROGRAM.

''(a) DEFINITIONS.—In this section:

''(1) ECONOMICALLY DISADVANTAGED MICROENTREPRENEUR.—The term 'economically disadvantaged microentrepreneur' means an owner, majority owner, or developer of a microenterprise that has the ability to compete in the private sector but has been impaired due to diminished capital and credit opportunities, as compared to other microentrepreneurs in the industry.

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

''(3) INTERMEDIARY.—The term 'intermediary' means a private, nonprofit entity that provides assistance—

''(A) to a microenterprise development organization; or

''(B) for a microenterprise development program.

''(4) LOW-INCOME INDIVIDUAL.—The term 'low-income individual' means an individual with an income (adjusted for family size) of not more than the greater of—

''(A) 80 percent of median income of an area; or

''(B) 80 percent of the statewide nonmetropolitan area median income.

''(5) MICROCREDIT.—The term 'microcredit' means a business loan or loan guarantee of not more than $35,000 provided to a rural entrepreneur.

''(6) MICROENTERPISE.—The term 'microenterprise' means a sole proprietorship, joint enterprise, limited liability company, partnership, corporation, or cooperative that—

''(A) has 5 or fewer employees; and

''(B) is unable to obtain sufficient credit, equity, or banking services elsewhere, as determined by the Secretary.

''(7) MICROENTERPRISE DEVELOPMENT ORGANIZATION.—

''(A) IN GENERAL.—The term 'microenterprise development organization' means a nonprofit entity that provides training and technical assistance to rural entrepreneurs and access to capital or another service described in subsection (c) to rural entrepreneurs.

''(B) INCLUSIONS.—The term 'microenterprise development organization' includes an organization described in subparagraph (A) with a demonstrated record of delivering services to economically disadvantaged microentrepreneurs.

''(8) MICROENTERPRISE DEVELOPMENT PROGRAM.—The term 'microenterprise development organization' means a program administered by a organization serving a rural area.

''(9) MICROENTREPRENEUR.—The term 'microentrepreneur' means the owner, operator, or developer of a microenterprise.

''(10) PROGRAM.—The term 'program' means the rural entrepreneur and microenterprise program established under subsection (b)(1).

''(11) QUALIFIED ORGANIZATION.—The term 'qualified organization' means—

''(A) a microenterprise development organization or microenterprise development program that has a demonstrated record of delivering microenterprise services to rural entrepreneurs, as demonstrated by the development of an effective plan of action and the possession of necessary resources to deliver microenterprise services to rural entrepreneurs effectively, as determined by the Secretary;

''(B) an intermediary that has a demonstrated record of delivery assistance to microenterprise development organizations or microenterprise development programs;

''(C) a microenterprise development organization or microenterprise development program that—

''(i) serves rural entrepreneurs; and

''(ii) enters into an agreement with a local community, in conjunction with a State or local government or Indian tribe, to provide assistance described in subsection (c);

''(D) an Indian tribe, the tribal government of which certifies to the Secretary that no microenterprise development organization or microenterprise development program exists under the jurisdiction of the Indian tribe; or

''(E) a group of 2 or more organizations or Indian tribes described in subparagraph (A), (B), (C), or (D) that agree to act jointly as a qualified organization under this section.

''(12) RURAL CAPACITY BUILDING SERVICE.—The term 'rural capacity building service' means a service provided to an organization that—

''(A) is, or is in the process of becoming, a microenterprise development organization or microenterprise development program; and

''(B) serves rural areas for the purpose of enhancing the ability of the organization to provide training, technical assistance, and other related services to rural entrepreneurs.

''(13) RURAL ENTREPRENEUR.—The term 'rural entrepreneur' means a microentrepreneur, or prospective microentrepreneur—

''(A) the principal place of business of which is in a rural area; and

''(B) that is unable to obtain sufficient training, technical assistance, or microcredit elsewhere, as determined by the Secretary.

''(14) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture, acting through the Rural Business-Cooperative Service.

''(15) TRAINING AND TECHNICAL ASSISTANCE.—

''(A) IN GENERAL.—The term 'training and technical assistance' means assistance provided to rural entrepreneurs to develop the skills the rural entrepreneurs need to plan, market, and manage their own business.

''(B) INCLUSIONS.—The term 'training and technical assistance' includes assistance provided for the purpose of—

''(i) enhancing business planning, marketing, management, or financial management skills; and

''(ii) obtaining microcredit.

''(16) TRIBAL GOVERNMENT.—The term 'tribal government' means the governing body of an Indian tribe.

''(b) ESTABLISHMENT.—

''(1) IN GENERAL.—From amounts made available under subsection (h), the Secretary shall establish a rural entrepreneur and microenterprise program.

''(2) PURPOSE.—The purpose of the program shall be to provide low- and moderate-income individuals with—

''(A) the skills necessary to establish new small businesses in rural areas; and

''(B) continuing technical assistance as the individuals begin operating the small businesses.

''(c) ASSISTANCE.—

''(1) IN GENERAL.—The Secretary may make a grant under this section to a qualified organization to—

''(A) provide training, technical assistance, or microcredit to a rural entrepreneur;

''(B) provide training, operational support, or a rural capacity building service to a qualified organization to assist the qualified organization in developing microenterprise training, technical assistance, and other related services;

''(C) assist in researching and developing the best practices in delivering training, technical assistance, and microcredit to rural entrepreneurs; and

''(D) to carry out such other projects and activities as the Secretary determines are consistent with the purposes of this section.

''(2) ALLOCATION.—

''(A) IN GENERAL.—Subject to subparagraphs (B) and (C), of the amount of funds made available for a fiscal year to make grants under this section, the Secretary shall ensure that—

''(i) not less than 75 percent of funds are used to carry out activities described in paragraph (1)(A); and

''(ii) not more than 25 percent of the funds are used to carry out activities described in subparagraphs (B) through (D) of paragraph (1).

''(B) LIMITATION ON GRANT AMOUNT.—No single qualified organization may receive more than 10 percent of the total funds that are made available for a fiscal year to carry out this section.

''(C) ADMINISTRATIVE EXPENSES.—Not more than 15 percent of assistance received by a qualified organization for a fiscal year under this section may be used for administrative expenses.

''(d) SUBGRANTS.—Subject to such regulations as the Secretary may promulgate, a qualified organization that receives a grant under this section may use the grant to provide assistance to other qualified organizations, such as small or emerging qualified organizations.

''(e) LOW-INCOME INDIVIDUALS.—The Secretary shall ensure that not less than 50 percent of the grants made under this section is used to benefit low-income individuals identified by the Secretary, including individuals residing on Indian reservations.

''(f) DIVERSITY.—In making grants under this section, the Secretary shall ensure, to the maximum extent practicable, that grant recipients include qualified organizations—

''(1) of varying sizes; and

''(2) that serve racially and ethnically diverse populations.

''(g) COST SHARING.—

''(1) FEDERAL SHARE.—The Federal share of the cost of a project carried out using funds from a grant under this section shall be 75 percent.

''(2) FORM OF NON-FEDERAL SHARE.—The non-Federal share of the cost of a project described in paragraph (1) may be provided—

''(A) in cash (including through fees, grants (including community development block grants), and gifts); or

''(B) in kind.

''(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2002 through 2006.''.

SEC. 639. RURAL SENIORS.

(a) INTERAGENCY COORDINATING COMMITTEE FOR RURAL SENIORS.—Subtitle D of the Consolidated Farm and Rural Development Act

(7 U.S.C. 1981 et seq.) (as amended by section 638) is amended by adding at the end the following:

"SEC. 379. INTERAGENCY COORDINATING COMMITTEE FOR RURAL SENIORS.

''(a) IN GENERAL.—The Secretary shall establish an interagency coordinating committee (referred to in this section as the 'Committee') to examine the special problems of rural seniors.

''(b) MEMBERSHIP.—The Committee shall be comprised of—

''(1) the Undersecretary of Agriculture for Rural Development, who shall serve as chairperson of the Committee;

''(2) 2 representatives of the Secretary of Health and Human Services, of whom—

''(A) 1 shall have expertise in the field of health care; and

''(B) 1 shall have expertise in the field of programs under the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.);

''(3) 1 representative of the Secretary of Housing and Urban Development;

''(4) 1 representative of the Secretary of Transportation; and

''(5) representatives of such other Federal agencies as the Secretary may designate.

''(c) DUTIES.—The Committee shall—

''(1) study health care, transportation, technology, housing, accessibility, and other areas of need of rural seniors;

''(2) identify successful examples of senior care programs in rural communities that could serve as models for other rural communities; and

''(3) not later than 1 year after the date of enactment of this section, submit to the Secretary, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate recommendations for legislative and administrative action.

''(d) FUNDING.—Funds available to any Federal agency may be used to carry out interagency activities under this section.''.

(b) GRANTS FOR PROGRAMS FOR RURAL SENIORS.—Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) (as amended by subsection (a)) is amended by adding at the end the following:

"SEC. 379A. GRANTS FOR PROGRAMS FOR RURAL SENIORS.

''(a) IN GENERAL.—The Secretary shall make grants to nonprofit organizations (including cooperatives) to pay the Federal share of the cost of programs that—

''(1) provide facilities, equipment, and technology for seniors in a rural area; and

''(2) may be replicated in other rural areas.

''(b) FEDERAL SHARE.—The Federal share of a grant under this section shall be not more than 20 percent of the cost of a program described in subsection (a).

''(c) LEVERAGING.—In selecting programs to receive grants under section, the Secretary shall give priority to proposals that leverage resources to meet multiple rural community goals.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $25,000,000 for each of fiscal years 2003 through 2006.''.

(c) RESERVATION OF COMMUNITY FACILITIES PROGRAM FUNDS FOR SENIOR FACILITIES.—Section 306(a)(19) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(19)) is amended by adding at the end the following:

''(C) RESERVATION OF FUNDS FOR SENIOR FACILITIES.—

''(i) IN GENERAL.—For each fiscal year, not less than 12.5 percent of the funds made available to carry out this paragraph shall be reserved for grants to pay the Federal share of the cost of developing and constructing senior facilities, or carrying out other projects that mainly benefit seniors, in rural areas.

''(ii) RELEASE.—Funds reserved under clause (i) for a fiscal year shall be reserved only until April 1 of the fiscal year.''.

SEC. 640. CHILDREN'S DAY CARE FACILITIES.

Section 306(a)(19) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(19)) (as amended by section 639(c)) is amended by adding at the end the following:

''(D) RESERVATION OF FUNDS FOR CHILDREN'S DAY CARE FACILITIES.—

''(i) IN GENERAL.—For each fiscal year, not less than 10 percent of the funds made available to carry out this paragraph shall be reserved for grants to pay the Federal share of the cost of developing and constructing day care facilities for children in rural areas.

''(ii) RELEASE.—Funds reserved under clause (i) for a fiscal year shall be reserved only until April 1 of the fiscal year.''.

SEC. 641. RURAL TELEWORK.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) (as amended by section 639(b)) is amended by adding at the end the following:

"SEC. 379B. RURAL TELEWORK.

''(a) DEFINITIONS.—In this section:

''(1) ELIGIBLE ORGANIZATION.—The term 'eligible organization' means a nonprofit entity, an educational institution, an Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), or any other organization that meets the requirements of this section and such other requirements as are established by the Secretary.

''(2) INSTITUTE.—The term 'institute' means a regional rural telework institute established using a grant under subsection (b).

''(3) TELEWORK.—The term 'telework' means the use of telecommunications to perform work functions at a rural work center located outside the place of business of an employer.

''(b) RURAL TELEWORK INSTITUTE.—

''(1) IN GENERAL.—The Secretary shall make a grant to an eligible organization to pay the Federal share of the cost of establishing and operating a national rural telework institute to carry out projects described in paragraph (4).

''(2) ELIGIBLE ORGANIZATIONS.—The Secretary shall establish criteria that an organization shall meet to be eligible to receive a grant under this subsection.

''(3) DEADLINE FOR INITIAL GRANT.—Not later than 1 year after the date on which funds are first made available to carry out this subsection, the Secretary shall make the initial grant under this subsection.

''(4) PROJECTS.—The institute shall use grant funds obtained under this subsection to carry out a 5-year project—

''(A) to serve as a clearinghouse for telework research and development;

''(B) to conduct outreach to rural communities and rural workers;

''(C) to develop and share best practices in rural telework throughout the United States;

''(D) to develop innovative, market-driven telework projects and joint ventures with the private sector that employ workers in rural areas in jobs that promote economic self-sufficiency;

''(E) to share information about the design and implementation of telework arrangements;

''(F) to support private sector businesses that are transitioning to telework;

''(G) to support and assist telework projects and individuals at the State and local level; and

''(H) to perform such other functions as the Secretary considers appropriate.

''(5) NON-FEDERAL SHARE.—

''(A) IN GENERAL.—As a condition of receiving a grant under this subsection, an eligible organization shall agree to obtain, after the application of the eligible organization has been approved and notice of award has been issued, contributions from non-Federal sources that are equal to—

''(i) during each of the first, second, and third years of a project, 50 percent of the amount of the grant; and

''(ii) during each of the fourth and fifth years of the project, 100 percent of the amount of the grant.

''(B) INDIAN TRIBES.—Notwithstanding subparagraph (A), an Indian tribe may use Federal funds made available to the tribe for self-governance to pay the non-Federal contributions required under subparagraph (A).

''(C) FORM.—The non-Federal contributions required under subparagraph (A) may be in the form of in-kind contributions, including office equipment, office space, and services.

''(c) TELEWORK GRANTS.—

''(1) IN GENERAL.—Subject to paragraphs (2) through (5), the Secretary shall make grants to eligible entities to pay the Federal share of the cost of—

''(A) obtaining equipment and facilities to establish or expand telework locations in rural areas; and

''(B) operating telework locations in rural areas.

''(2) ELIGIBLE ORGANIZATIONS.—To be eligible to receive a grant under this subsection, an eligible entity shall—

''(A) be a nonprofit organization or educational institution in a rural area; and

''(B) submit to, and receive the approval of, the Secretary of an application for the grant that demonstrates that the eligible entity has adequate resources and capabilities to establish or expand a telework location in a rural area.

''(3) NON-FEDERAL SHARE.—

''(A) IN GENERAL.—As a condition of receiving a grant under this subsection, an eligible organization shall agree to obtain, after the application of the eligible organization has been approved and notice of award has been issued, contributions from non-Federal sources that are equal to 50 percent of the amount of the grant.

''(B) INDIAN TRIBES.—Notwithstanding subparagraph (A), an Indian tribe may use Federal funds made available to the tribe for self-governance to pay the non-Federal contributions required under subparagraph (A).

''(C) SOURCES.—The non-Federal contributions required under subparagraph (A)—

''(i) may be in the form of in-kind contributions, including office equipment, office space, and services; and

''(ii) may not be made from funds made available for community development block grants under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.).

''(4) DURATION.—The Secretary may not provide a grant under this subsection to establish, expand, or operate a telework location in a rural area after the date that is 2 years after the establishment of the telework location.

''(5) MAXIMUM AMOUNT OF GRANT.—The amount of a grant provided to an eligible entity under this subsection shall not exceed $500,000.

''(d) APPLICABILITY OF CERTAIN FEDERAL LAW.—An entity that receives funds under

this section shall be subject to the provisions of Federal law (including regulations), administered by the Secretary of Labor or the Equal Employment Opportunity Commission, that govern the responsibilities of employers to employees.

''(e) REGULATIONS.—Not later than 180 days after the date of enactment of this section, the Secretary shall promulgate regulations to carry out this section.

''(f) AUTHORIZATION OF APPROPRIATION.—There is authorized to be appropriated to carry out this section $30,000,000 for each of fiscal years 2002 through 2006, of which $5,000,000 shall be provided to establish an institute under subsection (b).''.

SEC. 642. GRANTS FOR EMERGENCY WEATHER RADIO TRANSMITTERS.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) (as amended by section 641)) is amended by adding at the end the following:

''SEC. 379C. GRANTS FOR EMERGENCY WEATHER RADIO TRANSMITTERS.

''(a) IN GENERAL.—The Secretary, acting through the Administrator of the Rural Utilities Service, may make grants to public and nonprofit entities for the Federal share of the cost of acquiring radio transmitters to increase coverage of rural areas by the emergency weather radio broadcast system of the National Oceanic and Atmospheric Administration.

''(b) ELIGIBILITY.—To be eligible for a grant under this section, an applicant shall provide to the Secretary—

''(1) a binding commitment from a tower owner to place the transmitter on a tower; and

''(2) a description of how the tower placement will increase coverage of a rural area by the emergency weather radio broadcast system of the National Oceanic and Atmospheric Administration.

''(c) FEDERAL SHARE.—A grant provided under this section shall be not more than 75 percent of the cost of acquiring a radio transmitter described in subsection (a).

''(d) AUTHORIZATION.—There is authorized to be appropriated to carry out this section $2,000,000 for each of fiscal years 2002 through 2006.''.

SEC. 643. DELTA REGIONAL AUTHORITY.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 382M(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa–12(a)) is amended by striking ''2002'' and inserting ''2006''.

(b) TERMINATION OF AUTHORITY.—Section 382N of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa–13) is amended by striking ''2002'' and inserting ''2006''.

SEC. 644. SEARCH GRANTS FOR SMALL COMMUNITIES.

The Consolidated Farm and Rural Development Act (as amended by section 604) is amended by adding at the end the following:

''Subtitle J—SEARCH Grants for Small Communities

''SEC. 386A. DEFINITIONS.

''In this subtitle:

''(1) COUNCIL.—The term 'council' means an independent citizens' council established by section 386B(d).

''(2) ENVIRONMENTAL PROJECT.—

''(A) IN GENERAL.—The term 'environmental project' means a project that—

''(i) improves environmental quality; and

''(ii) is necessary to comply with an environmental law (including a regulation).

''(B) INCLUSION.—The term 'environmental project' includes an initial feasibility study of a project.

''(3) REGION.—The term 'region' means a geographic area of a State, as determined by the Governor of the State.

''(4) SEARCH GRANT.—The term 'SEARCH grant' means a grant for special environmental assistance for the regulation of communities and habitat awarded under section 386B(e)(3).

''(5) SMALL COMMUNITY.—The term 'small community' means an incorporated or unincorporated rural community with a population of 2,500 inhabitants or less.

''(6) STATE.—The term 'State' has the meaning given the term in section 381A(1).

''SEC. 386B. SEARCH GRANT PROGRAM.

''(a) IN GENERAL.—There is established the SEARCH Grant Program.

''(b) APPLICATION.—

''(1) IN GENERAL.—Not later than October 1 of each fiscal year, a State may submit to the Secretary an application to receive a grant under subsection (c) for the fiscal year.

''(2) REQUIREMENTS.—An application under paragraph (1) shall contain—

''(A) a certification by the State that the State has appointed members to the council of the State under subsection (c)(2)(C); and

''(B) such information as the Secretary may reasonably require.

''(c) GRANTS TO STATES.—

''(1) IN GENERAL.—Not later than 60 days after the date on which the Office of Management and Budget apportions any amounts made available under this subtitle, for each fiscal year after the date of enactment of this subtitle, the Secretary shall, on request by a State—

''(A) determine whether any application submitted by the State under subsection (b) meets the requirements of subsection (b)(2); and

''(B) subject to paragraph (2), subsection (e)(4)(B)(ii), and section 386D(b), if the Secretary determines that the application meets the requirements of subsection (b)(2), award a grant of not to exceed $1,000,000 to the State, to be used by the council of the State to award SEARCH grants under subsection (e).

''(2) GRANTS TO CERTAIN STATES.—The aggregate amount of grants awarded to States other than Alaska, Hawaii, or 1 of the 48 contiguous States, under this subsection shall not exceed $1,000,000 for any fiscal year.

''(d) INDEPENDENT CITIZENS' COUNCIL.—

''(1) ESTABLISHMENT.—There is established in each State an independent citizens' council to carry out the duties described in this section.

''(2) COMPOSITION.—

''(A) IN GENERAL.—Each council shall be composed of 9 members, appointed by the Governor of the State.

''(B) REPRESENTATION; RESIDENCE.—Each member of a council shall—

''(i) represent an individual region of the State, as determined by the Governor of the State in which the council is established;

''(ii) reside in a small community of the State; and

''(iii) be representative of the populations of the State.

''(C) APPOINTMENT.—Before a State receives funds under this subtitle, the State shall appoint members to the council for the fiscal year, except that not more than 1 member shall be an agent, employee, or official of the State government.

''(D) CHAIRPERSON.—Each council shall select a chairperson from among the members of the council, except that a member who is an agent, employee, or official of the State government shall not serve as chairperson.

''(E) FEDERAL REPRESENTATION.—

''(i) IN GENERAL.—An officer, employee, or agent of the Federal Government may participate in the activities of the council—

''(I) in an advisory capacity; and

''(II) at the invitation of the council.

''(ii) RURAL DEVELOPMENT STATE DIRECTORS.—On the request of the council of a State, the State Director for Rural Development of the State shall provide advice and consultation to the council.

''(3) SEARCH GRANTS.—

''(A) IN GENERAL.—Each council shall review applications for, and recommend awards of, SEARCH grants to small communities that meet the eligibility criteria under subsection (c).

''(B) RECOMMENDATIONS.—In awarding a SEARCH grant, a State—

''(i) shall follow the recommendations of the council of the State;

''(ii) shall award the funds for any recommended environmental project in a timely and expeditious manner; and

''(iii) shall not award a SEARCH grant to a grantee or project in violation of any law of the State (including a regulation).

''(C) NO MATCHING REQUIREMENT.—A small community that receives a SEARCH grant under this section shall not be required to provide matching funds.

''(e) SEARCH GRANTS FOR SMALL COMMUNITIES.—

''(1) ELIGIBILITY.—A SEARCH grant shall be awarded under this section only to a small community for 1 or more environmental projects for which the small community—

''(A) needs funds to carry out initial feasibility or environmental studies before applying to traditional funding sources; or

''(B) demonstrates, to the satisfaction of the council, that the small community has been unable to obtain sufficient funding from traditional funding sources.

''(2) APPLICATION.—

''(A) DATE.—The council shall establish such deadline by which small communities shall submit applications for grants under this section as will permit the council adequate time to review and make recommendations relating to the applications.

''(B) LOCATION OF APPLICATION.—A small community shall submit an application described in subparagraph (A) to the council in the State in which the small community is located.

''(C) CONTENT OF APPLICATION.—An application described in subparagraph (A) shall include—

''(i) a description of the proposed environmental project (including an explanation of how the project would assist the small community in complying with an environmental law (including a regulation));

''(ii) an explanation of why the project is important to the small community;

''(iii) a description of all actions taken with respect to the project, including a description of any attempt to secure funding and a description of demonstrated need for funding for the project, as of the date of the application; and

''(iv) a SEARCH grant application form provided by the council, completed and with all required supporting documentation.

''(3) REVIEW AND RECOMMENDATION.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), not later than March 5 of each fiscal year, each council shall—

''(i) review all applications received under paragraph (2); and

''(ii) recommend for award SEARCH grants to small communities based on—

''(I) an evaluation of the eligibility criteria under paragraph (1); and

''(II) the content of the application.

''(B) EXTENSION OF DEADLINE.—The State may extend the deadline described in subparagraph (A) by not more than 10 days in a case in which the receipt of recommendations from a council under subparagraph (A)(ii) is delayed because of circumstances beyond the control of the council, as determined by the State.

''(4) UNEXPENDED FUNDS.—

''(A) IN GENERAL.—If, for any fiscal year, any unexpended funds remain after SEARCH grants are awarded under subsection (d)(3)(B), the council may repeat the application and review process so that any remaining funds may be recommended for award, and awarded, not later than July 30 of the fiscal year.

''(B) RETENTION OF FUNDS.—

''(i) IN GENERAL.—Any unexpended funds that are not awarded under subsection (d)(3)(B) or subparagraph (A) shall be retained by the State for award during the following fiscal year.

''(ii) LIMITATION.—A State that accumulates a balance of unexpended funds described in clause (i) of more than $3,000,000 shall be ineligible to apply for additional funds for SEARCH grants until such time as the State expends the portion of the balance that exceeds $3,000,000.

''SEC. 386C. REPORT.

''Not later than September 1 of the first fiscal year for which a SEARCH grant is awarded by a council, and annually thereafter, the council shall submit to the Secretary a report that—

''(1) describes the number of SEARCH grants awarded during the fiscal year;

''(2) identifies each small community that received a SEARCH grant during the fiscal year;

''(3) describes the project or purpose for which each SEARCH grant was awarded, including a statement of the benefit to public health or the environment of the environmental project receiving the grant funds; and

''(4) describes the status of each project or portion of a project for which a SEARCH grant was awarded, including a project or portion of a project for which a SEARCH grant was awarded for any fiscal year before the fiscal year in which the report is submitted.

''SEC. 386D. FUNDING.

''(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out section 386B(c) $51,000,000, of which not to exceed $1,000,000 shall be used to make grants under section 386B(c)(2).

''(b) ACTUAL APPROPRIATION.—If funds to carry out section 386B(c) are made available for a fiscal year in an amount that is less than the amount authorized under subsection (a) for the fiscal year, the appropriated funds shall be divided equally among the 50 States.

''(c) UNUSED FUNDS.—If, for any fiscal year, a State does not apply, or does not qualify, to receive funds under section 386B(b), the funds that would have been made available to the State under section 386B(c) on submission by the State of a successful application under section 386B(b) shall be redistributed for award under this subtitle among States, the councils of which awarded 1 or more SEARCH grants during the preceding fiscal year.

''(d) OTHER EXPENSES.—There are authorized to be appropriated such sums as are necessary to carry out the provisions of this subtitle (other than section 386B(c)).''.

Subtitle D—Food, Agriculture, Conservation, and Trade Act of 1990

SEC. 651. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION CORPORATION.

(a) REPEAL OF CORPORATION AUTHORIZATION.—Subtitle G of title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5901 et seq.) is repealed.

(b) DISPOSITION OF ASSETS.—On the date of enactment of this Act—

(1) the assets, both tangible and intangible, of the Alternative Agricultural Research and Commercialization Corporation (referred to in this section as the ''Corporation''), including the funds in the Alternative Agricultural Research and Commercialization Revolving Fund as of the date of enactment of this Act, are transferred to the Secretary of Agriculture; and

(2) notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.), the Secretary shall have authority to manage and dispose of the assets transferred under paragraph (1) in a manner that, to the maximum extent practicable, provides the greatest return on investment.

(c) USE OF ASSETS.—

(1) IN GENERAL.—Funds transferred under subsection (b), and any income from assets or proceeds from the sale of assets transferred under subsection (b), shall be deposited into an account in the Treasury, and shall remain available to the Secretary until expended, without further appropriation, to pay—

(A) any outstanding claims or obligations of the Corporation; and

(B) the costs incurred by the Secretary in carrying out this section.

(2) FINAL DISPOSITION.—On final disposition of all assets transferred under subsection (b), any funds remaining in the account described in paragraph (1) shall be transferred into miscellaneous receipts in the Treasury.

(d) CONFORMING AMENDMENTS.—

(1) The following provisions are repealed:

(A) Section 730 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 5902 note; Public Law 104–127).

(B) Section 9101(3)(Q) of title 31, United States Code.

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

''(1) CRITICAL EMERGING ISSUES.—Subject to paragraph (2), the Secretary shall use the funds in the Account for research, extension, and education grants (referred to in this section as 'grants') to address critical emerging agricultural issues related to—

''(A) future food production;

''(B) environmental quality and natural resource management; or

''(C) farm income.''.

(3) Section 793(c)(1)(A)(ii)(II) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 2204f(c)(1)(A)(ii)(II)) is amended by striking ''subtitle G of title XVI and''.

SEC. 652. TELEMEDICINE AND DISTANCE LEARNING SERVICES IN RURAL AREAS.

(a) IN GENERAL.—Section 2335A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa–5) is amended by striking ''2002'' and inserting ''2006''.

(b) CONFORMING AMENDMENT.—Section 1(b) of Public Law 102–551 (7 U.S.C. 950aaa note) is amended by striking ''1997'' and inserting ''2006''.

Subtitle E—Rural Electrification Act of 1936

SEC. 661. GUARANTEES FOR BONDS AND NOTES ISSUED FOR ELECTRIFICATION OR TELEPHONE PURPOSES.

(a) IN GENERAL.—The Rural Electrification Act of 1936 is amended by inserting after section 313 (7 U.S.C. 940c) the following:

''SEC. 313A. GUARANTEES FOR BONDS AND NOTES ISSUED FOR ELECTRIFICATION OR TELEPHONE PURPOSES.

''(a) IN GENERAL.—Subject to subsection (b), the Secretary shall guarantee payments on bonds or notes issued by cooperative or other lenders organized on a not-for-profit basis if the proceeds of the bonds or notes are used for electrification or telephone projects eligible for assistance under this Act, including the refinancing of bonds or notes issued for such projects.

''(b) LIMITATIONS.—

''(1) OUTSTANDING LOANS.—A lender shall not receive a guarantee under this section for a bond or note if, at the time of the guarantee, the total principal amount of such guaranteed bonds or notes outstanding of the lender would exceed the principal amount of outstanding loans of the lender for electrification or telephone purposes that have been made concurrently with loans approved for such purposes under this Act.

''(2) GENERATION OF ELECTRICITY.—The Secretary shall not guarantee payment on a bond or note issued by a lender, the proceeds of which are used for the generation of electricity.

''(3) QUALIFICATIONS.—The Secretary may deny the request of a lender for the guarantee of a bond or note under this section if the Secretary determines that—

''(A) the lender does not have appropriate expertise or experience or is otherwise not qualified to make loans for electrification or telephone purposes;

''(B) the bond or note issued by the lender is not of reasonable and sufficient quality; or

''(C) the lender has not provided sufficient evidence that the proceeds of the bond or note are used for eligible projects described in subsection (a).

''(4) INTEREST RATE REDUCTION.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), a lender may not use any amount obtained from the reduction in funding costs as a result of the guarantee of a bond or note under this section to reduce the interest rate on a new or outstanding loan.

''(B) CONCURRENT LOANS.—A lender may use any amount described in subparagraph (A) to reduce the interest rate on a loan if the loan is—

''(i) made by the lender for electrification or telephone projects that are eligible for assistance under this Act; and

''(ii) made concurrently with a loan approved by the Secretary under this Act for such a project, as provided in section 307.

''(c) FEES.—

''(1) IN GENERAL.—A lender that receives a guarantee issued under this section on a bond or note shall pay a fee to the Secretary.

''(2) AMOUNT.—The amount of an annual fee paid for the guarantee of a bond or note under this section shall be equal to 30 basis points of the amount of the unpaid principal of the bond or note guaranteed under this section.

''(3) PAYMENT.—A lender shall pay the fees required under this subsection on a semiannual basis.

''(4) RURAL ECONOMIC DEVELOPMENT SUBACCOUNT.—Subject to subsection (e)(2), fees collected under this subsection shall be—

''(A) deposited into the rural economic development subaccount maintained under section 313(b)(2)(A), to remain available until expended; and

''(B) used for the purposes described in section 313(b)(2)(B).

''(d) GUARANTEES.—

''(1) IN GENERAL.—A guarantee issued under this section shall—

''(A) be for the full amount of a bond or note, including the amount of principal, interest, and call premiums;

''(B) be fully assignable and transferable; and

''(C) represent the full faith and credit of the United States.

''(2) LIMITATION.—To ensure that the Secretary has the resources necessary to properly examine the proposed guarantees, the Secretary may limit the number of guarantees issued under this section if the number of such guarantees exceeds 5 per year.

''(3) DEPARTMENT OPINION.—On the timely request of an eligible lender, the General Counsel of the Department of Agriculture shall provide the Secretary with an opinion regarding the validity and authority of a guarantee issued to the lender under this section.

''(e) AUTHORIZATION OF APPROPRIATIONS.—

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

''(2) FEES.—To the extent that the amount of funds appropriated for a fiscal year under paragraph (1) are not sufficient to carry out this section, the Secretary may use up to ⅓ of the fees collected under subsection (c) for the cost of providing guarantees of bonds and notes under this section before depositing the remainder of the fees into the rural economic development subaccount maintained under section 313(b)(2)(A).

''(f) TERMINATION.—The authority provided under this section shall terminate on September 30, 2006.''.

(b) ADMINISTRATION OF CUSHION OF CREDIT PAYMENTS PROGRAM.—Section 313(b)(2)(B) of the Rural Electrification Act of 1936 (7 U.S.C. 940c)(b)(2)(B)) is amended by inserting '', acting through the Rural Utilities Service,'' after ''Secretary''.

(c) ADMINISTRATION.—

(1) REGULATIONS.—Not later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall promulgate regulations to carry out the amendments made by this section.

(2) IMPLEMENTATION.—Not later than 240 days after the date of enactment of this Act, the Secretary shall implement the amendment made by this section.

SEC. 662. EXPANSION OF 911 ACCESS.

Title III of the Rural Electrification Act of 1936 (7 U.S.C. 931 et seq.) is amended by adding the following:

''SEC. 315. EXPANSION OF 911 ACCESS.

''(a) IN GENERAL.—Subject to such terms and conditions as the Secretary may prescribe, the Secretary may make telephone loans under this title to State or local governments, Indian tribes (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), or other public entities for facilities and equipment to expand 911 access in underserved rural areas.

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

TITLE VII—AGRICULTURAL RESEARCH, EDUCATION, AND EXTENSION AND RELATED MATTERS

Subtitle A—National Agricultural Research, Extension, and Teaching Policy Act of 1977

SEC. 701. DEFINITIONS.

(a) IN GENERAL.—Section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) is amended—

(1) by redesignating paragraphs (10) through (17) as paragraphs (11) through (18), respectively;

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

''(10) INSULAR AREA.—The term 'insular area' means—

''(A) the Commonwealth of Puerto Rico;

''(B) Guam;

''(C) American Samoa;

''(D) the Commonwealth of the Northern Mariana Islands;

''(E) the Federated States of Micronesia;

''(F) the Republic of the Marshall Islands;

''(G) the Republic of Palau; and

''(H) the Virgin Islands of the United States.''; and

(3) by striking paragraph (13) (as so redesignated) and inserting the following:

''(13) STATE.—The term 'State' means—

''(A) a State;

''(B) the District of Columbia; and

''(C) any insular area.''.

(b) EFFECT OF AMENDMENTS.—The amendments made by subsection (a) shall not affect any basis for distribution of funds by formula (in effect on the date of enactment of this Act) to—

(1) the Federated States of Micronesia;

(2) the Republic of the Marshall Islands; or

(3) the Republic of Palau.

SEC. 702. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.

Section 1408(h) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(h)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 703. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION.

Section 1417 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152) is amended—

(1) in subsection (a)—

(A) by striking ''and'' after ''economics,''; and

(B) by inserting '', and rural economic, community, and business development'' before the period;

(2) in subsection (b)—

(A) in paragraph (1), by inserting '', or in rural economic, community, and business development'' before the semicolon;

(B) in paragraph (2), by inserting '', or in rural economic, community, and business development'' before the semicolon;

(C) in paragraph (3), by inserting '', or teaching programs emphasizing rural economic, community, and business development'' before the semicolon;

(D) in paragraph (4), by inserting '', or programs emphasizing rural economic, community, and business development,'' after ''programs''; and

(E) in paragraph (5), by inserting '', or professionals in rural economic, community, and business development'' before the semicolon;

(3) in subsection (d)—

(A) in paragraph (1), by inserting '', or in rural economic, community, and business development,'' after ''sciences''; and

(B) in paragraph (2), by inserting '', or in the rural economic, community, and business development workforce,'' after ''workforce''; and

(4) in subsection (l), by striking ''2002'' and inserting ''2006''.

SEC. 704. COMPETITIVE RESEARCH FACILITIES GRANT PROGRAM.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by inserting after section 1417 (7 U.S.C. 3152) the following:

''SEC. 1417A. COMPETITIVE RESEARCH FACILITIES GRANT PROGRAM.

''(a) AUTHORITY.—The Secretary may award grants to eligible institutions on a competitive basis for the construction, acquisition, modernization, renovation, alteration, and remodeling of food and agricultural research facilities such as buildings, laboratories, and other capital facilities (including acquisition of fixtures and equipment) in accordance with this section.

''(b) ELIGIBLE INSTITUTIONS.—The following institutions are eligible to compete for grants under subsection (a):

''(1) A State cooperative institution.

''(2) A Hispanic-serving institution.

''(c) CRITERIA FOR AWARD.—The Secretary shall award grants to support the national research purposes specified in section 1402 in a manner determined by the Secretary.

''(d) MATCHING.—

''(1) IN GENERAL.—The Secretary may establish such matching requirements for grants under subsection (a) as the Secretary considers appropriate.

''(2) FORM OF MATCH.—Matching requirements established by the Secretary may be met with unreimbursed indirect costs and in-kind contributions.

''(3) EVALUATION PREFERENCE.—The Secretary may include an evaluation preference for projects for which the applicant proposes funds for the direct costs of a project to meet the required match.

''(e) TARGETED INSTITUTIONS.—The Secretary may determine that a portion of funds made available to carry out this section shall be targeted to particular eligible institutions to enhance the capacity of the eligible institutions to carry out research.

''(f) ADMINISTRATION.—

''(1) REGULATIONS.—The Secretary shall promulgate such regulations as are necessary to carry out this section.

''(2) STATES WITH MORE THAN 1 ELIGIBLE INSTITUTION.—In a State having more than 1 eligible institution, the Secretary shall establish procedures in accordance with the purposes specified in section 1402 to ensure that the facility proposals of the eligible institutions in the State provide for a coordinated food and agricultural research program among eligible institutions in the State.

''(g) APPLICABILITY OF THE FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall not apply to a panel or board created solely for the purpose of reviewing applications or proposals submitted under this section.

''(h) ADVISORY BOARD.—In carrying out this section, the Secretary shall consult with the Advisory Board.

''(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2002 through 2006.''.

SEC. 705. GRANTS FOR RESEARCH ON THE PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.

Section 1419(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154(d)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 706. 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 subsection (c)(3), by striking ''collect and analyze'' and inserting ''collect, analyze, and disseminate''; and

(2) in subsection (d), by striking ''2002'' and inserting ''2006''.

SEC. 707. HUMAN NUTRITION INTERVENTION AND HEALTH PROMOTION RESEARCH PROGRAM.

Section 1424(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174(d)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 708. PILOT RESEARCH PROGRAM TO COMBINE MEDICAL AND AGRICULTURAL RESEARCH.

Section 1424A(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174a(d)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 709. NUTRITION EDUCATION PROGRAM.

Section 1425(c)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175(c)(3)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 710. ANIMAL HEALTH AND DISEASE RESEARCH PROGRAMS.

Section 1433(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195(a)) is amended in the first sentence by striking ''2002'' and inserting ''2006''.

SEC. 711. RESEARCH ON NATIONAL OR REGIONAL PROBLEMS.

Section 1434(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196(a)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 712. EDUCATION GRANTS PROGRAMS FOR HISPANIC-SERVING INSTITUTIONS.

Section 1455(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3241(c)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 713. COMPETITIVE GRANTS FOR INTERNATIONAL AGRICULTURAL SCIENCE AND EDUCATION PROGRAMS.

Section 1459A(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292b(c)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 714. INDIRECT COSTS.

Section 1462 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3310) is amended—

(1) by inserting ''(a) IN GENERAL.—'' before ''Except'';

(2) by striking ''19 percent'' and all that follows and inserting ''the negotiated indirect cost rate established for an institution by the cognizant Federal audit agency for the institution.''; and

(3) by adding at the end the following:

''(b) EXCEPTION.—Subsection (a) shall not apply to a grant awarded competitively under section 9 of the Small Business Act (15 U.S.C. 638).''.

SEC. 715. RESEARCH EQUIPMENT GRANTS.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by inserting after section 1462 (7 U.S.C. 3310) the following:

''SEC. 1462A. RESEARCH EQUIPMENT GRANTS.

''(a) IN GENERAL.—The Secretary may make competitive grants for the acquisition of special purpose scientific research equipment for use in the food and agricultural sciences programs of eligible institutions described in subsection (b).

''(b) ELIGIBLE INSTITUTIONS.—The Secretary may make a grant under this section to—

''(1) a college or university; or

''(2) a State cooperative institution.

''(c) MAXIMUM AMOUNT.—The amount of a grant made to an eligible institution under this section may not exceed $500,000.

''(d) PROHIBITION ON CHARGE OF EQUIPMENT AS INDIRECT COSTS.—The cost of acquisition or depreciation of equipment purchased with a grant under this section shall not be—

''(1) charged as an indirect cost against another Federal grant; or

''(2) included as part of the indirect cost pool for purposes of calculating the indirect cost rate of an eligible institution.

''(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $50,000,000 for each of fiscal years 2002 through 2006.''.

SEC. 716. AGRICULTURAL RESEARCH PROGRAMS.

Section 1463 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311) is amended—

(1) in subsection (a), by striking ''$850,000,000 for each of the fiscal years 1991 through 2002'' and inserting ''$1,500,000,000 for each of fiscal years 2002 through 2006''; and

(2) in subsection (b), by striking ''2002'' and inserting ''2006''.

SEC. 717. EXTENSION EDUCATION.

Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended by striking ''$420,000,000'' and all that follows and inserting the following: ''$500,000,000 for each of fiscal years 2002 through 2006.''.

SEC. 718. AVAILABILITY OF COMPETITIVE GRANT FUNDS.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by inserting after section 1469 (7 U.S.C. 3315) the following:

''SEC. 1469A. AVAILABILITY OF COMPETITIVE GRANT FUNDS.

''Except as otherwise provided by law, funds made available to the Secretary to carry out a competitive agricultural research, education, or extension grant program under this or any other Act shall be available for obligation for a 2-year period beginning on October 1 of the fiscal year for which the funds are made available.''.

SEC. 719. JOINT REQUESTS FOR PROPOSALS.

(a) PURPOSES.—The purposes of this section are—

(1) to reduce the duplication of administrative functions relating to grant awards and administration among Federal agencies conducting similar types of research, education, and extension programs;

(2) to maximize the use of peer review resources in research, education, and extension programs; and

(3) to reduce the burden on potential recipients that may offer similar proposals to receive competitive grants under different Federal programs in overlapping subject areas.

(b) AUTHORITY.—The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by inserting after section 1473A (7 U.S.C. 3319a) the following:

''SEC. 1473B. JOINT REQUESTS FOR PROPOSALS.

''(a) IN GENERAL.—In carrying out any competitive agricultural research, education, or extension grant program authorized under this or any other Act, the Secretary may cooperate with 1 or more other Federal agencies (including the National Science Foundation) in issuing joint requests for proposals, awarding grants, and administering grants, for similar or related research, education, or extension projects or activities.

''(b) TRANSFER OF FUNDS.—

''(1) SECRETARY.—The Secretary may transfer funds to, or receive funds from, a cooperating Federal agency for the purpose of carrying out the joint request for proposals, making awards, or administering grants.

''(2) COOPERATING AGENCY.—The cooperating Federal agency may transfer funds to, or receive funds from, the Secretary for the purpose of carrying out the joint request for proposals, making awards, or administering grants.

''(3) LIMITATIONS.—Funds transferred or received under this subsection shall be—

''(A) used only in accordance with the laws authorizing the appropriation of the funds; and

''(B) made available by grant only to recipients that are eligible to receive the grant under the laws.

''(c) ADMINISTRATION.—

''(1) SECRETARY.—The Secretary may delegate authority to issue requests for proposals, make grant awards, or administer grants, in whole or in part, to a cooperating Federal agency.

''(2) COOPERATING FEDERAL AGENCY.—The cooperating Federal agency may delegate to the Secretary authority to issue requests for proposals, make grant awards, or administer grants, in whole or in part.

''(d) REGULATIONS; RATES.—The Secretary and a cooperating Federal agency may agree to make applicable to recipients of grants—

''(1) the post-award grant administration regulations and indirect cost rates applicable to recipients of grants from the Secretary; or

''(2) the post-award grant administration regulations and indirect cost rates applicable to recipients of grants from the cooperating Federal agency.

''(e) JOINT PEER REVIEW PANELS.—Subject to section 1413B, the Secretary and a cooperating Federal agency may establish joint peer review panels for the purpose of evaluating grant proposals.''.

SEC. 720. SUPPLEMENTAL AND ALTERNATIVE CROPS.

Section 1473D(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d(a)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 721. AQUACULTURE.

Section 1477 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3324) is amended in the first sentence by striking ''2002'' and inserting ''2006''.

SEC. 722. RANGELAND RESEARCH.

Section 1483(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3336(a)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 723. BIOSECURITY PLANNING AND RESPONSE PROGRAMS.

(a) IN GENERAL.—The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended by adding at the end the following:

"Subtitle N—Biosecurity

"CHAPTER 1—AGRICULTURE INFRASTRUCTURE SECURITY

"SEC. 1484. DEFINITIONS.

''In this chapter:

''(1) AGRICULTURAL RESEARCH FACILITY.—The term 'agricultural research facility' means a facility—

''(A) at which agricultural research is regularly carried out or proposed to be carried out; and

''(B) that is—

''(i)(I) an Agricultural Research Service facility;

''(II) a Forest Service facility; or

''(III) an Animal and Plant Health Inspection Service facility;

''(ii) a Federal agricultural facility in the process of being planned or being constructed; or

''(iii) any other facility under the full control of the Secretary.

''(2) COMMISSION.—The term 'Commission' means the Agriculture Infrastructure Security Commission established under section 1486.

''(2) FUND.—The term 'Fund' means the Agriculture Infrastructure Security Fund Account established by section 1485.

"SEC. 1485. AGRICULTURE INFRASTRUCTURE SECURITY FUND.

''(a) ESTABLISHMENT.—There is established in the Treasury of the United States an account, to be known as the 'Agriculture Infrastructure Security Fund Account', consisting of funds appropriated to, or deposited into, the Fund under subsection (c).

''(b) PURPOSES.—The purposes of the Fund are to provide funding to protect and strengthen the Federal food safety and agricultural infrastructure that—

''(1) safeguards against animal and plant diseases and pests;

''(2) ensures the safety of the food supply; and

''(3) ensures sound science in support of food and agricultural policy.

''(c) DEPOSITS INTO FUND.—

''(1) IN GENERAL.—There are authorized to be appropriated to the Fund such sums as are necessary for each of fiscal years 2002 through 2006.

''(2) CONTRIBUTIONS AND OTHER PROCEEDS.—The Secretary shall deposit into the Fund any funds received—

''(A) as proceeds from the sale of assets under subsection (e); or

''(B) as gifts under subsection (f).

''(3) AVAILABILITY OF FUNDS.—Amounts in the Fund shall remain available until expended without further Act of appropriation.

''(4) ADDITIONAL FUNDS.—Funds made available under paragraph (1) shall be in addition to funds otherwise available to the Secretary to receive gifts and bequests or dispose of property (real, personal, or intangible).

''(d) EXPENDITURES FROM FUND.—

''(1) IN GENERAL.—Subject to paragraph (2), on request by the Secretary, the Secretary of the Treasury shall transfer from the Fund to the Secretary, and the Secretary shall accept and use without further appropriation, such amounts as the Secretary determines to be necessary to pay—

''(A) the costs of planning, design, development, construction, acquisition, modernization, leasing, and disposal of facilities, equipment, and technology used by the Department in carrying out programs relating to the purposes specified in subsection (b), notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.) or any other law that prescribes procedures for the procurement, use, or disposal of property or services by a Federal agency;

''(B) the costs of specialized services relating to the purposes specified in subsection (b);

''(C) the costs of cooperative arrangements authorized to be entered into (notwithstanding chapter 63 of title 31, United States Code) with State, local and tribal governments, and other public and private entities, to carry out programs relating to the purposes specified in subsection (b); and

''(D) administrative costs incurred in carrying out subparagraphs (A) through (C).

''(2) LIMITATIONS.—

''(A) FEDERAL EMPLOYEES.—Amounts in the Fund shall not be used to create any new full or part-time permanent Federal employee position.

''(B) ADMINISTRATIVE EXPENSES.—Beginning in fiscal year 2003, not more than 1 percent of the amounts in the Fund on October 1 of a fiscal year may be used in the fiscal year for administrative expenses of the Secretary in carrying out the activities described in paragraph (1).

''(e) SALE OF ASSETS.—

''(1) DISPOSAL AUTHORITY.—Notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.), the Secretary by sale may dispose of all or any part of any right or title in land (excluding National Forest System land), facilities, or equipment in the full control of the Department (including land and facilities at the Beltsville Agricultural Research Center) used for the purposes specified in subsection (b).

''(2) DISPOSITION OF PROCEEDS.—Proceeds from any sale conducted by the Secretary under paragraph (1) shall be deposited into the Fund in accordance with subsection (c)(2)(A).

''(f) GIFTS.—

''(1) IN GENERAL.—To carry out the purposes specified in subsection (b), the Secretary may accept gifts and bequests of funds, property (real, personal, and intangible), equipment, services, and other in-kind contributions from State, local, and tribal governments, colleges and universities, individuals, and other public and private entities.

''(2) PROHIBITED SOURCE.—

''(A) IN GENERAL.—For the purposes of this subsection, the Secretary shall not consider a State or local government, Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), other public entity, or college or university, to be a prohibited source under any Department rule or policy that prohibits the acceptance of gifts from individuals and entities that do business with the Department.

''(B) EXCEPTION.—Notwithstanding any Department rule or policy that prohibits the acceptance of gifts by the Department from individuals or private entities that do business with the Department or that, for any other reason, are considered to be prohibited sources, the Secretary may accept gifts under this subsection if the Secretary determines that it is in the public interest to accept the gift.

''(3) DISPOSITION OF GIFTS.—The Secretary shall deposit any gift of funds under this subsection into the Fund in accordance with subsection (c)(2)(B).

"SEC. 1486. AGRICULTURE INFRASTRUCTURE SECURITY COMMISSION.

''(a) ESTABLISHMENT.—The Secretary shall establish a commission to be known as the 'Agriculture Infrastructure Security Commission' to carry out the duties described in subsection (f).

''(b) MEMBERSHIP.—

''(1) APPOINTMENT.—

''(A) VOTING MEMBERS.—

''(i) IN GENERAL.—The Commission shall be composed of 15 voting members, appointed by the Secretary in accordance with clause (ii), based on nominations solicited from the public.

''(ii) QUALIFICATIONS.—The Secretary shall appoint members that—

''(I) represent a balance of the public and private sectors; and

''(II) have combined expertise in—

''(aa) facilities development, modernization, construction, security, consolidation, and closure;

''(bb) plant diseases and pests;

''(cc) animal diseases and pests;

''(dd) food safety;

''(ee) biosecurity;

''(ff) the needs of farmers and ranchers;

''(gg) public health;

''(hh) State, local, and tribal government; and

''(ii) any other area related to agriculture infrastructure security, as determined by the Secretary.

''(B) NONVOTING MEMBERS.—The Commission shall be composed of the following nonvoting members:

''(i) The Secretary.

''(ii) 4 representatives appointed by the Secretary of Health and Human Services, 1 each from—

''(I) the Public Health Service;

''(II) the National Institutes of Health;

''(III) the Centers for Disease Control and Prevention; and

''(IV) the Food and Drug Administration.

''(iii) 1 representative appointed by the Attorney General.

''(iv) 1 representative appointed by the Director of Homeland Security.

''(v) Not more than 4 representatives of the Department appointed by the Secretary.

''(2) DATE OF APPOINTMENT.—The appointment of each member of the Commission shall be made not later than 90 days after the date of enactment of this subtitle.

''(c) TERM; VACANCIES.—

''(1) TERM.—The term of office of a member of the Commission shall be 4 years, except that the members initially appointed shall be appointed to serve staggered terms (as determined by the Secretary).

''(2) VACANCIES.—A vacancy on the Commission shall be filled in the same manner as the original appointment was made.

''(d) MEETINGS.—

''(1) IN GENERAL.—The Commission shall meet at the call of—

''(A) the Chairperson;

''(B) a majority of the voting members of the Commission; or

''(C) the Secretary.

''(2) FEDERAL ADVISORY COMMITTEE ACT.—

''(A) IN GENERAL.—The Federal Advisory Committee Act (5 U.S.C. App.) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall not apply to the Commission.

''(B) OPEN MEETINGS; RECORDS.—Subject to subparagraph (C)—

''(i) a meeting of the Commission shall be—

''(I) publicly announced in advance; and

''(II) open to the public; and

''(ii) the Commission shall—

''(I) keep detailed minutes of each meeting and other appropriate records of the activities of the Commission; and

''(II) make the minutes and records available to the public on request.

''(C) EXCEPTION.—When required in the interest of national security—

''(i) the Chairperson may choose not to give public notice of a meeting;

''(ii) the Chairperson may close all or a portion of any meeting to the public, and the minutes of the meeting, or portion of a meeting, shall not be made available to the public; and

''(iii) by majority vote, the Commission may redact the minutes of a meeting that was open to the public.

''(e) CHAIRPERSON.—The Secretary shall select a Chairperson from among the voting members of the Commission.

''(f) DUTIES.—

''(1) IN GENERAL.—The Commission shall—

''(A) advise the Secretary on the uses of the Fund;

''(B) review all agricultural research facilities for—

''(i) research importance; and

''(ii) importance to agriculture infrastructure security;

''(C) identify any agricultural research facility that should be closed, realigned, consolidated, or modernized to carry out the research agenda of the Secretary and protect agriculture infrastructure security;

''(D) develop recommendations concerning agricultural research facilities; and

''(E)(i) evaluate the agricultural research facilities acquisition and modernization system (including acquisitions by gift, grant, or any other form of agreement) used by the Department; and

''(ii) based on the evaluation, recommend improvements to the system.

''(2) STRATEGIC PLAN.—To assist the Commission in carrying out the duties described in paragraph (1), the Commission shall use the 10-year strategic plan prepared by the Strategic Planning Task Force established under section 4 of the Research Facilities Act (7 U.S.C. 390b).

''(3) REPORT.—

''(A) IN GENERAL.—Not later than 240 days after the date of enactment of this subtitle, and each June 1 thereafter, the Commission shall prepare and submit to the Secretary, the Committee on Agriculture and the Committee on Appropriations of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry and the Committee on Appropriations of the Senate, a report on the findings and recommendations under paragraph (1).

''(B) WRITTEN RESPONSE.—Not later than 90 days after the date of receipt of a report from the Commission under subparagraph (A), the Secretary shall provide to the Commission a written response concerning the manner and extent to which the Secretary will implement the recommendations in the report.

''(C) PUBLIC AVAILABILITY.—

''(i) IN GENERAL.—Subject to clause (ii), the report submitted by the Commission, and any response made by the Secretary, under this subsection shall be available to the public.

''(ii) EXCEPTION.—

''(I) NATIONAL SECURITY.—The Commission or the Secretary may determine that any report or response, or any portion of a report or response, shall not be publicly released in the interest of national security.

''(II) FREEDOM OF INFORMATION ACT.—On such a determination, the report or response, a portion of the report or response, or any records relating to the report or response, shall not be released under section 552 of title 5, United States Code.

''(g) COMMISSION PERSONNEL MATTERS.—

''(1) COMPENSATION OF MEMBERS.—

''(A) NON-FEDERAL EMPLOYEES.—A voting member of the Commission who is not a regular full-time employee of the Federal Government shall, while attending meetings of the Commission or otherwise engaged in the business of the Commission (including travel time), be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding the daily equivalent of the annual rate specified at the time of such service under GS–15 of the General Schedule established under section 5332 of title 5, United States Code.

''(B) TRAVEL EXPENSES.—A voting member of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Commission.

''(2) STAFF.—The Secretary shall provide the Commission with any personnel and other resources as the Secretary determines appropriate.

''(h) FUNDING.—

''(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as are necessary for each of fiscal years 2002 through 2006.

''(2) AGRICULTURE INFRASTRUCTURE SECURITY FUND.—For the purpose of establishing the Commission, the Secretary shall use such sums from the Fund as the Secretary determines to be appropriate.

''CHAPTER 2—OTHER BIOSECURITY PROGRAMS

''SEC. 1487. SPECIAL AUTHORIZATION FOR BIOSECURITY PLANNING AND RESPONSE.

''(a) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts for agricultural research, extension, and education under this Act, there are authorized to be appropriated for agricultural research, education, and extension activities for biosecurity planning and response such sums as are necessary for each of fiscal years 2002 through 2006.

''(b) USE OF FUNDS.—Using any authority available to the Secretary, the Secretary shall use funds made available under this section to carry out agricultural research, education, and extension activities (including through competitive grants) necessary—

''(1) to reduce the vulnerability of the United States food and agricultural system to chemical or biological attack;

''(2) to continue joint research initiatives between the Agricultural Research Service, universities, and industry on counterbioterrorism efforts (including continued funding of a consortium in existence on the date of enactment of this subtitle of which the Agricultural Research Service and universities are members);

''(3) to make competitive grants to universities and qualified research institutions for research on counterbioterrorism; and

''(4) to counter or otherwise respond to chemical or biological attack.

''SEC. 1488. AGRICULTURE BIOTERRORISM RESEARCH FACILITIES.

''(a) DEFINITIONS.—In this section:

''(1) CONSTRUCTION.—The term 'construction' includes—

''(A) the construction of new buildings; and

''(B) the expansion, renovation, remodeling, and alteration of existing buildings.

''(2) COST.—

''(A) IN GENERAL.—The term 'cost' means any construction cost, including architects' fees.

''(B) EXCLUSIONS.—The term 'cost' does not include the cost of—

''(i) acquiring land or an interest in land; or

''(ii) constructing any offsite improvement.

''(3) ELIGIBLE ENTITY.—The term 'eligible entity' means a college or university that—

''(A) is a land grant college or university (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)); and

''(B) as determined by the Secretary, has—

''(i) demonstrated expertise in the area of animal and plant diseases;

''(ii) substantial animal and plant diagnostic laboratories; and

''(iii) well-established working relationships with—

''(I) the agricultural industry; and

''(II) farm and commodity organizations.

''(b) MODERNIZATION AND CONSTRUCTION OF FACILITIES.—

''(1) IN GENERAL.—To enhance the security of agriculture in the United States against threats posed by bioterrorism, the Secretary shall make construction grants, on a competitive basis, to eligible entities.

''(2) LIMITATION ON GRANTS.—An eligible entity shall not receive grant funds under this section that, in any fiscal year, exceed $10,000,000.

''(c) REQUIREMENTS FOR GRANTS.—

''(1) IN GENERAL.—The Secretary shall make a grant to an eligible entity under this section only if, with respect to any facility constructed using grant funds, the eligible entity—

''(A) submits to the Secretary, in such form, in such manner, and containing such agreements, assurances, and information as the Secretary may require, an application for the grant;

''(B) is determined by the Secretary to be competent to engage in the type of research for which the facility is proposed to be constructed;

''(C) provides such assurances as the Secretary determines to be satisfactory that—

''(i) for not less than 20 years after the date of completion of the facility, the facility shall be used for the purposes of the research for which the facility was constructed, as described in the grant application;

''(ii) sufficient funds are available to pay the non-Federal share of the cost of constructing the facility;

''(iii) sufficient funds will be available, as of the date of completion of the construction, for the effective use of the facility for the purposes of the research for which the facility was constructed; and

''(iv) the proposed construction—

''(I) will increase the capability of the eligible entity to conduct research for which the facility was constructed; or

''(II) is necessary to improve or maintain the quality of the research of the eligible entity;

''(D) meets such reasonable qualifications as may be established by the Secretary with respect to—

''(i) the relative scientific and technical merit of the applications, and the relative effectiveness of facilities proposed to be constructed, in expanding the quality of, and the capacity of eligible entities to carry out, biosecurity research;

''(ii) the quality of the research to be carried out in each facility constructed;

''(iii) the need for the research activities to be carried out within the facility as those activities relate to research needs of the

United States in securing, and ensuring the safety of, the food supply of the United States;

''(iv) the age and condition of existing research facilities of the eligible entity; and

''(v) biosafety and biosecurity requirements necessary to protect facility staff, members of the public, and the food supply; and

''(E) has demonstrated a commitment to enhancing and expanding the research productivity of the eligible entity.

''(2) PRIORITY.—In providing grants under this section, the Secretary shall give priority to an eligible entity that, as determined by the Secretary, has demonstrated expertise in—

''(A) animal and plant disease prevention;

''(B) pathogen and toxin mitigation;

''(C) cereal disease resistance;

''(D) grain milling and processing;

''(E) livestock production practices;

''(F) vaccine development;

''(G) meat processing;

''(H) pathogen detection and control; or

''(I) food safety.

''(d) AMOUNT OF GRANT.—The amount of a grant awarded under this section shall be determined by the Secretary.

''(e) FEDERAL SHARE.—The Federal share of the cost of any construction carried out using funds from a grant provided under this section shall not exceed 50 percent.

''(f) GUIDELINES.—Not later than 180 days after the date of enactment of this subtitle, the Secretary shall issue guidelines with respect to the provision of grants under this section.

''(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $100,000,000 for each of fiscal years 2003 through 2005.''.

(b) SENSE OF CONGRESS ON INCREASING CAPACITY FOR RESEARCH ON BIOSECURITY AND ANIMAL AND PLANT HEALTH DISEASES.—It is the sense of Congress that funding for the Agricultural Research Service, the Animal and Plant Health Inspection Service, and other agencies of the Department of Agriculture with responsibilities for biosecurity should be increased as necessary to improve the capacity of the agencies to conduct research and analysis of, and respond to, bioterrorism and animal and plant diseases.

Subtitle B—Food, Agriculture, Conservation, and Trade Act of 1990

SEC. 731. NATIONAL GENETIC RESOURCES PROGRAM.

Section 1635(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 732. BIOTECHNOLOGY RISK ASSESSMENT RESEARCH.

Section 1668 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5921) is amended—

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

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

''(e) GRANT PRIORITY.—In selecting projects for which grants shall be made under this section, the Secretary shall give priority to public and private research or educational institutions and organizations the goals of which include—

''(1) formation of interdisciplinary teams to review or conduct research on the environmental effects of the release of new genetically modified agricultural products;

''(2) conduct of studies relating to biosafety of genetically modified agricultural products;

''(3) evaluation of the cost and benefit for development of an identity preservation system for genetically modified agricultural products;

''(4) establishment of international partnerships for research and education on biosafety issues; or

''(5) formation of interdisciplinary teams to renew and conduct research on the nutritional enhancement and environmental benefits of genetically modified agricultural products.''.

SEC. 733. 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 subsection (e), by adding at the end the following:

''(25) ANIMAL INFECTIOUS DISEASES RESEARCH AND EXTENSION.—

''(A) IN GENERAL.—Research and extension grants may be made under this section for the purpose of developing—

''(i) prevention and control methodologies for animal infectious diseases that impact trade, including vesicular stomatitis, bovine tuberculosis, transmissible spongiform encephalopathy, brucellosis, and E. coli 0157:H7 infection;

''(ii) laboratory tests for quicker detection of infected animals and presence of diseases among herds;

''(iii) prevention strategies, including vaccination programs; and

''(iv) rapid diagnostic techniques for, and evaluation of, animal disease agents considered to be risks for agricultural bioterrorism attack.

''(B) COLLABORATION.—Research under subparagraph (A) may be conducted in collaboration with scientists from the Department, other Federal agencies, universities, and industry.

''(C) EVALUATION OF DIAGNOSTIC TECHNIQUES AND VACCINES.—Any research on or evaluation of diagnostic techniques and vaccines under subparagraph (A) shall include evaluation of diagnostic techniques and vaccines under field conditions in countries in which the animal disease occurs.

''(26) PROGRAM TO COMBAT CHILDHOOD OBESITY.—Research and extension grants may be made under this section to consortia of institutions of higher education that specialize in obesity and nutrition research to develop and implement effective strategies to reduce the incidence of childhood obesity.

''(27) INTEGRATED PEST MANAGEMENT.—Research and extension grants may be made under this section to land grant colleges and universities, other Federal agencies, and other interested persons to coordinate and improve research, education, and outreach on, and implementation on farms of, integrated pest management.

''(28) BEEF CATTLE GENETICS.—

''(A) IN GENERAL.—Research and extension grants for beef cattle genetics evaluation research may be made under this section to institutions of higher education, or consortia of institutions of higher education, that—

''(i) have expertise in beef cattle genetic evaluation research and technology; and

''(ii) have been actively involved, for at least 20 years, in the estimation and prediction of progeny differences for publication and use by seed stock producer breed associations.

''(B) PRIORITY.—In making grants under subparagraph (A), the Secretary shall give priority to proposals to—

''(i) establish and coordinate priorities for genetic evaluation of domestic beef cattle;

''(ii) consolidate research efforts to reduce duplication of effort and maximize the return to beef industry;

''(iii) streamline the process between the development and adoption of new genetic evaluation methodologies by the industry;

''(iv) identify new traits and technologies for inclusion in genetic programs in order to—

''(I) reduce the costs of beef production; and

''(II) provide consumers with a high nutritional value, healthy, and affordable protein source; or

''(v) create decisionmaking tools that incorporate the increasing number of traits being evaluated and the increasing amount of information from DNA technology into genetic improvement programs, with the goal of optimizing the overall efficiency, product quality and safety, and health of the domestic beef cattle herd resource.''; and

(2) in subsection (h), by striking ''2002'' and inserting ''2006''.

SEC. 734. NUTRIENT MANAGEMENT RESEARCH AND EXTENSION INITIATIVE.

Section 1672A(g) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925a(g)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 735. 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) by inserting after ''Board,'' the following: ''and the National Organic Standards Board,'';

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

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

(D) by adding at the end the following:

''(4) determining desirable traits for organic commodities using advanced genomics;

''(5) pursuing classical and marker-assisted breeding for publicly held varieties of crops and animals optimized for organic systems;

''(6) identifying marketing and policy constraints on the expansion of organic agriculture; and

''(7) conducting advanced on-farm research and development that emphasizes observation of, experimentation with, and innovation for working organic farms, including research relating to production and to socioeconomic conditions.''; and

(2) in subsection (e), by striking ''2002'' and inserting ''2006''.

SEC. 736. AGRICULTURAL TELECOMMUNICATIONS PROGRAM.

Section 1673(h) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5926(h)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 737. ASSISTIVE TECHNOLOGY PROGRAM FOR FARMERS WITH DISABILITIES.

Section 1680(c)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933(c)(1)) is amended by striking ''2002'' and inserting ''2006''.

Subtitle C—Agricultural Research, Extension, and Education Reform Act of 1998

SEC. 741. INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.

Section 401 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621) is amended—

(1) by striking subsection (b) and inserting the following:

''(b) FUNDING.—

''(1) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, the

Secretary of the Treasury shall transfer to the Account to carry out this section—

''(A) on October 1, 1998 and each October 1 thereafter through October 1, 2001, $120,000,000; and

''(B) on October 1, 2002, and each October 1 thereafter through October 1, 2005, $145,000,000.

''(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.''; and

(2) in subsection (e), by adding at the end the following:

''(3) MINORITY-SERVING INSTITUTIONS.—The Secretary shall consider reserving, to the maximum extent practicable, 10 percent of the funds made available to carry out this section for a fiscal year for grants to minority-serving institutions.''.

SEC. 742. PARTNERSHIPS FOR HIGH-VALUE AGRICULTURAL PRODUCT QUALITY RESEARCH.

Section 402(g) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7622(g)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 743. PRECISION AGRICULTURE.

Section 403(i)(1) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7623(i)(1)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 744. BIOBASED PRODUCTS.

Section 404 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7624) is amended—

(1) in subsection (e)(2), by striking ''2001'' and inserting ''2006''; and

(2) in subsection (h), by striking ''2002'' and inserting ''2006''.

SEC. 745. THOMAS JEFFERSON INITIATIVE FOR CROP DIVERSIFICATION.

Section 405(h) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7625(h)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 746. INTEGRATED RESEARCH, EDUCATION, AND EXTENSION COMPETITIVE GRANTS PROGRAM.

Section 406 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626) is amended—

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

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

''(e) TERM OF GRANT.—A grant under this section shall have a term of not more than 5 years.''; and

(3) in subsection (f) (as so redesignated), by striking ''2002'' and inserting ''2006''.

SEC. 747. SUPPORT FOR RESEARCH REGARDING DISEASES OF WHEAT AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM.

Section 408(e) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7628(e)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 748. FOOD ANIMAL RESIDUE AVOIDANCE DATABASE PROGRAM.

Section 604 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7642) is amended by adding at the end the following:

''(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $1,000,000 for each of fiscal years 2002 through 2006.''.

SEC. 749. OFFICE OF PEST MANAGEMENT POLICY.

Section 614(f) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7653(f)) is amended by striking ''2002'' and inserting ''2006''.

Subtitle D—Land-Grant Funding

CHAPTER 1—1862 INSTITUTIONS

SEC. 751. CARRYOVER.

Section 7 of the Hatch Act of 1887 (7 U.S.C. 361g) is amended by striking subsection (c) and inserting the following:

''(c) CARRYOVER.—

''(1) IN GENERAL.—The balance of any annual funds provided under this Act to a State agricultural experiment station for a fiscal year that remains unexpended at the end of the fiscal year may be carried over for use during the following fiscal year.

''(2) FAILURE TO EXPEND FULL ALLOTMENT.—If any unexpended balance carried over by a State is not expended by the end of the second fiscal year, an amount equal to the unexpended balance shall be deducted from the next succeeding annual allotment to the State.''.

SEC. 752. REPORTING OF TECHNOLOGY TRANSFER ACTIVITIES.

Section 7(e) of the Hatch Act of 1887 (7 U.S.C. 361g(e)) is amended by adding at the end the following:

''(5) The technology transfer activities conducted with respect to federally-funded agricultural research.''.

SEC. 753. COMPLIANCE WITH MULTISTATE AND INTEGRATION REQUIREMENTS.

(a) MULTISTATE COOPERATIVE EXTENSION ACTIVITIES.—Section 3 of the Smith-Lever Act (7 U.S.C. 343) is amended by striking subsection (h) and inserting the following:

''(h) MULTISTATE COOPERATIVE EXTENSION ACTIVITIES.—

''(1) DEFINITION OF MULTISTATE ACTIVITY.—In this subsection, the term 'multistate activity' means a cooperative extension activity in which 2 or more States cooperate to resolve problems that concern more than 1 State.

''(2) REQUIREMENT.—

''(A) IN GENERAL.—To receive funding under subsections (b) and (c) for a fiscal year, a State must have expended on multistate activities, in the preceding fiscal year, an amount equivalent to not less than 25 percent of the funds paid to the State under subsections (b) and (c) for the preceding fiscal year.

''(B) DETERMINATION OF AMOUNT.—In determining compliance with subparagraph (A), the Secretary shall include all cooperative extension funds expended by the State in the preceding fiscal year, including Federal, State, and local funds.

''(3) REDUCTION OF PERCENTAGE.—The Secretary may reduce the minimum percentage required to be expended for multistate activities under paragraph (2) by a State in a case of hardship, unfeasibility, or other similar circumstances beyond the control of the State, as determined by the Secretary.

''(4) PLAN OF WORK.—The State shall include in the plan of work of the State required under section 4 a description of the manner in which the State will meet the requirements of this subsection.

''(5) APPLICABILITY.—This subsection does not apply to funds provided—

''(A) to 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)); or

''(B) to the Commonwealth of Puerto Rico, the Virgin Islands, or Guam.''.

(b) INTEGRATED RESEARCH AND EXTENSION ACTIVITIES.—Section 3 of the Hatch Act of 1887 (7 U.S.C. 361c) is amended by striking subsection (i) and inserting the following:

''(i) INTEGRATED RESEARCH AND EXTENSION ACTIVITIES.—

''(1) IN GENERAL.—

''(A) REQUIREMENT.—To receive funding under this Act and subsections (b) and (c) of section 3 of the Smith-Lever Act (7 U.S.C. 343) for a fiscal year, a State must have expended on activities that integrate cooperative research and extension (referred to in this section as 'integrated activities'), in the preceding fiscal year, an amount equivalent to not less than 25 percent of the funds paid to the State under this section and subsections (b) and (c) of section 3 of the Smith-Lever Act (7 U.S.C. 343) for the preceding fiscal year.

''(B) DETERMINATION OF AMOUNT.—In determining compliance with subparagraph (A), the Secretary shall include all cooperative research and extension funds expended by the State in the prior fiscal year, including Federal, State, and local funds.

''(2) REDUCTION OF PERCENTAGE.—The Secretary may reduce the minimum percentage required to be expended for integrated activities under paragraph (1) by a State in a case of hardship, unfeasibility, or other similar circumstances beyond the control of the State, as determined by the Secretary.

''(3) PLAN OF WORK.—The State shall include in the plan of work of the State required under section 7 of this Act and under section 4 of the Smith-Lever Act (7 U.S.C. 344), as applicable, a description of the manner in which the State will meet the requirements of this subsection.

''(4) APPLICABILITY.—This subsection does not apply to funds provided—

''(A) to 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)); or

''(B) to the Commonwealth of Puerto Rico, the Virgin Islands, or Guam.

''(5) RELATIONSHIP TO OTHER REQUIREMENTS.—Funds described in paragraph (1)(B) that a State uses to calculate the required amount of expenditures for integrated activities under paragraph (1)(A) may also be used in the same fiscal year to calculate the amount of expenditures for multistate activities required under subsection (c)(3) of this section and section 3(h) of the Smith-Lever Act (7 U.S.C. 343(h)).''.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2002.

CHAPTER 2—1994 INSTITUTIONS

SEC. 754. EXTENSION AT 1994 INSTITUTIONS.

Section 3(b) of the Smith-Lever Act (7 U.S.C. 343(b)) is amended by striking paragraph (3) and inserting the following:

''(3) EXTENSION AT 1994 INSTITUTIONS.—

''(A) IN GENERAL.—There are authorized to be appropriated for fiscal year 2002 and each subsequent fiscal year, for payment to 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)), such sums as are necessary for the purposes set forth in section 2, to remain available until expended.

''(B) DISTRIBUTION.—Amounts made available under subparagraph (A)—

''(i) shall be distributed on the basis of a formula to be developed and implemented by the Secretary, in consultation with the 1994 Institutions; and

''(ii) may include payments for extension activities carried out during 1 or more fiscal years.

''(C) COOPERATIVE AGREEMENT.—In accordance with such regulations as the Secretary may promulgate, a 1994 Institution may administer funds received under this paragraph through a cooperative agreement with an 1862 Institution or an 1890 Institution (as

those terms are defined in section 2 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7601)).''.

SEC. 755. EQUITY IN EDUCATIONAL LAND-GRANT STATUS ACT OF 1994.

(a) TECHNICAL AMENDMENT TO REFLECT NAME CHANGES.—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 by striking paragraphs (1) through (30) and inserting the following:

''(1) Bay Mills Community College.
''(2) Blackfeet Community College.
''(3) Cankdeska Cikana Community College.
''(4) College of Menominee Nation.
''(5) Crownpoint Institute of Technology.
''(6) D-Q University.
''(7) Diné College.
''(8) Dull Knife Memorial College.
''(9) Fond du Lac Tribal and Community College.
''(10) Fort Belknap College.
''(11) Fort Berthold Community College.
''(12) Fort Peck Community College.
''(13) Haskell Indian Nations University.
''(14) Institute of American Indian and Alaska Native Culture and Arts Development.
''(15) Lac Courte Oreilles Ojibwa Community College.
''(16) Leech Lake Tribal College.
''(17) Little Big Horn College.
''(18) Little Priest Tribal College.
''(19) Nebraska Indian Community College.
''(20) Northwest Indian College.
''(21) Oglala Lakota College.
''(22) Salish Kootenai College.
''(23) Sinte Gleska University.
''(24) Sisseton Wahpeton Community College.
''(25) Si Tanka/Huron University.
''(26) Sitting Bull College.
''(27) Southwestern Indian Polytechnic Institute.
''(28) Stone Child College.
''(29) Turtle Mountain Community College.
''(30) United Tribes Technical College.
''(31) White Earth Tribal and Community College.''.

(b) ACCREDITATION REQUIREMENT FOR RESEARCH GRANTS.—Section 533(a)(3) 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 ''sections 534 and 535'' and inserting ''sections 534, 535, and 536''.

(c) LAND-GRANT STATUS FOR 1994 INSTITUTIONS.—Section 533(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 ''$4,600,000 for each of fiscal years 1996 through 2002'' and inserting ''such sums as are necessary for each of fiscal years 2002 through 2006''.

(d) CHANGE OF INDIAN STUDENT COUNT FORMULA.—Section 533(c)(4)(A) 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 ''(as defined in section 390(3) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2397h(3)) for each 1994 Institution for the fiscal year'' and inserting ''(as defined in section 2(a) of the Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1801(a)))''.

(e) INCREASE IN INSTITUTIONAL PAYMENTS.—Section 534(a)(1)(A) 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 ''$50,000'' and inserting ''$100,000''.

(f) 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—

(1) in subsection (b)(1), by striking ''2002'' and inserting ''2006''; and

(2) in subsection (c), by striking ''$1,700,000 for each of fiscal years 1996 through 2002'' and inserting ''such sums as are necessary for each of fiscal years 2002 through 2006''.

(g) RESEARCH GRANTS.—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 by striking ''2002'' and inserting ''2006''.

SEC. 756. ELIGIBILITY FOR INTEGRATED GRANTS PROGRAM.

Section 406(b) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626(b)) is amended by inserting ''and 1994 Institutions'' before ''on a competitive basis''.

CHAPTER 3—1890 INSTITUTIONS

SEC. 757. AUTHORIZATION PERCENTAGES FOR RESEARCH AND EXTENSION FORMULA FUNDS.

(a) EXTENSION.—Section 1444(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221(a)) is amended—

(1) by striking ''(a) There'' and inserting the following:

''(a) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There'';

(2) by striking the second sentence; and

(3) in the third sentence, by striking ''Beginning'' through ''6 per centum'' and inserting the following:

''(2) MINIMUM AMOUNT.—Beginning with fiscal year 2002, there shall be appropriated under this section for each fiscal year an amount that is not less than 15 percent'';

(3) by striking ''Funds appropriated'' and inserting the following:

''(3) USES.—Funds appropriated''; and

(4) by striking ''No more'' and inserting the following:

''(4) CARRYOVER.—No more''.

(b) RESEARCH.—Section 1445(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222(a)) is amended—

(1) by striking ''(a) There'' and inserting the following:

''(a) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There'';

(2) by striking the second sentence and inserting the following:

''(2) MINIMUM AMOUNT.—Beginning with fiscal year 2002, there shall be appropriated under this section for each fiscal year an amount that is not less than 25 percent of the total appropriations for the fiscal year under section 3 of the Hatch Act of 1887 (7 U.S.C. 361c).'';

(3) by striking ''Funds appropriated'' and inserting the following:

''(3) USES.—Funds appropriated'';

(4) by striking ''The eligible'' and inserting the following:

''(4) COORDINATION.—The eligible''; and

(5) by striking ''No more'' and inserting the following:

''(5) CARRYOVER.—No more''.

SEC. 758. CARRYOVER.

Section 1445(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222(a) (as amended by section 757(b)) is amended by striking paragraph (5) and inserting the following:

''(5) CARRYOVER.—

''(A) IN GENERAL.—The balance of any annual funds provided to an eligible institution for a fiscal year under this section that remains unexpended at the end of the fiscal year may be carried over for use during the following fiscal year.

''(B) FAILURE TO EXPEND FULL AMOUNT.—If any unexpended balance carried over by an eligible institution is not expended by the end of the second fiscal year, an amount equal to the unexpended balance shall be deducted from the next succeeding annual allotment to the eligible institution.''.

SEC. 759. REPORTING OF TECHNOLOGY TRANSFER ACTIVITIES.

Section 1445(c)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222(c)(3)) is amended by adding at the end the following:

''(F) The technology transfer activities conducted with respect to federally-funded agricultural research.''.

SEC. 760. 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 ''$15,000,000 for each of fiscal years 1996 through 2002'' and inserting ''$25,000,000 for each of fiscal years 2002 through 2006''.

SEC. 761. NATIONAL RESEARCH AND TRAINING CENTENNIAL CENTERS.

Section 1448 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222c) is amended by striking ''2002'' each place it appears in subsections (a)(1) and (f) and inserting ''2006''.

SEC. 762. MATCHING FUNDS REQUIREMENT FOR RESEARCH AND EXTENSION ACTIVITIES.

Section 1449 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222d) is amended by striking subsections (c) and (d) and inserting the following:

''(c) MATCHING FORMULA.—

''(1) IN GENERAL.—For each of fiscal years 2003 through 2006, the State shall provide matching funds from non-Federal sources.

''(2) AMOUNT.—The amount of the matching funds shall be equal to not less than—

''(A) for fiscal year 2003, 60 percent of the formula funds to be distributed to the eligible institution; and

''(B) for each of fiscal years 2004 through 2006, 110 percent of the amount required under this paragraph for the preceding fiscal year.

''(d) WAIVERS.—Notwithstanding subsection (f), for any of fiscal years 2003 through 2006, the Secretary may waive the matching funds requirement under subsection (c) for any amount above the level of 50 percent for an eligible institution of a State if the Secretary determines that the State will be unlikely to meet the matching requirement.''.

CHAPTER 4—LAND-GRANT INSTITUTIONS

Subchapter A—General

SEC. 771. PRIORITY-SETTING PROCESS.

Section 102(c)(1) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7612(c)(1)) is amended—

(1) by striking ''establish and implement a process for obtaining'' and inserting ''obtain public''; and

(2) by striking the period at the end and inserting the following: ''through a process that reflects transparency and opportunity for input from producers of diverse agricultural crops and diverse geographic and cultural communities.''.

SEC. 772. TERMINATION OF CERTAIN SCHEDULE A APPOINTMENTS.

(a) TERMINATION.—Not later than 60 days after the date of enactment of this Act, the Secretary of Agriculture shall terminate each appointment listed as an excepted position under schedule A of the General Schedule made by the Secretary to the Federal

civil service of an individual who holds dual government appointments, and who carries out agricultural extension work in a program at a college or university eligible to receive funds, under—

(1) the Smith-Lever Act (7 U.S.C. 341 et seq.);

(2) section 1444 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221); or

(3) section 208(e) of the District of Columbia Public Postsecondary Education Reorganization Act (88 Stat. 1428).

(b) CONTINUATION OF CERTAIN FEDERAL BENEFITS.—

(1) IN GENERAL.—Notwithstanding title 5, United States Code, and subject to paragraph (2), an individual described in subsection (a), during the period the individual is employed in an agricultural extension program described in subsection (a) without a break in service, shall continue to—

(A) be eligible to participate, to the same extent that the individual was eligible to participate (on the day before the date of enactment of this Act), in—

(i) the Federal Employee Health Benefits Program;

(ii) the Federal Employee Group Life Insurance Program;

(iii) the Civil Service Retirement System;

(iv) the Federal Employee Retirement System; and

(v) the Thrift Savings Plan; and

(B) receive Federal Civil Service employment credit to the same extent that the individual was receiving such credit on the day before the date of enactment of this Act.

(2) LIMITATIONS.—An individual may continue to be eligible for the benefits described in paragraph (1) if—

(A) in the case of an individual who remains employed in the agricultural extension program described in subsection (a) on the date of the enactment of this Act, the employing college or university continues to fulfill the administrative and financial responsibilities (including making agency contributions) associated with providing those benefits, as determined by the Secretary of Agriculture; and

(B) in the case of an individual who changes employment to a second college or university described in subsection (a)—

(i) the individual continues to work in an agricultural extension program described in subsection (a), as determined by the Secretary of Agriculture;

(ii) the second college or university—

(I) fulfills the administrative and financial responsibilities (including making agency contributions) associated with providing those benefits, as determined by the Secretary of Agriculture; and

(II) within 120 days before the date of the employment of the individual, had employed a different individual described in subsection (a) who had performed the same duties of employment; and

(iii) the individual was eligible for those benefits on the day before the date of enactment of this Act.

Subchapter B—Land-Grant Institutions in Insular Areas

SEC. 775. DISTANCE EDUCATION GRANTS PROGRAM FOR INSULAR AREA LAND-GRANT INSTITUTIONS.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) (as amended by section 723) is amended by adding at the end the following:

"Subtitle 0—Land Grant Institutions in Insular Areas

"SEC. 1489. DISTANCE EDUCATION GRANTS FOR INSULAR AREAS.

''(a) IN GENERAL.—The Secretary may make competitive or noncompetitive grants to State cooperative institutions in insular areas to strengthen the capacity of State cooperative institutions to carry out distance food and agricultural education programs using digital network technologies.

''(b) USE.—Grants made under this section shall be used—

''(1) to acquire the equipment, instrumentation, networking capability, hardware and software, digital network technology, and infrastructure necessary to teach students and teachers about technology in the classroom;

''(2) to develop and provide educational services (including faculty development) to prepare students or faculty seeking a degree or certificate that is approved by the State or a regional accrediting body recognized by the Secretary of Education;

''(3) to provide teacher education, library and media specialist training, and preschool and teacher aid certification to individuals who seek to acquire or enhance technology skills in order to use technology in the classroom or instructional process;

''(4) to implement a joint project to provide education regarding technology in the classroom with a local educational agency, community-based organization, national nonprofit organization, or business, including a minority business or a business located in a HUBZone established under section 31 of the Small Business Act (15 U.S.C. 657a); or

''(5) to provide leadership development to administrators, board members, and faculty of eligible institutions with institutional responsibility for technology education.

''(c) LIMITATION ON USE OF GRANT FUNDS.—Funds provided under this section shall not be used for the planning, acquisition, construction, rehabilitation, or repair of a building or facility.

''(d) ADMINISTRATION OF PROGRAM.—The Secretary may carry out this section in a manner that recognizes the different needs and opportunities for State cooperative institutions in the Atlantic and Pacific Oceans.

''(e) MATCHING REQUIREMENT.—

''(1) IN GENERAL.—The Secretary may establishment a requirement that a State cooperative institution receiving a grant under this section shall provide matching funds from non-Federal sources in an amount equal to not less than 50 percent of the grant.

''(2) WAIVERS.—If the Secretary establishes a matching requirement under paragraph (1), the requirement shall include an option for the Secretary to waive the requirement for an insular area State cooperative institution for any fiscal year if the Secretary determines that the institution will be unlikely to meet the matching requirement for the fiscal year.

''(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $4,000,000 for each of fiscal years 2002 through 2006.''.

SEC. 776. MATCHING REQUIREMENTS FOR RESEARCH AND EXTENSION FORMULA FUNDS FOR INSULAR AREA LAND-GRANT INSTITUTIONS.

(a) EXPERIMENT STATIONS.—Section 3(d) of the Hatch Act of 1887 (7 U.S.C. 361c(d)) is amended by striking paragraph (4) and inserting the following:

''(4) EXCEPTION FOR INSULAR AREAS.—

''(A) IN GENERAL.—Effective beginning for fiscal year 2003, in lieu of the matching funds requirement of paragraph (1), the insular areas of the Commonwealth of Puerto Rico, Guam, and the Virgin Islands of the United States shall provide matching funds from non-Federal sources in an amount equal to not less than 50 percent of the formula funds distributed by the Secretary to each of the insular areas, respectively, under this section.

''(B) WAIVERS.—The Secretary may waive the matching fund requirement of subparagraph (A) for any fiscal year if the Secretary determines that the government of the insular area will be unlikely to meet the matching requirement for the fiscal year.''.

(b) COOPERATIVE AGRICULTURAL EXTENSION.—Section 3(e) of the Smith-Lever Act (7 U.S.C. 343(e)) is amended by striking paragraph (4) and inserting the following:

''(4) EXCEPTION FOR INSULAR AREAS.—

''(A) IN GENERAL.—Effective beginning for fiscal year 2003, in lieu of the matching funds requirement of paragraph (1), the insular areas of the Commonwealth of Puerto Rico, Guam, and the Virgin Islands of the United States shall provide matching funds from non-Federal sources in an amount equal to not less than 50 percent of the formula funds distributed by the Secretary to each of the insular areas, respectively, under this section.

''(B) WAIVERS.—The Secretary may waive the matching fund requirement of subparagraph (A) for any fiscal year if the Secretary determines that the government of the insular area will be unlikely to meet the matching requirement for the fiscal year.''.

Subtitle E—Other Laws

SEC. 781. CRITICAL AGRICULTURAL MATERIALS.

Section 16(a) of the Critical Agricultural Materials Act (7 U.S.C. 178n(a)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 782. RESEARCH FACILITIES.

Section 6(a) of the Research Facilities Act (7 U.S.C. 390d(a)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 783. FEDERAL AGRICULTURAL RESEARCH FACILITIES.

Section 1431 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1556) is amended by striking ''2002'' and inserting ''2006''.

SEC. 784. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANTS.

The Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i) is amended in subsection (b)—

(1) in paragraph (2), by striking ''in—'' and all that follows and inserting '', as those needs are determined by the Secretary, in consultation with the National Agricultural Research, Extension, Education, and Economics Advisory Board, not later than July 1 of each fiscal year for the purposes of the following fiscal year.''; and

(2) in paragraph (10), by striking ''2002'' and inserting ''2006''.

SEC. 785. RISK MANAGEMENT EDUCATION FOR BEGINNING FARMERS AND RANCHERS.

(a) IN GENERAL.—Section 524(a)(3) of the Federal Crop Insurance Act (7 U.S.C. 1524(a)(3)) is amended by striking subparagraph (A) and inserting the following:

''(A) AUTHORITY.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service, shall establish a program under which competitive grants are made to qualified public and private entities (including land-grant colleges and universities, cooperative extension services, colleges or universities, and community

colleges), as determined by the Secretary, for the purpose of—

''(i) educating producers generally about the full range of risk management activities, including futures, options, agricultural trade options, crop insurance, cash forward contracting, debt reduction, production diversification, farm resources risk reduction, and other risk management strategies; or

''(ii) educating beginning farmers and ranchers—

''(I) in the areas described in clause (i); and

''(II) in risk management strategies, as part of programs that are specifically targeted at beginning farmers and ranchers.''.

(b) TECHNICAL CORRECTION.—Section 524(b) of the Federal Crop Insurance Act (7 U.S.C. 1524(b)) is amended by redesignating the second paragraph (2) and paragraph (3) as paragraphs (3) and (4), respectively.

SEC. 786. AQUACULTURE.

Section 10 of the National Aquaculture Act of 1980 (16 U.S.C. 2809) is amended by striking ''2002'' each place it appears and inserting ''2006''.

SEC. 787. CARBON CYCLE RESEARCH.

Section 221 of the Agricultural Risk Protection Act of 2000 (Public Law 106–224; 114 Stat. 407) is amended—

(1) in subsection (a), by striking ''Of the amount'' and all that follows through ''to provide'' and inserting ''Subject to the availability of funds to carry out this section, the Secretary shall provide'';

(2) in subsection (d), by striking ''under subsection (a)'' and inserting ''for this section''; and

(3) by adding at the end the following:

''(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2002 through 2006.''.

Subtitle F—New Authorities

SEC. 791. DEFINITIONS.

In this subtitle:

(1) DEPARTMENT.—The term ''Department'' means the Department of Agriculture.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

SEC. 792. REGULATORY AND INSPECTION RESEARCH.

(a) DEFINITIONS.—In this section:

(1) INSPECTION OR REGULATORY AGENCY OF THE DEPARTMENT.—The term ''inspection or regulatory agency of the Department'' includes—

(A) the Animal and Plant Health Inspection Service;

(B) the Food Safety and Inspection Service;

(C) the Grain Inspection, Packers, and Stockyards Administration; and

(D) the Agricultural Marketing Service.

(2) URGENT APPLIED RESEARCH NEEDS.—The term ''urgent applied research needs'' includes research necessary to carry out—

(A) agricultural marketing programs;

(B) programs to protect the animal and plant resources of the United States; and

(C) educational programs or special studies to improve the safety of the food supply of the United States.

(b) TIMELY, COST-EFFECTIVE RESEARCH.—To meet the urgent applied research needs of inspection or regulatory agencies of the Department, the Secretary—

(1) may use a public or private source; and

(2) shall use the most practicable source to provide timely, cost-effective means of providing the research.

(c) CONFLICTS OF INTEREST.—The Secretary shall establish guidelines to prevent any conflict of interest that may arise if an inspection or regulatory agency of the Department obtains research from any Federal agency the work or technology transfer efforts of which are funded in part by an industry subject to the jurisdiction of the inspection or regulatory agency of the Department.

(d) REGULATIONS.—The Secretary may promulgate such regulations as are necessary to carry out this section.

SEC. 793. EMERGENCY RESEARCH TRANSFER AUTHORITY.

(a) IN GENERAL.—Subject to subsection (b), in addition to any other authority that the Secretary may have to transfer appropriated funds, the Secretary may transfer up to 2 percent of any appropriation made available to an office or agency of the Department for a fiscal year for agricultural research, extension, marketing, animal and plant health, nutrition, food safety, nutrition education, or forestry programs to any other appropriation for an office or agency of the Department for emergency research, extension, or education activities needed to address imminent threats to animal and plant health, food safety, or human nutrition, including bioterrorism.

(b) LIMITATIONS.—The Secretary may transfer funds under subsection (a) only—

(1) on a determination by the Secretary that the need is so imminent that the need will not be timely met by annual, supplemental, or emergency appropriations;

(2) in an aggregate amount that does not exceed $5,000,000 for any fiscal year; and

(3) with the approval of the Director of the Office of Management and Budget.

SEC. 794. REVIEW OF AGRICULTURAL RESEARCH SERVICE.

(a) IN GENERAL.—The Secretary shall conduct a review of the purpose, efficiency, effectiveness, and impact on agricultural research of the Agricultural Research Service.

(b) ADMINISTRATION.—In conducting the review, the Secretary shall use persons outside the Department, including—

(1) Federal scientists;

(2) college and university faculty;

(3) private and nonprofit scientists; or

(4) other persons familiar with the role of the Agricultural Research Service in conducting agricultural research in the United States.

(c) REPORT.—Not later than September 30, 2004, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the results of the review.

(d) FUNDING.—The Secretary shall use to carry out this section not more than 0.1 percent of the amount of appropriations made available to the Agricultural Research Service for each of fiscal years 2002 through 2004.

SEC. 795. TECHNOLOGY TRANSFER FOR RURAL DEVELOPMENT.

(a) IN GENERAL.—The Secretary, acting through the Rural Business-Cooperative Service and the Agricultural Research Service, shall establish a program to promote the availability of technology transfer opportunities of the Department to rural businesses and residents.

(b) COMPONENTS OF PROGRAM.—The program shall, to the maximum extent practicable, include—

(1) a website featuring information about the program and technology transfer opportunities of the Department;

(2) an annual joint program for State economic development directors and Department rural development directors regarding technology transfer opportunities of the Agricultural Research Service and other offices and agencies of the Department; and

(3) technology transfer opportunity programs at each Agricultural Research Service laboratory, conducted at least biennially, which may include participation by other local Federal laboratories, as appropriate.

(c) FUNDING.—The Secretary shall use to carry out this section—

(1) amounts made available to the Agricultural Research Service; and

(2) amounts made available to the Rural Business-Cooperative Service for salaries and expenses.

SEC. 796. BEGINNING FARMER AND RANCHER DEVELOPMENT PROGRAM.

(a) DEFINITION OF BEGINNING FARMER OR RANCHER.—In this section, the term ''beginning farmer or rancher'' means a person that—

(1)(A) has not operated a farm or ranch; or

(B) has operated a farm or ranch for not more than 10 years; and

(2) meets such other criteria as the Secretary may establish.

(b) PROGRAM.—The Secretary shall establish a beginning farmer and rancher development program to provide training, education, outreach, and technical assistance initiatives for beginning farmers or ranchers.

(c) GRANTS.—

(1) IN GENERAL.—In carrying out this section, the Secretary shall make competitive grants to support new and established local and regional training, education, outreach, and technical assistance initiatives for beginning farmers or ranchers, including programs and services (as appropriate) relating to—

(A) mentoring, apprenticeships, and internships;

(B) resources and referral;

(C) assisting beginning farmers or ranchers in acquiring land from retiring farmers and ranchers;

(D) innovative farm and ranch transfer strategies;

(E) entrepreneurship and business training;

(F) model land leasing contracts;

(G) financial management training;

(H) whole farm planning;

(I) conservation assistance;

(J) risk management education;

(K) diversification and marketing strategies;

(L) curriculum development;

(M) understanding the impact of concentration and globalization;

(N) basic livestock and crop farming practices;

(O) the acquisition and management of agricultural credit;

(P) environmental compliance;

(Q) information processing; and

(R) other similar subject areas of use to beginning farmers or ranchers.

(2) ELIGIBILITY.—To be eligible to receive a grant under this subsection, the recipient shall be a collaborative State, local, or regionally-based network or partnership of public or private entities, which may include—

(A) a State cooperative extension service;

(B) a Federal or State agency;

(C) a community-based and nongovernmental organization;

(D) a college or university (including an institution awarding an associate's degree) or foundation maintained by a college or university; or

(E) any other appropriate partner, as determined by the Secretary.

(3) TERM OF GRANT.—The term of a grant under this subsection shall not exceed 3 years.

(4) MATCHING REQUIREMENT.—To be eligible to receive a grant under this subsection, a recipient shall provide a match in the form of cash or in-kind contributions in an amount equal to 25 percent of the funds provided by the grant.

(5) SET-ASIDE.—Not less than 25 percent of funds used to carry out this subsection for a fiscal year shall be used to support programs and services that address the needs of—

(A) limited resource beginning farmers or ranchers (as defined by the Secretary);

(B) socially disadvantaged beginning farmers or ranchers (as defined in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)); and

(C) farmworkers desiring to become farmers or ranchers.

(6) PROHIBITION.—A grant made under this subsection may not be used for the planning, repair, rehabilitation, acquisition, or construction of a building or facility.

(7) ADMINISTRATIVE COSTS.—The Secretary shall use not more than 4 percent of the funds made available to carry out this section for administrative costs incurred by the Secretary in carrying out this section.

(d) EDUCATION TEAMS.—

(1) IN GENERAL.—In carrying out this section, the Secretary shall establish beginning farmer and rancher education teams to develop curricula and conduct educational programs and workshops for beginning farmers or ranchers in diverse geographical areas of the United States.

(2) CURRICULUM.—In promoting the development of curricula, the Secretary shall, to the maximum extent practicable, include modules tailored to specific audiences of beginning farmers or ranchers, based on crop or regional diversity.

(3) COMPOSITION.—In establishing an education team for a specific program or workshop, the Secretary shall, to the maximum extent practicable—

(A) obtain the short-term services of specialists with knowledge and expertise in programs serving beginning farmers or ranchers; and

(B) use officers and employees of the Department with direct experience in programs of the Department that may be taught as part of the curriculum for the program or workshop.

(4) COOPERATION.—

(A) IN GENERAL.—In carrying out this subsection, the Secretary shall cooperate, to the maximum extent practicable, with—

(i) State cooperative extension services;

(ii) Federal and State agencies;

(iii) community-based and nongovernmental organizations;

(iv) colleges and universities (including an institution awarding an associate's degree) or foundations maintained by a college or university; and

(v) other appropriate partners, as determined by the Secretary.

(B) COOPERATIVE AGREEMENT.—Notwithstanding chapter 63 of title 31, United States Code, the Secretary may enter into a cooperative agreement to reflect the terms of any cooperation under subparagraph (A).

(e) CURRICULUM AND TRAINING CLEARINGHOUSE.—The Secretary shall establish an online clearinghouse that makes available to beginning farmers or ranchers education curricula and training materials and programs, which may include online courses for direct use by beginning farmers or ranchers.

(f) STAKEHOLDER INPUT.—In carrying out this section, the Secretary shall seek stakeholder input from—

(1) beginning farmers and ranchers;

(2) national, State, and local organizations and other persons with expertise in operating beginning farmer and rancher programs; and

(3) the Advisory Committee on Beginning Farmers and Ranchers established under section 5 of the Agricultural Credit Improvement Act of 1992 (7 U.S.C. 1929 note; Public Law 102–554).

(g) PARTICIPATION BY OTHER FARMERS AND RANCHERS.—Nothing in this section prohibits the Secretary from allowing farmers and ranchers who are not beginning farmers or ranchers from participating in programs authorized under this section to the extent that the Secretary determines that such participation is appropriate and will not detract from the primary purpose of educating beginning farmers and ranchers.

(h) FUNDING.—

(1) FEES AND CONTRIBUTIONS.—

(A) IN GENERAL.—The Secretary may—

(i) charge a fee to cover all or part of the costs of curriculum development and the delivery of programs or workshops provided by—

(I) a beginning farmer and rancher education team established under subsection (d); or

(II) the online clearinghouse established under subsection (e); and

(ii) accept contributions from cooperating entities under a cooperative agreement entered into under subsection (d)(4)(B) to cover all or part of the costs for the delivery of programs or workshops by the beginning farmer and rancher education teams.

(B) AVAILABILITY.—Fees and contributions received by the Secretary under subparagraph (A) shall—

(i) be deposited in the account that incurred the costs to carry out this section;

(ii) be available to the Secretary to carry out the purposes of the account, without further appropriation;

(iii) remain available until expended; and

(iv) be in addition to any funds made available under paragraph (2).

(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 2002 through 2006.

SEC. 797. SENSE OF CONGRESS REGARDING DOUBLING OF FUNDING FOR AGRICULTURAL RESEARCH.

It is the sense of Congress that—

(1) Federal funding for food and agricultural research has been essentially constant for 2 decades, putting at risk the scientific base on which food and agricultural advances have been made;

(2) the resulting increase in the relative proportion of private sector, industry investments in food and agricultural research has led to questions about the independence and objectivity of research and outreach conducted by the Federal and university research sectors; and

(3) funding for food and agricultural research should be at least doubled over the next 5 fiscal years—

(A) to restore the balance between public and private sector funding for food and agricultural research; and

(B) to maintain the scientific base on which food and agricultural advances are made.

SEC. 798. PRIORITY FOR FARMERS AND RANCHERS PARTICIPATING IN CONSERVATION PROGRAMS.

In carrying out new on-farm research or extension programs or projects authorized by this Act, an amendment made by this Act, or any Act enacted after the date of enactment of this Act, the Secretary shall give priority in carrying out the programs or projects to using farms or ranches of farmers or ranchers that participate in Federal agricultural conservation programs.

SEC. 798A. ORGANIC PRODUCTION AND MARKET DATA INITIATIVES.

The Secretary shall ensure that segregated data on the production and marketing of organic agricultural products is included in the ongoing baseline of data collection regarding agricultural production and marketing.

SEC. 798B. ORGANICALLY PRODUCED PRODUCT RESEARCH AND EDUCATION.

Not later than July 1, 2002, the Secretary, shall prepare, in consultation with the Advisory Committee on Small Farms, 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 on—

(1) the implementation of the organic rule promulgated under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.); and

(2) the impact of the organic rule program on small farms (as defined by the Advisory Committee on Small Farms).

SEC. 798C. INTERNATIONAL ORGANIC RESEARCH COLLABORATION.

The Secretary, acting through the Agricultural Research Service (including the National Agriculture Library), shall facilitate access by research and extension professionals in the United States to, and the use by those professionals of, organic research conducted outside the United States.

TITLE VIII—FORESTRY

SEC. 801. OFFICE OF INTERNATIONAL FORESTRY.

Section 2405(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6704(d)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 802. MCINTIRE-STENNIS COOPERATIVE FORESTRY RESEARCH PROGRAM.

It is the sense of Congress to reaffirm the importance of Public Law 87–88 (16 U.S.C. 582a et seq.), commonly known as the ''McIntire-Stennis Cooperative Forestry Act''.

SEC. 803. SUSTAINABLE FORESTRY OUTREACH INITIATIVE; RENEWABLE RESOURCES EXTENSION ACTIVITIES.

(a) SUSTAINABLE FORESTRY OUTREACH INITIATIVE.—The Renewable Resources Extension Act of 1978 is amended by inserting after section 5A (16 U.S.C. 1674a) the following:

''SEC. 5B. SUSTAINABLE FORESTRY OUTREACH INITIATIVE.

''The Secretary shall establish a program, to be known as the 'Sustainable Forestry Outreach Initiative', to educate landowners concerning—

''(1) the value and benefits of practicing sustainable forestry;

''(2) the importance of professional forestry advice in achieving sustainable forestry objectives; and

''(3) the variety of public and private sector resources available to assist the landowners in planning for and practicing sustainable forestry.''.

(b) RENEWABLE RESOURCES EXTENSION ACTIVITIES.—

(1) AUTHORIZATION OF APPROPRIATIONS.—Section 6 of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1675) is amended by striking the first sentence and inserting the following: ''There is authorized to be appropriated to carry out this Act $30,000,000 for each of fiscal years 2002 through 2006.''.

(2) 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 ''2000'' and inserting ''2006''.

SEC. 804. FORESTRY INCENTIVES PROGRAM.

Section 4 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103) is repealed.

SEC. 805. FOREST LAND ENHANCEMENT PROGRAM.

(a) FINDINGS.—Congress finds that—

(1) there is a growing dependence on nonindustrial private forest land to supply the necessary market commodities, and nonmarket values (such as habitat for fish and wildlife, aesthetics, outdoor recreation opportunities, and other forest resources), required by a growing population;

(2) there is a strong demand for expanded assistance programs for owners of nonindustrial private forest land because the majority of the wood supply of the United States is derived from nonindustrial private forest land;

(3) the soil, carbon stores, water quality, and air quality of the United States can be maintained and improved through good stewardship of nonindustrial private forest land;

(4) the products and services resulting from stewardship of nonindustrial private forest land provide income and employment that contribute to the economic health and diversity of rural communities;

(5)(A) wildfires threaten human lives, property, forests, and other resources; and

(B) Federal and State cooperation in forest fire prevention and control has proven effective and valuable, in that properly managed forest stands are less susceptible to catastrophic fire as dramatized by the catastrophic fire seasons of 1998 and 2000;

(6) owners of nonindustrial private forest land are being faced with increased pressure to convert their forest land to development and other uses;

(7)(A) complex, long-rotation forest investments, including sustainable hardwood management, are often the most difficult commitment for owners of small areas of nonindustrial private forest land; and

(B) investments described in subparagraph (A) should receive equal consideration under cost-sharing programs; and

(8) the investment of 1 Federal dollar in State and private forestry programs is estimated to leverage on average $9 from State, local, and private sources.

(b) PURPOSES.—The purposes of this section are—

(1) to strengthen the commitment of the Department of Agriculture to sustainable forestry; and

(2) to establish a coordinated and cooperative Federal, State, and local sustainable forest program for the establishment, management, maintenance, enhancement, and restoration of forests on nonindustrial private forest land in the United States.

(c) FOREST LAND ENHANCEMENT PROGRAM.—The Cooperative Forestry Assistance Act of 1978 (as amended by section 804) is amended by inserting after section 3 (16 U.S.C. 2102) the following:

"SEC. 4. FOREST LAND ENHANCEMENT PROGRAM.

''(a) DEFINITIONS.—In this section:

''(1) NONINDUSTRIAL PRIVATE FOREST LAND.—The term 'nonindustrial private forest land' means rural land, as determined by the Secretary, that—

''(A) has existing tree cover or is suitable for growing trees; and

''(B) is owned or controlled by an owner.

''(2) OWNER.—The term 'owner', with respect to nonindustrial private forest land, means a nonindustrial private individual, group, association, corporation, Indian tribe, or other private legal entity (other than a nonprofit private legal entity) that has definitive decisionmaking authority over nonindustrial private forest land (including through a long-term lease or other land tenure system) for a period of time long enough to ensure compliance with the terms and conditions of the Program.

''(3) PROGRAM.—The term 'Program' means the Forest Land Enhancement Program established under subsection (b).

''(4) STATE FORESTER.—The term 'State forester' means the director or other head of a State forestry agency or an equivalent State official.

''(b) ESTABLISHMENT.—

''(1) IN GENERAL.—The Secretary shall establish a program, to be known as the 'Forest Land Enhancement Program', to encourage the long-term sustainability of nonindustrial private forest land in the United States by assisting the owners of the nonindustrial private forest land in more actively managing the nonindustrial private forest land and related resources by using Federal, State, and private sector resource management expertise, financial assistance, and educational programs.

''(2) ADMINISTRATION.—The Secretary shall carry out the Program within, and administer the Program through, the Natural Resources Conservation Service.

''(3) COORDINATION.—The Secretary shall carry out the Program in coordination with State foresters.

''(c) PROGRAM OBJECTIVES.—In carrying out the Program, the Secretary shall target resources to achieve the following objectives:

''(1) Investment in practices to establish, restore, protect, manage, maintain, and enhance the health and productivity of the nonindustrial private forest land of the United States for timber, habitat for flora and fauna, water quality, and wetland.

''(2) Ensuring that afforestation, reforestation, improvement of poorly stocked stands, timber stand improvement, practices necessary to improve seedling growth and survival, and growth enhancement practices occur where needed to enhance and sustain the long-term productivity of timber and nontimber forest resources to help meet future public demand for forest resources and provide environmental benefits.

''(3) Reduction of the risks, and assistance in restoring, recovering, and mitigating the damage, to forests caused by fire, insects, invasive species, disease, and damaging weather.

''(4) Increase and enhancement of opportunities for carbon sequestration.

''(5) Enhancement of implementation of agroforestry practices.

''(6) Maintenance and enhancement of the forest landbase and leveraging of State and local financial and technical assistance to owners that promote the conservation and environmental values described in this subsection.

''(d) ELIGIBILITY.—

''(1) IN GENERAL.—An owner of nonindustrial private forest land in a State shall be eligible for cost-sharing assistance under the Program if the owner—

''(A) enters into an agreement with the Secretary to develop and carry out an individual stewardship, forest, or stand management plan that addresses site-specific activities and practices in cooperation with, and approved by—

''(i) the State forester; or

''(ii) a private sector program in consultation with the State forester;

''(B) enters into an agreement with the Secretary to carry out activities approved under subsection (e) in accordance with the individual stewardship, forest, or stand management plan for a period of not less than 10 years, unless the State forester approves a modification to the plan; and

''(C) meets acreage restrictions determined by the State forester in conjunction with the State Forest Stewardship Coordinating Committee established under section 19(b).

''(2) STATE PRIORITIES.—In consultation with each State forester and the State Forest Stewardship Coordinating Committee of each State, the Secretary may develop State priorities for cost sharing under the Program that will promote forest management objectives in the State.

''(3) DEVELOPMENT OF PLAN.—An owner shall be eligible for cost-sharing assistance under the Program for the development of the individual stewardship, forest, or stand management plan required by paragraph (1).

''(e) APPROVED ACTIVITIES.—

''(1) DEVELOPMENT.—In consultation with each State forester and the State Forest Stewardship Coordinating Committee of each State, the Secretary shall develop for each State a list of approved forest activities that will be eligible for cost-sharing assistance under the Program within the State.

''(2) TYPES OF ACTIVITIES.—In developing a list of approved activities for a State under paragraph (1), the Secretary shall attempt to achieve the establishment, restoration, management, maintenance, and enhancement of forests and trees for—

''(A) the sustainable growth and management of forests for timber production;

''(B) the restoration, use, and enhancement of forest wetland and riparian areas;

''(C) the protection of water quality and watersheds through the application of State-developed forestry best management practices;

''(D) energy conservation and carbon sequestration purposes;

''(E) habitat for flora and fauna;

''(F)(i) the control, detection, and monitoring of invasive species on forest land; and

''(ii) the prevention of the spread of, and provision for the restoration of land affected by, invasive species;

''(G) hazardous fuel reduction and other management activities that reduce the risks, and assist in restoring, recovering, and mitigating the damage, to forests caused by fire; and

''(H) other activities approved by the Secretary, in coordination with the State forester and the State Forest Stewardship Coordinating Committee of the State.

''(f) COOPERATION.—In carrying out the Program, the Secretary shall cooperate with—

''(1) other Federal, State, and local natural resource management agencies;

''(2) institutions of higher education; and

''(3) the private sector.

''(g) REIMBURSEMENT OF APPROVED ACTIVITIES.—

''(1) IN GENERAL.—In the case of an owner that has entered into an agreement under subsection (d)(1) with respect to nonindustrial private forest land of the owner, the Secretary shall share such cost of carrying out approved activities on the nonindustrial private forest land of the owner as the Secretary determines to be appropriate.

''(2) RATE; PAYMENT SCHEDULE.—The Secretary shall determine—

''(A) the appropriate reimbursement rate for cost-sharing payments under paragraph (1); and

''(B) the schedule for making the payments.

''(3) MAXIMUM.—

''(A) PERCENTAGE OF COST OF ACTIVITIES.—The Secretary shall not make cost-sharing payments under this subsection to an owner in an amount that exceeds 75 percent of the total cost, or a lower percentage as determined by the State forester, to the owner of carrying out the approved activities under the approved individual stewardship, forest, or stand management plan of the owner under subsection (d)(1)(A).

''(B) PAYMENTS TO A SINGLE OWNER.—The maximum amount of cost-sharing payments to any 1 owner shall be determined by the Secretary.

''(4) CONSULTATION.—The Secretary shall make determinations under this subsection in consultation with the State forester.

''(h) RECAPTURE.—

''(1) IN GENERAL.—The Secretary shall establish and implement a mechanism to recapture payments made to an owner if the owner fails to carry out an approved activity specified in the individual stewardship, forest, or stand management plan for which the owner received cost-sharing payments under the Program.

''(2) ADDITIONAL REMEDY.—The remedy described in paragraph (1) shall be in addition to any other remedy available to the Secretary.

''(i) DISTRIBUTION.—The Secretary shall distribute funds available for cost sharing under the Program among owners of nonindustrial private forest land in the States after giving appropriate consideration to—

''(1) the total acreage of nonindustrial private forest land in each State;

''(2) the potential productivity of the nonindustrial private forest land in each State;

''(3) the number of owners eligible for cost sharing in each State;

''(4) the opportunities to enhance nontimber resources on the nonindustrial private forest land of each State;

''(5) the anticipated demand for timber and nontimber resources in each State;

''(6) the need to improve forest health in the State to minimize the damaging effects of catastrophic fire, insects, disease, or weather; and

''(7) the need and demand for agroforestry practices in each State.

''(j) AVAILABILITY OF FUNDS.—During the period of fiscal years 2002 through 2006, the Secretary shall use $100,000,000 of funds of the Commodity Credit Corporation to carry out the Program.''.

(d) CONFORMING AMENDMENTS.—

(1) Section 246(b)(2) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)(2)) is amended by striking ''forestry incentive program'' and inserting ''Forest Land Enhancement Program''.

(2) Section 12(a) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2108(a)) is amended in the second sentence by striking ''money appropriated under section 4 of this Act or''.

(3) Section 126(a)(8) of the Internal Revenue Code of 1986 is amended by striking ''forestry incentives program'' and inserting ''Forest Land Enhancement Program''.

SEC. 806. SUSTAINABLE FORESTRY COOPERATIVE PROGRAM.

The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 5 (16 U.S.C. 2103a) the following:

''SEC. 5A. SUSTAINABLE FORESTRY COOPERATIVE PROGRAM.

''(a) DEFINITIONS.—In this section:

''(1) FARMER OR RANCHER.—The term 'farmer or rancher' means a person engaged in the production of an agricultural commodity (including livestock).

''(2) FORESTRY COOPERATIVE.—The term 'forestry cooperative' means an association that is—

''(A) owned and operated by nonindustrial private forest landowners; and

''(B) comprised of members—

''(i) of which at least 51 percent are farmers or ranchers; and

''(ii) that use sustainable forestry practices on nonindustrial private forest land to create a long-term, sustainable income stream.

''(3) NONINDUSTRIAL PRIVATE FOREST LAND.—The term 'nonindustrial private forest land' has the meaning given the term 'nonindustrial private forest lands' in section 5(c).

''(b) ESTABLISHMENT.—The Secretary shall establish a program, to be known as the 'sustainable forestry cooperative program', under which the Secretary shall provide, to nonprofit organizations on a competitive basis, grants to establish, and develop and support, sustainable forestry practices carried out by members of, forestry cooperatives.

''(c) USE OF FUNDS.—

''(1) IN GENERAL.—Subject to paragraph (2), funds from a grant provided under this section shall be used for—

''(A) predevelopment, development, startup, capital acquisition, and marketing costs associated with a forestry cooperative; or

''(B) the development or support of a sustainable forestry practice of a member of a forestry cooperative.

''(2) CONDITIONS.—

''(A) DEVELOPMENT.—The Secretary shall provide funds under paragraph (1)(A) only to a nonprofit organization with demonstrated expertise in cooperative development, as determined by the Secretary.

''(B) COMPLIANCE WITH PLAN.—A sustainable forestry practice developed or supported through the use of funds from a grant under this section shall comply with any applicable standards for sustainable forestry contained in a management plan that—

''(i) meets the requirements of section 4(e); and

''(ii) is approved by the State forester (or equivalent State official).

''(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $2,000,000 for each of fiscal years 2002 through 2006.''.

SEC. 807. STEWARDSHIP INCENTIVE PROGRAM.

Section 6 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103b) is repealed.

SEC. 808. FOREST FIRE RESEARCH CENTERS.

(a) FINDINGS.—Congress finds that—

(1) there is an increasing threat of fire to millions of acres of forest land and rangeland throughout the United States;

(2) this threat is especially great in the interior States of the western United States, where the Forest Service estimates that 39,000,000 acres of National Forest System land are at high risk of catastrophic wildfire;

(3)(A) the degraded condition of forest land and rangeland is often the consequence of land management practices that emphasize the control and prevention of fires; and

(B) the land management practices disrupted the occurrence of frequent low-intensity fires that periodically remove flammable undergrowth;

(4) as a result of the land management practices—

(A) some forest land and rangeland in the United States no longer function naturally as ecosystems; and

(B) drought cycles and the invasion of insects and disease have resulted in vast areas of dead or dying trees, overstocked stands, and the invasion of undesirable species;

(5)(A) population movement into wildland-urban interface areas exacerbate the fire danger;

(B) the increasing number of larger, more intense fires pose grave hazards to human health, safety, property, and infrastructure in the areas; and

(C) smoke from wildfires, which contain fine particulate matter and other hazardous pollutants, pose substantial health risks to people living in the areas;

(6)(A) the budgets and resources of Federal, State, and local entities supporting firefighting efforts have been stretched to their limits;

(B) according to the Comptroller General, the average cost of attempting to put out fires in the interior West grew by 150 percent, from $134,000,000 in fiscal year 1986 to $335,000,000 in fiscal year 1994; and

(C) the costs of preparedness, including the costs of maintaining a readiness force to fight fires, rose about 70 percent, from $189,000,000 in fiscal year 1992 to $326,000,000 in fiscal year 1997;

(7) diminishing Federal resources (including the availability of personnel) have limited the ability of Federal fire researchers—

(A) to respond to management needs; and

(B) to use technological advancements for analyzing fire management costs;

(8) the Federal fire research program is funded at approximately ⅓ of the amount that is required to address emerging fire problems, resulting in the lack of a cohesive strategy to address the threat of catastrophic wildfires; and

(9) there is a critical need for cost-effective investments in improved fire management technologies.

(b) FOREST FIRE RESEARCH CENTERS.—The Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1641 et seq.) is amended by adding at the end the following:

''SEC. 11. FOREST FIRE RESEARCH CENTERS.

''(a) IN GENERAL.—Subject to the availability of appropriations, the Secretary of Agriculture, acting through the Chief of the Forest Service (referred to in this section as the 'Secretary') shall establish at least 2 forest fire research centers at institutions of higher education (which may include research centers in existence on the date of enactment of this section) that—

''(1) have expertise in natural resource development; and

''(2) are located in close proximity to other Federal natural resource, forest management, and land management agencies.

''(b) LOCATIONS.—Of the forest fire research centers established under subsection (a)—

''(1) at least 1 center shall be located in California, Idaho, Montana, Oregon, or Washington; and

''(2) at least 1 center shall be located in Arizona, Colorado, New Mexico, Nevada, or Wyoming.

''(c) DUTIES.—At each of the forest fire research centers established under subsection (a), the Secretary shall provide for—

''(1) the conduct of integrative, interdisciplinary research into the ecological, socioeconomic, and environmental impact of fire control and the use of management of ecosystems and landscapes to facilitate fire control; and

''(2) the development of mechanisms to rapidly transfer new fire control and management technologies to fire and land managers.

''(d) ADVISORY COMMITTEE.—

''(1) IN GENERAL.—The Secretary, in consultation with the Secretary of the Interior, shall establish a committee composed of fire and land managers and fire researchers to determine the areas of emphasis and establish priorities for research projects conducted at forest fire research centers established under subsection (a).

''(2) ADMINISTRATION.—The Federal Advisory Committee Act (5 U.S.C. App.) and section 102 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7612) shall not apply to the committee established under paragraph (1).

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

SEC. 809. WILDFIRE PREVENTION AND HAZARDOUS FUEL PURCHASE PROGRAM.

(a) FINDINGS.—Congress finds that—

(1) the damage caused by wildfire disasters has been equivalent in magnitude to the damage resulting from the Northridge earthquake, Hurricane Andrew, and the recent flooding of the Mississippi River and the Red River;

(2) more than 20,000 communities in the United States are at risk from wildfire and approximately 11,000 of those communities are located near Federal land;

(3) the accumulation of heavy forest fuel loads continues to increase as a result of disease, insect infestations, and drought, further increasing the risk of fire each year;

(4) modification of forest fuel load conditions through the removal of hazardous fuels would—

(A) minimize catastrophic damage from wildfires;

(B) reduce the need for emergency funding to respond to wildfires; and

(C) protect lives, communities, watersheds, and wildlife habitat;

(5) the hazardous fuels removed from forest land represent an abundant renewable resource, as well as a significant supply of biomass for biomass-to-energy facilities;

(6) the United States should invest in technologies that promote economic and entrepreneurial opportunities in processing forest products removed through hazardous fuel reduction activities; and

(7) the United States should—

(A) develop and expand markets for traditionally underused wood and other biomass as an outlet for value-added excessive forest fuels; and

(B) commit resources to support planning, assessments, and project reviews to ensure that hazardous fuels management is accomplished expeditiously and in an environmentally sound manner.

(b) WILDFIRE PREVENTION AND HAZARDOUS FUEL PURCHASE PROGRAM.—The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 6 (16 U.S.C. 2103b) the following:

''SEC. 6A. WILDFIRE PREVENTION AND HAZARDOUS FUEL PURCHASE PROGRAM.

''(a) DEFINITIONS.—In this section:

''(1) BIOMASS-TO-ENERGY FACILITY.—The term 'biomass-to-energy facility' means a facility that uses forest biomass or other biomass as a raw material to produce electric energy, useful heat, or a transportation fuel.

''(2) ELIGIBLE COMMUNITY.—The term 'eligible community' means—

''(A) any town, township, municipality, or other similar unit of local government (as determined by the Secretary), or any area represented by a nonprofit corporation or institution organized under Federal or State law to promote broad-based economic development, that—

''(i) has a population of not more than 10,000 individuals;

''(ii) is located within a county in which at least 15 percent of the total primary and secondary labor and proprietor income is derived from forestry, wood products, and forest-related industries, such as recreation, forage production, and tourism; and

''(iii) is located adjacent to public or private forest land, the condition of which land the Secretary determines poses a substantial present or potential hazard to the safety of—

''(I) a forest ecosystem;

''(II) wildlife; or

''(III) in the case of a wildfire, human, community, or firefighter safety, in a year in which drought conditions are present; and

''(B) any county that is not contained within a metropolitan statistical area that meets the conditions described in clauses (ii) and (iii) of subparagraph (A).

''(3) FOREST BIOMASS.—The term 'forest biomass' means fuel and biomass accumulation from precommercial thinnings, slash, and brush on public or private forest land.

''(4) HAZARDOUS FUEL.—The term 'hazardous fuel' means any excessive accumulation of forest biomass on public or private forest land (especially land in an urban-wildland interface area or in an area that is located near an eligible community and designated as condition class 2 or 3 under the report of the Forest Service entitled 'Protecting People and Sustainable Resources in Fire-Adapted Ecosystems', dated October 13, 2000) that the Secretary determines poses a substantial present or potential hazard—

''(A) to the safety of a forest ecosystem;

''(B) to the safety of wildlife; or

''(C) in the case of wildfire in a year in which drought conditions are present, to human, community, or firefighter safety.

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

''(6) SECRETARY.—The term 'Secretary' means—

''(A) the Secretary of Agriculture (or a designee), with respect to National Forest System land and private land in the United States; and

''(B) the Secretary of the Interior (or a designee) with respect to Federal land under the jurisdiction of the Secretary of the Interior or an Indian tribe.

''(b) HAZARDOUS FUEL GRANT PROGRAM.—

''(1) GRANTS.—

''(A) IN GENERAL.—Subject to the availability of appropriations, the Secretary may make grants to persons that operate biomass-to-energy facilities to offset the costs incurred by those persons in purchasing hazardous fuels derived from public and private forest land adjacent to eligible communities.

''(B) SELECTION CRITERIA.—The Secretary shall select recipients for grants under subparagraph (A) based on—

''(i) planned purchases by the recipients of hazardous fuels, as demonstrated by the recipient through the submission to the Secretary of such assurances as the Secretary may require; and

''(ii) the level of anticipated benefits of those purchases in reducing the risk of wildfires.

''(2) GRANT AMOUNTS.—

''(A) IN GENERAL.—A grant under this subsection shall—

''(i) be based on—

''(I) the distance required to transport hazardous fuels to a biomass-to-energy facility; and

''(II) the cost of removal of hazardous fuels; and

''(ii) be in an amount that is at least equal to the product obtained by multiplying—

''(I) the number of tons of hazardous fuels delivered to a grant recipient; by

''(II) an amount that is at least $5 but not more than $10 per ton of hazardous fuels, as determined by the Secretary taking into consideration the factors described in clause (i).

''(B) LIMITATION ON INDIVIDUAL GRANTS.—

''(i) IN GENERAL.—Except as provided in clause (ii), a grant under subparagraph (A) shall not exceed $1,500,000 for any biomass-to-energy facility for any fiscal year.

''(ii) SMALL BIOMASS-TO-ENERGY FACILITIES.—A biomass-to-energy facility that has an annual production of 5 megawatts or less shall not be subject to the limitation under clause (i).

''(3) MONITORING OF GRANT RECIPIENT ACTIVITIES.—

''(A) IN GENERAL.—As a condition of receipt of a grant under this subsection, a grant recipient shall keep such records as the Secretary may require, including records that—

''(i) completely and accurately disclose the use of grant funds; and

''(ii) describe all transactions involved in the purchase of hazardous fuels.

''(B) ACCESS.—On notice by the Secretary, the operator of a biomass-to-energy facility that purchases and uses hazardous fuels with funds from a grant under this subsection shall provide the Secretary with—

''(i) reasonable access to the biomass-to-energy facility; and

''(ii) an opportunity to examine the inventory and records of the biomass-to-energy facility.

''(4) MONITORING OF EFFECT OF TREATMENTS.—The Secretary shall monitor Federal land from which hazardous fuels are removed and sold to a biomass-to-energy facility under this subsection to determine and document the reduction in fire hazards on that land.

''(5) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $50,000,000 for each of fiscal years 2002 through 2006.

''(c) LONG-TERM FOREST STEWARDSHIP CONTRACTS FOR HAZARDOUS FUELS REMOVAL.—

''(1) ANNUAL ASSESSMENT OF TREATMENT ACREAGE.—

''(A) IN GENERAL.—Subject to the availability of appropriations, not later than March 1 of each of fiscal years 2002 through 2006, the Secretary of Agriculture and the Secretary of Energy shall jointly submit to Congress an assessment of the number of acres of Federal forest land recommended to be treated during the subsequent fiscal year using stewardship end result contracts authorized by paragraph (3).

''(B) COMPONENTS.—The assessment shall—

''(i) be based on the treatment schedules contained in the report entitled 'Protecting People and Sustaining Resources in Fire-Adapted Ecosystems', dated October 13, 2000, and incorporated into the National Fire Plan (as identified by the Secretary);

''(ii) identify the acreage by condition class, type of treatment, and treatment year to achieve the restoration goals outlined in the report within 10-, 15-, and 20-year time periods;

''(iii) give priority to condition class 3 areas (as described in subsection (a)(4)(A)), including modifications in the restoration goals based on the effects of—

''(I) fire;

''(II) hazardous fuel treatments under the National Fire Plan (as identified by the Secretary); or

''(III) updates in data;

''(iv) provide information relating to the type of material and estimated quantities and range of sizes of material that shall be included in the treatments;

''(v) describe the management area prescriptions in the applicable land and resource management plan for the land on which the treatment is recommended; and

''(vi) give priority to areas described in subsection (a)(4)(A).

''(2) FUNDING RECOMMENDATION.—The Secretary shall include in the annual assessment under paragraph (1) a request for funds sufficient to implement the recommendations contained in the assessment using stewardship end result contracts described in paragraph (3) in any case in which the Secretary determines that the objectives of the National Fire Plan (as identified by the Secretary) would best be accomplished through forest stewardship end result contracting.

''(3) STEWARDSHIP END RESULT CONTRACTING.—

''(A) IN GENERAL.—Subject to the availability of appropriations, the Secretary may enter into stewardship end result contracts to implement the National Fire Plan (as identified by the Secretary) on National Forest System land based on the treatment schedules provided in the annual assessments conducted under paragraph (1)(B)(i).

''(B) PERIOD OF CONTRACTS.—The contracting goals and authorities described in subsections (b) through (g) of section 347 of the Department of the Interior and Related Agencies Appropriations Act, 1999 (commonly known as the 'Stewardship End Result Contracting Demonstration Project') (16 U.S.C. 2104 note; Public Law 105–277), shall apply to contracts entered into under this paragraph, except that the period of each such contract shall not exceed 10 years.

''(C) STATUS REPORT.—Beginning with the assessment required under paragraph (1) for fiscal year 2003, the Secretary shall include in the annual assessment under paragraph (1) a status report of the stewardship end result contracts entered into under this paragraph.

''(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection such sums as are necessary for each of fiscal years 2002 through 2006.

''(d) TERMINATION OF AUTHORITY.—The authority provided under this section shall terminate on September 30, 2006.''.

SEC. 810. ENHANCED COMMUNITY FIRE PROTECTION.

(a) FINDINGS.—Congress finds that—

(1) the severity and intensity of wildfires have increased dramatically over the past few decades as a result of past fire and land management policies;

(2) the record 2000 fire season is a prime example of what can be expected if action is not taken to reduce the risk of catastrophic wildfires;

(3) wildfires threaten not only the forested resources of the United States, but also the thousands of communities intermingled with wildland in the wildland-urban interface;

(4) wetland forests provide essential ecological services, such as filtering pollutants, buffering important rivers and estuaries, and minimizing flooding, that make the protection and restoration of those forests worthy of special focus;

(5) the National Fire Plan, if implemented to achieve appropriate priorities, is the proper, coordinated, and most effective means to address the issue of wildfires;

(6) while adequate authorities exist to address the problem of wildfires at the landscape level on Federal land, there is limited authority to take action on most private land where the largest threat to life and property lies; and

(7) there is a significant Federal interest in enhancing the protection of communities from wildfire.

(b) ENHANCED COMMUNITY FIRE PROTECTION.—The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 10 (16 U.S.C. 2106) the following:

''SEC. 10A. ENHANCED COMMUNITY FIRE PROTECTION.

''(a) COOPERATIVE MANAGEMENT RELATING TO WILDFIRE THREATS.—Notwithstanding section 7 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2206), the Secretary may cooperate with State foresters and equivalent State officials to—

''(1) assist in the prevention, control, suppression, and prescribed use of fires (including through the provision of financial, technical, and related assistance);

''(2) protect communities from wildfire threats;

''(3) enhance the growth and maintenance of trees and forests in a manner that promotes overall forest health; and

''(4) ensure the continued production of all forest resources, including timber, outdoor recreation opportunities, wildlife habitat, and clean water, through conservation of forest cover on watersheds, shelterbelts, and windbreaks.

''(b) COMMUNITY AND PRIVATE LAND FIRE ASSISTANCE PROGRAM.—

''(1) IN GENERAL.—The Secretary shall establish a program to be known as the 'community and private land fire assistance program' (referred to in this section as the 'Program')—

''(A) to focus the Federal role in promoting optimal firefighting efficiency at the Federal, State, and local levels;

''(B) to provide increased assistance to Federal projects that establish landscape level protection from wildfires;

''(C) to expand outreach and education programs concerning fire prevention to homeowners and communities; and

''(D) to establish defensible space against wildfires around the homes and property of private landowners.

''(2) ADMINISTRATION AND IMPLEMENTATION.—The Program shall be administered by the Secretary and, with respect to non-Federal land described in paragraph (3), carried out through the State forester or equivalent State official.

''(3) COMPONENTS.—The Secretary may carry out under the Program, on National Forest System land and non-Federal land determined by the Secretary in consultation with State foresters and Committees—

''(A) fuel hazard mitigation and prevention;

''(B) invasive species management;

''(C) multiresource wildfire and community protection planning;

''(D) community and landowner education enterprises, including the program known as 'FIREWISE';

''(E) market development and expansion;

''(F) improved use of wood products; and

''(G) restoration projects.

''(4) PRIORITY.—In entering into contracts to carry out projects under the Program, the Secretary shall give priority to contracts with local persons or entities.

''(c) AUTHORITY.—The authority provided under this section shall be in addition to any authority provided under section 10.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out this section $35,000,000 for each of fiscal years 2002 through 2006.''.

SEC. 811. WATERSHED FORESTRY ASSISTANCE PROGRAM.

(a) FINDINGS.—Congress finds that—

(1) there has been a dramatic shift in public attitudes and perceptions about forest management, particularly in the understanding and practice of sustainable forest management;

(2) it is commonly recognized that proper stewardship of forest land is essential to—

(A) sustain and restore watershed health;

(B) produce clean water; and

(C) maintain healthy aquatic systems;

(3) forests are increasingly important to the protection and sustainability of drinking water supplies for more than 1/2 of the population of the United States;

(4) forest loss and fragmentation in urbanizing areas are contributing to flooding, degradation of urban stream habitat and water quality, and public health concerns;

(5) scientific evidence and public awareness with respect to the manner in which forest management can positively affect water quality and quantity, and the manner in which trees, forests, and forestry practices (such as forest buffers) can serve as solutions to water quality problems in rural and urban areas, are increasing;

(6) the application of forestry best management practices developed at the State level has been found to greatly facilitate the achievement of water quality goals;

(7) significant efforts are underway to revisit and make improvements on needed forestry best management practices;

(8) according to the report of the Forest Service numbered FS–660 and entitled ''Water and the Forest Service'', forests are a requirement for maintenance of clean water because—

(A) approximately 66 percent of the freshwater resources of the United States originate on forests; and

(B) forests cover approximately 1/3 of the land area of the United States;

(9) because almost 500,000,000 acres, or approximately 2/3, of the forest land of the United States is owned by non-Federal entities, a significant burden is placed on private forest landowners to provide or maintain the clean water needed by the public for drinking, swimming, fishing, and a number of other water uses;

(10) because the decisions made by individual landowners and communities will affect the ability to maintain the health of rural and urban watersheds in the future, there is a need to integrate forest management, conservation, restoration, and stewardship in watershed management;

(11) although water management is the primary responsibility of States, the Federal Government has a responsibility to promote and encourage the ability of States and private forest landowners to sustain the delivery of clean, abundant water from forest land;

(12) as of the date of enactment of this Act, the availability of Federal assistance to support forest landowners to achieve the water goals identified in many Federal laws (including regulations) is lacking; and

(13) increased research for, education for, and technical and financial assistance provided to, forest landowners and communities

that relate to the protection of watersheds and improvement of water quality, are needed to realize the expectations of the general public for clean water and healthy aquatic systems.

(b) PURPOSES.—The purposes of this section are to—

(1) improve the understanding of landowners and the public with respect to the relationship between water quality and forest management;

(2) encourage landowners to maintain tree cover and use tree plantings and vegetative treatments as creative solutions to water quality and quantity problems associated with varying land uses;

(3) enhance and complement source water protection in watersheds that provide drinking water for municipalities;

(4) establish new partnerships and collaborative watershed approaches to forest management, stewardship, and protection; and

(5) provide technical and financial assistance to States to deliver a coordinated program that through the provision of technical, financial, and educational assistance to qualified individuals and entities—

(A) enhances State forestry best management practices programs; and

(B) protects and improves water quality on forest land.

(c) PROGRAM.—The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 5A (as added by section 806) the following:

"SEC. 5B. WATERSHED FORESTRY ASSISTANCE PROGRAM.

''(a) ESTABLISHMENT.—Subject to the availability of appropriations, the Secretary shall establish a watershed forestry assistance program (referred to in this section as the 'program') to provide to States, through State foresters (as defined in section 4), technical, financial, and related assistance to—

''(1) expand forest stewardship capacities and activities through State forestry best management practices and other means at the State level; and

''(2) prevent water quality degradation, and address watershed issues, on non-Federal forest land.

''(b) WATERSHED FORESTRY EDUCATION, TECHNICAL ASSISTANCE, AND PLANNING.—

''(1) PLAN.—

''(A) IN GENERAL.—In carrying out the program, the Secretary shall cooperate with State foresters to develop a plan, to be administered by the Secretary and implemented by State foresters, to provide technical assistance to assist States in preventing and mitigating water quality degradation.

''(B) PARTICIPATION.—In developing the plan under subparagraph (A), the Secretary shall encourage participation of interested members of the public (including nonprofit private organizations and local watershed councils).

''(2) COMPONENTS.—The plan described in paragraph (1) shall include provisions to—

''(A) build and strengthen watershed partnerships focusing on forest land at the national, State, regional, and local levels;

''(B) provide State forestry best management practices and water quality technical assistance directly to private landowners;

''(C) provide technical guidance relating to water quality management through forest management in degraded watersheds to land managers and policymakers;

''(D)(i) complement State nonpoint source assessment and management plans established under section 319 of the Federal Water Pollution Control Act (33 U.S.C. 1329); and

''(ii) provide enhanced opportunities for coordination and cooperation among Federal and State agencies having responsibility for water and watershed management under that Act; and

''(E) provide enhanced forest resource data and support for improved implementation of State forestry best management practices, including—

''(i) designing and conducting effectiveness and implementation studies; and

''(ii) meeting in-State water quality assessment needs, such as the development of water quality models that correlate the management of forest land to water quality measures and standards.

''(c) WATERSHED FORESTRY COST-SHARE PROGRAM.—

''(1) ESTABLISHMENT.—In carrying out the program, the Secretary shall establish a watershed forestry cost-share program, to be administered by the Secretary and implemented by State foresters, to provide grants and other assistance for eligible programs and projects described in paragraph (2).

''(2) ELIGIBLE PROGRAMS AND PROJECTS.—A community, nonprofit group, or landowner may receive a grant or other assistance under this subsection to carry out a State forestry best management practices program or a watershed forestry project if the program or project, as determined by the Secretary—

''(A) is consistent with—

''(i) State nonpoint source assessment and management plan objectives established under section 319 of the Federal Water Pollution Control Act (33 U.S.C. 1329); and

''(ii) the cost-share requirements of this section; and

''(B) is designed to address critical forest stewardship, watershed protection, and restoration needs of a State through—

''(i) the use of trees and forests as solutions to water quality problems in urban and agricultural areas;

''(ii) community-based planning, involvement, and action through State, local and nonprofit partnerships;

''(iii) the application of and dissemination of information on forestry best management practices relating to water quality;

''(iv) watershed-scale forest management activities and conservation planning; and

''(v) the restoration of wetland and stream side forests and establishment of riparian vegetative buffers.

''(3) ALLOCATION.—

''(A) IN GENERAL.—After taking into consideration the criteria described in subparagraph (B), the Secretary shall allocate among States, for award by State foresters under paragraph (4), the amounts made available to carry out this subsection.

''(B) CRITERIA.—The criteria referred to in subparagraph (A) are—

''(i) the number of acres of forest land, and land that could be converted to forest land, in each State;

''(ii) the nonpoint source assessment and management plans of each State, as developed under section 319 of the Federal Water Pollution Control Act (33 U.S.C. 1329);

''(iii) the acres of wetland forests that have been lost or degraded or cases in which forests may play a role in restoring wetland resources;

''(iv) the number of non-Federal forest landowners in each State; and

''(v) the extent to which the priorities of States are designed to achieve a reasonable range of the purposes of the program and, as a result, contribute to the water-related goals of the United States.

''(4) AWARD OF GRANTS AND ASSISTANCE.—

''(A) IN GENERAL.—In implementing the program under this subsection, the State forester, in coordination with the State Coordinating Committee established under section 19(b), shall provide annual grants and cost-share assistance to communities, nonprofit groups, and landowners to carry out eligible programs and projects described in paragraph (2).

''(B) APPLICATION.—A community, nonprofit group, or landowner that seeks to receive cost-share assistance under this subsection shall submit to the State forester an application, in such form and containing such information as the State forester may prescribe, for the assistance.

''(C) PRIORITIZATION.—In awarding cost-share assistance under this subsection, the Secretary shall give priority to eligible programs and projects that are identified by the State foresters and the State Stewardship Committees as having a greater need for assistance.

''(D) AWARD.—On approval by the Secretary of an application under subparagraph (B), the State forester shall award to the applicant, from funds allocated to the State under paragraph (3), such amount of cost-share assistance as is requested in the application.

''(5) COST SHARING.—

''(A) FEDERAL SHARE.—The Federal share of the cost of carrying out any eligible program or project under this subsection shall not exceed 75 percent, of which not more than 50 percent may be in the form of assistance provided under this subsection.

''(B) NON-FEDERAL SHARE.—The non-Federal share of the cost of carrying out any eligible program or project under this subsection may be provided in the form of cash, services, or in-kind contributions.

''(d) WATERSHED FORESTER.—A State may use a portion of the funds made available to the State under subsection (e) to establish and fill a position of 'Watershed Forester' to lead State-wide programs and coordinate watershed-level projects.

''(e) FUNDING.—

''(1) IN GENERAL.—There are authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2002 through 2006.

''(2) ALLOCATION.—Of the funds made available under paragraph (1)—

''(A) 75 percent shall be used to carry out subsection (c); and

''(B) 25 percent shall be used to carry out provisions of this section other than subsection (c).''.

SEC. 812. GENERAL PROVISIONS.

Section 13 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2109) is amended by striking subsection (f) and inserting the following:

''(f) GRANTS, CONTRACTS, AND OTHER AGREEMENTS.—

''(1) IN GENERAL.—In accordance with paragraph (2), the Secretary may make such grants and enter into such contracts, agreements, or other arrangements as the Secretary determines are necessary to carry out this Act.

''(2) ASSISTANCE.—Notwithstanding any other provision of this Act, the Secretary, with the concurrence of the applicable State forester or equivalent State official, may provide assistance under this Act directly to any public or private entity, organization, or individual—

''(A) through a grant; or

''(B) by entering into a contract or cooperative agreement.''.

SEC. 813. STATE FOREST STEWARDSHIP COORDINATING COMMITTEES.

Section 19(b) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2113(b)) is amended—

(1) in paragraph (1)(B)(i), by inserting ''United States Fish and Wildlife Service,'' before ''Forest Service''; and

(2) in paragraph (2)—

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

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

(C) by adding at the end the following:

''(E) submit to the Secretary, the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, an annual report that provides—

''(i) the list of members on the Committee described in paragraph (1)(B); and

''(ii) for those members that may be included on the Committee, but are not included because a determination that it is not practicable to include the members has been made, an explanation of the reasons for that determination.''.

TITLE IX—ENERGY

SEC. 901. FINDINGS.

Congress finds that—

(1) there are many opportunities for the agricultural sector and rural areas to produce renewable energy and increase energy efficiency;

(2) investments in renewable energy and energy efficiency—

(A) enhance the energy security and independence of the United States;

(B) increase farmer and rancher income;

(C) promote rural economic development;

(D) provide environmental and public health benefits such as cleaner air and water; and

(E) improve electricity grid reliability, thereby reducing the likelihood of blackouts and brownouts, particularly during peak usage periods;

(3) the public strongly supports renewable energy generation and energy efficiency improvements as an important component of a national energy strategy;

(4)(A) the Federal Government is the country's largest consumer of a vast array of products, spending in excess of $200,000,000,000 per year;

(B) purchases and use of products by the Federal Government have a significant effect on the environment; and

(C) accordingly, the Federal Government should lead the way in purchasing biobased products so as to minimize environmental impacts while supporting domestic producers of biobased products;

(5) the agricultural sector is a leading producer of biobased products to meet domestic and international needs;

(6) agriculture can play a significant role in the development of fuel cell and hydrogen-based energy technologies, which are critical technologies for a clean energy future;

(7)(A) wind energy is 1 of the fastest growing clean energy technologies; and

(B) there are tremendous economic development and environmental quality benefits to be achieved by developing both large-scale and small-scale wind power projects on farms and in rural communities;

(8) farm-based renewable energy generation can become one of the major cash crops of the United States, improving the livelihoods of hundreds of thousands of family farmers, ranchers, and others and revitalizing rural communities;

(9)(A) evidence continues to mount that increases in atmospheric concentrations of greenhouse gases are contributing to global climate change; and

(B) agriculture can help in climate change mitigation by—

(i) storing carbon in soils, plants, and forests;

(ii) producing biofuels, chemicals, and power to replace fossil fuels and petroleum-based products; and

(iii) reducing emissions by capturing gases from animal feeding operations, changing agricultural land practices, and becoming more energy efficient;

(10) because agricultural production is energy-intensive, it is incumbent on the Federal Government to aid the agricultural sector in reducing energy consumption and energy costs;

(11)(A) one way to help farmers, ranchers, and others reduce energy use is through professional energy audits;

(B) energy audits provide recommendations for improved energy efficiency that, when acted on, offer an effective means of reducing overall energy use and saving money; and

(C) energy savings of 10 to 30 percent can typically be achieved, and greater savings are often realized;

(12) rural electric utilities are often geographically well situated to develop renewable and distributed energy supplies, enabling the utilities to diversify their energy portfolios and afford their members or customers alternative energy sources, which many such members and customers desire;

(13) fuel cells are a highly efficient, clean, and flexible technology for generating electricity from hydrogen that promises to improve the environment, electricity reliability, and energy security;

(14)(A) because fuel cells can be made in any size, fuel cells can be used for a wide variety of farm applications, including powering farm vehicles, equipment, houses, and other operations; and

(B) much of the initial use of fuel cells is likely to be in remote and off-grid applications in rural areas; and

(15) hydrogen is a clean and flexible fuel that can play a critical role in storing and transporting energy produced on farms from renewable sources (including biomass, wind, and solar energy).

SEC. 902. CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.

The Consolidated Farm and Rural Development Act (as amended by section 646) is amended by adding at the end the following:

"Subtitle L—Clean Energy

"SEC. 387A. DEFINITIONS.

''In this subtitle:

''(1) BIOMASS.—

''(A) IN GENERAL.—The term 'biomass' means any organic material that is available on a renewable or recurring basis.

''(B) INCLUSIONS.—The term 'biomass' includes—

''(i) dedicated energy crops;

''(ii) trees grown for energy production;

''(iii) wood waste and wood residues;

''(iv) plants (including aquatic plants, grasses, and agricultural crops);

''(v) residues;

''(vi) fibers;

''(vii) animal wastes and other waste materials; and

''(viii) fats and oils (including recycled fats and oils).

''(C) EXCLUSIONS.—The term 'biomass' does not include—

''(i) old-growth timber (as determined by the Secretary);

''(ii) paper that is commonly recycled; or

''(iii) unsegregated garbage.

''(2) RENEWABLE ENERGY.—The term 'renewable energy' means energy derived from a wind, solar, biomass, geothermal, or hydrogen source.

''(3) RURAL SMALL BUSINESS.—The term 'rural small business' has the meaning that the Secretary shall prescribe by regulation.

"CHAPTER 1—BIOBASED PRODUCT DEVELOPMENT

"SEC. 387B. BIOBASED PRODUCT PURCHASING REQUIREMENT.

''(a) DEFINITIONS.—In this section:

''(1) ADMINISTRATOR.—The term 'Administrator' means the Administrator of the Environmental Protection Agency.

''(2) BIOBASED PRODUCT.—The term 'biobased product' means a commercial or industrial product, as determined by the Secretary (other than food or feed), that uses biological products or renewable domestic agricultural materials (including plant, animal, and marine materials) or forestry materials.

''(3) ENVIRONMENTALLY PREFERABLE.—The term 'environmentally preferable', with respect to a biobased product, refers to a biobased product that has a lesser or reduced effect on human health and the environment when compared with competing nonbiobased products that serve the same purpose.

''(b) BIOBASED PRODUCT PURCHASING.—

''(1) MANDATORY PURCHASING REQUIREMENT FOR LISTED BIOBASED PRODUCTS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), not later than 180 days after the date of enactment of this subtitle, the head of each Federal agency shall ensure that, in purchasing any product, the Federal agency purchases a biobased product, rather than a comparable nonbiobased product, if the biobased product is listed on the list of biobased products published under subsection (c)(1).

''(B) BIOBASED PRODUCT NOT REASONABLY COMPARABLE.—A Federal agency shall not be required to purchase a biobased product under subparagraph (A) if the purchasing employee submits to the Secretary and the Administrator of the Office of Federal Procurement Policy a written determination that the biobased product is not reasonably comparable to nonbiobased products in price, performance, or availability.

''(C) CONFLICTING REQUIREMENTS.—The Secretary and the Administrator shall jointly promulgate regulations with which Federal agencies shall comply in cases of a conflict between the biobased product purchasing requirement under subparagraph (A) and a purchasing requirement under any other provision of law.

''(2) PURCHASING OF NONLISTED BIOBASED PRODUCTS.—The head of each Federal agency is encouraged to purchase, to the maximum extent practicable, available biobased products that are not listed on the list of biobased products published under subsection (c)(1) when the Federal agency is not required to purchase a biobased product that is on the list.

''(c) ADMINISTRATIVE ACTION.—

''(1) LIST OF BIOBASED PRODUCTS.—

''(A) IN GENERAL.—Not later than 180 days after the date of enactment of this subtitle, and annually thereafter, the Secretary, in consultation with the Administrator and the Director of the National Institute of Standards and Technology, shall publish a list of biobased products.

''(B) ENVIRONMENTALLY PREFERABLE BIOBASED PRODUCTS.—The Secretary shall not include on the list under paragraph (1) biobased products that are not environmentally preferable, as determined by the Secretary.

''(C) GRANTS.—The Secretary may award grants to, or enter into contracts or cooperative agreements with, eligible persons, businesses, or institutions (as determined by the Secretary) to assist in collecting data concerning the evaluation of and lifecycle analyses of biobased products for use in making the determinations necessary to carry out this paragraph.

''(2) GUIDANCE.—Not later than 240 days after the date of enactment of this subtitle, the Office of Federal Procurement Policy and Federal Acquisition Regulation Council shall make the Federal Acquisition Regulation consistent with subsection (b).

''(d) EDUCATION AND OUTREACH PROGRAM.—The Secretary, in cooperation with the Defense Acquisition University and the Federal Acquisition Institute, shall conduct education programs for all Federal procurement officers regarding biobased products and the requirements of subsection (b).

''(e) LABELING.—

''(1) IN GENERAL.—The Secretary shall develop a program, similar to the Energy Star program of the Department of Energy and the Environmental Protection Agency, under which the Secretary authorizes producers of environmentally preferable biobased products to use a label that identifies the products as environmentally preferable biobased products.

''(2) ENVIRONMENTALLY PREFERABLE BIOBASED PRODUCTS.—The Secretary shall monitor and take appropriate action regarding the use of labels under paragraph (1) to ensure that the biobased products using the labels do not include biobased products that are not environmentally preferable, as determined by the Secretary.

''(3) CONTRACTING.—In carrying out paragraph (1), the Secretary may contract with appropriate entities with expertise in product labeling and standard setting.

''(f) GOAL.—It shall be the goal of each Federal agency for each fiscal year to purchase biobased products of an aggregate value that is not less than 5 percent of the aggregate value of all products purchased by the Federal agency during the preceding fiscal year.

''(g) REPORTS.—As soon as practicable after the end of each fiscal year, the Secretary and the Office of Federal Procurement Policy shall jointly submit to Congress an annual report that, for the fiscal year, describes the extent of—

''(1) compliance by each Federal agency with subsection (b); and

''(2) the success of each Federal agency in achieving the goal established under subsection (f).

''(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $2,000,000 for each of fiscal years 2002 through 2006.

''SEC. 387C. BIOREFINERY DEVELOPMENT GRANTS.

''(a) PURPOSE.—The purpose of this section is to assist in the development of new and emerging technologies for the conversion of biomass into petroleum substitutes, so as to—

''(1) develop transportation and other fuels and chemicals from renewable sources;

''(2) reduce the dependence of the United States on imported oil;

''(3) reduce greenhouse gas emissions;

''(4) diversify markets for raw agricultural and forestry products; and

''(5) create jobs and enhance the economic development of the rural economy.

''(b) DEFINITIONS.—In this section:

''(1) ADVISORY COMMITTEE.—The term 'Advisory Committee' means the Biomass Research and Development Technical Advisory Committee established by section 306 of the Biomass Research and Development Act of 2000 (7 U.S.C. 7624 note; Public Law 106–224).

''(2) BIOREFINERY.—The term 'biorefinery' means equipment and processes that—

''(A) convert biomass into bioenergy fuels and chemicals; and

''(B) may produce electricity as a byproduct.

''(3) BOARD.—The term 'Board' means the Biomass Research and Development Board established by section 305 of the Biomass Research and Development Act of 2000 (7 U.S.C. 7624 note; Public Law 106–224).

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

''(c) GRANTS.—The Secretary shall award grants to eligible entities to assist in paying the cost of development and construction of biorefineries to carry out projects to demonstrate the commercial viability of 1 or more processes for converting biomass to fuels or chemicals.

''(d) ELIGIBLE ENTITIES.—A corporation, farm cooperative, association of farmers, national laboratory, university, State energy agency or office, Indian tribe, or consortium comprised of any of those entities shall be eligible to receive a grant under subsection (c).

''(e) COMPETITIVE BASIS FOR AWARDS.—

''(1) IN GENERAL.—The Secretary shall award grants under subsection (c) on a competitive basis in consultation with the Board and Advisory Committee.

''(2) SELECTION CRITERIA.—

''(A) IN GENERAL.—The Secretary shall select projects to receive grants under subsection (c) based on—

''(i) the likelihood that the projects will demonstrate the commercial viability of a process for converting biomass to fuels or chemicals; and

''(ii) the likelihood that the projects will produce electricity.

''(B) FACTORS.—The factors to be considered under subparagraph (A) shall include—

''(i) the potential market for the product or products;

''(ii) the quantity of petroleum the product will displace;

''(iii) the level of financial participation by the applicants;

''(iv) the availability of adequate funding from other sources;

''(v) the beneficial impact on resource conservation and the environment;

''(vi) the participation of producer associations and cooperatives;

''(vii) the timeframe in which the project will be operational;

''(viii) the potential for rural economic development; and

''(ix) the participation of multiple eligible entities.

''(f) COST SHARING.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the amount of a grant for a project awarded under subsection (c) shall not exceed 30 percent of the cost of the project.

''(2) INCREASED GRANT AMOUNT.—The Secretary may increase the amount of a grant for a project under subsection (c) to not more than 50 percent in the case of a project that the Secretary finds particularly meritorious.

''(3) FORM OF GRANTEE SHARE.—

''(A) IN GENERAL.—The grantee share of the cost of a project may be made in the form of cash or the provision of services, material, or other in-kind contributions.

''(B) LIMITATION.—The amount of the grantee share of the cost of a project that is made in the form of the provision of services, material, or other in-kind contributions shall not exceed 25 percent of the amount of the grantee share determined under paragraph (1).

''(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 2002 through 2006.

''SEC. 387D. BIODIESEL FUEL EDUCATION PROGRAM.

''(a) FINDINGS.—Congress finds that—

''(1) biodiesel fuel use can help reduce greenhouse gas emissions and public health risks associated with air pollution;

''(2) biodiesel fuel use enhances energy security by reducing petroleum consumption;

''(3) biodiesel fuel is nearing the transition from the research and development phase to commercialization;

''(4) biodiesel fuel is still relatively unknown to the public and even to diesel fuel users; and

''(5) education of, and provision of technical support to, current and future biodiesel fuel users will be critical to the widespread use of biodiesel fuel.

''(b) ESTABLISHMENT.—The Secretary shall, under such terms and conditions as are appropriate, offer 1 or more competitive grants to eligible entities to educate Federal, State, regional, and local government entities and private entities that operate vehicle fleets, other interested entities (as determined by the Secretary), and the public about the benefits of biodiesel fuel use.

''(c) ELIGIBLE ENTITIES.—To receive a grant under subsection (b), an entity—

''(1) shall be a nonprofit organization; and

''(2) shall have demonstrated expertise in biodiesel fuel production, use, and distribution.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 2002 through 2006, to remain available until expended.

''CHAPTER 2—RENEWABLE ENERGY DEVELOPMENT AND ENERGY EFFICIENCY

''SEC. 387E. RENEWABLE ENERGY DEVELOPMENT LOAN AND GRANT PROGRAM.

''(a) IN GENERAL.—The Secretary, acting through the Rural Business Cooperative Service, in addition to exercising authority to make loans and loan guarantees under other law, shall establish a program under which the Secretary shall make loans and loan guarantees and competitively award grants to assist farmers and ranchers in projects to establish new, or expand existing, farmer or rancher cooperatives, or other rural business ventures (as determined by the Secretary), to—

''(1) enable farmers and ranchers to become owners of sources of renewable electric energy and marketers of electric energy produced from renewable sources;

''(2) provide new income streams for farmers and ranchers;

''(3) increase the quantity of electricity available from renewable energy sources; and

''(4) provide environmental and public health benefits to rural communities and the United States as a whole.

''(b) OWNERSHIP REQUIREMENT.—At least 51 percent of the interest in a rural business

venture assisted with a grant under subsection (a) shall be owned by farmers or ranchers.

''(c) MAXIMUM AMOUNT OF LOANS AND GRANTS.—

''(1) LOANS.—The amount of a loan made or guaranteed for a project under subsection (a) shall not exceed $10,000,000.

''(2) GRANTS.—The amount of a grant made for a project under subsection (a) shall not exceed $200,000 for a fiscal year.

''(d) COST SHARING.—

''(1) IN GENERAL.—The total amount of loans made or guaranteed or grants awarded under subsection (a) for a project shall not exceed 50 percent of the cost of the activity funded by the loan or grant.

''(2) FORM OF GRANTEE SHARE.—

''(A) IN GENERAL.—The grantee share of the cost of the activity may be made in the form of cash or the provision of services, material, or other in-kind contributions.

''(B) LIMITATION.—The amount of the grantee share of the cost of an activity that is made in the form of the provision of services, material, or other in-kind contributions shall not exceed 25 percent of the amount of the grantee share, as determined under paragraph (1).

''(e) INTEREST RATE.—A loan made or guaranteed under subsection (a) shall bear an interest rate that does not exceed 4 percent.

''(f) USE OF FUNDS.—

''(1) PERMITTED USES.—

''(A) GRANTS.—A recipient of a grant awarded under subsection (a) may use the grant funds to develop a business plan or perform a feasibility study to establish a viable marketing opportunity for renewable electric energy generation and sale.

''(B) LOANS.—A recipient of a loan or loan guarantee under subsection (a) may use the loan funds to provide capital for start-up costs associated with the rural business venture or the promotion of the aggregation of renewable electric energy sources.

''(2) PROHIBITED USES.—A recipient of a loan, loan guarantee, or grant under subsection (a) shall not use the loan or grant funds for planning, repair, rehabilitation, acquisition, or construction of a building.

''(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $16,000,000 for each of fiscal years 2002 through 2006.

''SEC. 387F. ENERGY AUDIT AND RENEWABLE ENERGY DEVELOPMENT PROGRAM.

''(a) IN GENERAL.—The Secretary, acting through the Rural Business Cooperative Service, shall make competitive grants to eligible entities to enable the eligible entities to carry out a program to assist farmers, and ranchers, and rural small businesses (as determined by the Secretary) in becoming more energy efficient and in using renewable energy technology.

''(b) ELIGIBLE ENTITIES.—Entities eligible to carry out a program under subsection (a) include—

''(1) a State energy or agricultural office;

''(2) a regional or State-based energy organization or energy organization of an Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b));

''(3) a land-grant college or university (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)) or other college or university;

''(4) a farm bureau or organization;

''(5) a rural electric cooperative or utility;

''(6) a nonprofit organization; and

''(7) any other entity, as determined by the Secretary.

''(c) MERIT REVIEW.—

''(1) MERIT REVIEW PANEL.—The Secretary shall establish a merit review panel to review applications for grants under subsection (a) that uses the expertise of other Federal agencies (including the Department of Energy and the Environmental Protection Agency), industry, and nongovernmental organizations.

''(2) SELECTION CRITERIA.—In reviewing applications of eligible entities to receive grants under subsection (a), the merit review panel shall consider—

''(A) the ability and expertise of the eligible entity in providing professional energy audits and renewable energy assessments;

''(B) the geographic scope of the program proposed by the eligible entity;

''(C) the number of farmers, ranchers, and rural small businesses to be assisted by the program;

''(D) the potential for energy savings and environmental and public health benefits resulting from the program; and

''(E) the plan of the eligible entity for educating farmers, ranchers, and rural small businesses on the benefits of energy efficiency and renewable energy development.

''(d) USE OF GRANT FUNDS.—A recipient of a grant under subsection (a) shall use the grant funds to—

''(1)(A) conduct energy audits for farmers, ranchers, and rural small businesses to provide farmers, ranchers, and rural small businesses recommendations for energy efficiency and renewable energy development opportunities; and

''(B) conduct workshops on that subject as appropriate;

''(2) make farmers, ranchers, and rural small businesses aware of, and ensure that they have access to—

''(A) financial assistance under section 387G; and

''(B) other Federal, State, and local financial assistance programs for which farmers, ranchers, and rural small businesses may be eligible; and

''(3) arrange private financial assistance to farmers, ranchers, and rural small businesses on favorable terms.

''(e) COST SHARING.—

''(1) IN GENERAL.—A recipient of a grant under subsection (a) that conducts an energy audit for a farmer, rancher, or rural small business under subsection (d)(1) shall require that, as a condition to the conduct of the energy audit, the farmer, rancher, or rural small business pay at least 25 percent of the cost of the audit.

''(2) IMPLEMENTATION OF RECOMMENDATIONS.—If a farmer, rancher, or rural small business substantially implements the recommendations made in connection with an energy audit, the Secretary may reimburse the farmer, rancher, or rural small business the amount that is equal to the share of the cost paid by the farmer, rancher, or rural small business under paragraph (1).

''(f) REPORTS.—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 an annual report on the implementation of this section.

''(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 2002 through 2006.

''SEC. 387G. LOANS, LOAN GUARANTEES, AND GRANTS TO FARMERS, RANCHERS, AND RURAL SMALL BUSINESSES FOR RENEWABLE ENERGY SYSTEMS AND ENERGY EFFICIENCY IMPROVEMENTS.

''(a) IN GENERAL.—In addition to exercising authority to make loans and loan guarantees under other law, the Secretary shall make loans, loan guarantees, and grants to farmers, ranchers, and rural small businesses to—

''(1) purchase renewable energy systems; and

''(2) make energy efficiency improvements.

''(b) ELIGIBILITY OF FARMERS AND RANCHERS.—To be eligible to receive a grant under subsection (a) for a fiscal year, a farmer or rancher shall have produced not more than $1,000,000 in market value of agricultural products during the preceding fiscal year, as determined by the Secretary.

''(c) COST SHARING.—

''(1) RENEWABLE ENERGY SYSTEMS.—

''(A) IN GENERAL.—

''(i) GRANTS.—The amount of a grant made under subsection (a) for a renewable energy system shall not exceed 15 percent of the cost of the renewable energy system.

''(ii) LOANS.—The amount of a loan made or guaranteed under subsection (a) for a renewable energy system shall not exceed 35 percent of the cost of the renewable energy system.

''(B) FACTORS.—In determining the amount of a grant or loan under subparagraph (A), the Secretary shall take into consideration—

''(i) the type of renewable energy system to be purchased;

''(ii) the estimated quantity of energy to be generated or displaced by the renewable energy system;

''(iii) the expected environmental benefits of the renewable energy system;

''(iv) the extent to which the renewable energy system will be replicable; and

''(v) other factors as appropriate.

''(2) ENERGY EFFICIENCY IMPROVEMENTS.—

''(A) IN GENERAL.—

''(i) GRANTS.—The amount of a grant made under subsection (a) for an energy efficiency improvement shall not exceed 15 percent of the cost of the energy efficiency improvement.

''(ii) LOANS.—The amount of a loan made or guaranteed under subsection (a) for an energy efficiency project shall not exceed 35 percent of the cost of the energy efficiency improvement.

''(B) FACTORS.—In determining the amount of a grant or loan under subparagraph (A), the Secretary shall take into consideration—

''(i) the estimated length of time it would take for the energy savings generated by the improvement to equal the cost of the improvement;

''(ii) the amount of energy savings expected to be derived from the improvement; and

''(iii) other factors as appropriate.

''(d) INTEREST RATE.—A loan made or guaranteed under subsection (a) shall bear interest at a rate not exceeding 4 percent.

''(e) ENERGY AUDIT AND RENEWABLE ENERGY DEVELOPMENT PROGRAM.—

''(1) PREFERENCE.—In making loans, loan guarantees, and grants under subsection (a), the Secretary shall give preference to participants in the energy audit and renewable energy development program under section 387F.

''(2) RESERVATION OF FUNDING.—The Secretary shall reserve at least 25 percent of the funds made available to carry out this section for each of fiscal years 2002 through 2006

to participants in the energy audit and renewable energy development program under section 387F.

''(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $33,000,000 for each of fiscal years 2002 through 2006.

"SEC. 387H. HYDROGEN AND FUEL CELL TECHNOLOGIES PROGRAM.

''(a) IN GENERAL.—The Secretary of Agriculture, in consultation with the Secretary of Energy, shall establish a program under which the Secretary of Agriculture shall competitively award grants to, or enter into contracts or cooperative agreements with, eligible entities for—

''(1) projects to demonstrate the use of hydrogen technologies and fuel cell technologies in farm, ranch, and rural applications; and

''(2) as appropriate, studies of the technical, environmental, and economic viability, in farm, ranch, and rural applications, of innovative hydrogen and fuel cell technologies not ready for demonstration.

''(b) ELIGIBLE ENTITIES.—Under subsection (a), the Secretary may make a grant to or enter into a contract or cooperative agreement with—

''(1) a Federal research agency;

''(2) a national laboratory;

''(3) a college or university or a research foundation maintained by a college or university;

''(4) a private research organization with an established and demonstrated capacity to perform research or technology transfer;

''(5) a State agricultural experiment station; or

''(6) an individual.

''(c) SELECTION CRITERIA.—In selecting projects for grants, contracts, and cooperative agreements under subsection (a)(1), the Secretary shall give preference to projects that demonstrate technologies that—

''(1) are innovative;

''(2) use renewable energy sources;

''(3) produce multiple sources of energy;

''(4) provide significant environmental benefits;

''(5) are likely to be economically competitive; and

''(6) have potential for commercialization as mass-produced, farm- or ranch-sized systems.

''(d) COST SHARING.—The amount of financial assistance provided for a project under a grant, contract, or cooperative agreement under subsection (a) shall not exceed 50 percent of the cost of the project.

''(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 2002 through 2006.

"SEC. 387I. TECHNICAL ASSISTANCE FOR FARMERS AND RANCHERS TO DEVELOP RENEWABLE ENERGY RESOURCES.

''(a) IN GENERAL.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service in consultation with the Natural Resources Conservation Service, regional biomass programs under the Department of Energy, and other entities as appropriate, may provide for education and technical assistance to farmers and ranchers for the development and marketing of renewable energy resources.

''(b) ADMINISTRATIVE EXPENSES.—The Secretary may retain up to 4 percent of the amounts made available for each fiscal year to carry out this section to pay administrative expenses incurred in carrying out this section.

"CHAPTER 3—CARBON SEQUESTRATION RESEARCH, DEVELOPMENT, AND DEMONSTRATION PROGRAM

"SEC. 387J. RESEARCH.

''(a) BASIC RESEARCH.—

''(1) IN GENERAL.—Subject to the availability of appropriations, the Secretary shall carry out research to promote understanding of—

''(A) the net sequestration of organic carbon in soils and plants (including trees); and

''(B) net emissions of other greenhouse gases from agriculture.

''(2) AGRICULTURAL RESEARCH SERVICE.—The Secretary, acting through the Agricultural Research Service, shall collaborate with other Federal agencies in developing data and carrying out research addressing carbon losses and gains in soils and plants (including trees) and net emissions of methane and nitrous oxide from cultivation and animal management activities.

''(3) COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE.—

''(A) IN GENERAL.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service, shall establish a competitive grant program to carry out research on the matters described in paragraph (1) by eligible entities.

''(B) ELIGIBLE ENTITIES.—Under subparagraph (A), the Secretary may make a grant to—

''(i) a Federal research agency;

''(ii) a national laboratory;

''(iii) a college or university or a research foundation maintained by a college or university;

''(iv) a private research organization with an established and demonstrated capacity to perform research or technology transfer;

''(v) a State agricultural experiment station; or

''(vi) an individual.

''(C) CONSULTATION ON RESEARCH TOPICS.—Before issuing a request for proposals for basic research under paragraph (1), the Cooperative State Research, Education, and Extension Service shall consult with the Agricultural Research Service and the Forest Service to ensure that proposed research areas are complementary with and do not duplicate other research projects funded by the Department or other Federal agencies.

''(D) ADMINISTRATIVE EXPENSES.—The Secretary may retain up to 4 percent of the amounts made available for each fiscal year to carry out this subsection to pay administrative expenses incurred in carrying out this subsection.

''(b) APPLIED RESEARCH.—

''(1) IN GENERAL.—The Secretary shall carry out applied research in the areas of soil science, agronomy, agricultural economics, forestry, and other agricultural sciences to—

''(A) promote understanding of—

''(i) how agricultural and forestry practices affect the sequestration of organic and inorganic carbon in soils and plants (including trees) and net emissions of other greenhouse gases;

''(ii) how changes in soil carbon pools in soils and plants (including trees) are cost-effectively measured, monitored, and verified; and

''(iii) how public programs and private market approaches can be devised to incorporate carbon sequestration in a broader societal greenhouse gas emission reduction effort;

''(B) develop methods for establishing baselines for measuring the quantities of carbon and other greenhouse gases sequestered; and

''(C) evaluate leakage and performance issues.

''(2) REQUIREMENTS.—To the maximum extent practicable, applied research under paragraph (1) shall—

''(A) use existing technologies and methods; and

''(B) provide methodologies that are accessible to a nontechnical audience.

''(3) MINIMIZATION OF ADVERSE ENVIRONMENTAL IMPACTS.—All applied research under paragraph (1) shall be conducted with an emphasis on minimizing adverse environmental impacts.

''(4) NATURAL RESOURCES AND THE ENVIRONMENT.—The Secretary, acting through the Natural Resources Conservation Service and the Forest Service, shall collaborate with other Federal agencies in developing new measuring techniques and equipment or adapting existing techniques and equipment to enable cost-effective and accurate monitoring and verification, for a wide range of agricultural and forestry practices, of—

''(A) changes in carbon content in soils and plants (including trees); and

''(B) net emissions of other greenhouse gases.

''(5) COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE.—

''(A) IN GENERAL.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service and the Forest Service, shall establish a competitive grant program to encourage research on the matters described in paragraph (1) by eligible entities.

''(B) ELIGIBLE ENTITIES.—Under subparagraph (A), the Secretary may make a grant to—

''(i) a Federal research agency;

''(ii) a national laboratory;

''(iii) a college or university or a research foundation maintained by a college or university;

''(iv) a private research organization with an established and demonstrated capacity to perform research or technology transfer;

''(v) a State agricultural experiment station; or

''(vi) an individual.

''(C) CONSULTATION ON RESEARCH TOPICS.—Before issuing a request for proposals for applied research under paragraph (1), the Cooperative State Research, Education, and Extension Service and the Forest Service shall consult with the Natural Resources Conservation Service and the Agricultural Research Service to ensure that proposed research areas are complementary with and do not duplicate research projects funded by the Department of Agriculture or other Federal agencies.

''(D) ADMINISTRATIVE EXPENSES.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service, may retain up to 4 percent of the amounts made available for each fiscal year to carry out this subsection to pay administrative expenses incurred in carrying out this subsection.

''(c) RESEARCH CONSORTIA.—

''(1) IN GENERAL.—The Secretary may designate not more than 2 research consortia to carry out research projects under this section, with the requirement that the consortia propose to conduct basic research under subsection (a) and applied research under subsection (b) .

''(2) SELECTION.—The consortia shall be selected on a competitive basis by the Cooperative State Research, Education, and Extension Service.

''(3) ELIGIBLE CONSORTIUM PARTICIPANTS.—Entities eligible to participate in a consortium include—

''(A) a land-grant college or university (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103));

''(B) a private research institution;

''(C) a State agency;

''(D) an Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b));

''(E) an agency of the Department of Agriculture;

''(F) a research center of the National Aeronautics and Space Administration, the Department of Energy, or any other Federal agency;

''(G) an agricultural business or organization with demonstrated expertise in areas covered by this section; and

''(H) a representative of the private sector with demonstrated expertise in the areas.

''(4) RESERVATION OF FUNDING.—If the Secretary designates 1 or 2 consortia, the Secretary shall reserve for research projects carried out by the consortium or consortia not more than 25 percent of the amounts made available to carry out this section for a fiscal year.

''(d) STANDARDS FOR MEASURING CARBON AND OTHER GREENHOUSE GAS CONTENT.—

''(1) CONFERENCE.—Not later than 3 years after the date of enactment of this subtitle, the Secretary shall convene a conference of key scientific experts on carbon sequestration from various sectors (including the government, academic, and private sectors) to—

''(A) discuss benchmark standards for measuring the carbon content of soils and plants (including trees) and net emissions of other greenhouse gases;

''(B) propose techniques and modeling approaches for measuring carbon content with a level of precision that is discussed by the participants in the conference; and

''(C) evaluate results of analyses on baseline, permanence, and leakage issues.

''(2) DEVELOPMENT OF BENCHMARK STANDARDS.—The Secretary shall, with notice and an opportunity for comment, develop benchmark standards for measuring the carbon content of soils and plants (including trees) based on—

''(A) information from the conference held under paragraph (1);

''(B) research performed under this section; and

''(C) other information available to the Secretary.

''(3) REPORT.—The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the results of the conference and the designation of benchmark standards.

''(e) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There is authorized to be appropriated to carry out this section $25,000,000 for each of fiscal years 2002 through 2006.

''(2) ADMINISTRATIVE EXPENSES.—The Secretary may retain up to 4 percent of the amounts made available for each fiscal year to carry out this section to pay administrative expenses incurred in carrying out this section.

''SEC. 387K. DEMONSTRATION PROJECTS AND OUTREACH.

''(a) DEMONSTRATION PROJECTS.—

''(1) DEVELOPMENT OF MONITORING PROGRAMS.—

''(A) IN GENERAL.—The Secretary, in cooperation with local extension agents, experts from land grant universities, and other local agricultural or conservation organizations, shall develop user-friendly programs that combine measurement tools and modeling techniques into integrated packages to monitor the carbon sequestering benefits of conservation practices and net changes in greenhouse gas emissions.

''(B) BENCHMARK LEVELS OF PRECISION.—The Secretary shall administer programs developed under subparagraph (A) in a manner that achieves, to the maximum extent practicable, benchmark levels of precision in the measurement, in a cost-effective manner, of benefits and changes described in subparagraph (A).

''(2) PROJECTS.—

''(A) IN GENERAL.—The Secretary shall establish a program under which the monitoring programs developed under paragraph (1) are used in projects to demonstrate the feasibility of methods of measuring, verifying, and monitoring—

''(i) changes in organic carbon content and other carbon pools in soils and plants (including trees); and

''(ii) net changes in emissions of other greenhouse gases.

''(B) EVALUATION OF IMPLICATIONS.—The projects under subparagraph (A) shall include evaluation of the implications for reassessed baselines, carbon or other greenhouse gas leakage, and the permanence of sequestration.

''(C) SUBMISSION OF PROPOSALS.—Proposals for projects under subparagraph (A) shall be submitted by the appropriate agency of each State, in consultation with interested local jurisdictions and State agricultural and conservation organizations.

''(b) OUTREACH.—

''(1) IN GENERAL.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service, shall widely disseminate information about the economic and environmental benefits that can be generated by adoption of conservation practices that increase sequestration of carbon and reduce emission of other greenhouse gases.

''(2) PROJECT RESULTS.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service, shall provide for the dissemination to farmers, ranchers, private forest landowners, and appropriate State agencies in each State of information concerning—

''(A) the results of demonstration projects under subsection (a)(2); and

''(B) the manner in which the methods demonstrated in the projects might be applicable to the operations of the farmers and ranchers.

''(3) POLICY OUTREACH.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service, shall disseminate information on the connection between global climate change mitigation strategies and agriculture and forestry, so that farmers and ranchers may better understand the global implications of the activities of farmers and ranchers.

''(c) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2002 through 2006.

''(2) ALLOCATION.—Of the amounts made available to carry out this section for a fiscal year, at least 50 percent shall be allocated for demonstration projects under subsection (a)(2).''.

SEC. 903. BIOMASS RESEARCH AND DEVELOPMENT ACT OF 2000.

(a) IN GENERAL.—The Biomass Research and Development Act of 2000 (7 U.S.C. 7624 note; Public Law 106–224) is amended—

(1) in section 307, by striking subsection (f);

(2) by redesignating section 310 as section 311; and

(3) by inserting after section 309 the following:

''SEC. 310. AUTHORIZATION OF APPROPRIATIONS.

''There is authorized to be appropriated to carry out this title $15,000,000 for each of fiscal years 2002 through 2006.''.

(b) TERMINATION OF AUTHORITY.—Section 311 of the Biomass Research and Development Act of 2000 (7 U.S.C. 7624 note; Public Law 106–224) (as redesignated by subsection (a)) is amended by striking ''December 31, 2005'' and inserting ''September 30, 2006''.

SEC. 904. RURAL ELECTRIFICATION ACT OF 1936.

Title I of the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) is amended by adding at the end the following:

''SEC. 20. FINANCIAL AND TECHNICAL ASSISTANCE FOR RENEWABLE ENERGY PROJECTS.

''(a) DEFINITION OF RENEWABLE ENERGY.—In this section, the term 'renewable energy' means energy derived from a wind, solar, biomass, geothermal, or hydrogen source.

''(b) LOANS, LOAN GUARANTEES, AND GRANTS.—The Secretary shall make loans, loan guarantees, and grants to rural electric cooperatives and other rural electric utilities to promote the development of economically and environmentally sustainable renewable energy projects to serve the needs of rural communities or for rural economic development.

''(c) INTEREST RATE.—A loan made or guaranteed under subsection (b) shall bear interest at a rate not exceeding 4 percent.

''(d) USE OF FUNDS.—

''(1) GRANTS.—A recipient of a grant under subsection (a) may use the grant funds to pay up to 75 percent of the cost of an economic feasibility study or technical assistance for a renewable energy project.

''(2) LOANS.—If a renewable energy project is determined to be economically feasible, a recipient of a loan or loan guarantee under subsection (a) may use the loan funds to pay a percentage of the cost of the project determined by the Secretary.

''(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $9,000,000 for each of fiscal years 2002 through 2006.''.

SEC. 905. CARBON SEQUESTRATION DEMONSTRATION PROGRAM.

(a) FINDINGS.—Congress finds that—

(1) greenhouse gas emissions resulting from human activity present potential risks and potential opportunities for agricultural and forestry production;

(2) there is a need to identify cost-effective methods that can be used in the agricultural and forestry sectors to reduce the threat of climate change;

(3) deforestation and other land use changes account for approximately 1,600,000,000 of the 7,900,000,000 metric tons of the average annual worldwide quantity of carbon emitted during the 1990s;

(4) ocean and terrestrial systems each sequestered approximately 2,300,000,000 metric tons of carbon annually, resulting in a sequestration of 60 percent of the annual human-induced emissions of carbon during the 1990s;

(5) there are opportunities for increasing the quantity of carbon that can be stored in terrestrial systems through improved,

human-induced agricultural and forestry practices;

(6) increasing the carbon content of soil helps to reduce erosion, reduce flooding, minimize the effects of drought, prevent nutrients and pesticides from washing into water bodies, and contribute to water infiltration, air and water holding capacity, and good seed germination and plant growth;

(7) tree planting and wetland restoration could play a major role in sequestering carbon and reducing greenhouse gas concentrations in the atmosphere;

(8) nitrogen management is a cost-effective method of addressing nutrient overenrichment in the estuaries of the United States and of reducing emissions of nitrous oxide;

(9) animal feed and waste management can be cost-effective methods to address water quality issues and reduce emissions of methane; and

(10) there is a need to—

(A) demonstrate that carbon sequestration in soils, plants, and forests and reductions in greenhouse gas emissions through nitrogen and animal feed and waste management can be measured and verified; and

(B) develop and refine quantification, verification, and auditing methodologies for carbon sequestration and greenhouse gas emission reductions on a project by project basis.

(b) PROGRAM.—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. 409. CARBON SEQUESTRATION DEMONSTRATION PROGRAM.

''(a) DEFINITIONS.—In this section:

''(1) ELIGIBLE PROJECT.—The term 'eligible project' means a project that is likely to result in—

''(A) demonstrable reductions in net emissions of greenhouse gases; or

''(B) demonstrable net increases in the quantity of carbon sequestered in soils and forests.

''(2) PANEL.—The term 'panel' means the panel of experts established under subsection (b)(4)(A).

''(3) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture, acting in consultation with—

''(A) the Under Secretary of Agriculture for Natural Resources and Environment;

''(B) the Under Secretary of Agriculture for Research, Education, and Economics;

''(C) the Chief Economist of the Department; and

''(D) the panel.

''(b) DEMONSTRATION PROGRAM.—

''(1) ESTABLISHMENT.—Subject to the availability of appropriations, the Secretary shall establish a program to provide grants, on a competitive, cost-shared basis, to agricultural producers to assist in paying the costs incurred in measuring, estimating, monitoring, verifying, auditing, and testing methodologies involved in public-private partnerships for measurement and monitoring of greenhouse gas fluxes (including costs incurred in employing certified independent third persons to carry out those activities).

''(2) CONDITIONS FOR RECEIPT OF GRANT.—As a condition of the acceptance of a grant under paragraph (1), an agricultural producer shall—

''(A) establish a carbon and greenhouse gas monitoring, verification, and reporting system that meets such requirements as the Secretary shall prescribe; and

''(B) under the system and through the use of an independent third party for any necessary monitoring, verifying, reporting, and auditing, measure and report to the Secretary the quantity of carbon sequestered, or the quantity of greenhouse gas emissions reduced, as a result of the conduct of an eligible project.

''(3) CRITERIA FOR AWARD OF GRANT.—

''(A) IN GENERAL.—In awarding a grant for an eligible project under paragraph (1), the Secretary shall take into consideration—

''(i) the likelihood of the eligible project in succeeding in achieving greenhouse gas emissions reductions and net carbon sequestration increases; and

''(ii) the usefulness of the information to be obtained from the eligible project in determining how best to quantify, monitor, and verify sequestered carbon or reductions in greenhouse gas emissions.

''(B) PRIORITY CRITERIA.—The Secretary shall give priority in awarding a grant under paragraph (1) to an eligible project that—

''(i) involves multiple parties, a whole farm approach, or any other approach, such as the aggregation of land areas, that would—

''(I) increase the environmental benefits or reduce the transaction costs of the eligible project; and

''(II) reduce the costs of measuring, monitoring, and verifying any net sequestration of carbon or net reduction in greenhouse gas emissions;

''(ii) is designed to achieve long-term sequestration of carbon or long-term reductions in greenhouse gas emissions;

''(iii) is designed to address concerns concerning leakage;

''(iv) provides certain other benefits, such as improvements in—

''(I) soil fertility;

''(II) wildlife habitat;

''(III) water quality;

''(IV) soil erosion management;

''(V) the use of renewable resources to produce energy;

''(VI) the avoidance of ecosystem fragmentation; and

''(VII) the promotion of ecosystem restoration with native species; or

''(v) does not involve the conversion of native forest land or native grassland.

''(4) PANEL.—

''(A) IN GENERAL.—The Secretary shall establish a panel to provide advice and recommendations to the Secretary with respect to criteria for awarding grants under this subsection.

''(B) COMPOSITION.—The panel shall be composed of the following representatives, to be appointed by the Secretary:

''(i) Experts from each of—

''(I) the Department;

''(II) the Environmental Protection Agency; and

''(III) the Department of Energy.

''(ii) Experts from nongovernmental and academic entities.

''(5) PAYMENT OF GRANT FUNDS.—The Secretary shall provide a grant awarded under this section in such number of installments as is necessary to ensure proper implementation of an eligible project.

''(c) METHODOLOGY GRANT PROGRAM.—

''(1) ESTABLISHMENT.—The Secretary shall establish a program to provide grants to determine the best methodologies for estimating and measuring increases or decreases in—

''(A) agricultural greenhouse gas emissions; and

''(B) the quantity of carbon sequestered in soils, forests, and trees.

''(2) ELIGIBLE RECIPIENTS.—The Secretary shall award a grant under paragraph (1), on a competitive basis, to a college or university, or other research institution, that seeks to demonstrate the viability of a methodology described in paragraph (1).

''(d) DISSEMINATION OF INFORMATION.—As soon as practicable after the date of enactment of this section, the Secretary shall establish an Internet site through which agricultural producers may obtain information concerning—

''(1) potential public-private partnerships for measurement and monitoring of greenhouse gas fluxes; and

''(2) activities of the Secretary under this section.

''(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2002 through 2006.''.

SEC. 906. SENSE OF CONGRESS CONCERNING NATIONAL RENEWABLE FUELS STANDARD.

It is the sense of Congress that—

(1) Congress supports and encourages adoption of a national renewable fuels program, under which the motor vehicle fuel placed into commerce by a refiner, blender, or importer shall be composed of renewable fuel measured according to a statutory formula for specified calendar years; and

(2) the Secretary of Agriculture should ensure that the policies and programs of the Department of Agriculture promote the production of fuels from renewable fuel sources.

SEC. 907. SENSE OF CONGRESS CONCERNING THE BIOENERGY PROGRAM OF THE DEPARTMENT OF AGRICULTURE.

It is the sense of Congress that—

(1) ethanol and biofuel production capacity will be needed to phase out the use of methyl tertiary butyl ether in gasoline and the dependence of the United States on foreign oil; and

(2) the bioenergy program of the Department of Agriculture under part 1424 of title 7, Code of Federal Regulations, should be continued and expanded.

TITLE X—MISCELLANEOUS

Subtitle A—Country of Origin and Quality Grade Labeling

SEC. 1001. COUNTRY OF ORIGIN LABELING.

The Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.) is amended by adding at the end the following:

"Subtitle C—Country of Origin Labeling

"SEC. 271. DEFINITIONS.

''In this subtitle:

''(1) BEEF.—The term 'beef' means meat produced from cattle (including veal).

''(2) COVERED COMMODITY.—

''(A) IN GENERAL.—The term 'covered commodity' means—

''(i) muscle cuts of beef, lamb, and pork;

''(ii) ground beef, ground lamb, and ground pork;

''(iii) farm-raised fish;

''(iv) a perishable agricultural commodity; and

''(v) peanuts.

''(B) EXCLUSIONS.—The term 'covered commodity' does not include—

''(i) processed beef, lamb, and pork food items; and

''(ii) frozen entrees containing beef, lamb, and pork.

''(3) FARM-RAISED FISH.—The term 'farm-raised fish' includes—

''(A) farm-raised shellfish; and

''(B) fillets, steaks, nuggets, and any other flesh from a farm-raised fish or shellfish.

''(4) FOOD SERVICE ESTABLISHMENT.—The term 'food service establishment' means a restaurant, cafeteria, lunch room, food stand, saloon, tavern, bar, lounge, or other

similar facility operated as an enterprise engaged in the business of selling food to the public.

''(5) LAMB.—The term 'lamb' means meat, other than mutton, produced from sheep.

''(6) PERISHABLE AGRICULTURAL COMMODITY; RETAILER.—The terms 'perishable agricultural commodity' and 'retailer' have the meanings given the terms in section 1(b) of the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499a(b)).

''(7) PORK.—The term 'pork' means meat produced from hogs.

''(8) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture, acting through the Agricultural Marketing Service.

''SEC. 272. NOTICE OF COUNTRY OF ORIGIN.

''(a) IN GENERAL.—

''(1) REQUIREMENT.—Except as provided in subsection (b), a retailer of a covered commodity shall inform consumers, at the final point of sale of the covered commodity to consumers, of the country of origin of the covered commodity.

''(2) UNITED STATES COUNTRY OF ORIGIN.—A retailer of a covered commodity may designate the covered commodity as having a United States country of origin only if the covered commodity—

''(A) in the case of beef, lamb, and pork, is exclusively from an animal that is exclusively born, raised, and slaughtered in the United States; and

''(B) in the case of farm-raised fish, is hatched, raised, harvested, and processed in the United States; and

''(C) in the case of a perishable agricultural commodities or peanut, is exclusively produced in the United States.

''(b) EXEMPTION FOR FOOD SERVICE ESTABLISHMENTS.—Subsection (a) shall not apply to a covered commodity if the covered commodity is—

''(1) prepared or served in a food service establishment; and

''(2)(A) offered for sale or sold at the food service establishment in normal retail quantities; or

''(B) served to consumers at the food service establishment.

''(c) METHOD OF NOTIFICATION.—

''(1) IN GENERAL.—The information required by subsection (a) may be provided to consumers by means of a label, stamp, mark, placard, or other clear and visible sign on the covered commodity or on the package, display, holding unit, or bin containing the commodity at the final point of sale to consumers.

''(2) LABELED COMMODITIES.—If the covered commodity is already individually labeled for retail sale regarding country of origin, the retailer shall not be required to provide any additional information to comply with this section.

''(d) AUDIT VERIFICATION SYSTEM.—The Secretary may require that any person that prepares, stores, handles, or distributes a covered commodity for retail sale maintain a verifiable recordkeeping audit trail that will permit the Secretary to ensure compliance with the regulations promulgated under section 274.

''(e) INFORMATION.—Any person engaged in the business of supplying a covered commodity to a retailer shall provide information to the retailer indicating the country of origin of the covered commodity.

''(f) CERTIFICATION OF ORIGIN.—

''(1) MANDATORY IDENTIFICATION.—The Secretary shall not use a mandatory identification system to verify the country of origin of a covered commodity.

''(2) EXISTING CERTIFICATION PROGRAMS.—To certify the country of origin of a covered commodity, the Secretary may use as a model certification programs in existence on the date of enactment of this Act, including—

''(A) the carcass grading and certification system carried out under this Act;

''(B) the voluntary country of origin beef labeling system carried out under this Act;

''(C) voluntary programs established to certify certain premium beef cuts;

''(D) the origin verification system established to carry out the child and adult care food program established under section 17 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766); or

''(E) the origin verification system established to carry out the market access program under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623).

''SEC. 273. ENFORCEMENT.

''(a) IN GENERAL.—Except as provided in subsection (b), section 253 shall apply to a violation of this subtitle.

''(b) WARNINGS.—If the Secretary determines that a retailer is in violation of section 272, the Secretary shall—

''(1) notify the retailer of the determination of the Secretary; and

''(2) provide the retailer a 30-day period, beginning on the date on which the retailer receives the notice under paragraph (1) from the Secretary, during which the retailer may take necessary steps to comply with section 272.

''(c) FINES.—If, on completion of the 30-day period described in subsection (c)(2), the Secretary determines that the retailer has willfully violated section 272, after providing notice and an opportunity for a hearing before the Secretary with respect to the violation, the Secretary may fine the retailer in an amount determined by the Secretary.

''SEC. 274. REGULATIONS.

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

''(b) PARTNERSHIPS WITH STATES.—In promulgating the regulations, the Secretary shall, to the maximum extent practicable, enter into partnerships with States with enforcement infrastructure to carry out this subtitle.

''SEC. 275. APPLICATION.

''This subtitle shall apply to the retail sale of a covered commodity beginning on the date that is 180 days after the date of the enactment of this subtitle.''.

SEC. 1002. QUALITY GRADE LABELING OF IMPORTED MEAT AND MEAT FOOD PRODUCTS.

The Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.) (as amended by section 1001) is amended by adding at the end the following:

''Subtitle D—Commodity-Specific Grading Standards

''SEC. 281. DEFINITION OF SECRETARY.

''In this subtitle, the term 'Secretary' means the Secretary of Agriculture.

''SEC. 282. QUALITY GRADE LABELING OF IMPORTED MEAT AND MEAT FOOD PRODUCTS.

''An imported carcass, part thereof, meat, or meat food product (as defined by the Secretary) shall not bear a label that indicates a quality grade issued by the Secretary.

''SEC. 283. REGULATIONS.

''The Secretary shall promulgate such regulations as are necessary to ensure compliance with, and otherwise carry out, this subtitle.''.

Subtitle B—General Provisions

SEC. 1011. UNLAWFUL STOCKYARD PRACTICES INVOLVING NONAMBULATORY LIVESTOCK.

(a) IN GENERAL.—Title III of the Packers and Stockyards Act, 1921, is amended by inserting after section 317 (7 U.S.C. 217a) the following:

''SEC. 318. UNLAWFUL STOCKYARD PRACTICES INVOLVING NONAMBULATORY LIVESTOCK.

''(a) DEFINITIONS.—In this section:

''(1) HUMANELY EUTHANIZED.—The term 'humanely euthanized' means to kill an animal by mechanical, chemical, or other means that immediately render the animal unconscious, with this state remaining until the animal's death.

''(2) NONAMBULATORY LIVESTOCK.—The term 'nonambulatory livestock' means any livestock that is unable to stand and walk unassisted.

''(b) UNLAWFUL PRACTICES.—

''(1) IN GENERAL.—It shall be unlawful under section 312 for any stockyard owner, market agency, or dealer to buy, sell, give, receive, transfer, market, hold, or drag any nonambulatory livestock unless the nonambulatory livestock has been humanely euthanized.

''(2) EXCEPTIONS.—

''(A) NON-GIPSA FARMS.—Paragraph (1) shall not apply to any farm the animal care practices of which are not subject to the authority of the Grain Inspection, Packers, and Stockyards Administration.

''(B) VETERINARY CARE.—Paragraph (1) shall not apply in a case in which nonambulatory livestock receive veterinary care intended to render the livestock ambulatory.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) takes effect 1 year after the date of the enactment of this Act.

(2) REGULATIONS.—Not later than 1 year after the date of enactment of this Act, the Secretary of Agriculture shall promulgate regulations consistent with the amendment, relating to the handling, treatment, and disposition of nonambulatory livestock at livestock marketing facilities or by dealers.

SEC. 1012. COTTON CLASSIFICATION SERVICES.

The first sentence of section 3a of the Act of March 3, 1927 (commonly known as the ''Cotton Statistics and Estimates Act'') (7 U.S.C. 473), is amended by striking ''2002'' and inserting ''2006''.

SEC. 1013. PROTECTION FOR PURCHASERS OF FARM PRODUCTS.

Section 1324 of the Food Security Act of 1985 (7 U.S.C. 1631) is amended—

(1) in subsection (c)(4)—

(A) in subparagraph (B), by striking ''signed,'' and inserting ''signed, authorized, or otherwise authenticated by the debtor,'';

(B) by striking subparagraph (C);

(C) in subparagraph (D)—

(i) in clause (iii), by adding ''and'' after the semicolon at the end; and

(ii) in clause (iv), by striking ''applicable;'' and all that follows and inserting ''applicable, and the name of each county or parish in which the farm products are growing or located;''; and

(D) by redesignating subparagraphs (D) through (I) as subparagraphs (C) through (H), respectively;

(2) in subsection (e)—

(A) in paragraph (1)(A)—

(i) in clause (ii)—

(I) in subclause (III), by adding ''and'' after the semicolon at the end; and

(II) in subclause (IV), by striking ''crop year,'' and all that follows and inserting

''crop year, and the name of each county or parish in which the farm products are growing or located;''; and

(iii) in clause (v), by inserting ''contains'' before ''any payment''; and

(B) in paragraph (3)—

(i) in subparagraph (A), by striking ''subparagraph'' and inserting ''subsection''; and

(ii) in subparagraph (B), by striking ''; and'' and inserting a period; and

(3) subsection (g)(2)(A)—

(A) in clause (ii)—

(i) in subclause (III), by adding ''and'' after the semicolon at the end; and

(ii) in subclause (IV), by striking ''crop year,'' and all that follows and inserting ''crop year, and the name of each county or parish in which the farm products are growing or located;''; and

(B) in clause (v), by inserting ''contains'' before ''any payment''.

SEC. 1014. PENALTIES AND FOREIGN COMMERCE PROVISIONS OF THE ANIMAL WELFARE ACT.

(a) PENALTIES AND FOREIGN COMMERCE PROVISIONS OF THE ANIMAL WELFARE ACT.—Section 26 of the Animal Welfare Act (7 U.S.C. 2156) is amended—

(1) in subsection (e)—

(A) by inserting ''PENALTIES.—'' after ''(e)'';

(B) by striking ''$5,000'' and inserting ''$15,000''; and

(C) by striking ''1 year'' and inserting ''2 years''; and

(2) in subsection (g)(2)(B), by inserting at the end before the semicolon the following: ''or from any State into any foreign country''.

(b) EFFECTIVE DATE.—The amendments made by this section take effect 30 days after the date of the enactment of this Act.

SEC. 1015. OUTREACH AND ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.

Section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279) is amended by striking subsection (a) and inserting the following:

''(a) OUTREACH AND ASSISTANCE.—

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

''(A) DEPARTMENT.—The term 'Department' means the Department of Agriculture.

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

''(i) any community-based organization, network, or coalition of community-based organizations that—

''(I) has demonstrated experience in providing agricultural education or other agriculturally related services to socially disadvantaged farmers and ranchers;

''(II) has provided to the Secretary documentary evidence of work with socially disadvantaged farmers and ranchers during the 2-year period preceding the submission of an application for assistance under this subsection; and

''(III) has not engaged in activities prohibited under section 501(c)(3) of the Internal Revenue Code of 1986;

''(ii)(I) an 1890 institution (as defined in section 2 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7601)), including West Virginia State College;

''(II) a 1994 institution (as defined in section 2 of that Act);

''(III) an Indian tribal community college;

''(IV) an Alaska Native cooperative college;

''(V) a Hispanic-serving institution (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)); and

''(VI) any other institution of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)) that has demonstrated experience in providing agriculture education or other agriculturally related services to socially disadvantaged farmers and ranchers in a region; and

''(iii) an Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)) or a national tribal organization that has demonstrated experience in providing agriculture education or other agriculturally related services to socially disadvantaged farmers and ranchers in a region.

''(C) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

''(2) PROGRAM.—The Secretary shall carry out an outreach and technical assistance program to encourage and assist socially disadvantaged farmers and ranchers—

''(A) in owning and operating farms and ranches; and

''(B) in participating equitably in the full range of agricultural programs offered by the Department.

''(3) REQUIREMENTS.—The outreach and technical assistance program under paragraph (2) shall—

''(A) enhance coordination of the outreach, technical assistance, and education efforts authorized under various agriculture programs; and

''(B) include information on, and assistance with—

''(i) commodity, conservation, credit, rural, and business development programs;

''(ii) application and bidding procedures;

''(iii) farm and risk management;

''(iv) marketing; and

''(v) other activities essential to participation in agricultural and other programs of the Department.

''(4) GRANTS AND CONTRACTS.—

''(A) IN GENERAL.—The Secretary may make grants to, and enter into contracts and other agreements with, an eligible entity to provide information and technical assistance under this subsection.

''(B) RELATIONSHIP TO OTHER LAW.—The authority to carry out this section shall be in addition to any other authority provided in this or any other Act.

''(5) FUNDING.—

''(A) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $25,000,000 for each of fiscal years 2002 through 2006.

''(B) INTERAGENCY FUNDING.—In addition to funds authorized to be appropriated under subparagraph (A), any agency of the Department may participate in any grant, contract, or agreement entered into under this section by contributing funds, if the agency determined that the objectives of the grant, contract, or agreement will further the authorized programs of the contributing agency.''.

SEC. 1016. PUBLIC DISCLOSURE REQUIREMENTS FOR COUNTY COMMITTEE ELECTIONS.

Section 8(b)(5) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)(5)) is amended by striking subparagraph (B) and inserting the following:

''(B) ESTABLISHMENT AND ELECTIONS FOR COUNTY, AREA, OR LOCAL COMMITTEES.—

''(i) ESTABLISHMENT.—

''(I) IN GENERAL.—In each county or area in which activities are carried out under this section, the Secretary shall establish a county or area committee.

''(II) LOCAL ADMINISTRATIVE AREAS.—The Secretary may designate local administrative areas within a county or a larger area under the jurisdiction of a committee established under subclause (I).

''(ii) COMPOSITION OF COUNTY, AREA, OR LOCAL COMMITTEES.—A committee established under clause (i) shall consist of not fewer than 3 nor more than 5 members that—

''(I) are fairly representative of the agricultural producers within the area covered by the county, area, or local committee; and

''(II) are elected by the agricultural producers that participate or cooperate in programs administered within the area under the jurisdiction of the county, area, or local committee.

''(iii) ELECTIONS.—

''(I) IN GENERAL.—Subject to subclauses (II) through (V), the Secretary shall establish procedures for nominations and elections to county, area, or local committees.

''(II) NONDISCRIMINATION STATEMENT.—Each solicitation of nominations for, and notice of elections of, a county, area, or local committee shall include the nondiscrimination statement used by the Secretary.

''(III) NOMINATIONS.—

''(aa) ELIGIBILITY.—To be eligible for nomination and election to the applicable county, area, or local committee, as determined by the Secretary, an agricultural producer shall be located within the area under the jurisdiction of a county, area, or local committee, and participate or cooperate in programs administered within that area.

''(bb) OUTREACH.—In addition to such nominating procedures as the Secretary may prescribe, the Secretary shall solicit and accept nominations from organizations representing the interests of socially disadvantaged groups (as defined in section 355(e)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)(1)).

''(IV) OPENING OF BALLOTS.—

''(aa) PUBLIC NOTICE.—At least 10 days before the date on which ballots are to be opened and counted, a county, area, or local committee shall announce the date, time, and place at which election ballots will be opened and counted.

''(bb) OPENING OF BALLOTS.—Election ballots shall not be opened until the date and time announced under item (aa).

''(cc) OBSERVATION.—Any person may observe the opening and counting of the election ballots.

''(V) REPORT OF ELECTION.—Not later than 20 days after the date on which an election is held, a county, area, or local committee shall file an election report with the Secretary and the State office of the Farm Service Agency that includes—

''(aa) the number of eligible voters in the area covered by the county, area, or local committee;

''(bb) the number of ballots cast in the election by eligible voters (including the percentage of eligible voters that cast ballots);

''(cc) the number of ballots disqualified in the election;

''(dd) the percentage that the number of ballots disqualified is of the number of ballots received;

''(ee) the number of nominees for each seat up for election;

''(ff) the race, ethnicity, and gender of each nominee, as provided through the voluntary self-identification of each nominee; and

''(gg) the final election results (including the number of ballots received by each nominee).

''(VI) NATIONAL REPORT.—Not later than 90 days after the date on which the first election of a county, area, or local committee that occurs after the date of enactment of the Agriculture, Conservation, and Rural Enhancement Act of 2001 is held, the Secretary

shall complete a report that consolidates all the election data reported to the Secretary under subclause (V).

''(VII) ELECTION REFORM.—

''(aa) ANALYSIS.—If determined necessary by the Secretary after analyzing the data contained in the report under subclause (VI), the Secretary shall promulgate and publish in the Federal Register proposed uniform guidelines for conducting elections for members and alternate members of county, area, and local committees not later than 1 year after the date of completion of the report.

''(bb) INCLUSION.—The procedures promulgated by the Secretary under item (aa) shall ensure fair representation of socially disadvantaged groups described in subclause (III)(bb) in an area covered by the county, area, or local committee, in cases in which those groups are underrepresented on the county, area, or local committee for that area.

''(cc) METHODS OF INCLUSION.—Notwithstanding clause (ii), the Secretary may ensure inclusion of socially disadvantaged farmers and ranchers through provisions allowing for appointment of additional voting members to a county, area, or local committee or through other methods.

''(iv) TERM OF OFFICE.—The term of office for a member of a county, area, or local committee shall not exceed 3 years.''.

SEC. 1017. PSEUDORABIES ERADICATION PROGRAM.

Section 2506(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (21 U.S.C. 114i(d)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 1018. TREE ASSISTANCE PROGRAM.

(a) IN GENERAL.—Section 194 of the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127; 110 Stat. 945) is amended to read as follows:

''SEC. 194. TREE ASSISTANCE PROGRAM.

''(a) DEFINITIONS.—In this section:

''(1) ELIGIBLE ORCHARDIST.—The term 'eligible orchardist' means a person that produces annual crops from trees for commercial purposes,

''(2) NATURAL DISASTER.—The term 'natural disaster' means plant disease, insect infestation, drought, fire, freeze, flood, earthquake, and other natural occurrences, as determined by the Secretary.

''(3) TREE.—The term 'tree' includes trees, bushes, and vines.

''(4) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

''(b) ELIGIBILITY.—

''(1) LOSS.—Subject to paragraph (2), the Secretary shall provide assistance in accordance with subsection (c) to eligible orchardists that, as determined by the Secretary—

''(A) planted trees for commercial purposes; and

''(B) lost those trees as a result of a natural disaster.

''(2) LIMITATION.—An eligible orchardist shall qualify for assistance under subsection (c) only if the tree mortality rate of the orchardist, as a result of the natural disaster, exceeds 15 percent (adjusted for normal mortality), as determined by the Secretary.

''(c) ASSISTANCE.—

''(1) IN GENERAL.—Assistance provided by the Secretary to eligible orchardists for losses described in subsection (b) shall consist of—

''(A) reimbursement of 75 percent of the cost of replanting trees lost due to a natural disaster, as determined by the Secretary, in excess of 15 percent mortality (adjusted for normal mortality); or

''(B) at the discretion of the Secretary, sufficient tree seedlings to reestablish the stand.

''(2) LIMITATION ON ASSISTANCE.—

''(A) LIMITATION.—The total amount of payments that a person may receive under this section shall not exceed—

''(i) $100,000; or

''(ii) an equivalent value in tree seedlings.

''(B) REGULATIONS.—The Secretary shall promulgate regulations that—

''(i) define the term 'person' for the purposes of this section (which definition shall conform, to the extent practicable, to the regulations defining the term 'person' promulgated under section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308); and

''(ii) prescribe such rules as the Secretary determines are necessary to ensure a fair and reasonable application of the limitation established under this section.

''(d) AUTHORIZATION OF APPROPRIATIONS.—Notwithstanding section 161, there is authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2002 through 2006.''.

(b) APPLICATION DATE.—The amendment made by subsection (a) shall apply to tree losses that are incurred as a result of a natural disaster after January 1, 2000.

SEC. 1019. HUMANE METHODS OF ANIMAL SLAUGHTER.

It is the sense of Congress that—

(1) the Secretary of Agriculture should—

(A) resume tracking the number of violations of Public Law 85–765 (7 U.S.C. 1901 et seq.) and report the results and relevant trends annually to Congress; and

(B) fully enforce Public Law 85–765 by ensuring that humane methods in the slaughter of livestock—

(i) prevent needless suffering;

(ii) result in safer and better working conditions for persons engaged in the slaughtering of livestock;

(iii) bring about improvement of products and economies in slaughtering operations; and

(iv) produce other benefits for producers, processors, and consumers that tend to expedite an orderly flow of livestock and livestock products in interstate and foreign commerce; and

(2) it should be the policy of the United States that the slaughtering of livestock and the handling of livestock in connection with slaughter shall be carried out only by humane methods.

Subtitle C—Administration

SEC. 1031. REGULATIONS.

(a) IN GENERAL.—The Secretary of Agriculture may promulgate such regulations as are necessary to implement this Act and the amendments made by this Act.

(b) PROCEDURE.—The promulgation of the regulations and administration of title I and sections 456 and 508 and the amendments made by title I and sections 456 and 508 shall be made without regard to—

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

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

(3) chapter 35 of title 44, United States Code (commonly known as the ''Paperwork Reduction Act'').

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

SEC. 1032. EFFECT OF AMENDMENTS.

(a) IN GENERAL.—Except as otherwise specifically provided in this Act and notwithstanding any other provision of law, this Act and the amendments made by this Act shall not affect the authority of the Secretary of Agriculture to carry out an agricultural market transition, price support, or production adjustment program for any of the 1996 through 2001 crop, fiscal, or calendar years under a provision of law in effect immediately before the date of enactment of this Act.

(b) LIABILITY.—A provision of this Act or an amendment made by this Act shall not affect the liability of any person under any provision of law as in effect immediately before the date of enactment of this Act.

SA 2672. Mr. HOLLINGS submitted an amendment intended to be proposed by him to the bill H.R. 3210, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism, which was ordered to lie on the table; as follows:

Strike out all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''National Terrorism Reinsurance Loan and Grant Act''.

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

Sec. 1. Short title; table of contents.

TITLE I—GENERAL PROVISIONS

Sec. 101. Loan and grant programs.
Sec. 102. Credit for reinsurance.
Sec. 103. Mandatory coverage by property and casualty insurers for acts of terrorism.
Sec. 104. Monitoring and enforcement.
Sec. 105. Administrative provisions.
Sec. 106. Termination of programs.
Sec. 107. Definitions.

TITLE II—LOAN PROGRAM

Sec. 201. National terrorism reinsurance loan program.
Sec. 202. Repayment of loans.
Sec. 203. Reports by insurers.
Sec. 204. Rates; rate-making methodology and data.

TITLE III—GRANT PROGRAM

Sec. 301. National terrorism insurance loss grant program.
Sec. 302. Coverage provided.
Sec. 303. Authorization of appropriations.

TITLE IV—LITIGATION

Sec. 401. Consolidation and venue.
Sec. 402. Punitive damages.

TITLE I—GENERAL PROVISIONS

SEC. 101. LOAN AND GRANT PROGRAMS

(a) IN GENERAL.—If the Secretary determines that there are loses from terrorism on covered lines in calendar year 2002 then the Secretary shall—

(1) make loans to insurers under title II, to the extent that the aggregate amount of such losses does not exceed $10,000,000,000; and

(2) make grants under title III, to the extent that the aggregate amount of such losses exceeds $10,000,000,000.

(b) DETERMINATION.

(1) INITIAL DETERMINATION.—The Secretary shall make an initial determination as to whether the losses were caused by an act of terrorism.

(2) NOTICE AND HEARING.—The Secretary shall give public notice of the initial determination and afford all interested parties an

opportunity to be heard on the question of whether the losses were caused by an act of terrorism.

(3) FINAL DETERMINATION.—Within 30 days after the Secretary's initial determination, the Secretary shall make a final determination as to whether the losses were caused by an act of terrorism.

(4) STANDARD OF REVIEW.—The Secretary's determination shall be upheld upon judicial review if based upon substantial evidence.

SEC. 102. CREDIT FOR REINSURANCE.

Each State shall afford an insurer credit on the same basis and to the same extent that credit for reinsuracne would be available to that insurer under applicable State law when reinsurance is obtained from an assuming insurer licensed or accredited in that State that is economically equivalent to that insurer's eligibility for loans under title II and grants under title III.

SEC. 103. MANDATORY COVERAGE BY PROPERTY AND CASUALTY INSURERS FOR ACTS OF TERRORISM.

(a) IN GENERAL.—An insurer that provides lines of coverage described in section 107(1)(A) or (B) may not—

(1) exclude or limit coverage in those lines for losses from acts of terrorism in the United States, its territories, and possessions in property and casualty insurance policy forms; or

(2) deny or cancel coverage solely due to the risk of losses from acts of terrorism in the United States.

(b) TERMS AND CONDITIONS.—Insurance against losses from acts of terrorism in the United States shall be covered with the same deductibles, limits, terms, and conditions as the standard provisions of the policy for noncatastrophic perils.

SEC. 104. MONITORING AND ENFORCEMENT.

(a) FTC ANALYSIS AND ENFORCEMENTS.—The Federal Trade Commission shall review reports submitted by insurers under title II or III treating any proprietary data, privileged data, or trade or business secret information contained in the reports as privileged and confidential, for the purpose of determining whether any insurer is engaged in unfair methods of competition of unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5 of the Federal Trade Commission Act (15 U.S.C. 45)).

(b) GAO REVIEW OF REPORTS AND STATE REGULATORS.—The Comptroller General shall—

(1) provide for review and analysis of the reports submitted under title II and III;

(2) review the efforts of State insurance regulatory authorities to keep premium rates for insurance against losses from acts of terrorism on covered lines reasonable;

(3) if the Secretary makes any loans under this title, provide for the audit of loan claims filed by insurers as requested by the Secretary; and

(4) on a timely basis, make any recommendations the Comptroller General may deem appropriate to the Congress for improvements in the programs established by this title before its termination.

(c) APPLICATION OF CERTAIN LAWS.—Notwithstanding any limitation in the McCarran-Ferguson Act (15 U.S.C. 1011 et seq.) or section 6 of the Federal Trade Commission Act (15 U.S.C. 46), the Federal Trade Commission Act (15 U.S.C. 41 et seq.) shall apply to insurers receiving a loan or grant under this Act. In determining whether any such insurer has been, or is, using any unfair method of competition, or unfair or deceptive act or practice, in violation of section 5 of that Act (15 U.S.C. 45), the Federal Trade Commission shall consider relevant information provided in reports submitted under this Act.

SEC. 105. ADMINISTRATIVE PROVISIONS.

In carrying out this Act, the Secretary may—

(1) issue such rules and regulations as may be necessary to administer this Act;

(2) make loans and grants and carry out the activities necessary to implement this Act;

(3) take appropriate action to collect premiums or assessments under this Act; and

(4) audit the reports, claims, books, and records of insurers to which the Secretary has made loans or grants under this Act.

SEC. 106. TERMINATION OF PROGRAMS.

(a) LOAN PROGRAM.—

(1) IN GENERAL.—The authority of the Secretary to make loans under title II terminates on December 31, 2002, except to the extent necessary—

(A) to provide loans for losses from acts of terrorism occurring during calendar year 2002; and

(B) to recover the amount of any loans made under this title.

(2) ASSESSMENT AND COLLECTION OF LOAN REPAYMENTS.—The Secretary shall continue assessment and collection operations under title II as long as loans from the Secretary under that title are outstanding.

(3) REPORTING AND ENFORCEMENT.—The provisions of sections 202, 203, and 204 shall terminate when the authority of the Secretary to make loans under this title terminates.

(b) GRANT PROGRAM.—The authority of the Secretary to make grants under title III terminates on December 31, 2002.

SEC. 107. DEFINITIONS.

(1) COVERED LINE.—

(A) IN GENERAL.—The term ''covered line'' means any one or a combination of the following, written on a direct basis, as reported by property and casualty insurers in required financial reports on Statutory Page 14 of the NAIC Annual Statement Blank:

(i) Fire.

(ii) Allied lines.

(iii) Commercial multiple peril.

(iv) Ocean marine.

(v) Inland marine.

(vi) Workers compensation.

(vii) Products liability.

(viii) Commercial auto no-fault (personal injury protection), other commercial auto liability, or commercial auto physical damage.

(ix) Aircraft (all peril).

(x) Fidelity and surety.

(xi) Burglary and theft.

(xii) Boiler and machinery.

(xiii) Any other line of insurance that is reported by property and casualty insurers in required financial reports on Statutory Page 14 of the NAIC Annual Statement Blank which is voluntarily elected by an insurer to be included in its terrorism coverage.

(B) OTHER LINES.—For purpose of clause (xiii), the lines of business that may be voluntarily selected for the following:

(i) Farmowners multiple peril.

(ii) Homeowners multiple peril.

(iii) Mortgage guaranty.

(iv) Financial guaranty.

(v) Private passenger automobile insurance.

(C) ELECTION.—The election to voluntarily include another line of insurance, if made, must apply to all affiliated insurers that are members of an insurer group. Any voluntary election is on a one-time basis and is irrevocable.

(2) INSURER.

(A) IN GENERAL.—The term ''insurer'' means an entity writing covered lines on a direct basis and licensed as a property and casualty insurer, risk retention group, or other entity authorized by law as a residual market mechanism providing property or casualty coverage in at least one jurisdiction of the United States, its territories, or possessions and includes residual market insurers.

(B) VOLUNTARY PARTICIPATION.—A State workers' compensation, auto, or property insurance fund may voluntarily participate as an insurer.

(C) GROUP LIFE INSURERS.—The Secretary shall provide, by rule, for—

(''i) the term ''insurer'' to include entities writing group life insurance on a direct basis and licensed as group life insurers; and.

(ii) the term ''covered line'' to include group life insurance written on a direct basis, as reported by group life insurers in required financial reports on the appropriate NAIC Annual Statement Blank.

(3) LOSSES.—The term ''losses'' means direct incurred losses from an act of terrorism for covered lines, plus defense and cost containment expenses.

(4) NAIC.—The term ''NAIC'' means the National Association of Insurance Commissioners.

(5) SECRETARY.—Except where otherwise specifically provided, the term ''Secretary'' means the Secretary of Commerce.

(6) TERRORISM; ACT OF TERRORISM.

(A) IN GENERAL.—The terms ''terrorism'' and ''act of terrorism'' mean any act, certified by the Secretary in concurrence with the Secretary of State and the Attorney General, as a violent act or act dangerous to human life, property or infrastructure, within the United States, its territories and possessions, that is committed by an individual or individuals acting on behalf of foreign agents or foreign interests (other than a foreign government) as part of an effort to coerce or intimidate the civilian population of the United States or to influence the policy or affect the conduct of the United States government.

(B) ACTS OF WAR.—No act shall be certified as an act of terrorism if the act is committed in the course of a war declared by the Congress of the United States or by a foreign government.

(C) FINALITY OF CERTIFICATION.—Any certification, or determination not to certify, by the Secretary under subparagraph (A) is final and not subject to judicial review.

TITLE II—LOAN PROGRAM

SEC. 201. NATIONAL TERRORISM REINSURANCE LOAN PROGRAM.

(a) IN GENERAL.—The Secretary of Commerce shall establish and administer a program to provide loans to insurers for claims for losses due to acts of terrorism.

(b) 80 PERCENT COVERAGE.—If the Secretary makes the determination described in section 101(a), then the Secretary shall provide a loan to any insurer for losses on covered lines from acts of terrorism occurring in calendar 2002 equal to 80 percent of the aggregate amount of claims on covered lines.

(c) $800 MILLION LOAN LIMIT.—Notwithstanding any other provision of this title, the total amount of loans outstanding at any time to insurers from the Secretary under this title may not exceed $800,000,000.

(d) 7.5 PERCENT RETENTION MUST BE PAID BEFORE LOAN RECEIVED.—The Secretary may not make a loan under subsection (b) to an insurer until that insurer has paid claims on covered lines for losses from acts of terrorism occurring in calendar year 2002 equal

to at least 7.5 percent of that insurer's aggregate liability for such losses.

(e) TERM AND INTEREST RATE.—The Secretary, after consultation with the Secretary of the Treasury and after taking into account market rates of interest, credit ratings of the borrowers, risk factors, and the purpose of this title, shall establish the term, repayment schedule, and the rate of interest for any loan made under subsection (a).

SEC. 202. REPAYMENT OF LOANS.

If the Secretary makes loans to insurers under section 201, the Secretary shall assess all insurers an annual assessment of not more than 3 percent of the direct written premium for covered lines. The annual assessment may be recovered by an insurer from its covered lines policyholders as a direct surcharge calculated as a uniform percentage of premium.

SEC. 203. REPORTS BY INSURERS.

(a) COVERAGE AND CAPACITY.

(1) REPORTING TERRORISM COVERAGE.—An insurer shall—

(A) report the amount of its terrorism insurance coverage to the insurance regulatory authority for each State in which it does business; and

(B) obtain a certification from the State that it is not providing terrorism insurance coverage in excess of its capacity under State solvency requirements.'

(2) REPORTS TO SECRETARY.—The State regulator shall furnish a copy of the certification received under paragraph (1) to the Secretary.

(b) ADDITIONAL REPORTS.—Insurers receiving loans under this title shall submit reports on a quarterly or other basis (as required by the Secretary) to the Secretary, the Federal Trade Commission, and the General Accounting Office setting forth rates, premiums risk analysis, coverage, reserves, claims made for loans from the Secretary, and such additional additional financial and actuarial information as the Secretary may require regarding lines of coverage described in section 107(1)(A) or (B). The information in these reports shall be treated as confidential by the recipient.

SEC. 204. RATES; RATE-MAKING METHODOLOGY AND DATA.

(a) PREMIUM MUST BE SEPARATELY STATED.—Each insurer offering insurance against losses from acts of terrorism in the United States on covered lines during calendar year 2002 shall state the premium for that insurance separately in any invoice, proposal, or other written communication to policyholders and prospective policyholders.

(b) RATE-MAKING METHODS AND DATA MUST BE PUBLICLY DISCLOSED.

(1) 45-DAY NOTICE.—Not less than 45 days before the date on which an insurer establishes or increases the premium rate for any covered line of insurance described in section 107(1) based, in whole or in part, on risk associated with insurance against losses due to acts of terrorism during calendar year 2002, the insurer shall file a report with the State insurance regulatory authority for the State in which the premium is effective that—

(A) sets forth the methodology and data used to determine the premium; and

(B) identifies the portion of the premium properly attributable to risk associated with insurance offered by that insurer against losses due to acts of terrorism; and

(C) demonstrates, by substantial evidence, why that premium is actuarially justified.

(2) COPY TO FEDERAL TRADE COMMISSION AND GENERAL ACCOUNTING OFFICE.—Each insurer filing a report under paragraph (1) shall file a duplicate of the report with the Federal Trade Commission and the General Accounting Office at the same time as it is submitted to the State regulatory authority.

(3) REPORTS BY STATE REGULATORS.—Within 15 days after a State insurance regulatory authority receives a report from an insurer required by paragraph (1), the authority—

(A) shall submit a report to the Secretary of Commerce, the Federal Trade Commission, and the General Accounting Office;

(B) shall include in that report a determination with respect to whether an insurer has met the requirement of paragraph (1)(C);

(C) shall certify that—

(i) the methodology and data used by the insurer to determine the premium or increase are reasonable and adequate; and

(ii) the premium or increase is not excessive;

(D) shall disclose the methodology used by the authority to analyze the report and the methodology on which the authority based its certification; and

(E) may include with the report any commentary or analysis it deems appropriate.

(c) BASELINE DATA REPORTS.—Each insurer required to file a report under subsection (b) that provided insurance on covered lines against risk of loss from acts of terrorism in the United States on September 11, 2001, shall file a report with a report with the State insurance regulatory authority for the State in which that insurance was provided, the Federal Trade Commission, and the General Accounting Office that sets forth the methodology and data used to determine the premium for, or portion of the premium properly attributable to, insurance against risk of loss due to acts of terrorism in the United States under its insurance policies in effect on the date.

(d) SPECIAL RULE FOR INITIAL PERIOD.—

(1) SEPARATE STATEMENT OF PREMIUM.—An insurer offering insurance against losses from acts of terrorism in the United States on covered lines after the date of enactment of this Act and before March 15, 2002, shall notify each policyholder in writing as soon as possible, but no later than March 1, 2002, of the premium, or portion of the premium, attributable to that insurance, stated separately from any premium or increase in premium attributable to insurance against losses from other risks. Each such insurer shall file a copy of each such policyholder notice with the State insurance regulatory authority for the State in which the premium is effective.

(2) JUSTIFICATION OF PREMIUM; BASELINE DATA.—As soon as possible after the date of enactment of this Act, but no later than March 1, 2002, each such insurer shall comply with—

(A) the requirements of subsection (b)(1) and (2), with respect to the premium or portion of the premium attributable to such insurance; and

(B) the requirements of subsection (c).

TITLE III—GRANT PROGRAM

SEC. 301. NATIONAL TERRORISM INSURANCE LOSS GRANT PROGRAM.

If the Secretary determines under section 101(a) that losses from terrorism on covered lines in calendar year 2002 exceed $10,000,000,000 in the aggregate, then the Secretary shall establish and administer a program under this title to provide grants to insurers for losses to the extent that the aggregate amount of such losses exceeds $10,000,000,000.

SEC. 302. GRANT AMOUNTS.

(a) IN GENERAL.—The Secretary shall make grants to insurers for 90 percent of losses in excess, in the aggregate, of $10,000,000,000 in calendar year 2002.

(b) $50,000,000,000 LIMIT.—Except as provided in subsection (c), the Secretary may not make grants in excess of a total amount for all insurers of $50,000,000,000.

(c) REPORTS TO STATE REGULATOR; CERTIFICATION.

(1) REPORTING TERRORISM COVERAGE.—An insurer shall—

(A) report the amount of its terrorism insurance coverage to the insurance regulatory authority for each State in which it does business; and

(B) obtain a certification from the State that it is not providing terrorism insurance coverage in excess of its capacity under State solvency requirements.

(2) REPORTS TO SECRETARY.—The State regulator shall furnish a copy of the certification received under paragraph (1) to Secretary.

SEC. 303. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Secretary such sums as may be necessary to carry out this title.

TITLE IV—LITIGATION

SEC. 401. FEDERAL CAUSE OF ACTION; CONSOLIDATION.

(a) IN GENERAL.—If the Secretary of Commerce makes the determination required by section 101(a), the exclusive remedy for any claim against an insurer in connection with a loss under a covered line (as defined in section 107(1) of this Act) from acts of terrorism shall be an action brought in a District Court of the United States designated under subsection (c).

(b) SUBSTANTIVE LAW.—The substantive law for decision in any such action shall be derived from the law, including choice of law principles, of the State in which such act of terrorism occurred, unless such law is inconsistent with or preempted by Federal law.

(c) JURISDICTION.—The Judicial Panel on Multidistrict Litigation shall designate one or more district courts of the United States which shall have original and exclusive jurisdiction over all actions brought pursuant to subsection (a).

SEC. 402. PUNITIVE DAMAGES.

(a) IN GENERAL.—No punitive damages may be awarded in an action described in section 401(a).

(b) EXCEPTION.—The preceding sentence does not apply to a defendant who committed the act of terrorism or knowingly conspired to commit that act.

SA 2673. Mr. SMITH of New Hampshire (for himself and Mr. CRAPO) submitted an amendment intended to be proposed by him to the bill S. 990 to amend the Pittman-Robertson Wildlife Restoration Act to improve the provisions relating to wildlife conservation and restoration programs, and for other purposes; which was ordered to lie on the table; as follows:

On page 74, line 11, insert ''(other than an incidental taking statement with respect to a species recovery agreement entered into by the Secretary under subsection (c))'' before the semicolon.

SA 2674. Mr. ALLARD submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide

for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . PROHIBITION ON INTERSTATE MOVEMENT OF ANIMALS FOR ANIMAL FIGHTING.

(a) REMOVAL OF LIMITATION.—Section 26 of the Animal Welfare Act (7 U.S.C. 2156) is amended by striking subsection (d) and inserting the following:

''(d) ACTIVITIES NOT SUBJECT TO PROHIBITION.—This section does not apply to the selling, buying, transporting, or delivery of animals in interstate or foreign commerce for any purpose or purposes, so long as those purposes do not include that of an animal fighting venture.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) takes effect on the date that is 30 days after the date of enactment of this Act.

SA 2675. Mr. ALLARD submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . PENALTIES AND FOREIGN COMMERCE PROVISIONS OF THE ANIMAL WELFARE ACT.

(a) IN GENERAL.—Section 26 of the Animal Welfare Act (7 U.S.C. 2156) is amended—

(1) in subsection (e)—

(A) by inserting ''PENALTIES.—'' after ''(e)'';

(B) by striking ''$5,000'' and inserting ''$15,000''; and

(C) by striking ''1 year'' and inserting ''2 years''; and

(2) in subsection (g)(2)(B), by inserting before the semicoln at the end the following: ''or from any State into any foreign country''.

(b) EFFECTIVE DATE.—The amendments made by this section take effect 30 days after the date of enactment of this Act.

SA 2676. Mr. HUTCHINSON (for himself, Mr. LOTT, Mr. SESSIONS, and Mr. HELMS) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

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

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

Sec. 1. Short title; table of contents.

TITLE I—COMMODITY PROGRAMS

Sec. 100. Definitions.

Subtitle A—Fixed Decoupled Payments and Counter-Cyclical Payments

Sec. 101. Payments to eligible producers.
Sec. 102. Establishment of payment yield.
Sec. 103. Establishment of base acres and payment acres for a farm.
Sec. 104. Availability of fixed, decoupled payments.
Sec. 105. Availability of counter-cyclical payments.
Sec. 106. Producer agreement required as condition on provision of fixed, decoupled payments and counter-cyclical payments.
Sec. 107. Planting flexibility.
Sec. 108. Relation to remaining payment authority under production flexibility contracts.
Sec. 109. Payment limitations.
Sec. 110. Farm counter-cyclical savings accounts.
Sec. 111. Period of effectiveness.

Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments

Sec. 121. Availability of nonrecourse marketing assistance loans for covered commodities.
Sec. 122. Loan rates for nonrecourse marketing assistance loans.
Sec. 123. Term of loans.
Sec. 124. Repayment of loans.
Sec. 125. Loan deficiency payments.
Sec. 126. Payments in lieu of loan deficiency payments for grazed acreage.
Sec. 127. Special marketing loan provisions for upland cotton.
Sec. 128. Special competitive provisions for extra long staple cotton.
Sec. 129. Availability of recourse loans for high moisture feed grains and seed cotton and other fibers.
Sec. 130. Availability of nonrecourse marketing assistance loans for wool and mohair.
Sec. 131. Availability of nonrecourse marketing assistance loans for honey.
Sec. 132. Producer retention of erroneously paid loan deficiency payments and marketing loan gains.
Sec. 133. Reserve stock adjustment.

Subtitle C—Other Commodities

CHAPTER 1—DAIRY

Sec. 141. Milk price support program.
Sec. 142. Repeal of recourse loan program for processors.
Sec. 143. Extension of dairy export incentive and dairy indemnity programs.
Sec. 144. Fluid milk promotion.
Sec. 145. Dairy product mandatory reporting.
Sec. 146. Study of national dairy policy.

CHAPTER 2—SUGAR

Sec. 151. Sugar program.
Sec. 152. Reauthorize provisions of Agricultural Adjustment Act of 1938 regarding sugar.
Sec. 153. Storage facility loans.

CHAPTER 3—PEANUTS

Sec. 161. Definitions.
Sec. 162. Establishment of payment yield, peanut acres, and payment acres for a farm.
Sec. 163. Availability of fixed, decoupled payments for peanuts.
Sec. 164. Availability of counter-cyclical payments for peanuts.
Sec. 165. Producer agreement required as condition on provision of fixed, decoupled payments and counter-cyclical payments.
Sec. 166. Planting flexibility.
Sec. 167. Marketing assistance loans and loan deficiency payments for peanuts.
Sec. 168. Quality improvement.
Sec. 169. Payment limitations.
Sec. 170. Termination of marketing quota programs for peanuts and compensation to peanut quota holders for loss of quota asset value.

Subtitle D—Administration

Sec. 181. Administration generally.
Sec. 182. Extension of suspension of permanent price support authority.
Sec. 183. Limitations.
Sec. 184. Adjustments of loans.
Sec. 185. Personal liability of producers for deficiencies.
Sec. 186. Extension of existing administrative authority regarding loans.
Sec. 187. Assignment of payments.
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TITLE II—CONSERVATION

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TITLE I—COMMODITY PROGRAMS

SEC. 100. DEFINITIONS.

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

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

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

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

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

(5) EFFECTIVE PRICE.—The term ''effective price'', with respect to a covered commodity for a crop year, means the price calculated by the Secretary under section 105 to determine whether counter-cyclical payments are required to be made for that crop year.

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

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

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

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

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

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

(12) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

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

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

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

Subtitle A—Fixed Decoupled Payments and Counter-Cyclical Payments

SEC. 101. PAYMENTS TO ELIGIBLE PRODUCERS.

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

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

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

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

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

SEC. 102. ESTABLISHMENT OF PAYMENT YIELD.

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

(b) USE OF FARM PROGRAM PAYMENT YIELD.—Except as otherwise provided in this section, the payment yield for each of the 2002 through 2011 crops of a covered commodity for a farm shall be the farm program payment yield in effect for the 2002 crop of the covered commodity under section 505 of the Agricultural Act of 1949 (7 U.S.C. 1465).

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

(d) PAYMENT YIELDS FOR OILSEEDS.—

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

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

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

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

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

(a) ELECTION BY PRODUCERS OF BASE ACRE CALCULATION METHOD.—For the purpose of making fixed decoupled payments and counter-cyclical payments with respect to a farm, the Secretary shall give producers on the farm an opportunity to elect one of the following as the method by which the base acres of all covered commodities on the farm are to be determined:

(1) The four-year average of acreage actually planted on the farm to a covered commodity for harvest, grazing, haying, silage, or other similar purposes during crop years 1998, 1999, 2000, and 2001 and any acreage on the farm that the producers were prevented from planting during such crop years to the covered commodity because of drought, flood, or other natural disaster, or other condition beyond the control of the producer, as determined by the Secretary.

(2) The sum of contract acreage (as defined in section 102 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7202)) used by the Secretary to calculate the fiscal year 2002 payment that, subject to section 109, would be made under section 114 of such Act (7 U.S.C. 7214) for the covered commodity on the farm and the four-year average determined under paragraph (1) for soybeans and each other oilseed produced on the farm.

(b) SINGLE ELECTION; TIME FOR ELECTION.—The opportunity to make the election described in subsection (a) shall be available to producers on a farm only once. The producers shall notify the Secretary of the election made by the producers under such subsection not later than 180 days after the date of the enactment of this Act.

(c) EFFECT OF FAILURE TO MAKE ELECTION.—If the producers on a farm fail to make the election under subsection (a), or fail to timely notify the Secretary of the selected option as required by subsection (b), the producers shall be deemed to have made the election described in subsection (a)(2) to determine base acres for all covered commodities on the farm.

(d) APPLICATION OF ELECTION TO ALL COVERED COMMODITIES.—The election made under subsection (a) or deemed to be made under subsection (c) with respect to a farm shall apply to all of the covered commodities on the farm. Producers may not make the election described in subsection (a)(1) for one covered commodity and the election described in subsection (a)(2) for other covered commodities on the farm.

(e) TREATMENT OF CONSERVATION RESERVE CONTRACT ACREAGE.—

(1) IN GENERAL.—In the case of producers on a farm that make the election described in subsection (a)(2), the Secretary shall provide for an adjustment in the base acres for the farm whenever either of the following circumstances occur:

(A) A conservation reserve contract entered into under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) with respect to the farm expires or is voluntarily terminated.

(B) Cropland is released from coverage under a conservation reserve contract by the Secretary.

(2) SPECIAL PAYMENT RULES.—For the fiscal year and crop year in which a base acre adjustment under paragraph (1) is first made, the producers on the farm shall elect to receive either fixed decoupled payments and counter-cyclical payments with respect to the acreage added to the farm under this subsection or a prorated payment under the conservation reserve contract, but not both.

(f) PAYMENT ACRES.—The payment acres for a covered commodity on a farm shall be equal to 85 percent of the base acres for the commodity.

(g) PREVENTION OF EXCESS BASE ACRES.—

(1) REQUIRED REDUCTION.—If the sum of the base acres for a farm, together with the acreage described in paragraph (2), exceeds the actual cropland acreage of the farm, the Secretary shall reduce the quantity of base acres for one or more covered commodities for the farm or peanut acres for the farm as necessary so that the sum of the base acres and acreage described in paragraph (2) does not exceed the actual cropland acreage of the farm. The Secretary shall give the producers on the farm the opportunity to select the base acres or peanut acres against which the reduction will be made.

(2) OTHER ACREAGE.—For purposes of paragraph (1), the Secretary shall include the following:

(A) Any peanut acres for the farm under chapter 3 of subtitle C.

(B) Any acreage on the farm enrolled in the conservation reserve program or wetlands reserve program under chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.).

(C) Any other acreage on the farm enrolled in a conservation program for which payments are made in exchange for not producing an agricultural commodity on the acreage.

(3) EXCEPTION FOR DOUBLE-CROPPED ACREAGE.—In applying paragraph (1), the Secretary shall make an exception in the case of double cropping, as determined by the Secretary.

SEC. 104. AVAILABILITY OF FIXED, DECOUPLED PAYMENTS.

(a) PAYMENT REQUIRED.—For each of the 2002 through 2011 crop years of each covered commodity, the Secretary shall make fixed, decoupled payments to eligible producers.

(b) PAYMENT RATE.—The payment rates used to make fixed, decoupled payments with respect to covered commodities for a crop year are as follows:

(1) Wheat, $0.53 per bushel.

(2) Corn, $0.30 per bushel.

(3) Grain sorghum, $0.36 per bushel.

(4) Barley, $0.25 per bushel.

(5) Oats, $0.025 per bushel.

(6) Upland cotton, $0.0667 per pound.

(7) Rice, $2.35 per hundredweight.

(8) Soybeans, $0.42 per bushel.

(9) Other oilseeds, $0.0074 per pound.

(c) PAYMENT AMOUNT.—The amount of the fixed, decoupled payment to be paid to the eligible producers on a farm for a covered commodity for a crop year shall be equal to the product of the following:

(1) The payment rate specified in subsection (b).

(2) The payment acres of the covered commodity on the farm.

(3) The payment yield for the covered commodity for the farm.

(d) TIME FOR PAYMENT.—

(1) GENERAL RULE.—Fixed, decoupled payments shall be paid not later than September 30 of each of fiscal years 2002 through 2011. In the case of the 2002 crop, payments may begin to be made on or after December 1, 2001.

(2) ADVANCE PAYMENTS.—At the option of an eligible producer, 50 percent of the fixed, decoupled payment for a fiscal year shall be paid on a date selected by the producer. The selected date shall be on or after December 1

of that fiscal year, and the producer may change the selected date for a subsequent fiscal year by providing advance notice to the Secretary.

(3) REPAYMENT OF ADVANCE PAYMENTS.—If a producer that receives an advance fixed, decoupled payment for a fiscal year ceases to be an eligible producer before the date the fixed, decoupled payment would otherwise have been made by the Secretary under paragraph (1), the producer shall be responsible for repaying the Secretary the full amount of the advance payment.

SEC. 105. AVAILABILITY OF COUNTER-CYCLICAL PAYMENTS.

(a) PAYMENT REQUIRED.—The Secretary shall make counter-cyclical payments with respect to a covered commodity whenever the Secretary determines that the effective price for the commodity is less than the target price for the commodity.

(b) EFFECTIVE PRICE.—For purposes of subsection (a), the effective price for a covered commodity is equal to the sum of the following:

(1) The higher of the following:

(A) The national average market price received by producers during the 12-month marketing year for the commodity, as determined by the Secretary.

(B) The national average loan rate for a marketing assistance loan for the covered commodity in effect for the same period under subtitle B.

(2) The payment rate in effect for the covered commodity under section 104 for the purpose of making fixed, decoupled payments with respect to the commodity.

(c) TARGET PRICE.—For purposes of subsection (a), the target prices for covered commodities are as follows:

(1) Wheat, $4.04 per bushel.

(2) Corn, $2.78 per bushel.

(3) Grain sorghum, $2.64 per bushel.

(4) Barley, $2.39 per bushel.

(5) Oats, $1.47 per bushel.

(6) Upland cotton, $0.736 per pound.

(7) Rice, $10.82 per hundredweight.

(8) Soybeans, $5.86 per bushel.

(9) Other oilseeds, $0.1036 per pound.

(d) PAYMENT RATE.—The payment rate used to make counter-cyclical payments with respect to a covered commodity for a crop year shall be equal to the difference between—

(1) the target price for the commodity; and

(2) the effective price determined under subsection (b) for the commodity.

(e) PAYMENT AMOUNT.—The amount of the counter-cyclical payment to be paid to the eligible producers on a farm for a covered commodity for a crop year shall be equal to the product of the following:

(1) The payment rate specified in subsection (d).

(2) The payment acres of the covered commodity on the farm.

(3) The payment yield for the covered commodity for the farm.

(f) TIME FOR PAYMENTS.—

(1) GENERAL RULE.—The Secretary shall make counter-cyclical payments under this section for a crop of a covered commodity as soon as possible after determining under subsection (a) that such payments are required for that crop year.

(2) PARTIAL PAYMENT.—The Secretary may permit, and, if so permitted, an eligible producer may elect to receive, up to 40 percent of the projected counter-cyclical payment, as determined by the Secretary, to be made under this section for a crop of a covered commodity upon completion of the first six months of the marketing year for that crop. The producer shall repay to the Secretary the amount, if any, by which the partial payment exceeds the actual counter-cyclical payment to be made for that marketing year.

(g) SPECIAL RULE FOR CURRENTLY UNDESIGNATED OILSEED.—If the Secretary uses the authority under section 100(8) to designate another oilseed as an oilseed for which counter-cyclical payments may be made, the Secretary may modify the target price specified in subsection (c)(9) that would otherwise apply to that oilseed as the Secretary considers appropriate.

(h) SPECIAL RULE FOR BARLEY USED ONLY FOR FEED PURPOSES.—For purposes of calculating the effective price for barley under subsection (b), the Secretary shall use the loan rate in effect for barley under section 122(b)(3), except, in the case of producers who received the higher loan rate provided under such section for barley used only for feed purposes, the Secretary shall use that higher loan rate.

SEC. 106. PRODUCER AGREEMENT REQUIRED AS CONDITION ON PROVISION OF FIXED, DECOUPLED PAYMENTS AND COUNTER-CYCLICAL PAYMENTS.

(a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

(1) REQUIREMENTS.—Before the producers on a farm may receive fixed, decoupled payments or counter-cyclical payments with respect to the farm, the producers shall agree, in exchange for the payments—

(A) to comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.);

(B) to comply with applicable wetland protection requirements under subtitle C of title XII of the Act (16 U.S.C. 3821 et seq.);

(C) to comply with the planting flexibility requirements of section 107; and

(D) to use the land on the farm, in an amount equal to the base acres, for an agricultural or conserving use, and not for a nonagricultural commercial or industrial use, as determined by the Secretary.

(2) COMPLIANCE.—The Secretary may issue such rules as the Secretary considers necessary to ensure producer compliance with the requirements of paragraph (1).

(b) EFFECT OF FORECLOSURE.—A producer may not be required to make repayments to the Secretary of fixed, decoupled payments and counter-cyclical payments if the farm has been foreclosed on and the Secretary determines that forgiving the repayments is appropriate to provide fair and equitable treatment. This subsection shall not void the responsibilities of the producer under subsection (a) if the producer continues or resumes operation, or control, of the farm. On the resumption of operation or control over the farm by the producer, the requirements of subsection (a) in effect on the date of the foreclosure shall apply.

(c) TRANSFER OR CHANGE OF INTEREST IN FARM.—

(1) TERMINATION.—Except as provided in paragraph (4), a transfer of (or change in) the interest of a producer in base acres for which fixed, decoupled payments or counter-cyclical payments are made shall result in the termination of the payments with respect to the base acres, unless the transferee or owner of the acreage agrees to assume all obligations under subsection (a). The termination shall be effective on the date of the transfer or change.

(2) TRANSFER OF PAYMENT BASE.—There is no restriction on the transfer of a farm's base acres or payment yield as part of a change in the producers on the farm.

(3) MODIFICATION.—At the request of the transferee or owner, the Secretary may modify the requirements of subsection (a) if the modifications are consistent with the objectives of such subsection, as determined by the Secretary.

(4) EXCEPTION.—If a producer entitled to a fixed, decoupled payment or counter-cyclical payment dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment, in accordance with regulations prescribed by the Secretary.

(d) ACREAGE REPORTS.—

(1) IN GENERAL.—As a condition on the receipt of any benefits under this subtitle or subtitle B, the Secretary shall require producers to submit to the Secretary acreage reports.

(2) CONFORMING AMENDMENT.—Section 15 of the Agricultural Marketing Act (12 U.S.C. 1141j) is amended by striking subsection (d).

(e) REVIEW.—A determination of the Secretary under this section shall be considered to be an adverse decision for purposes of the availability of administrative review of the determination.

SEC. 107. PLANTING FLEXIBILITY.

(a) PERMITTED CROPS.—Subject to subsection (b), any commodity or crop may be planted on base acres on a farm.

(b) LIMITATIONS AND EXCEPTIONS REGARDING CERTAIN COMMODITIES.—

(1) LIMITATIONS.—The planting of the following agricultural commodities shall be prohibited on base acres:

(A) Fruits.

(B) Vegetables (other than lentils, mung beans, and dry peas).

(C) Wild rice.

(2) EXCEPTIONS.—Paragraph (1) shall not limit the planting of an agricultural commodity specified in such paragraph—

(A) in any region in which there is a history of double-cropping of covered commodities with agricultural commodities specified in paragraph (1), as determined by the Secretary, in which case the double-cropping shall be permitted;

(B) on a farm that the Secretary determines has a history of planting agricultural commodities specified in paragraph (1) on base acres, except that fixed, decoupled payments and counter-cyclical payments shall be reduced by an acre for each acre planted to such an agricultural commodity; or

(C) by a producer who the Secretary determines has an established planting history of a specific agricultural commodity specified in paragraph (1), except that—

(i) the quantity planted may not exceed the producer's average annual planting history of such agricultural commodity in the 1991 through 1995 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and

(ii) fixed, decoupled payments and counter-cyclical payments shall be reduced by an acre for each acre planted to such agricultural commodity.

SEC. 108. RELATION TO REMAINING PAYMENT AUTHORITY UNDER PRODUCTION FLEXIBILITY CONTRACTS.

(a) TERMINATION OF SUPERSEDED PAYMENT AUTHORITY.—Notwithstanding section 113(a)(7) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7213(a)(7)) or any other provision of law, the Secretary shall not make payments for fiscal year 2002 after the date of the enactment of this Act under production flexibility contracts entered into under section 111 of such Act (7 U.S.C. 7211).

(b) CONTRACT PAYMENTS MADE BEFORE ENACTMENT.—If, on or before the date of the enactment of this Act, a producer receives all or any portion of the payment authorized for fiscal year 2002 under a production flexibility contract, the Secretary shall reduce the amount of the fixed, decoupled payment otherwise due the producer for that same fiscal year by the amount of the fiscal year 2002 payment previously received by the producer.

SEC. 109. PAYMENT LIMITATIONS.

Sections 1001 through 1001C of the Food Security Act of 1985 (7 U.S.C. 1308 through 1308–3) shall apply to fixed, decoupled payments and counter-cyclical payments.

SEC. 110. FARM COUNTER-CYCLICAL SAVINGS ACCOUNTS.

Subtitle B of title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7211 et seq.) is amended by adding at the end the following:

"SEC. 119. FARM COUNTER-CYCLICAL SAVINGS ACCOUNTS.

''(a) DEFINITIONS.—In this section:

''(1) ADJUSTED GROSS REVENUE.—The term 'adjusted gross revenue' means the adjusted gross income for all agricultural enterprises of a producer in a year, excluding revenue earned from nonagricultural sources, as determined by the Secretary—

''(A) by taking into account gross receipts from the sale of crops and livestock on all agricultural enterprises of the producer, including insurance indemnities resulting from losses in the agricultural enterprises;

''(B) by including all farm payments paid by the Secretary for all agricultural enterprises of the producer, including any marketing loan gains described in section 1001(3)(A) of the Food Security Act of 1985 (7 U.S.C. 1308(3)(A));

''(C) by deducting the cost or basis of livestock or other items purchased for resale, such as feeder livestock, on all agricultural enterprises of the producer; and

''(D) as represented on—

''(i) a schedule F of the Federal income tax returns of the producer; or

''(ii) a comparable tax form related to the agricultural enterprises of the producer, as approved by the Secretary.

''(2) AGRICULTURAL ENTERPRISE.—The term 'agricultural enterprise' means the production and marketing of all agricultural commodities (including livestock but excluding tobacco) on a farm or ranch.

''(3) AVERAGE ADJUSTED GROSS REVENUE.—The term 'average adjusted gross revenue' means—

''(A) the average of the adjusted gross revenue of a producer for each of the preceding 5 taxable years; or

''(B) in the case of a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, the estimated income of the producer that will be earned from all agricultural enterprises for the applicable year, as determined by the Secretary.

''(4) PRODUCER.—The term 'producer' means an individual or entity, as determined by the Secretary for an applicable year, that—

''(A) shares in the risk of producing, or provides a material contribution in producing, an agricultural commodity for the applicable year;

''(B) has a substantial beneficial interest in the agricultural enterprise in which the agricultural commodity is produced;

''(C)(i) during each of the preceding 5 taxable years, has filed—

''(I) a schedule F of the Federal income tax returns; or

''(II) a comparable tax form related to the agricultural enterprises of the individual or entity, as approved by the Secretary; or

''(ii) is a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, as determined by the Secretary; and

''(D)(i) has earned at least $20,000 in average adjusted gross revenue for each of the preceding 5 taxable years;

''(ii) is a limited resource farmer or rancher, as determined by the Secretary; or

''(iii) in the case of a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, has at least $20,000 in estimated income from all agricultural enterprises for the applicable year, as determined by the Secretary.

''(b) ESTABLISHMENT.—A producer may establish a farm counter-cyclical savings account in the name of the producer in a bank or financial institution selected by the producer and approved by the Secretary.

''(c) CONTENT OF ACCOUNT.—A farm counter-cyclical savings account shall consist of—

''(1) contributions of the producer; and

''(2) matching contributions of the Secretary.

''(d) PRODUCER CONTRIBUTIONS.—

''(1) IN GENERAL.—Subject to paragraph (2), a producer may deposit such amounts in the account of the producer as the producer considers appropriate.

''(2) MAXIMUM ACCOUNT BALANCE.—The balance of an account of a producer may not exceed 150 percent of the average adjusted gross revenue of the producer for the previous 5 years.

''(e) MATCHING CONTRIBUTIONS.—

''(1) IN GENERAL.—Subject to paragraphs (2) through (5), the Secretary shall provide a matching contribution on the amount deposited by the producer into the account.

''(2) FORMULA.—The Secretary shall establish a formula to determine the amount of matching contributions that will be provided by the Secretary under paragraph (1).

''(3) MAXIMUM CONTRIBUTIONS FOR INDIVIDUAL PRODUCER.—The amount of matching contributions that may be provided by the Secretary for an individual producer under this subsection shall not exceed $10,000.

''(4) MAXIMUM CONTRIBUTIONS FOR ALL PRODUCERS.—The total amount of matching contributions that may be provided by the Secretary for all producers under this subsection shall not exceed—

''(A) $800,000,000 for fiscal year 2002;

''(B) $900,000,000 for fiscal year 2003;

''(C) $1,000,000,000 for fiscal year 2004;

''(D) $1,100,000,000 for fiscal year 2005; and

''(E) $1,200,000,000 for fiscal year 2006.

''(5) DATE FOR MATCHING CONTRIBUTIONS.—The Secretary shall provide the matching contributions required for a producer under paragraph (1) as of the date that a majority of the covered commodities grown by the producer are harvested.

''(f) INTEREST.—Funds deposited into the account may earn interest at the commercial rates provided by the bank or financial institution in which the Account is established.

''(g) USE.—Funds credited to the account—

''(1) shall be available for withdrawal by a producer, in accordance with subsection (h); and

''(2) may be used for purposes determined by the producer.

''(h) WITHDRAWAL.—

''(1) IN GENERAL.—Subject to paragraph (2), a producer may withdraw funds from the account if the adjusted gross revenue of the producer is less than 90 percent of average adjusted gross revenue of the producer for the previous 5 years.

''(2) RETIREMENT.—

''(A) IN GENERAL.—Subject to subparagraph (B), a producer that ceases to be actively engaged in farming, as determined by the Secretary—

''(i) may withdraw the full balance from, and close, the account; and

''(ii) may not establish another account.

''(B) WAIVERS.—The Secretary shall promulgate regulations that provide for a waiver, in limited circumstances (as determined by the Secretary), of the application of subparagraph (B)(ii) to a producer.

''(i) ADMINISTRATION.—The Secretary shall administer this section through the Farm Service Agency and local, county, and area offices of the Department of Agriculture.''.

SEC. 111. PERIOD OF EFFECTIVENESS.

This subtitle shall be effective beginning with the 2002 crop year of each covered commodity through the 2011 crop year.

Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments

SEC. 121. AVAILABILITY OF NONRECOURSE MARKETING ASSISTANCE LOANS FOR COVERED COMMODITIES.

(a) NONRECOURSE LOANS AVAILABLE.—

(1) AVAILABILITY.—For each of the 2002 through 2011 crops of each covered commodity, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for covered commodities produced on the farm. The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under section 122 for the covered commodity.

(2) INCLUSION OF EXTRA LONG STAPLE COTTON.—In this subtitle, the term ''covered commodity'' includes extra long staple cotton.

(b) ELIGIBLE PRODUCTION.—Any production of a covered commodity on a farm shall be eligible for a marketing assistance loan under subsection (a).

(c) TREATMENT OF CERTAIN COMMINGLED COMMODITIES.—In carrying out this subtitle, the Secretary shall make loans to a producer that is otherwise eligible to obtain a marketing assistance loan, but for the fact the covered commodity owned by the producer is commingled with covered commodities of other producers in facilities unlicensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the producer obtaining the loan agrees to immediately redeem the loan collateral in accordance with section 166 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7286).

(d) COMPLIANCE WITH CONSERVATION AND WETLANDS REQUIREMENTS.—As a condition of the receipt of a marketing assistance loan under subsection (a), the producer shall comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wetland protection requirements under subtitle C of title XII of the Act (16 U.S.C. 3821 et seq.) during the term of the loan.

(e) DEFINITION OF EXTRA LONG STAPLE COTTON.—In this subtitle, the term ''extra long staple cotton'' means cotton that—

(1) is produced from pure strain varieties of the Barbadense species or any hybrid thereof, or other similar types of extra long staple cotton, designated by the Secretary, having characteristics needed for various end uses for which United States upland cotton is not

suitable and grown in irrigated cotton-growing regions of the United States designated by the Secretary or other areas designated by the Secretary as suitable for the production of the varieties or types; and

(2) is ginned on a roller-type gin or, if authorized by the Secretary, ginned on another type gin for experimental purposes.

(f) TERMINATION OF SUPERSEDED LOAN AUTHORITY.—Notwithstanding section 131 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7231), nonrecourse marketing assistance loans shall not be made for the 2002 crop of covered commodities under subtitle C of title I of such Act.

SEC. 122. LOAN RATES FOR NONRECOURSE MARKETING ASSISTANCE LOANS.

(a) WHEAT.—

(1) LOAN RATE.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 121 for wheat shall be—

(A) not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding five crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $2.58 per bushel.

(2) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

(A) equal to or greater than 30 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 10 percent in any year;

(B) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 5 percent in any year; or

(C) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

(b) FEED GRAINS.—

(1) LOAN RATE FOR CORN AND GRAIN SORGHUM.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 121 for corn and grain sorghum shall be—

(A) not less than 85 percent of the simple average price received by producers of corn or grain sorghum, respectively, as determined by the Secretary, during the marketing years for the immediately preceding five crops of the covered commodity, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $1.89 per bushel.

(2) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of corn or grain sorghum to total use for the marketing year will be—

(A) equal to or greater than 25 percent, the Secretary may reduce the loan rate for the covered commodity for the corresponding crop by an amount not to exceed 10 percent in any year;

(B) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan rate for the covered commodity for the corresponding crop by an amount not to exceed 5 percent in any year; or

(C) less than 12.5 percent, the Secretary may not reduce the loan rate for the covered commodity for the corresponding crop.

(3) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan under section 121 for barley and oats shall be—

(A) established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn; but

(B) not more than—

(i) $1.65 per bushel for barley, except not more than $1.70 per bushel for barley used only for feed purposes, as determined by the Secretary; and

(ii) $1.21 per bushel for oats.

(c) UPLAND COTTON.—

(1) LOAN RATE.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 121 for upland cotton shall be established by the Secretary at such loan rate, per pound, as will reflect for the base quality of upland cotton, as determined by the Secretary, at average locations in the United States a rate that is not less than the smaller of—

(A) 85 percent of the average price (weighted by market and month) of the base quality of cotton as quoted in the designated United States spot markets during 3 years of the 5-year period ending July 31 of the year preceding the year in which the crop is planted, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

(B) 90 percent of the average, for the 15-week period beginning July 1 of the year preceding the year in which the crop is planted, of the five lowest-priced growths of the growths quoted for Middling 1 3/32-inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year preceding the year in which the crop is planted between the average Northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for the base quality of upland cotton), as determined by the Secretary.

(2) LIMITATIONS.—The loan rate for a marketing assistance loan for upland cotton shall not be less than $0.50 per pound or more than $0.5192 per pound.

(d) EXTRA LONG STAPLE COTTON.—The loan rate for a marketing assistance loan under section 121 for extra long staple cotton shall be $0.7965 per pound.

(e) RICE.—The loan rate for a marketing assistance loan under section 121 for rice shall be $6.50 per hundredweight.

(f) OILSEEDS.—

(1) SOYBEANS.—The loan rate for a marketing assistance loan under section 121 for soybeans shall be—

(A) not less than 85 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding five crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $4.92 per bushel.

(2) OTHER OILSEEDS.—The loan rate for a marketing assistance loan under section 121 for other oilseeds shall be—

(A) not less than 85 percent of the simple average price received by producers of the other oilseed, as determined by the Secretary, during the marketing years for the immediately preceding five crops of the other oilseed, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; but

(B) not more than $0.087 per pound.

SEC. 123. TERM OF LOANS.

(a) TERM OF LOAN.—In the case of each covered commodity (other than upland cotton or extra long staple cotton), a marketing assistance loan under section 121 shall have a term of nine months beginning on the first day of the first month after the month in which the loan is made.

(b) SPECIAL RULE FOR COTTON.—A marketing assistance loan for upland cotton or extra long staple cotton shall have a term of 10 months beginning on the first day of the month in which the loan is made.

(c) EXTENSIONS PROHIBITED.—The Secretary may not extend the term of a marketing assistance loan for any covered commodity.

SEC. 124. REPAYMENT OF LOANS.

(a) REPAYMENT RATES FOR WHEAT, FEED GRAINS, AND OILSEEDS.—The Secretary shall permit a producer to repay a marketing assistance loan under section 121 for wheat, corn, grain sorghum, barley, oats, and oilseeds at a rate that is the lesser of—

(1) the loan rate established for the commodity under section 122, plus interest (as determined by the Secretary); or

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

(B) minimize the accumulation of stocks of the commodity by the Federal Government;

(C) minimize the cost incurred by the Federal Government in storing the commodity; and

(D) allow the commodity produced in the United States to be marketed freely and competitively, both domestically and internationally.

(b) REPAYMENT RATES FOR UPLAND COTTON AND RICE.—The Secretary shall permit producers to repay a marketing assistance loan under section 121 for upland cotton and rice at a rate that is the lesser of—

(1) the loan rate established for the commodity under section 122, plus interest (as determined by the Secretary); or

(2) the prevailing world market price for the commodity (adjusted to United States quality and location), as determined by the Secretary.

(c) REPAYMENT RATES FOR EXTRA LONG STAPLE COTTON.—Repayment of a marketing assistance loan for extra long staple cotton shall be at the loan rate established for the commodity under section 122, plus interest (as determined by the Secretary).

(d) PREVAILING WORLD MARKET PRICE.—For purposes of this section and section 127, the Secretary shall prescribe by regulation—

(1) a formula to determine the prevailing world market price for each covered commodity, adjusted to United States quality and location; and

(2) a mechanism by which the Secretary shall announce periodically the prevailing world market price for each covered commodity.

(e) ADJUSTMENT OF PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON.—

(1) IN GENERAL.—During the period beginning on the date of the enactment of this Act and ending July 31, 2012, the prevailing world market price for upland cotton (adjusted to United States quality and location) established under subsection (d) shall be further adjusted if—

(A) the adjusted prevailing world market price is less than 115 percent of the loan rate for upland cotton established under section 122, as determined by the Secretary; and

(B) the Friday through Thursday average price quotation for the lowest-priced United States growth as quoted for Middling (M) 1 3/32-inch cotton delivered C.I.F. Northern Europe is greater than the Friday through Thursday average price of the 5 lowest-priced

growths of upland cotton, as quoted for Middling (M) 1 3/32-inch cotton, delivered C.I.F. Northern Europe (referred to in this section as the ''Northern Europe price'').

(2) FURTHER ADJUSTMENT.—Except as provided in paragraph (3), the adjusted prevailing world market price for upland cotton shall be further adjusted on the basis of some or all of the following data, as available:

(A) The United States share of world exports.

(B) The current level of cotton export sales and cotton export shipments.

(C) Other data determined by the Secretary to be relevant in establishing an accurate prevailing world market price for upland cotton (adjusted to United States quality and location).

(3) LIMITATION ON FURTHER ADJUSTMENT.—The adjustment under paragraph (2) may not exceed the difference between—

(A) the Friday through Thursday average price for the lowest-priced United States growth as quoted for Middling 1 3/32-inch cotton delivered C.I.F. Northern Europe; and

(B) the Northern Europe price.

(f) TIME FOR FIXING REPAYMENT RATE.—In the case of a producer that marketed or otherwise lost beneficial interest in a covered commodity before repaying the marketing assistance loan made under section 121 with respect to the commodity, the Secretary shall permit the producer to repay the loan at the lowest repayment rate that was in effect for that covered commodity under this section as of the date that the producer lost beneficial interest, as determined by the Secretary.

SEC. 125. LOAN DEFICIENCY PAYMENTS.

(a) AVAILABILITY OF LOAN DEFICIENCY PAYMENTS.—Except as provided in subsection (d), the Secretary may make loan deficiency payments available to producers who, although eligible to obtain a marketing assistance loan under section 121 with respect to a covered commodity, agree to forgo obtaining the loan for the commodity in return for payments under this section.

(b) COMPUTATION.—A loan deficiency payment under this section shall be computed by multiplying—

(1) the loan payment rate determined under subsection (c) for the covered commodity; by

(2) the quantity of the covered commodity produced by the eligible producers, excluding any quantity for which the producers obtain a loan under section 121.

(c) LOAN PAYMENT RATE.—For purposes of this section, the loan payment rate shall be the amount by which—

(1) the loan rate established under section 122 for the covered commodity; exceeds

(2) the rate at which a loan for the commodity may be repaid under section 124.

(d) EXCEPTION FOR EXTRA LONG STAPLE COTTON.—This section shall not apply with respect to extra long staple cotton.

(e) TIME FOR PAYMENT.—The Secretary shall make a payment under this section to a producer with respect to a quantity of a covered commodity as of the earlier of the following:

(1) The date on which the producer marketed or otherwise lost beneficial interest in the commodity, as determined by the Secretary.

(2) The date the producer requests the payment.

(f) CONTINUATION OF SPECIAL LDP RULE FOR 2001 CROP YEAR.—Section 135(a)(2) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235(a)(2)) is amended by striking ''2000 crop year'' and inserting ''2000 and 2001 crop years''.

SEC. 126. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.

(a) ELIGIBLE PRODUCERS.—Effective for the 2002 through 2011 crop years, in the case of a producer that would be eligible for a loan deficiency payment under section 125 for wheat, barley, or oats, but that elects to use acreage planted to the wheat, barley, or oats for the grazing of livestock, the Secretary shall make a payment to the producer under this section if the producer enters into an agreement with the Secretary to forgo any other harvesting of the wheat, barley, or oats on that acreage.

(b) PAYMENT AMOUNT.—The amount of a payment made to a producer on a farm under this section shall be equal to the amount determined by multiplying—

(1) the loan deficiency payment rate determined under section 125(c) in effect, as of the date of the agreement, for the county in which the farm is located; by

(2) the payment quantity determined by multiplying—

(A) the quantity of the grazed acreage on the farm with respect to which the producer elects to forgo harvesting of wheat, barley, or oats; and

(B) the payment yield for that covered commodity on the farm.

(c) TIME, MANNER, AND AVAILABILITY OF PAYMENT.—

(1) TIME AND MANNER.—A payment under this section shall be made at the same time and in the same manner as loan deficiency payments are made under section 125.

(2) AVAILABILITY.—The Secretary shall establish an availability period for the payment authorized by this section that is consistent with the availability period for wheat, barley, and oats established by the Secretary for marketing assistance loans authorized by this subtitle.

(d) PROHIBITION ON CROP INSURANCE OR NONINSURED CROP ASSISTANCE.—A 2002 through 2011 crop of wheat, barley, or oats planted on acreage that a producer elects, in the agreement required by subsection (a), to use for the grazing of livestock in lieu of any other harvesting of the crop shall not be eligible for insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) or noninsured crop assistance under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333).

SEC. 127. SPECIAL MARKETING LOAN PROVISIONS FOR UPLAND COTTON.

(a) COTTON USER MARKETING CERTIFICATES.—

(1) ISSUANCE.—During the period beginning on the date of the enactment of this Act and ending July 31, 2012, the Secretary shall issue marketing certificates or cash payments, at the option of the recipient, to domestic users and exporters for documented purchases by domestic users and sales for export by exporters made in the week following a consecutive four-week period in which—

(A) the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1 3/32-inch cotton, delivered C.I.F. Northern Europe exceeds the Northern Europe price; and

(B) the prevailing world market price for upland cotton (adjusted to United States quality and location) does not exceed 134 percent of the loan rate for upland cotton established under section 122.

(2) VALUE OF CERTIFICATES OR PAYMENTS.—The value of the marketing certificates or cash payments shall be based on the amount of the difference in the prices during the fourth week of the consecutive four-week period multiplied by the quantity of upland cotton included in the documented sales.

(3) ADMINISTRATION OF MARKETING CERTIFICATES.—

(A) REDEMPTION, MARKETING, OR EXCHANGE.—The Secretary shall establish procedures for redeeming marketing certificates for cash or marketing or exchange of the certificates for agricultural commodities owned by the Commodity Credit Corporation or pledged to the Commodity Credit Corporation as collateral for a loan in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates, including enhancing the competitiveness and marketability of United States cotton. Any price restrictions that would otherwise apply to the disposition of agricultural commodities by the Commodity Credit Corporation shall not apply to the redemption of certificates under this subsection.

(B) DESIGNATION OF COMMODITIES AND PRODUCTS.—To the extent practicable, the Secretary shall permit owners of certificates to designate the commodities and products, including storage sites, the owners would prefer to receive in exchange for certificates.

(C) TRANSFERS.—Marketing certificates issued to domestic users and exporters of upland cotton may be transferred to other persons in accordance with regulations issued by the Secretary.

(4) APPLICATION OF THRESHOLD.—

(A) 2002 MARKETING YEAR.—During the period beginning on the date of enactment of this Act and ending July 31, 2002, the Secretary shall make the calculations under paragraphs (1)(A) and (2) and subsection (b)(1)(B) without regard to the 1.25 cent threshold provided those paragraphs and subsection.

(B) 2003 THROUGH 2006 MARKETING YEARS.—During each 12-month period beginning August 1, 2002, through August 1, 2006, the Secretary may make the calculations under paragraphs (1)(A) and (2) and subsection (b)(1)(B) without regard to the 1.25 cent threshold provided those paragraphs and subsection.

(b) SPECIAL IMPORT QUOTA.—

(1) ESTABLISHMENT.—

(A) IN GENERAL.—The President shall carry out an import quota program during the period beginning on the date of the enactment of this Act and ending July 31, 2012, as provided in this subsection.

(B) PROGRAM REQUIREMENTS.—Except as provided in subparagraph (C), whenever the Secretary determines and announces that for any consecutive four-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1 3/32-inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificate issued under subsection (a), exceeds the Northern Europe price there shall immediately be in effect a special import quota.

(C) TIGHT DOMESTIC SUPPLY.—During any month for which the Secretary estimates the season-ending United States upland cotton stocks-to-use ratio, as determined under subparagraph (D), to be below 16 percent, the Secretary, in making the determination under subparagraph (B), shall not adjust the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1 3/32-inch cotton, delivered C.I.F. Northern Europe, for the value of any certificates issued under subsection (a).

(D) SEASON-ENDING UNITED STATES STOCKS-TO-USE RATIO.—For the purposes of making

estimates under subparagraph (C), the Secretary shall, on a monthly basis, estimate and report the season-ending United States upland cotton stocks-to-use ratio, excluding projected raw cotton imports but including the quantity of raw cotton that has been imported into the United States during the marketing year.

(2) QUANTITY.—The quota shall be equal to one week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the most recent three months for which data are available.

(3) APPLICATION.—The quota shall apply to upland cotton purchased not later than 90 days after the date of the Secretary's announcement under paragraph (1) and entered into the United States not later than 180 days after the date.

(4) OVERLAP.—A special quota period may be established that overlaps any existing quota period if required by paragraph (1), except that a special quota period may not be established under this subsection if a quota period has been established under subsection (c).

(5) PREFERENTIAL TARIFF TREATMENT.—The quantity under a special import quota shall be considered to be an in-quota quantity for purposes of—

(A) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

(B) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

(C) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(D) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(6) DEFINITION.—In this subsection, the term ''special import quota'' means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(7) LIMITATION.—The quantity of cotton entered into the United States during any marketing year under the special import quota established under this subsection may not exceed the equivalent of five week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the three months immediately preceding the first special import quota established in any marketing year.

(c) LIMITED GLOBAL IMPORT QUOTA FOR UPLAND COTTON.—

(1) IN GENERAL.—The President shall carry out an import quota program that provides that whenever the Secretary determines and announces that the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for a month exceeded 130 percent of the average price of such quality of cotton in the markets for the preceding 36 months, notwithstanding any other provision of law, there shall immediately be in effect a limited global import quota subject to the following conditions:

(A) QUANTITY.—The quantity of the quota shall be equal to 21 days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent three months for which data are available.

(B) QUANTITY IF PRIOR QUOTA.—If a quota has been established under this subsection during the preceding 12 months, the quantity of the quota next established under this subsection shall be the smaller of 21 days of domestic mill consumption calculated under subparagraph (A) or the quantity required to increase the supply to 130 percent of the demand.

(C) PREFERENTIAL TARIFF TREATMENT.—The quantity under a limited global import quota shall be considered to be an in-quota quantity for purposes of—

(i) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

(ii) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

(iii) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(iv) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(D) DEFINITIONS.—In this subsection:

(i) SUPPLY.—The term ''supply'' means, using the latest official data of the Bureau of the Census, the Department of Agriculture, and the Department of the Treasury—

(I) the carry-over of upland cotton at the beginning of the marketing year (adjusted to 480-pound bales) in which the quota is established;

(II) production of the current crop; and

(III) imports to the latest date available during the marketing year.

(ii) DEMAND.—The term ''demand'' means—

(I) the average seasonally adjusted annual rate of domestic mill consumption during the most recent three months for which data are available; and

(II) the larger of—

(aa) average exports of upland cotton during the preceding six marketing years; or

(bb) cumulative exports of upland cotton plus outstanding export sales for the marketing year in which the quota is established.

(iii) LIMITED GLOBAL IMPORT QUOTA.—The term ''limited global import quota'' means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(E) QUOTA ENTRY PERIOD.—When a quota is established under this subsection, cotton may be entered under the quota during the 90-day period beginning on the date the quota is established by the Secretary.

(2) NO OVERLAP.—Notwithstanding paragraph (1), a quota period may not be established that overlaps an existing quota period or a special quota period established under subsection (b).

SEC. 128. SPECIAL COMPETITIVE PROVISIONS FOR EXTRA LONG STAPLE COTTON.

(a) COMPETITIVENESS PROGRAM.—Notwithstanding any other provision of law, during the period beginning on the date of the enactment of this Act and ending on July 31, 2012, the Secretary shall carry out a program to maintain and expand the domestic use of extra long staple cotton produced in the United States, to increase exports of extra long staple cotton produced in the United States, and to ensure that extra long staple cotton produced in the United States remains competitive in world markets.

(b) PAYMENTS UNDER PROGRAM; TRIGGER.—Under the program, the Secretary shall make payments available under this section whenever—

(1) for a consecutive four-week period, the world market price for the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location and for other factors affecting the competitiveness of such cotton), as determined by the Secretary, is below the prevailing United States price for a competing growth of extra long staple cotton; and

(2) the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location and for other factors affecting the competitiveness of such cotton), as determined by the Secretary, is less than 134 percent of the loan rate for extra long staple cotton.

(c) ELIGIBLE RECIPIENTS.—The Secretary shall make payments available under this section to domestic users of extra long staple cotton produced in the United States and exporters of extra long staple cotton produced in the United States who enter into an agreement with the Commodity Credit Corporation to participate in the program under this section.

(d) PAYMENT AMOUNT.—Payments under this section shall be based on the amount of the difference in the prices referred to in subsection (b)(1) during the fourth week of the consecutive four-week period multiplied by the amount of documented purchases by domestic users and sales for export by exporters made in the week following such a consecutive four-week period.

(e) FORM OF PAYMENT.—Payments under this section shall be made through the issuance of cash or marketing certificates, at the option of eligible recipients of the payments.

SEC. 129. AVAILABILITY OF RECOURSE LOANS FOR HIGH MOISTURE FEED GRAINS AND SEED COTTON AND OTHER FIBERS.

(a) HIGH MOISTURE FEED GRAINS.—

(1) RECOURSE LOANS AVAILABLE.—For each of the 2002 through 2011 crops of corn and grain sorghum, the Secretary shall make available recourse loans, as determined by the Secretary, to producers on a farm who—

(A) normally harvest all or a portion of their crop of corn or grain sorghum in a high moisture state;

(B) present—

(i) certified scale tickets from an inspected, certified commercial scale, including a licensed warehouse, feedlot, feed mill, distillery, or other similar entity approved by the Secretary, pursuant to regulations issued by the Secretary; or

(ii) field or other physical measurements of the standing or stored crop in regions of the United States, as determined by the Secretary, that do not have certified commercial scales from which certified scale tickets may be obtained within reasonable proximity of harvest operation;

(C) certify that they were the owners of the feed grain at the time of delivery to, and that the quantity to be placed under loan under this subsection was in fact harvested on the farm and delivered to, a feedlot, feed mill, or commercial or on-farm high-moisture storage facility, or to a facility maintained by the users of corn and grain sorghum in a high moisture state; and

(D) comply with deadlines established by the Secretary for harvesting the corn or grain sorghum and submit applications for loans under this subsection within deadlines established by the Secretary.

(2) ELIGIBILITY OF ACQUIRED FEED GRAINS.—A loan under this subsection shall be made on a quantity of corn or grain sorghum of the same crop acquired by the producer equivalent to a quantity determined by multiplying—

(A) the acreage of the corn or grain sorghum in a high moisture state harvested on the producer's farm; by

(B) the lower of the farm program payment yield or the actual yield on a field, as determined by the Secretary, that is similar to the field from which the corn or grain sorghum was obtained.

(3) HIGH MOISTURE STATE DEFINED.—In this subsection, the term ''high moisture state'' means corn or grain sorghum having a moisture content in excess of Commodity Credit Corporation standards for marketing assistance loans made by the Secretary under section 121.

(b) RECOURSE LOANS AVAILABLE FOR SEED COTTON.—For each of the 2002 through 2011 crops of upland cotton and extra long staple cotton, the Secretary shall make available

recourse seed cotton loans, as determined by the Secretary, on any production.

(c) REPAYMENT RATES.—Repayment of a recourse loan made under this section shall be at the loan rate established for the commodity by the Secretary, plus interest (as determined by the Secretary).

(d) TERMINATION OF SUPERSEDED LOAN AUTHORITY.—Notwithstanding section 137 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7237), recourse loans shall not be made for the 2002 crop of corn, grain sorghum, and seed cotton under such section.

SEC. 130. AVAILABILITY OF NONRECOURSE MARKETING ASSISTANCE LOANS FOR WOOL AND MOHAIR.

(a) NONRECOURSE LOANS AVAILABLE.—During the 2002 through 2011 marketing years for wool and mohair, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for wool and mohair produced on the farm during that marketing year.

(b) LOAN RATE.—The loan rate for a loan under subsection (a) shall be not more than—

(1) $1.00 per pound for graded wool;

(2) $0.40 per pound for nongraded wool; and

(3) $4.20 per pound for mohair.

(c) TERM OF LOAN.—A loan under subsection (a) shall have a term of 1 year beginning on the first day of the first month after the month in which the loan is made.

(d) REPAYMENT RATES.—The Secretary shall permit a producer to repay a marketing assistance loan under subsection (a) for wool or mohair at a rate that is the lesser of—

(1) the loan rate established for the commodity under subsection (b), plus interest (as determined by the Secretary); or

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

(B) minimize the accumulation of stocks of the commodity by the Federal Government;

(C) minimize the cost incurred by the Federal Government in storing the commodity; and

(D) allow the commodity produced in the United States to be marketed freely and competitively, both domestically and internationally.

(e) LOAN DEFICIENCY PAYMENTS.—

(1) AVAILABILITY.—The Secretary may make loan deficiency payments available to producers that, although eligible to obtain a marketing assistance loan under this section, agree to forgo obtaining the loan in return for payments under this subsection.

(2) COMPUTATION.—A loan deficiency payment under this subsection shall be computed by multiplying—

(A) the loan payment rate in effect under paragraph (3) for the commodity; by

(B) the quantity of the commodity produced by the eligible producers, excluding any quantity for which the producers obtain a loan under this subsection.

(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate for wool or mohair shall be the amount by which—

(A) the loan rate in effect for the commodity under subsection (b); exceeds

(B) the rate at which a loan for the commodity may be repaid under subsection (d).

(4) TIME FOR PAYMENT.—The Secretary shall make a payment under this subsection to a producer with respect to a quantity of a wool or mohair as of the earlier of the following:

(A) The date on which the producer marketed or otherwise lost beneficial interest in the wool or mohair, as determined by the Secretary.

(B) The date the producer requests the payment.

(f) LIMITATIONS.—The marketing assistance loan gains and loan deficiency payments that a person may receive for wool and mohair under this section shall be subject to a separate payment limitation, but in the same dollar amount, as the payment limitation that applies to marketing assistance loans and loan deficiency payments received by producers of other agricultural commodities in the same marketing year.

SEC. 131. AVAILABILITY OF NONRECOURSE MARKETING ASSISTANCE LOANS FOR HONEY.

(a) NONRECOURSE LOANS AVAILABLE.—During the 2002 through 2011 crop years for honey, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for honey produced on the farm during that crop year.

(b) LOAN RATE.—The loan rate for a marketing assistance loan for honey under subsection (a) shall be equal to $0.60 cents per pound.

(c) TERM OF LOAN.—A marketing assistance loan under subsection (a) shall have a term of 1 year beginning on the first day of the first month after the month in which the loan is made.

(d) REPAYMENT RATES.—The Secretary shall permit a producer to repay a marketing assistance loan for honey under subsection (a) at a rate that is the lesser of—

(1) the loan rate for honey, plus interest (as determined by the Secretary); or

(2) the prevailing domestic market price for honey, as determined by the Secretary.

(e) LOAN DEFICIENCY PAYMENTS.—

(1) AVAILABILITY.—The Secretary may make loan deficiency payments available to any producer of honey that, although eligible to obtain a marketing assistance loan under subsection (a), agrees to forgo obtaining the loan in return for a payment under this subsection.

(2) COMPUTATION.—A loan deficiency payment under this subsection shall be determined by multiplying—

(A) the loan payment rate determined under paragraph (3); by

(B) the quantity of honey that the producer is eligible to place under loan, but for which the producer forgoes obtaining the loan in return for a payment under this subsection.

(3) LOAN PAYMENT RATE.—For the purposes of this subsection, the loan payment rate shall be the amount by which—

(A) the loan rate established under subsection (b); exceeds

(B) the rate at which a loan may be repaid under subsection (d).

(4) TIME FOR PAYMENT.—The Secretary shall make a payment under this subsection to a producer with respect to a quantity of a honey as of the earlier of the following:

(A) The date on which the producer marketed or otherwise lost beneficial interest in the honey, as determined by the Secretary.

(B) The date the producer requests the payment.

(f) LIMITATIONS.—The marketing assistance loan gains and loan deficiency payments that a person may receive for a crop of honey under this section shall be subject to a separate payment limitation, but in the same dollar amount, as the payment limitation that applies to marketing assistance loans and loan deficiency payments received by producers of other agricultural commodities in the same crop year.

(g) PREVENTION OF FORFEITURES.—The Secretary shall carry out this section in such a manner as to minimize forfeitures of honey marketing assistance loans.

SEC. 132. PRODUCER RETENTION OF ERRONEOUSLY PAID LOAN DEFICIENCY PAYMENTS AND MARKETING LOAN GAINS.

Notwithstanding any other provision of law, the Secretary of Agriculture and the Commodity Credit Corporation shall not require producers in Erie County, Pennsylvania, to repay loan deficiency payments and marketing loan gains erroneously paid or determined to have been earned by the Commodity Credit Corporation for certain 1998 and 1999 crops under subtitle C of title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7231 et seq.). In the case of a producer who has already made the repayment on or before the date of the enactment of this Act, the Commodity Credit Corporation shall reimburse the producer for the full amount of the repayment.

SEC. 133. RESERVE STOCK ADJUSTMENT.

Section 301(b)(14)(C) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301(b)(14)(C)) is amended—

(1) in clause (i), by striking ''100,000,000'' and inserting ''75,000,000''; and

(2) in clause (ii), by striking ''15 percent'' and inserting ''10 percent''.

Subtitle C—Other Commodities

CHAPTER 1—DAIRY

SEC. 141. MILK PRICE SUPPORT PROGRAM.

(a) SUPPORT ACTIVITIES.—During the period beginning on January 1, 2002, and ending on December 31, 2011, the Secretary of Agriculture shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(b) RATE.—During the period specified in subsection (a), the price of milk shall be supported at a rate equal to $9.90 per hundredweight for milk containing 3.67 percent butterfat.

(c) PURCHASE PRICES.—The support purchase prices under this section for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under subsection (b).

(d) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK PURCHASE PRICES.—

(1) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. Not later than 10 days after making or changing an allocation, the Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation. Section 553 of title 5, United States Code, shall not apply with respect to the implementation of this section.

(2) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(e) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

SEC. 142. REPEAL OF RECOURSE LOAN PROGRAM FOR PROCESSORS.

Section 142 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7252) is repealed.

SEC. 143. EXTENSION OF DAIRY EXPORT INCENTIVE AND DAIRY INDEMNITY PROGRAMS.

(a) DAIRY EXPORT INCENTIVE PROGRAM.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14(a)) is amended by striking ''2002'' and inserting ''2011''.

(b) DAIRY INDEMNITY PROGRAM.—Section 3 of Public Law 90–484 (7 U.S.C. 4501) is amended by striking ''1995'' and inserting ''2011''.

SEC. 144. FLUID MILK PROMOTION.

(a) DEFINITION OF FLUID MILK PRODUCT.—Section 1999C of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6402) is amended by striking paragraph (3) and inserting the following new paragraph:

''(3) FLUID MILK PRODUCT.—The term 'fluid milk product' has the meaning given such term—

''(A) in section 1000.15 of title 7, Code of Federal Regulations, subject to such amendments as may be made from time to time; or

''(B) in any successor regulation providing a definition of such term that is promulgated pursuant to the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.''.

(b) DEFINITION OF FLUID MILK PROCESSOR.—Section 1999C(4) of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6402(4)) is amended by striking ''500,000'' and inserting ''3,000,000''.

(c) ELIMINATION OF ORDER TERMINATION DATE.—Section 1999O of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6414) is amended—

(1) by striking subsection (a); and

(2) by redesignating subsections (b) and (c) as subsections (a) and (b), respectively.

SEC. 145. DAIRY PRODUCT MANDATORY REPORTING.

Section 273(b)(1)(B) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1637b(b)(1)(B)) is amended—

(1) by inserting ''and substantially identical products designated by the Secretary'' after ''dairy products'' the first place it appears; and

(2) by inserting ''and such substantially identical products'' after ''dairy products'' the second place it appears.

SEC. 146. STUDY OF NATIONAL DAIRY POLICY.

(a) STUDY REQUIRED.—Not later than April 30, 2002, the Secretary of Agriculture shall submit to Congress a comprehensive economic evaluation of the potential direct and indirect effects of the various elements of the national dairy policy, including an examination of the effect of the national dairy policy on—

(1) farm price stability, farm profitability and viability, and local rural economies in the United States;

(2) child, senior, and low-income nutrition programs, including impacts on schools and institutions participating in the programs, on program recipients, and other factors; and

(3) the wholesale and retail cost of fluid milk, dairy farms, and milk utilization.

(b) NATIONAL DAIRY POLICY DEFINED.—In this section, the term ''national dairy policy'' means the dairy policy of the United States as evidenced by the following policies and programs:

(1) Federal Milk Marketing Orders.

(2) Interstate dairy compacts (including proposed compacts described in H.R. 1827 and S. 1157, as introduced in the 107th Congress).

(3) Over-order premiums and State pricing programs.

(4) Direct payments to milk producers.

(5) Federal milk price support program.

(6) Export programs regarding milk and dairy products, such as the Dairy Export Incentive Program.

CHAPTER 2—SUGAR

SEC. 151. SUGAR PROGRAM.

(a) CONTINUATION OF PROGRAM.—Subsection (i) of section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7251) is amended—

(1) by striking ''(other than subsection (f))''; and

(2) by striking ''2002 crops'' and inserting ''2011 crops''.

(b) TERMINATION OF MARKETING ASSESSMENT AND FORFEITURE PENALTY.—Effective as of October 1, 2001, subsections (f) and (g) of such section are repealed.

(c) LOAN RATE ADJUSTMENTS.—Subsection (c) of such section is amended—

(1) by striking ''REDUCTION IN LOAN RATES'' and inserting ''LOAN RATE ADJUSTMENTS''; and

(2) in paragraph (1)—

(A) by striking ''REDUCTION REQUIRED'' and inserting ''POSSIBLE REDUCTION''; and

(B) by striking ''shall'' and inserting ''may''.

(d) NOTIFICATION.—Subsection (e) of such section is amended by adding at the end the following new paragraph:

''(3) PREVENTION OF ONEROUS NOTIFICATION REQUIREMENTS.—The Secretary may not impose or enforce any prenotification or similar administrative requirement that has the effect of preventing a processor from choosing to forfeit the loan collateral upon the maturity of the loan.''.

(e) IN PROCESS SUGAR.—Such section is further amended by inserting after subsection (e) the following new subsection (f):

''(f) LOANS FOR IN-PROCESS SUGAR.—

''(1) AVAILABILITY; RATE.—The Secretary shall make nonrecourse loans available to processors of domestically grown sugarcane and sugar beets for in-process sugars and syrups derived from such crops. The loan rate shall be equal to 80 percent of the loan rate applicable to raw cane sugar or refined beet sugar, depending on the source material for the in-process sugars and syrups.

''(2) FURTHER PROCESSING UPON FORFEITURE.—As a condition on the forfeiture of in-process sugars and syrups serving as collateral for a loan under paragraph (1), the processor shall, within such reasonable time period as the Secretary may prescribe and at no cost to the Commodity Credit Corporation, convert the in-process sugars and syrups into raw cane sugar or refined beet sugar of acceptable grade and quality for sugars eligible for loans under subsection (a) or (b). Once the in-process sugars and syrups are fully processed into raw cane sugar or refined beet sugar, the processor shall transfer the sugar to the Corporation, which shall make a payment to the processor in an amount equal to the difference between the loan rate for raw cane sugar or refined beet sugar, whichever applies, and the loan rate the processor received under paragraph (1).

''(3) LOAN CONVERSION.—If the processor does not forfeit the collateral as described in paragraph (2), but instead further processes the in-process sugars and syrups into raw cane sugar or refined beet sugar and repays the loan on the in-process sugars and syrups, the processor may then obtain a loan under subsection (a) or (b) on the raw cane sugar or refined beet sugar, as appropriate.

''(4) DEFINITION.—In this subsection the term 'in-process sugars and syrups' does not include raw sugar, liquid sugar, invert sugar, invert syrup, or other finished products that are otherwise eligible for loans under subsection (a) or (b).''.

(f) ADMINISTRATION OF PROGRAM.—Such section is further amended by adding at the end the following new subsection:

''(j) AVOIDING FORFEITURES; CORPORATION INVENTORY DISPOSITION.—

''(1) NO COST.—To the maximum extent practicable, the Secretary shall operate the sugar program established under this section at no cost to the Federal Government by avoiding the forfeiture of sugar to the Commodity Credit Corporation.

''(2) INVENTORY DISPOSITION.—In support of the objective specified in paragraph (1), the Commodity Credit Corporation may accept bids for commodities in the inventory of the Corporation from (or otherwise make available such commodities, on appropriate terms and conditions, to) processors of sugarcane and processors of sugar beets (when the processors are acting in conjunction with the producers of the sugarcane or sugar beets processed by such processors) in return for the reduction of production of raw cane sugar or refined beet sugar, as appropriate. The authority provided under this paragraph is in addition to any authority of the Corporation under any other law.''.

(g) INFORMATION REPORTING.—Subsection (h) of such section is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (4) and (5), respectively;

(2) by inserting after paragraph (1) the following new paragraphs:

''(2) DUTY OF PRODUCERS TO REPORT.—

''(A) PROPORTIONATE SHARE STATES.—The Secretary shall require a producer of sugarcane located in a State (other than Puerto Rico) in which there are in excess of 250 sugarcane producers to report, in the manner prescribed by the Secretary, the producer's sugarcane yields and acres planted to sugarcane.

''(B) OTHER STATES.—The Secretary may require producers of sugarcane or sugar beets not covered by paragraph (1) to report, in the manner prescribed by the Secretary, each producer's sugarcane or sugar beet yields and acres planted to sugarcane or sugar beets, respectively.

''(3) DUTY OF IMPORTERS TO REPORT.—The Secretary shall require an importer of sugars, syrups or molasses to be used for human consumption or to be used for the extraction of sugar for human consumption, except such sugars, syrups, or molasses that are within the quantities of tariff-rate quotas that are at the lower rate of duties, to report, in the manner prescribed by the Secretary, the quantities of such products imported and the sugar content or equivalent of such products.''; and

(3) in paragraph (5), as so redesignated, by striking ''paragraph (1)'' and inserting ''this subsection''.

(h) INTEREST RATE.—Section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283) is amended by adding at the end the following new sentence: ''For purposes of this section, raw cane sugar, refined beet sugar, and in process sugar eligible for a loan under section 156 shall not be considered an agricultural commodity.''.

SEC. 152. REAUTHORIZE PROVISIONS OF AGRICULTURAL ADJUSTMENT ACT OF 1938 REGARDING SUGAR.

(a) INFORMATION REPORTING.—Section 359a of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa) is repealed.

(b) ESTIMATES.—Section 359b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359bb) is amended:

(1) in the section heading—

(A) by inserting ''**FLEXIBLE**'' before ''**MARKETING**''; and

(B) by striking ''**AND CRYSTALLINE FRUCTOSE**'';

(2) in subsection (a)—

(A) in paragraph (1)—

(i) by striking ''Before'' and inserting ''Not later than August 1 before'';

(ii) by striking ''1992 through 1998'' and inserting ''2002 through 2011'';

(iii) in subparagraph (A), by striking ''(other than sugar'' and all that follows through ''stocks'';

(iv) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (E), respectively;

(v) by inserting after subparagraph (A) the following:

''(B) the quantity of sugar that would provide for reasonable carryover stocks;'';

(vi) in subparagraph (C), as so redesignated—

(I) by striking ''or'' and all that follows through ''beets''; and

(II) by striking the ''and'' following the semicolon;

(vii) by inserting after subparagraph (C), as so redesignated, the following:

''(D) the quantity of sugar that will be available from the domestic processing of sugarcane and sugar beets; and''; and

(viii) in subparagraph (E), as so redesignated—

(I) by striking ''quantity of sugar'' and inserting ''quantity of sugars, syrups, and molasses'';

(II) by inserting ''human'' after ''imported for'' the first place it appears;

(III) by inserting after ''consumption'' the first place it appears the following: ''or to be used for the extraction of sugar for human consumption'';

(IV) by striking ''year'' and inserting ''year, whether such articles are under a tariff-rate quota or are in excess or outside of a tariff rate quota''; and

(V) by striking ''(other than sugar'' and all that follows through ''carry-in stocks'';

(B) by redesignating paragraph (2) as paragraph (3);

(C) by inserting after paragraph (1) the following new paragraph:

''(2) EXCLUSION.—The estimates in this section shall not include sugar imported for the production of polyhydric alcohol or to be refined and re-exported in refined form or in sugar containing products.'';

(D) in paragraph (3), as so redesignated—

(i) by striking ''QUARTERLY REESTIMATES'' and inserting ''REESTIMATES''; and

(ii) by inserting ''as necessary, but'' after ''a fiscal year'';

(3) in subsection (b)—

(A) by striking paragraph (1) and inserting the following new paragraph:

''(1) IN GENERAL.—By the beginning of each fiscal year, the Secretary shall establish for that fiscal year appropriate allotments under section 359c for the marketing by processors of sugar processed from sugar beets and from domestically-produced sugarcane at a level that the Secretary estimates will result in no forfeitures of sugar to the Commodity Credit Corporation under the loan program for sugar.''; and

(B) in paragraph (2), by striking ''or crystalline fructose'';

(4) by striking subsection (c);

(5) by redesignating subsection (d) as subsection (c); and

(6) in subsection (c), as so redesignated—

(A) by striking paragraph (2);

(B) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively; and

(C) in paragraph (2), as so redesignated—

(i) by striking ''or manufacturer'' and all that follows through ''(2)''; and

(ii) by striking ''or crystalline fructose''.

(c) ESTABLISHMENT.—Section 359c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359cc) is amended—

(1) in the section heading by inserting ''**FLEXIBLE**'' after ''**OF**'';

(2) in subsection (a), by inserting ''flexible'' after ''establish'';

(3) in subsection (b)—

(A) in paragraph (1)(A), by striking ''1,250,000'' and inserting ''1,532,000''; and

(B) in paragraph (2), by striking ''to the maximum extent practicable'';

(4) by striking subsection (c) and inserting the following new subsection:

''(c) MARKETING ALLOTMENT FOR SUGAR DERIVED FROM SUGAR BEETS AND MARKETING ALLOTMENT FOR SUGAR DERIVED FROM SUGARCANE.—The overall allotment quantity for the fiscal year shall be allotted among—

''(1) sugar derived from sugar beets by establishing a marketing allotment for a fiscal year at a quantity equal to the product of multiplying the overall allotment quantity for the fiscal year by the percentage of 54.35; and

''(2) sugar derived from sugarcane by establishing a marketing allotment for a fiscal year at a quantity equal to the product of multiplying the overall allotment quantity for the fiscal year by the percentage of 45.65.'';

(5) by amending subsection (d) to read as follows:

''(d) FILLING CANE SUGAR AND BEET SUGAR ALLOTMENTS.—Each marketing allotment for cane sugar established under this section may only be filled with sugar processed from domestically grown sugarcane, and each marketing allotment for beet sugar established under this section may only be filled with sugar domestically processed from sugar beets.'';

(6) by striking subsection (e);

(7) by redesignating subsection (f) as subsection (e);

(8) in subsection (e), as so redesignated—

(A) by inserting ''(1) IN GENERAL.—'' before ''The allotment for sugar'' and indenting such paragraph appropriately;

(B) in such paragraph (1)—

(i) by striking ''the 5'' and inserting ''the'';

(ii) by inserting after ''sugarcane is produced,'' the following: ''after a hearing, if requested by the affected sugar cane processors and growers, and on such notice as the Secretary by regulation may prescribe,'';

(iii) by striking ''on the basis of past marketings'' and all that follows through ''allotments'', and inserting ''as provided in this subsection and section 359d(a)(2)(A)(iv)''; and

(C) by inserting after paragraph (1) the following new paragraphs:

''(2) OFFSHORE ALLOTMENT.—

''(A) COLLECTIVELY.—Prior to the allotment of sugar derived from sugarcane to any other State, 325,000 short tons, raw value shall be allotted to the offshore States.

''(B) INDIVIDUALLY.—The collective offshore State allotment provided for under subparagraph (A) shall be further allotted among the offshore States in which sugarcane is produced, after a hearing if requested by the affected sugar cane processors and growers, and on such notice as the Secretary by regulation may prescribe, in a fair and equitable manner on the basis of—

''(i) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from the 1996 through 2000 crops;

''(ii) the ability of processors to market the sugar covered under the allotments for the crop year; and

''(iii) past processings of sugar from sugarcane based on the 3 year average of the crop years 1998 through 2000.

''(3) MAINLAND ALLOTMENT.—The allotment for sugar derived from sugarcane, less the amount provided for under paragraph (2), shall be allotted among the mainland States in the United States in which sugarcane is produced, after a hearing if requested by the affected sugar cane processors and growers, and on such notice as the Secretary by regulation may prescribe, in a fair and equitable manner on the basis of—

''(A) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from the 1996 through 2000 crops;

''(B) the ability of processors to market the sugar covered under the allotments for the crop year; and

''(C) past processings of sugar from sugarcane, based on the 3 crop years with the greatest processings (in the mainland States collectively) during the 1991 through 2000 crop years.'';

(9) by inserting after subsection (e), as so redesignated, the following new subsection (f):

''(f) FILLING CANE SUGAR ALLOTMENTS.—Except as otherwise provided in section 359e, a State cane sugar allotment established under subsection (e) for a fiscal year may be filled only with sugar processed from sugarcane grown in the State covered by the allotment.'';

(10) in subsection (g)—

(A) in paragraph (1), by striking ''359b(a)(2)—'' and all that follows through the comma at the end of subparagraph (C) and inserting ''359b(a)(3), adjust upward or downward marketing allotments in a fair and equitable manner'';

(B) in paragraph (2) by striking ''359f(b)'' and inserting ''359f(c)''; and

(C) in paragraph (3)—

(i) by striking ''REDUCTIONS'' and inserting ''CARRY-OVER OF REDUCTIONS'';

(ii) by inserting after ''this subsection, if'' the following: ''at the time of the reduction'';

(iii) by striking ''price support'' and inserting ''nonrecourse'';

(iv) by striking ''206'' and all that follows through ''the allotment'' and inserting ''156 of the Agricultural Market Transition Act (7 U.S.C. 7272),''; and

(v) by striking '', if any,''; and

(11) by amending subsection (h) to read as follows:

''(h) SUSPENSION OF ALLOTMENTS.—Whenever the Secretary estimates, or reestimates, under section 359b(a), or has reason to believe that imports of sugars, syrups or molasses for human consumption or to be used for the extraction of sugar for human consumption, whether under a tariff-rate quota or in excess or outside of a tariff-rate quota, will exceed 1.532 million short tons, raw value equivalent, and that such imports would lead to a reduction of the overall allotment quantity, the Secretary shall suspend the marketing allotments until such time as such imports have been restricted, eliminated, or otherwise reduced to or below the level of 1.532 million tons.''.

(d) ALLOCATION.—Section 359d of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359dd) is amended—

(1) in subsection (a)(2)(A)—

(A) by inserting ''(i) IN GENERAL.—'' before ''The Secretary shall'' and indenting such clause appropriately;

(B) in clause (i), as so designated—

(i) by striking ''interested parties'' and inserting ''the affected sugar cane processors and growers'';

(ii) by striking ''by taking'' and all that follows through ''allotment allocated.'' and inserting ''with this subparagraph.''; and

(iii) by inserting at the end the following new sentence: ''Each such allocation shall be subject to adjustment under section 359c(g).'';

(C) by inserting after clause (i) the following new clauses:

''(ii) MULTIPLE PROCESSOR STATES.—Except as provided in clause (iii), the Secretary shall allocate the allotment for cane sugar among multiple cane sugar processors in a single State based upon—

''(I) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from among the 1996 through 2000 crops;

''(II) the ability of processors to market sugar covered by that portion of the allotment allocated for the crop year;

''(III) past processings of sugar from sugarcane, based on the average of the 3 highest years from among crop years 1996 through 2000; and

''(IV) however, only with respect to allotments under subclauses (I), (II), and (III) attributable to the former operations of the Talisman processing facility, shall be allocated among processors in the State coincident with the provisions of the agreements of March 25 and March 26, 1999, between the affected processors and the Department of the Interior.

''(iii) PROPORTIONATE SHARE STATES.—In the case of States subject to section 359f(c), the Secretary shall allocate the allotment for cane sugar among multiple cane sugar processors in a single state based upon—

''(I) past marketings of sugar, based on the average of the two highest years of production of raw cane sugar from among the 1997 through 2001 crop years;

''(II) the ability of processors to market sugar covered by that portion of the allotments allocated for the crop year; and

''(III) past processings of sugar from sugarcane, based on the average of the two highest crop years from the five crop years 1997 through 2001.

''(iv) NEW ENTRANTS.—Notwithstanding clauses (ii) and (iii), the Secretary, on application of any processor that begins processing sugarcane on or after the date of enactment of this clause, and after a hearing if requested by the affected sugarcane processors and growers, and on such notice as the Secretary by regulation may prescribe, may provide such processor with an allocation which provides a fair, efficient and equitable distribution of the allocations from the allotment for the State in which the processor is located and, in the case of proportionate share States, shall establish proportionate shares in an amount sufficient to produce the sugarcane required to satisfy such allocations. However, the allotment for a new processor under this clause shall not exceed 50,000 short tons, raw value.

''(v) TRANSFER OF OWNERSHIP.—Except as otherwise provided in section 359f(c)(8), in the event that a sugarcane processor is sold or otherwise transferred to another owner, or closed as part of an affiliated corporate group processing consolidation, the Secretary shall transfer the allotment allocation for the processor to the purchaser, new owner, or successor in interest, as applicable, of the processor.''; and

(2) in subsection (a)(2)(B)—

(A) by striking ''interested parties'' and inserting ''the affected sugar beet processors and growers''; and

(B) by striking ''processing capacity'' and all that follows through ''allotment allocated'' and inserting the following: ''the marketings of sugar processed from sugar beets of any or all of the 1996 through 2000 crops, and such other factors as the Secretary may deem appropriate after consultation with the affected sugar beet processors and growers. However, in the case of any processor which has started processing sugar beets after January 1, 1996, the Secretary shall provide such processor with an allocation which provides a fair, efficient and equitable distribution of the allocations''.

(e) REASSIGNMENT.—Section 359e(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ee(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B) by striking the ''and'' after the semicolon;

(B) by redesignating subparagraph (C) as subparagraph (D);

(C) by inserting after subparagraph (B) the following new subparagraph:

''(C) if after the reassignments, the deficit cannot be completely eliminated, the Secretary shall reassign the estimated quantity of the deficit to the sale of any inventories of sugar held by the Commodity Credit Corporation; and''; and

(D) in subparagraph (D), as so redesignated, by inserting ''and sales'' after ''reassignments''; and

(2) in paragraph (2)—

(A) in subparagraph (A) by striking the ''and'' after the semicolon;

(B) in subparagraph (B), by striking ''reassign the remainder to imports.'' and inserting ''use the estimated quantity of the deficit for the sale of any inventories of sugar held by the Commodity Credit Corporation; and''; and

(C) by inserting after subparagraph (B) the following new subparagraph:

''(C) if after such reassignments and sales, the deficit cannot be completely eliminated, the Secretary shall reassign the remainder to imports.''.

(f) PRODUCER PROVISIONS.—Section 359f of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ff) is amended—

(1) in subsection (a)—

(A) by striking ''processor's allocation'' in the second sentence and inserting ''allocation to the processor''; and

(B) by inserting after ''request of either party'' the following: '', and such arbitration should be completed within 45 days, but not more than 60 days, of the request'';

(2) by redesignating subsection (b) as subsection (c);

(3) by inserting after subsection (a) the following new subsection:

''(b) SUGAR BEET PROCESSING FACILITY CLOSURES.— In the event that a sugar beet processing facility is closed and the sugar beet growers who previously delivered beets to such facility desire to deliver their beets to another processing company:

''(1) Such growers may petition the Secretary to modify existing allocations to accommodate such a transition; and

''(2) The Secretary may increase the allocation to the processing company to which the growers desire to deliver their sugar beets, and which the processing company agrees to accept, not to exceed its processing capacity, to accommodate the change in deliveries.

''(3) Such increased allocation shall be deducted from the allocation to the company that owned the processing facility that has been closed and the remaining allocation will be unaffected.

''(4) The Secretary's determination on the issues raised by the petition shall be made within 60 days of the filing of the petition.'';

(4) in subsection (c), as so redesignated—

(A) in paragraph (3)(A), by striking ''the preceding five years'' and inserting ''the two highest years from among the years 1999, 2000, and 2001'';

(B) in paragraph (4)(A), by striking ''each'' and all that follows through ''in effect'' and inserting ''the two highest of the three (3) crop years 1999, 2000, and 2001''; and

(C) by inserting after paragraph (7) the following new paragraph:

''(8) PROCESSING FACILITY CLOSURES.—In the event that a sugarcane processing facility subject to this subsection is closed and the sugarcane growers who previously delivered sugarcane to such facility desire to deliver their sugarcane to another processing company—

''(A) such growers may petition the Secretary to modify existing allocations to accommodate such a transition;

''(B) the Secretary may increase the allocation to the processing company to which the growers desire to deliver the sugarcane, and which the processing company agrees to accept, not to exceed its processing capacity, to accommodate the change in deliveries;

''(C) such increased allocation shall be deducted from the allocation to the company that owned the processing facility that has been closed and the remaining allocation will be unaffected; and

''(D) the Secretary's determination on the issues raised by the petition shall be made within 60 days of the filing of the petition.''.

(g) CONFORMING AMENDMENTS.—(1) The heading of part VII of subtitle B of Title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 359aa et seq.) is amended to read as follows:

''PART VII—FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR''.

(2) Section 359g of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359gg) is amended—

(A) by striking ''359f'' each place it appears and inserting ''359f(c)'';

(B) in subsection (b), by striking ''3 consecutive'' and inserting ''5 consecutive''; and

(C) in subsection (c), by inserting ''or adjusted'' after ''share established''.

(3) Section 359j(c) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359jj) is amended—

(A) by amending the subsection heading to read as follows: ''DEFINITIONS.—'';

(B) by striking ''Notwithstanding'' and inserting the following:

''(1) UNITED STATES AND STATE.—Notwithstanding''; and

(C) by inserting after such paragraph (1) the following new paragraph:

''(2) OFFSHORE STATES.—For purposes of this part, the term 'offshore States' means the sugarcane producing States located outside of the continental United States.''.

(h) LIFTING OF SUSPENSION.—Section 171(a)(1)(E) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301(a)(1)(E)) is amended by inserting before the period at the end the following: '', but only with respect to sugar marketings through fiscal year 2002''.

SEC. 153. STORAGE FACILITY LOANS.

(a) STORAGE FACILITY LOAN PROGRAM.—Notwithstanding any other provision of law and as soon as practicable after the date of the enactment of this section, the Commodity Credit Corporation shall amend part

1436 of title 7, Code of Federal Regulations, to establish a sugar storage facility loan program to provide financing for processors of domestically-produced sugarcane and sugar beets to build or upgrade storage and handling facilities for raw sugars and refined sugars.

(b) ELIGIBLE PROCESSORS.—Storage facility loans shall be made available to any processor of domestically produced sugarcane or sugar beets that has a satisfactory credit history, determines a need for increased storage capacity (taking into account the effects of marketing allotments), and demonstrates an ability to repay the loan.

(c) TERM OF LOANS.—Storage facility loans shall be for a minimum of seven years, and shall be in such amounts and on such terms and conditions (including down payment, security requirements, and eligible equipment) as are normal, customary, and appropriate for the size and commercial nature of the borrower.

(d) ADMINISTRATION.—The sugar storage facility loan program shall be administered using the services, facilities, funds, and authorities of the Commodity Credit Corporation.

CHAPTER 3—PEANUTS

SEC. 161. DEFINITIONS.

In this chapter:

(1) COUNTER-CYCLICAL PAYMENT.—The term ''counter-cyclical payment'' means a payment made to peanut producers under section 164.

(2) EFFECTIVE PRICE.—The term ''effective price'' means the price calculated by the Secretary under section 164 for peanuts to determine whether counter-cyclical payments are required to be made under such section for a crop year.

(3) HISTORIC PEANUT PRODUCER.—The term ''historic peanut producer'' means a peanut producer on a farm in the United States that produced or attempted to produce peanuts during any or all of crop years 1998, 1999, 2000, and 2001.

(4) FIXED, DECOUPLED PAYMENT.—The term ''fixed, decoupled payment'' means a payment made to peanut producers under section 163.

(5) PAYMENT ACRES.—The term ''payment acres'' means 85 percent of the peanut acres on a farm, as established under section 162, upon which fixed, decoupled payments and counter-cyclical payments are to be made.

(6) PEANUT ACRES.—The term ''peanut acres'' means the number of acres assigned to a particular farm by historic peanut producers pursuant to section 162(b).

(7) PAYMENT YIELD.—The term ''payment yield'' means the yield assigned to a particular farm by historic peanut producers pursuant to section 162(b).

(8) PEANUT PRODUCER.—The term ''peanut producer'' means an owner, operator, landlord, tenant, or sharecropper who shares in the risk of producing a crop of peanuts in the United States and who is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced.

(9) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(10) STATE.—The term ''State'' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.

(11) TARGET PRICE.—The term ''target price'' means the price per ton of peanuts used to determine the payment rate for counter-cyclical payments.

(12) UNITED STATES.—The term ''United States'', when used in a geographical sense, means all of the States.

SEC. 162. ESTABLISHMENT OF PAYMENT YIELD, PEANUT ACRES, AND PAYMENT ACRES FOR A FARM.

(a) ESTABLISHMENT OF PAYMENT YIELD AND PAYMENT ACRES.—

(1) DETERMINATION OF AVERAGE YIELD.—

(A) IN GENERAL.—The Secretary shall determine, for each historic peanut producer, the average yield for peanuts on each farm on which the historic peanut producer produced peanuts for the 1998 through 2001 crop years, excluding any crop year in which the producer did not produce peanuts. If, for any of these four crop years in which peanuts were planted on a farm by the producer, the farm would have satisfied the eligibility criteria established to carry out section 1102 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (7 U.S.C. 1421 note; Public Law 105–277), the Secretary shall assign a yield for the producer for that year equal to 65 percent of the county yield, as determined by the Secretary.

(B) SELECTION BY PRODUCER.—If a county in which a historical peanut producer described in subparagraph (A) is located is declared a disaster area during 1 or more of the 4 crop years described in subparagraph (A), for the purposes of determining the 4-year average yield for the historical peanut producer, the historical peanut producer may elect to substitute, for not more than 1 of the crop years during which a disaster is declared—

(i) the State 4-year average yield of peanuts produced in the State; or

(ii) the average yield for the historical peanut producer determined by the Secretary under subparagraph (A).

(2) ACREAGE AVERAGE.—Except as provided in paragraph (3), the Secretary shall determine, for the historical peanut producer, the 4-year average of—

(A) acreage planted to peanuts on all farms for harvest during the 1998 through 2001 crop years; and

(B) any acreage that was prevented from being planting to peanuts during the crop years because of drought, flood, or other natural disaster, or other condition beyond the control of the historical peanut producer, as determined by the Secretary.

(3) SELECTION BY PRODUCER.—If a county in which a historical peanut producer described in paragraph (2) is located is declared a disaster area during 1 or more of the 4 crop years described in paragraph (2), for the purposes of determining the 4-year average acreage for the historical peanut producer, the historical peanut producer may elect to substitute, for not more than 1 of the crop years during which a disaster is declared—

(A) the State average of acreage actually planted to peanuts; or

(B) the average of acreage for the historical peanut producer determined by the Secretary under paragraph (2).

(4) TIME FOR DETERMINATIONS; FACTORS.—

(A) TIMING.—The Secretary shall make the determinations required by this subsection not later than 90 days after the date of enactment of this section.

(B) FACTORS.—In making the determinations, the Secretary shall take into account changes in the number and identity of historical peanut producers sharing in the risk of producing a peanut crop since the 1998 crop year, including providing a method for the assignment of average acres and average yield to a farm when a historical peanut producer is no longer living or an entity composed of historical peanut producers has been dissolved.

(b) ASSIGNMENT OF YIELD AND ACRES TO FARMS.—

(1) ASSIGNMENT BY HISTORICAL PEANUT PRODUCERS.—For each of the 2002 and 2003 crop years, the Secretary shall provide each historical peanut producer with an opportunity to assign the average peanut yield and average acreage determined under subsection (a) for the historical peanut producer to cropland on a farm.

(2) PAYMENT YIELD.—The average of all of the yields assigned by historical peanut producers to a farm shall be considered to be the payment yield for the farm for the purpose of making direct payments and counter-cyclical payments under this chapter.

(3) PEANUT ACRES.—Subject to subsection (e), the total number of acres assigned by historical peanut producers to a farm shall be considered to be the peanut acres for the farm for the purpose of making direct payments and counter-cyclical payments under this chapter.

(c) ELECTION.—Not later than 180 days after the date of enactment of this section for the 2002 crop, and not later than 180 days after January 1, 2003, for the 2003 crop, a historical peanut producer shall notify the Secretary of the assignments described in subsection (b).

(d) PAYMENT ACRES.—The payment acres for peanuts on a farm shall be equal to 85 percent of the peanut acres assigned to the farm.

(e) PREVENTION OF EXCESS PEANUT ACRES.—

(1) REQUIRED REDUCTION.—If the total of the peanut acres for a farm, together with the acreage described in paragraph (3), exceeds the actual cropland acreage of the farm, the Secretary shall reduce the quantity of peanut acres for the farm or contract acreage for 1 or more covered commodities for the farm as necessary so that the total of the peanut acres and acreage described in paragraph (3) does not exceed the actual cropland acreage of the farm.

(2) SELECTION OF ACRES.—The Secretary shall give the peanut producers on the farm the opportunity to select the peanut acres or contract acreage against which the reduction will be made.

(3) OTHER ACREAGE.—For the purposes of paragraph (1), the Secretary shall include—

(A) any contract acreage for the farm under subtitle B;

(B) any acreage on the farm enrolled in the conservation reserve program or wetlands reserve program under chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.); and

(C) any other acreage on the farm enrolled in a conservation program for which payments are made in exchange for not producing an agricultural commodity on the acreage.

(3) DOUBLE-CROPPED ACREAGE.—In applying paragraph (1), the Secretary shall take into account additional acreage as a result of an established double-cropping history on a farm, as determined by the Secretary.

SEC. 163. DIRECT PAYMENTS FOR PEANUTS.

(a) IN GENERAL.—For each of the 2002 through 2006 fiscal years, the Secretary shall make direct payments to peanut producers on a farm with peanut acres under section 158B and a payment yield for peanuts under section 164.

(b) PAYMENT RATE.—The payment rate used to make direct payments with respect to peanuts for a fiscal year shall be equal to $0.018 per pound.

(c) PAYMENT AMOUNT.—The amount of the direct payment to be paid to the peanut producers on a farm for peanuts for a fiscal year shall be equal to the product obtained by multiplying—

(1) the payment rate specified in subsection (b);

(2) the payment acres on the farm; by

(3) the payment yield for the farm.

(d) TIME FOR PAYMENT.—

(1) IN GENERAL.—The Secretary shall make direct payments—

(A) in the case of the 2002 fiscal year, during the period beginning December 1, 2001, and ending September 30, 2002; and

(B) in the case of each of the 2003 through 2006 fiscal years, not later than September 30 of the fiscal year.

(2) ADVANCE PAYMENTS.—

(A) IN GENERAL.—At the option of the peanut producers on a farm, the Secretary shall pay 50 percent of the direct payment for a fiscal year for the producers on the farm on a date selected by the peanut producers on the farm.

(B) SELECTED DATE.—The selected date for a fiscal year shall be on or after December 1 of the fiscal year.

(C) SUBSEQUENT FISCAL YEARS.—The peanut producers on a farm may change the selected date for a subsequent fiscal year by providing advance notice to the Secretary.

(3) REPAYMENT OF ADVANCE PAYMENTS.—If any peanut producer on a farm that receives an advance direct payment for a fiscal year ceases to be eligible for a direct payment before the date the direct payment would have been made by the Secretary under paragraph (1), the peanut producer shall be responsible for repaying the Secretary the full amount of the advance payment.

SEC. 164. COUNTER-CYCLICAL PAYMENTS FOR PEANUTS.

(a) IN GENERAL.—For each of the 2002 through 2006 crops of peanuts, the Secretary shall make counter-cyclical payments with respect to peanuts if the Secretary determines that the effective price for peanuts is less than the income protection price for peanuts.

(b) EFFECTIVE PRICE.—For the purposes of subsection (a), the effective price for peanuts is equal to the total of—

(1) the greater of—

(A) the national average market price received by peanut producers during the marketing season for peanuts, as determined by the Secretary; or

(B) the national average loan rate for a marketing assistance loan for peanuts under section 167 in effect for the marketing season for peanuts under this chapter; and

(2) the payment rate in effect for peanuts under section 165 for the purpose of making direct payments with respect to peanuts.

(c) INCOME PROTECTION PRICE.—For the purposes of subsection (a), the income protection price for peanuts shall be equal to $550 per ton.

(d) PAYMENT AMOUNT.—The amount of the counter-cyclical payment to be paid to the peanut producers on a farm for a crop year shall be equal to the product obtained by multiplying—

(1) the payment rate specified in subsection (e);

(2) the payment acres on the farm; by

(3) the payment yield for the farm.

(e) PAYMENT RATE.—The payment rate used to make counter-cyclical payments with respect to peanuts for a crop year shall be equal to the difference between—

(1) the income protection price for peanuts; and

(2) the effective price determined under subsection (b) for peanuts.

(f) TIME FOR PAYMENTS.—

(1) IN GENERAL.—The Secretary shall make counter-cyclical payments to peanut producers on a farm under this section for a crop of peanuts as soon as practicable after determining under subsection (a) that the payments are required for the crop year.

(2) PARTIAL PAYMENT.—

(A) IN GENERAL.—At the option of the Secretary, the peanut producers on a farm may elect to receive up to 40 percent of the projected counter-cyclical payment to be made under this section for a crop of peanuts on completion of the first 2 months of the marketing season for the crop, as determined by the Secretary.

(B) REPAYMENT.—The peanut producers on a farm shall repay to the Secretary the amount, if any, by which the payment received by producers on the farm (including any partial payments) exceeds the counter-cyclical payment the producers on the farm are eligible for under this section.

SEC. 165. PRODUCER AGREEMENTS.

(a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

(1) REQUIREMENTS.—Before the peanut producers on a farm may receive direct payments or counter-cyclical payments with respect to the farm, the peanut producers on the farm shall agree during the fiscal year or crop year, respectively, for which the payments are received, in exchange for the payments—

(A) to comply with applicable highly erodible land conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.);

(B) to comply with applicable wetland conservation requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.);

(C) to comply with the planting flexibility requirements of section 166; and

(D) to use a quantity of the land on the farm equal to the peanut acres, for an agricultural or conserving use, and not for a nonagricultural commercial or industrial use, as determined by the Secretary.

(2) COMPLIANCE.—The Secretary may promulgate such regulations as the Secretary considers necessary to ensure peanut producer compliance with paragraph (1).

(b) FORECLOSURE.—

(1) IN GENERAL.—The Secretary shall not require the peanut producers on a farm to repay a direct payment or counter-cyclical payment if a foreclosure has occurred with respect to the farm and the Secretary determines that forgiving the repayment is appropriate to provide fair and equitable treatment.

(2) COMPLIANCE WITH REQUIREMENTS.—

(A) IN GENERAL.—This subsection shall not void the responsibilities of the peanut producers on a farm under subsection (a) if the peanut producers on the farm continue or resume operation, or control, of the farm.

(B) APPLICABLE REQUIREMENTS.—On the resumption of operation or control over the farm by the peanut producers on the farm, the requirements of subsection (a) in effect on the date of the foreclosure shall apply.

(c) TRANSFER OR CHANGE OF INTEREST IN FARM.—

(1) TERMINATION.—Except as provided in paragraph (5), a transfer of (or change in) the interest of the peanut producers on a farm in peanut acres for which direct payments or counter-cyclical payments are made shall result in the termination of the payments with respect to the peanut acres, unless the transferee or owner of the acreage agrees to assume all obligations under subsection (a).

(2) EFFECTIVE DATE.—The termination takes effect on the date of the transfer or change.

(3) TRANSFER OF PAYMENT BASE AND YIELD.—The Secretary shall not impose any restriction on the transfer of the peanut acres or payment yield of a farm as part of a transfer or change described in paragraph (1).

(4) MODIFICATION.—At the request of the transferee or owner, the Secretary may modify the requirements of subsection (a) if the modifications are consistent with the purposes of subsection (a), as determined by the Secretary.

(5) EXCEPTION.—If a peanut producer entitled to a direct payment or counter-cyclical payment dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment, in accordance with regulations promulgated by the Secretary.

(d) ACREAGE REPORTS.—As a condition on the receipt of any benefits under this chapter, the Secretary shall require the peanut producers on a farm to submit to the Secretary acreage reports for the farm.

(e) TENANTS AND SHARECROPPERS.—In carrying out this chapter, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

(f) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of direct payments and counter-cyclical payments among the peanut producers on a farm on a fair and equitable basis.

SEC. 166. PLANTING FLEXIBILITY.

(a) PERMITTED CROPS.—Subject to subsection (b), any commodity or crop may be planted on peanut acres on a farm.

(b) LIMITATIONS AND EXCEPTIONS REGARDING CERTAIN COMMODITIES.—

(1) LIMITATIONS.—The planting of the following agricultural commodities shall be prohibited on peanut acres:

(A) Fruits.

(B) Vegetables (other than lentils, mung beans, and dry peas).

(C) In the case of the 2003 and subsequent crops of an agricultural commodity, wild rice.

(2) EXCEPTIONS.—Paragraph (1) shall not limit the planting of an agricultural commodity specified in paragraph (1)—

(A) in any region in which there is a history of double-cropping of peanuts with agricultural commodities specified in paragraph (1), as determined by the Secretary, in which case the double-cropping shall be permitted;

(B) on a farm that the Secretary determines has a history of planting agricultural commodities specified in paragraph (1) on peanut acres, except that direct payments and counter-cyclical payments shall be reduced by an acre for each acre planted to the agricultural commodity; or

(C) by the peanut producers on a farm that the Secretary determines has an established planting history of a specific agricultural commodity specified in paragraph (1), except that—

(i) the quantity planted may not exceed the average annual planting history of the agricultural commodity by the peanut producers on the farm during the 1996 through 2001 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and

(ii) direct payments and counter-cyclical payments shall be reduced by an acre for each acre planted to the agricultural commodity.

SEC. 167. MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS FOR PEANUTS.

(a) NONRECOURSE LOANS AVAILABLE.—

(1) AVAILABILITY.—For each of the 2002 through 2006 crops of peanuts, the Secretary shall make available to peanut producers on a farm nonrecourse marketing assistance loans for peanuts produced on the farm.

(2) TERMS AND CONDITIONS.—The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under subsection (b).

(3) ELIGIBLE PRODUCTION.—The producers on a farm shall be eligible for a marketing assistance loan under this section for any quantity of peanuts produced on the farm.

(4) TREATMENT OF CERTAIN COMMINGLED COMMODITIES.—In carrying out this section, the Secretary shall make loans to peanut producers on a farm that would be eligible to obtain a marketing assistance loan but for the fact the peanuts owned by the peanut producers on the farm are commingled with other peanuts of other producers in facilities unlicensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the peanut producers on a farm obtaining the loan agree to immediately redeem the loan collateral in accordance with section 165.

(5) OPTIONS FOR OBTAINING LOAN.—A marketing assistance loan under this subsection, and loan deficiency payments under subsection (e), may be obtained at the option of the peanut producers on a farm through—

(A) a designated marketing association of peanut producers that is approved by the Secretary, which may own or construct necessary storage facilities;

(B) the Farm Service Agency; or

(C) a loan servicing agent approved by the Secretary.

(b) LOAN RATE.—The loan rate for a marketing assistance loan for peanuts under subsection (a) shall be equal to $400 per ton.

(c) TERM OF LOAN.—

(1) IN GENERAL.—A marketing assistance loan for peanuts under subsection (a) shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made.

(2) EXTENSIONS PROHIBITED.—The Secretary may not extend the term of a marketing assistance loan for peanuts under subsection (a).

(d) REPAYMENT RATE.—The Secretary shall permit peanut producers on a farm to repay a marketing assistance loan for peanuts under subsection (a) at a rate that is the lesser of—

(1) the loan rate established for peanuts under subsection (b), plus interest (as determined by the Secretary); or

(2) a rate that the Secretary determines will—

(A) minimize potential loan forfeitures;

(B) minimize the accumulation of stocks of peanuts by the Federal Government;

(C) minimize the cost incurred by the Federal Government in storing peanuts; and

(D) allow peanuts produced in the United States to be marketed freely and competitively, both domestically and internationally.

(e) LOAN DEFICIENCY PAYMENTS.—

(1) AVAILABILITY.—The Secretary may make loan deficiency payments available to the peanut producers on a farm that, although eligible to obtain a marketing assistance loan for peanuts under subsection (a), agree to forgo obtaining the loan for the peanuts in return for payments under this subsection.

(2) AMOUNT.—A loan deficiency payment under this subsection shall be obtained by multiplying—

(A) the loan payment rate determined under paragraph (3) for peanuts; by

(B) the quantity of the peanuts produced by the peanut producers on the farm, excluding any quantity for which the producers on the farm obtain a loan under subsection (a).

(3) LOAN PAYMENT RATE.—For the purposes of this subsection, the loan payment rate shall be the amount by which—

(A) the loan rate established under subsection (b); exceeds

(B) the rate at which a loan may be repaid under subsection (d).

(4) TIME FOR PAYMENT.—The Secretary shall make a payment under this subsection to the peanut producers on a farm with respect to a quantity of peanuts as of the earlier of—

(A) the date on which the peanut producers on the farm marketed or otherwise lost beneficial interest in the peanuts, as determined by the Secretary; or

(B) the date the peanut producers on the farm request the payment.

(f) COMPLIANCE WITH CONSERVATION REQUIREMENTS.—As a condition of the receipt of a marketing assistance loan under subsection (a), the peanut producers on a farm shall comply during the term of the loan with—

(1) applicable highly erodible land conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.); and

(2) applicable wetland conservation requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.).

(g) REIMBURSABLE AGREEMENTS AND PAYMENT OF EXPENSES.—To the maximum extent practicable, the Secretary shall implement any reimbursable agreements or provide for the payment of expenses under this chapter in a manner that is consistent with the implementation of the agreements or payment of the expenses for other commodities.

SEC. 168. QUALITY IMPROVEMENT.

(a) OFFICIAL INSPECTION.—All peanuts placed under a marketing assistance loan under section 167 or otherwise sold or marketed shall be officially inspected and graded by a Federal or State inspector.

(b) EFFECTIVE DATE.—This section shall take effect with the 2002 crop of peanuts.

SEC. 169. PAYMENT LIMITATIONS.

For purposes of sections 1001 through 1001C of the Food Security Act of 1985 (7 U.S.C. 1308 through 1308–3), separate payment limitations shall apply to peanuts with respect to—

(1) fixed, decoupled payments;

(2) counter-cyclical payments, and

(3) limitations on marketing loan gains and loan deficiency payments.

SEC. 170. TERMINATION OF MARKETING QUOTA PROGRAMS FOR PEANUTS AND COMPENSATION TO PEANUT QUOTA HOLDERS FOR LOSS OF QUOTA ASSET VALUE.

(a) REPEAL OF MARKETING QUOTA.—

(1) REPEAL.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357–1359a), relating to peanuts, is repealed.

(2) TREATMENT OF 2001 CROP.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357–1359a), as in effect on the day before the date of the enactment of this Act, shall continue to apply with respect to the 2001 crop of peanuts notwithstanding the amendment made by paragraph (1).

(b) COMPENSATION CONTRACT REQUIRED.—The Secretary shall offer to enter into a contract with eligible peanut quota holders for the purpose of providing compensation for the lost value of the quota on account of the repeal of the marketing quota program for peanuts under subsection (a). Under the contracts, the Secretary shall make payments to eligible peanut quota holders during fiscal years 2002 through 2006.

(c) TIME FOR PAYMENT.—The payments required under the contracts shall be provided in five equal installments not later than September 30 of each of fiscal years 2002 through 2006.

(d) PAYMENT AMOUNT.—The amount of the payment for a fiscal year to a peanut quota holder under a contract shall be equal to the product obtained by multiplying—

(1) $0.10 per pound; by

(2) the actual farm poundage quota (excluding seed and experimental peanuts) established for the peanut quota holder's farm under section 358–1(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)) for the 2001 marketing year.

(e) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)), relating to assignment of payments, shall apply to the payments made to peanut quota holders under the contracts. The peanut quota holder making the assignment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require, of any assignment made under this subsection.

(f) PEANUT QUOTA HOLDER DEFINED.—In this section, the term ''peanut quota holder'' means a person or enterprise that owns a farm that—

(1) was eligible, immediately before the date of the enactment of this Act, to have a peanut quota established upon it;

(2) if there are not quotas currently established, would be eligible to have a quota established upon it for the succeeding crop year, in the absence of the amendment made by subsection (a); or

(3) is otherwise a farm that was eligible for such a quota at the time the general quota establishment authority was repealed.

The Secretary shall apply this definition without regard to temporary leases or transfers or quotas for seed or experimental purposes.

Subtitle D—Administration

SEC. 181. ADMINISTRATION GENERALLY.

(a) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall carry out this title through the Commodity Credit Corporation.

(b) DETERMINATIONS BY SECRETARY.—A determination made by the Secretary under this title shall be final and conclusive.

(c) REGULATIONS.—Not later than 90 days after the date of the enactment of this Act, the Secretary and the Commodity Credit Corporation, as appropriate, shall issue such regulations as are necessary to implement this title. The issuance of the regulations shall be made without regard to—

(1) the notice and comment provisions of section 553 of title 5, United States Code;

(2) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804) relating to notices of proposed rulemaking and public participation in rulemaking; and

(3) chapter 35 of title 44, United States Code (commonly know as the ''Paperwork Reduction Act'').

(d) PROTECTION OF PRODUCERS.—The protection afforded producers that elect the option to accelerate the receipt of any payment under a production flexibility contract payable under the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7212 note) shall also apply to the advance payment of fixed, decoupled payments and counter-cyclical payments.

(e) ADJUSTMENT AUTHORITY RELATED TO URUGUAY ROUND COMPLIANCE.—If the Secretary determines that expenditures under subtitles A, B, and C that are subject to the total allowable domestic support levels under the Uruguay Round Agreements (as defined in section 2(7) of the Uruguay Round Agreements Act (19 U.S.C. 3501(7))), as in effect on the date of the enactment of this Act, will exceed such allowable levels for any applicable reporting period, the Secretary may make adjustments in the amount of such expenditures during that period to ensure that such expenditures do not exceed, but in no case are less than, such allowable levels.

SEC. 182. EXTENSION OF SUSPENSION OF PERMANENT PRICE SUPPORT AUTHORITY.

(a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—Section 171(a)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301(a)(1)) is amended by striking ''2002'' both places it appears and inserting ''2011''.

(b) AGRICULTURAL ACT OF 1949.—Section 171(b)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301(b)(1)) is amended by striking ''2002'' both places it appears and inserting ''2011''.

(c) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—Section 171(c) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301(c)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 183. LIMITATIONS.

(a) LIMITATION ON AMOUNTS RECEIVED.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended—

(1) in paragraph (1)—

(A) by striking ''PAYMENTS UNDER PRODUCTION FLEXIBILITY CONTRACTS'' and inserting ''FIXED, DECOUPLED PAYMENTS'';

(B) by striking ''contract payments made under the Agricultural Market Transition Act to a person under 1 or more production flexibility contracts'' and inserting ''fixed, decoupled payments made to a person''; and

(C) by striking ''4'' and inserting ''5'';

(2) in paragraphs (2) and (3)—

(A) by striking ''payments specified'' and all that follows through ''and oilseeds'' and inserting ''following payments that a person shall be entitled to receive'';

(B) by striking ''75'' and inserting ''150'';

(C) by striking the period at the end of paragraph (2) and all that follows through ''the following'' in paragraph (3);

(D) by striking ''section 131'' and all that follows through ''section 132'' and inserting ''section 121 of the Farm Security Act of 2001 for a crop of any covered commodity at a lower level than the original loan rate established for the commodity under section 122''; and

(E) by striking ''section 135'' and inserting ''section 125''; and

(3) by inserting after paragraph (2) the following new paragraph (3):

''(3) LIMITATION ON COUNTER-CYCLICAL PAYMENTS.—The total amount of counter-cyclical payments that a person may receive during any crop year shall not exceed the amount specified in paragraph (2), as in effect on the day before the date of the enactment of the Farm Security Act of 2001.''.

(b) DEFINITIONS.—Paragraph (4) of section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended to read as follows:

''(4) DEFINITIONS.—In this title, the terms 'covered commodity', 'counter-cyclical payment', and 'fixed, decoupled payment' have the meaning given those terms in section 100 of the Farm Security Act of 2001.''.

(c) TRANSITION.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308), as in effect on the day before the date of the enactment of this Act, shall continue to apply with respect to fiscal year 2001 and the 2001 crop of any covered commodity.

SEC. 184. ADJUSTMENTS OF LOANS.

Section 162(b) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7282(b)) is amended by striking ''this title'' and inserting ''this title and title I of the Farm Security Act of 2001''.

SEC. 185. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.

Section 164 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7284) is amended by striking ''this title'' each places it appears and inserting ''this title and title I of the Farm Security Act of 2001''.

SEC. 186. EXTENSION OF EXISTING ADMINISTRATIVE AUTHORITY REGARDING LOANS.

Section 166 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7286) is amended—

(1) in subsection (a)—

(A) by striking ''IN GENERAL.—'' and inserting ''SPECIFIC PAYMENTS.—''; and

(B) by striking ''subtitle C'' and inserting ''subtitle C of this title and title I of the Farm Security Act of 2001''; and

(2) in subsection (c)(1)—

(A) by striking ''producer'' the first two places it appears and inserting ''person''; and

(B) by striking ''to producers under subtitle C'' and inserting ''by the Commodity Credit Corporation''.

SEC. 187. ASSIGNMENT OF PAYMENTS.

The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)), relating to assignment of payments, shall apply to payments made under the authority of this Act. The producer making the assignment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require, of any assignment made under this section.

SEC. 188. REPORT ON EFFECT OF CERTAIN FARM PROGRAM PAYMENTS ON ECONOMIC VIABILITY OF PRODUCERS AND FARMING INFRASTRUCTURE.

(a) REVIEW REQUIRED.—The Secretary of Agriculture shall conduct a review of the effects that payments under production flexibility contracts and market loss assistance payments have had, and that fixed, decoupled payments and counter-cyclical payments are likely to have, on the economic viability of producers and the farming infrastructure, particularly in areas where climate, soil types, and other agronomic conditions severely limit the covered crops that producers can choose to successfully and profitably produce.

(b) CASE STUDY RELATED TO RICE PRODUCTION.—The review shall include a case study of the effects that the payments described in subsection (a), and the forecast effects of increasing these or other decoupled payments, are likely to have on rice producers (including tenant rice producers), the rice milling industry, and the economies of rice farming areas in Texas, where harvested rice acreage has fallen from 320,000 acres in 1995 to only 211,000 acres in 2001.

(c) REPORT AND RECOMMENDATIONS.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the information collected for the review and the case study and any findings made on the basis of such information. The report shall include recommendations for minimizing the adverse effects on producers, with a special focus on producers who are tenants, on the agricultural economies in farming areas generally, on those particular areas described in subsection (a), and on the area that is the subject of the case study in subsection (b).

TITLE II—CONSERVATION

Subtitle A—Environmental Conservation Acreage Reserve Program

SEC. 201. GENERAL PROVISIONS.

Title XII of the Food Security Act of 1985 is amended—

(1) in section 1230(a), by striking ''1996 through 2002'' and inserting ''2002 through 2011'';

(2) by striking subsection (c) of section 1230; and

(3) in section 1230A (16 U.S.C. 3830a), by striking ''chapter'' each place it appears and inserting ''title''.

Subtitle B—Conservation Reserve Program

SEC. 211. REAUTHORIZATION.

(a) IN GENERAL.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended in each of subsections (a) and (d) by striking ''2002'' and inserting ''2011''.

(b) SCOPE OF PROGRAM.—Section 1231(a) of such Act (16 U.S.C. 3831(a)) is amended by striking ''and water'' and inserting '', water, and wildlife''.

SEC. 212. ENROLLMENT.

(a) CONSERVATION PRIORITY AREAS.—

(1) ELIGIBILITY.—Section 1231(b) of the Food Security Act of 1985 (16 U.S.C. 3831(b)) is amended—

(A) by striking paragraph (1) and inserting the following:

''(1) highly erodible cropland that—

''(A)(i) if permitted to remain untreated could substantially reduce the production capability for future generations; or

''(ii) cannot be farmed in accordance with a conservation plan that complies with the requirements of subtitle B; and

''(B) the Secretary determines had a cropping history or was considered to be planted for 3 of the 6 years preceding the date of enactment of the Agriculture, Conservation, and Rural Enhancement Act of 2001 (except for land enrolled in the conservation reserve program as of that date);''; and

(B) by adding at the end the following:

''(5) the portion of land in a field not enrolled in the conservation reserve in a case in which more than 50 percent of the land in the field is enrolled as a buffer under a program described in section 1234(i)(1), if the land is enrolled as part of the buffer; and

''(6) land (including land that is not cropland) enrolled through continuous signup—

''(A) to establish conservation buffers as part of the program described in a notice issued on March 24, 1998 (63 Fed. Reg. 14109) or a successor program; or

''(B) into the conservation reserve enhancement program described in a notice issued on May 27, 1998 (63 Fed. Reg. 28965) or a successor program.''.

(2) CRP PRIORITY AREAS.—Section 1231(f) of the Food Security Act of 1985 (16 U.S.C. 3831(f)) is amended by adding at the end the following:

''(5) PRIORITY.—In designating conservation priority areas under paragraph (1), the Secretary shall give priority to areas in which designated land would facilitate the most rapid completion of projects that—

''(A) are ongoing as of the date of the application; and

''(B) meet the purposes of the program established under this subchapter.''.

(b) ELIGIBILITY ON CONTRACT EXPIRATION.—Section 1231(f) of such Act (16 U.S.C. 3831(f)) is amended to read as follows:

''(f) ELIGIBILITY ON CONTRACT EXPIRATION.—On the expiration of a contract entered into under this subchapter, the land subject to the contract shall be eligible to be considered for re-enrollment in the conservation reserve.''.

(c) BALANCE OF NATURAL RESOURCE PURPOSES.—

(1) IN GENERAL.—Section 1231 of such Act (16 U.S.C. 3831) is amended by adding at the end the following:

''(i) BALANCE OF NATURAL RESOURCE PURPOSES.—In determining the acceptability of contract offers under this subchapter, the Secretary shall ensure an equitable balance among the conservation purposes of soil erosion, water quality and wildlife habitat.''.

(2) REGULATIONS.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Agriculture shall issue final regulations implementing section 1231(i) of the Food Security Act of 1985, as added by paragraph (1) of this subsection.

SEC. 213. DUTIES OF OWNERS AND OPERATORS.

Section 1232 of the Food Security Act of 1985 (16 U.S.C. 3832) is amended—

(1) in subsection (a)—

(A) in paragraph (3), by inserting ''as described in section 1232(a)(7) or for other purposes'' before ''as permitted'';

(B) in paragraph (4), by inserting ''where practicable, or maintain existing cover'' before ''on such land''; and

(C) in paragraph (7), by striking ''Secretary—'' and all that follows and inserting ''Secretary may permit, consistent with the conservation of soil, water quality, and wildlife habitat—

''(A) managed grazing and limited haying, in which case the Secretary shall reduce the conservation reserve payment otherwise payable under the contract by an amount commensurate with the economic value of the activity;

''(B) wind turbines for the provision of wind energy, whether or not commercial in nature; and

''(C) land subject to the contract to be harvested for recovery of biomass used in energy production, in which case the Secretary shall reduce the conservation reserve payment otherwise payable under the contract by an amount commensurate with the economic value of such activity;''; and

(2) by striking subsections (c) and (d) and redesignating subsection (e) as subsection (c).

SEC. 214. REFERENCE TO CONSERVATION RESERVE PAYMENTS.

Subchapter B of chapter 1 of subtitle D of title XII of such Act (16 U.S.C. 3831–3836) is amended—

(1) by striking ''rental payment'' each place it appears and inserting ''conservation reserve payment'';

(2) by striking ''rental payments'' each place it appears and inserting ''conservation reserve payments''; and

(3) in the paragraph heading for section 1235(e)(4), by striking ''RENTAL PAYMENT'' and inserting ''CONSERVATION RESERVE PAYMENT''.

SEC. 215. EXPANSION OF PILOT PROGRAM TO ALL STATES.

Section 1231(h) of the Food Security Act of 1985 (16 U.S.C. 3831(h)) is amended—

(1) in paragraph (1), by striking ''and 2002'' and all that follows through ''South Dakota'' and inserting ''through 2011 calendar years, the Secretary shall carry out a program in each State'';

(2) in paragraph (3)(C), by striking ''—'' and all that follows and inserting ''not more than 150,000 acres in any 1 State.''; and

(3) by striking paragraph (2) and redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively.

Subtitle C—Wetlands Reserve Program

SEC. 221. ENROLLMENT.

(a) MAXIMUM.—Section 1237(b) of the Food Security Act of 1985 (16 U.S.C. 3837(b)) is amended by striking paragraph (1) and inserting the following:

''(1) ANNUAL ENROLLMENT.—In addition to any acres enrolled in the wetlands reserve program as of the end of a calendar year, the Secretary may in the succeeding calendar year enroll in the program a number of additional acres equal to—

''(A) if the succeeding calendar year is calendar year 2002, 150,000; or

''(B) if the succeeding calendar year is a calendar year after calendar year 2002—

''(i) 150,000; plus

''(ii) the amount (if any) by which 150,000, multiplied by the number of calendar years in the period that begins with calendar year 2002 and ends with the calendar year preceding such succeeding calendar year, exceeds the total number of acres added to the reserve during the period.''.

(b) METHODS.—Section 1237 of such Act (16 U.S.C. 3837(b)(2)) is amended—

(1) in subsection (b), by striking paragraph (2) and inserting the following:

''(2) METHODS OF ENROLLMENT.—The Secretary shall enroll acreage into the wetlands reserve program through the use of easements, restoration cost share agreements, or both.''; and

(2) by striking subsection (g).

(c) EXTENSION.—Section 1237(c) of such Act (16 U.S.C. 3837(c)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 222. EASEMENTS AND AGREEMENTS.

Section 1237A of the Food Security Act of 1985 (16 U.S.C. 3837a) is amended—

(1) in subsection (b), by striking paragraph (2) and inserting the following:

''(2) prohibits the alteration of wildlife habitat and other natural features of such land, unless specifically permitted by the plan;'';

(2) in subsection (e), by striking paragraph (2) and inserting the following:

''(2) shall be consistent with applicable State law.'';

(3) by striking subsection (h).

SEC. 223. DUTIES OF THE SECRETARY.

Section 1237C of the Food Security Act of 1985 (16 U.S.C. 3837c) is amended by striking subsection (d).

SEC. 224. CHANGES IN OWNERSHIP; AGREEMENT MODIFICATION; TERMINATION.

Section 1237E(a)(2) of the Food Security Act of 1985 (16 U.S.C. 3837e(a)(2)) is amended to read as follows:

''(2) the ownership change occurred due to foreclosure on the land and the owner of the land immediately before the foreclosure exercises a right of redemption from the mortgage holder in accordance with State law; or''.

Subtitle D—Environmental Quality Incentives Program

SEC. 231. PURPOSES.

Section 1240 of the Food Security Act of 1985 (16 U.S.C. 3839aa) is amended—

(1) by striking ''to—'' and all that follows through ''provides—'' and inserting ''to provide—'';

(2) by striking ''that face the most serious threats to'' and inserting ''to address environmental needs and provide benefits to air,'';

(3) by redesignating the subparagraphs (A) through (D) that follow the matter amended by paragraph (2) of this section as paragraphs (1) through (4), respectively;

(4) by moving each of such redesignated provisions 2 ems to the left; and

(5) by striking ''farmers and ranchers'' each place it appears and inserting ''producers''.

SEC. 232. DEFINITIONS.

Section 1240A of the Food Security Act of 1985 (16 U.S.C. 3839aa–1) is amended—

(1) in paragraph (1)—

(A) by inserting ''non-industrial private forest land,'' before ''and other land''; and

(B) by striking ''poses a serious threat'' and all that follows and inserting ''provides increased environmental benefits to air, soil, water, or related resources.''; and

(2) in paragraph (4), by inserting '', including non-industrial private forestry'' before the period.

SEC. 233. ESTABLISHMENT AND ADMINISTRATION.

(a) REAUTHORIZATION.—Section 1240B(a)(1) of the Food Security Act of 1985 (16 U.S.C. 3839aa–2(a)(1)) is amended by striking ''2002'' and inserting ''2011''.

(b) TERM OF CONTRACTS.—Section 1240B(b)(2) of such Act (16 U.S.C. 3839aa–2(b)(2)) is amended by striking ''not less than 5, nor more than 10, years'' and inserting ''not less than 1 year, nor more than 10 years''.

(c) STRUCTURAL PRACTICES.—Section 1240B(c)(1)(B) of such Act (16 U.S.C. 3839aa–2(c)(1)(B)) is amended to read as follows:

''(B) achieving the purposes established under this subtitle.''.

(d) ELIMINATION OF CERTAIN LIMITATIONS ON ELIGIBILITY FOR COST-SHARE PAYMENTS.—Section 1240B(e)(1) of such Act (16 U.S.C. 3839aa–2(e)(1)) is amended—

(1) by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B); and

(2) in subparagraph (B) (as so redesignated), by striking ''or 3''.

(e) INCENTIVE PAYMENTS.—Section 1240B of such Act (16 U.S.C. 3839aa-2) is amended—

(1) in subsection (e)—

(A) in the subsection heading, by striking '', INCENTIVE PAYMENTS,''; and

(B) by striking paragraph (2); and

(2) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively, and inserting after subsection (e) the following:

''(f) CONSERVATION INCENTIVE PAYMENTS.—

''(1) IN GENERAL.—The Secretary may make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage a producer to perform multiple land management practices and to promote the enhancement of soil, water, wildlife habitat, air, and related resources.

''(2) SPECIAL RULE.—In determining the amount and rate of incentive payments, the Secretary may accord great weight to those practices that include residue, nutrient, pest, invasive species, and air quality management.''.

SEC. 234. EVALUATION OF OFFERS AND PAYMENTS.

Section 1240C of the Food Security Act of 1985 (16 U.S.C. 3839aa–3) is amended by striking paragraphs (1) through (3) and inserting the following:

''(1) aid producers in complying with this title and Federal and State environmental laws, and encourage environmental enhancement and conservation;

''(2) maximize the beneficial usage of animal manure and other similar soil amendments which improve soil health, tilth, and water-holding capacity; and

''(3) encourage the utilization of sustainable grazing systems, such as year-round, rotational, or managed grazing.''.

SEC. 235. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

Section 1240E(a) of the Food Security Act of 1985 (16 U.S.C. 3839aa–5(a)) is amended by striking ''that incorporates such conservation practices'' and all that follows and inserting ''that provides or will continue to provide increased environmental benefits to air, soil, water, or related resources.''.

SEC. 236. DUTIES OF THE SECRETARY.

Section 1240F(3) of the Food Security Act of 1985 (16 U.S.C. 3839aa–6(3)) is amended to read as follows:

''(3) providing technical assistance or cost-share payments for developing and implementing 1 or more structural practices or 1 or more land management practices, as appropriate;''.

SEC. 237. LIMITATION ON PAYMENTS.

Section 1240G of the Food Security Act of 1985 (16 U.S.C. 3839aa–7) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking ''$10,000'' and inserting ''$50,000''; and

(B) in paragraph (2), by striking ''$50,000'' and inserting ''$200,000'';

(2) in subsection (b)(2), by striking ''the maximization of environmental benefits per dollar expended and''; and

(3) by striking subsection (c).

SEC. 238. GROUND AND SURFACE WATER CONSERVATION.

Section 1240H of the Food Security Act of 1985 (16 U.S.C. 3839aa–8) is amended to read as follows:

''SEC. 1240H. GROUND AND SURFACE WATER CONSERVATION.

''(a) SUPPORT FOR CONSERVATION MEASURES.—The Secretary shall provide cost-share payments and low-interest loans to encourage ground and surface water conservation, including irrigation system improvement, and provide incentive payments for capping wells, reducing use of water for irrigation, and switching from irrigation to dryland farming.

''(b) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available the following amounts to carry out this section:

''(1) $30,000,000 for fiscal year 2002.

''(2) $45,000,000 for fiscal year 2003.

''(3) $60,000,000 for each of fiscal years 2004 through 2011.''.

Subtitle E—Funding and Administration

SEC. 241. REAUTHORIZATION.

Section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 242. FUNDING.

Section 1241(b)(1) of the Food Security Act of 1985 (16 U.S.C. 3841(b)(1)) is amended—

(1) by striking ''$130,000,000'' and all that follows through ''2002, for'' and inserting ''the following amounts for purposes of'';

(2) by striking ''subtitle D.'' and inserting ''subtitle D:''; and

(3) by adding at the end the following:

''(A) $200,000,000 for fiscal year 2001.

''(B) $1,025,000,000 for each of fiscal years 2002 and 2003.

''(C) $1,200,000,000 for each of fiscal years 2004, 2005, and 2006.

''(D) $1,400,000,000 for each of fiscal years 2007, 2008, and 2009.

''(E) $1,500,000,000 for each of fiscal years 2010 and 2011.''.

SEC. 243. ALLOCATION FOR LIVESTOCK PRODUCTION.

Section 1241(b)(2) of the Food Security Act of 1985 (16 U.S.C. 3841(b)(2)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 244. ADMINISTRATION AND TECHNICAL ASSISTANCE.

(a) BROADENING OF EXCEPTION TO ACREAGE LIMITATION.—Section 1243(b)(2) of the Food Security Act of 1985 (16 U.S.C. 3843(b)(2)) is amended by striking ''that—'' and all that follows and inserting ''that the action would not adversely affect the local economy of the county.''.

(b) RULES GOVERNING PROVISION OF TECHNICAL ASSISTANCE.—Section 1243(d) of such Act (16 U.S.C. 3843(d)) is amended to read as follows:

''(d) RULES GOVERNING PROVISION OF TECHNICAL ASSISTANCE.—

''(1) IN GENERAL.—The Secretary shall provide technical assistance under this title to a producer eligible for such assistance, by providing the assistance directly or, at the option of the producer, through an approved third party if available.

''(2) REEVALUATION.—The Secretary shall reevaluate the provision of, and the amount of, technical assistance made available under subchapters B and C of chapter 1 and chapter 4 of subtitle D.

''(3) CERTIFICATION OF THIRD-PARTY PROVIDERS.—

''(A) IN GENERAL.—Not later than 6 months after the date of the enactment of this subsection, the Secretary of Agriculture shall, by regulation, establish a system for approving persons to provide technical assistance pursuant to chapter 4 of subtitle D. For purposes of this paragraph, a person shall be considered approved if they have a memorandum of understanding regarding the provision of technical assistance in place with the Secretary.

''(B) EXPERTISE REQUIRED.—In prescribing such regulations, the Secretary shall ensure that persons with expertise in the technical aspects of conservation planning, watershed planning, environmental engineering, including commercial entities, nonprofit entities, State or local governments or agencies, and other Federal agencies, are eligible to become approved providers of such technical assistance.''.

(c) DUTY OF SECRETARY.—

(1) IN GENERAL.—Section 1770(d) of such Act (7 U.S.C. 2276(d)) is amended—

(A) by striking ''or'' at the end of paragraph (9);

(B) by striking the period at the end of paragraph (11) and inserting ''; or''; and

(C) by adding at the end the following:

''(12) title XII of this Act.''.

(2) CONFORMING AMENDMENTS.—Section 1770(e) of such Act (7 U.S.C. 2276(e)) is amended—

(A) by striking the subsection heading and inserting ''EXCEPTIONS''; and

(B) by inserting '', or as necessary to carry out a program under title XII of this Act as determined by the Secretary'' before the period.

Subtitle F—Other Programs

SEC. 251. PRIVATE GRAZING LAND CONSERVATION ASSISTANCE.

Section 386(d)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 2005b(d)(1)) is amended—

(1) by striking ''and'' at the end of subparagraph (G);

(2) by striking the period at the end of subparagraph (H) and inserting ''; and''; and

(3) by adding at the end the following new subparagraph:

''(I) encouraging the utilization of sustainable grazing systems, such as year-round, rotational, or managed grazing.''.

SEC. 252. WILDLIFE HABITAT INCENTIVES PROGRAM.

Subsection (c) of section 387 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3836a) is amended to read as follows:

''(c) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall make available $25,000,000 for each of fiscal years 2002 through 2011 to carry out this section.''.

SEC. 253. FARMLAND PROTECTION PROGRAM.

(a) REMOVAL OF ACREAGE LIMITATION; EXPANSION OF PURPOSES.—Subsection (a) of section 388 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3830 note) is amended—

(1) by striking ''not less than 170,000, nor more than 340,000 acres of''; and

(2) by inserting '', or agricultural land that contains historic or archaeological resources,'' after ''other productive soil''.

(b) FUNDING.—Subsection (c) of such section is amended to read as follows:

''(c) FUNDING.—The Secretary shall use not more than $50,000,000 of the funds of the Commodity Credit Corporation in each of fiscal years 2002 through 2011 to carry out this section.''.

(c) ELIGIBLE ENTITIES.—Such section is further amended—

(1) in subsection (a), by striking ''a State or local government'' and inserting ''an eligible entity''; and

(2) by adding at the end the following:

''(d) DEFINITION OF ELIGIBLE ENTITY.—In this section, the term 'eligible entity' means—

''(1) any agency of any State or local government, or federally recognized Indian tribe, including farmland protection boards and land resource councils established under State law; and

''(2) any organization that—

''(A) is organized for, and at all times since the formation of the organization has been operated principally for, one or more of the conservation purposes specified in clause (i), (ii), or (iii) of section 170(h)(4)(A) of the Internal Revenue Code of 1986;

''(B) is an organization described in section 501(c)(3) of that Code that is exempt from taxation under section 501(a) of that Code;

''(C) is described in section 509(a)(2) of that Code; or

''(D) is described in section 509(a)(3) of that Code and is controlled by an organization described in section 509(a)(2) of that Code.''.

SEC. 254. RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.

(a) PURPOSE.—Section 1528 of the Agriculture and Food Act of 1981 (16 U.S.C. 3451) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1528. It is the purpose'' and inserting the following:

''SEC. 1528. STATEMENT OF PURPOSE.

''It is the purpose''; and

(2) by inserting ''through designated RC&D councils'' before ''in rural areas''.

(b) DEFINITIONS.—Section 1529 of such Act (16 U.S.C. 3452) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1529. As used in this subtitle—'' and inserting the following:

''SEC. 1529. DEFINITIONS.

''In this title:'';

(2) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by inserting ''RC&D council'' before ''area plan'';

(B) in subparagraph (B), by striking ''through control of nonpoint sources of pollution'';

(C) in subparagraph (C)—

(i) by striking ''natural resources based'' and inserting ''resource-based'';

(ii) by striking ''development of aquaculture,'';

(iii) by striking ''and satisfaction'' and inserting ''satisfaction''; and

(iv) by inserting '', food security, economic development, and education'' before the semicolon; and

(D) in subparagraph (D), by striking ''other'' the 1st place it appears and inserting ''land management'';

(3) in paragraph (3), by striking ''any State, local unit of government, or local nonprofit organization'' and inserting ''the designated RC&D council'';

(4) by striking paragraphs (4) through (6) and inserting the following:

''(4)(A) The term 'financial assistance' means the Secretary may—

''(i) provide funds directly to RC&D councils or associations of RC&D councils through grants, cooperative agreements, and interagency agreements that directly implement RC&D area plans; and

''(ii) may join with other federal agencies through interagency agreements and other arrangements as needed to carry out the program's purpose.

''(B) Funds may be used for such things as—

''(i) technical assistance;

''(ii) financial assistance in the form of grants for planning, analysis and feasibility studies, and business plans;

''(iii) training and education; and

''(iv) all costs associated with making such services available to RC&D councils or RC&D associations.

''(5) The term 'RC&D council' means the responsible leadership of the RC&D area. RC&D councils and associations are nonprofit entities whose members are volunteers and include local civic and elected officials. Affiliations of RC&D councils are formed in states and regions.'';

(5) in paragraph (8), by inserting ''and federally recognized Indian tribes'' before the period;

(6) in paragraph (9), by striking ''works of improvement'' and inserting ''projects'';

(7) by redesignating paragraphs (7) through (9) as paragraphs (6) through (8), respectively; and

(8) by striking paragraph (10) and inserting the following:

''(9) The term 'project' means any action taken by a designated RC&D council that achieves any of the elements identified under paragraph (1).''.

(c) ESTABLISHMENT AND SCOPE.—Section 1530 of such Act (16 U.S.C. 3453) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1530. The Secretary'' and inserting the following:

''SEC. 1530. ESTABLISHMENT AND SCOPE.

''The Secretary''; and

(2) by striking ''the technical and financial assistance necessary to permit such States, local units of government, and local nonprofit organizations'' and inserting ''through designated RC&D councils the technical and financial assistance necessary to permit such RC&D Councils''.

(d) SELECTION OF DESIGNATED AREAS.—Section 1531 of such Act (16 U.S.C. 3454) is amended by striking the section heading and all that follows through ''SEC. 1531. The Secretary'' and inserting the following:

''SEC. 1531. SELECTION OF DESIGNATED AREAS.

''The Secretary''.

(e) AUTHORITY OF SECRETARY.—Section 1532 of such Act (16 U.S.C. 3455) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1532. In carrying'' and inserting the following:

''SEC. 1532. AUTHORITY OF SECRETARY.

''In carrying'';

(2) in each of paragraphs (1) and (3)—

(A) by striking ''State, local unit of government, or local nonprofit organization'' and inserting ''RC&D council''; and

(B) by inserting ''RC&D council'' before ''area plan'';

(3) in paragraph (2), by inserting ''RC&D council'' before ''area plans''; and

(4) in paragraph (4), by striking ''States, local units of government, and local nonprofit organizations'' and inserting ''RC&D councils or affiliations of RC&D councils''.

(f) TECHNICAL AND FINANCIAL ASSISTANCE.—Section 1533 of such Act (16 U.S.C. 3456) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1533. (a) Technical'' and inserting the following:

''SEC. 1533. TECHNICAL AND FINANCIAL ASSISTANCE.

''(a) Technical'';

(2) in subsection (a)—

(A) by striking ''State, local unit of government, or local nonprofit organization to assist in carrying out works of improvement specified in an'' and inserting ''RC&D councils or affiliations of RC&D councils to assist in carrying out a project specified in a RC&D council'';

(B) in paragraph (1)—

(i) by striking ''State, local unit of government, or local nonprofit organization'' and inserting ''RC&D council or affiliate''; and

(ii) by striking ''works of improvement'' each place it appears and inserting ''project'';

(C) in paragraph (2)—

(i) by striking ''works of improvement'' and inserting ''project''; and

(ii) by striking ''State, local unit of government, or local nonprofit organization'' and inserting ''RC&D council'';

(D) in paragraph (3), by striking ''works of improvement'' and all that follows and inserting ''project concerned is necessary to accomplish and RC&D council area plan objective;'';

(E) in paragraph (4), by striking ''the works of improvement provided for in the'' and inserting ''the project provided for in the RC&D council'';

(F) in paragraph (5), by inserting ''federally recognized Indian tribe'' before ''or local'' each place it appears; and

(G) in paragraph (6), by inserting ''RC&D council'' before ''area plan'';

(3) in subsection (b), by striking ''work of improvement'' and inserting ''project''; and

(4) in subsection (c), by striking ''any State, local unit of government, or local nonprofit organization to carry out any'' and inserting ''RC&D council to carry out any RC&D council''.

(g) RESOURCE CONSERVATION AND DEVELOPMENT POLICY BOARD.—Section 1534 of such Act (16 U.S.C. 3457) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1534. (a) The Secretary'' and inserting the following:

''SEC. 1534. RESOURCE CONSERVATION AND DEVELOPMENT POLICY BOARD.

''(a) The Secretary''; and

(2) in subsection (b), by striking ''seven''.

(h) PROGRAM EVALUATION.—Section 1535 of such Act (16 U.S.C. 3458) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1535. The Secretary'' and inserting the following:

''SEC. 1535. PROGRAM EVALUATION.

''The Secretary'';

(2) by inserting ''with assistance from RC&D councils'' before ''provided'';

(3) by inserting ''federally recognized Indian tribes,'' before ''local units''; and

(4) by striking ''1986'' and inserting ''2007''.

(i) LIMITATION ON ASSISTANCE.—Section 1536 of such Act (16 U.S.C. 3458) is amended by striking the section heading and all that follows through ''SEC. 1536. The program'' and inserting the following:

''SEC. 1536. LIMITATION ON ASSISTANCE.

''The program''.

(j) SUPPLEMENTAL AUTHORITY OF THE SECRETARY.—Section 1537 of such Act (16 U.S.C. 3460) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1537. The authority'' and inserting the following:

''SEC. 1537. SUPPLEMENTAL AUTHORITY OF SECRETARY.

''The authority''; and

(2) by striking ''States, local units of government, and local nonprofit organizations'' and inserting ''RC&D councils''.

(i) AUTHORIZATION OF APPROPRIATIONS.—Section 1538 of such Act (16 U.S.C. 3461) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1538. There are'' and inserting the following:

''SEC. 1538. AUTHORIZATION OF APPROPRIATIONS.

''There are''; and

(2) by striking ''for each of the fiscal years 1996 through 2002''.

SEC. 255. GRASSLAND RESERVE PROGRAM.

(a) IN GENERAL.—Chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830–3837f) is amended by adding at the end the following:

''Subchapter D—Grassland Reserve Program

''SEC. 1238. GRASSLAND RESERVE PROGRAM.

''(a) ESTABLISHMENT.—The Secretary, acting through the Natural Resource Conservation Service, shall establish a grassland reserve program (referred to in this subchapter as 'the program') to assist owners in restoring and protecting eligible land described in subsection (c).

''(b) ENROLLMENT CONDITIONS.—

''(1) IN GENERAL.—The Secretary shall enroll in the program, from willing owners, not less than—

''(A) 100 contiguous acres of land west of the 90th meridian; or

''(B) 50 contiguous acres of land east of the 90th meridian.

''(2) MAXIMUM ENROLLMENT.—The total number of acres enrolled in the program shall not exceed 1,000,000 acres.

''(3) METHODS OF ENROLLMENT.—The Secretary shall enroll land in the program through—

''(A) permanent easements or 30-year easements;

''(B) in a State that imposes a maximum duration for such an easement, an easement

for the maximum duration allowed under State law; or

''(C) a 30-year rental agreement.

''(c) ELIGIBLE LAND.—Land shall be eligible to be enrolled in the program if the Secretary determines that the land is—

''(1) natural grassland or shrubland;

''(2) land that—

''(A) is located in an area that has been historically dominated by natural grassland or shrubland; and

''(B) has potential to serve as habitat for animal or plant populations of significant ecological value if the land is restored to natural grassland or shrubland; or

''(3) land that is incidental to land described in paragraph (1) or (2), if the incidental land is determined by the Secretary to be necessary for the efficient administration of the easement.

''SEC. 1238A. EASEMENTS AND AGREEMENTS.

''(a) IN GENERAL.—To be eligible to enroll land in the program, the owner of the land shall enter into an agreement with the Secretary—

''(1) to grant an easement that runs with the land to the Secretary;

''(2) to create and record an appropriate deed restriction in accordance with applicable State law to reflect the easement;

''(3) to provide a written statement of consent to the easement signed by persons holding a security interest or any vested interest in the land;

''(4) to provide proof of unencumbered title to the underlying fee interest in the land that is the subject of the easement; and

''(5) to comply with the terms of the easement and restoration agreement.

''(b) TERMS OF EASEMENT.—An easement under subsection (a) shall—

''(1) permit—

''(A) grazing on the land in a manner that is consistent with maintaining the viability of natural grass and shrub species indigenous to that locality;

''(B) haying (including haying for seed production) or mowing, except during the nesting season for birds in the area that are in significant decline, as determined by the Natural Resources Conservation Service State conservationist, or are protected Federal or State law; and

''(C) fire rehabilitation, construction of fire breaks, and fences (including placement of the posts necessary for fences);

''(2) prohibit—

''(A) the production of row crops, fruit trees, vineyards, or any other agricultural commodity that requires breaking the soil surface; and

''(B) except as permitted under paragraph (1)(C), the conduct of any other activities that would disturb the surface of the land covered by the easement, including—

''(i) plowing; and

''(ii) disking; and

''(3) include such additional provisions as the Secretary determines are appropriate to carry out this subchapter or to facilitate the administration of this subchapter.

''(c) EVALUATION AND RANKING OF EASEMENT APPLICATIONS.—

''(1) IN GENERAL.—The Secretary, in conjunction with State technical committees, shall establish criteria to evaluate and rank applications for easements under this subchapter.

''(2) CRITERIA.—In establishing the criteria, the Secretary shall emphasize support for grazing operations, plant and animal biodiversity, and grassland and shrubland under the greatest threat of conversion.

''(d) RESTORATION AGREEMENTS.—

''(1) IN GENERAL.—The Secretary shall prescribe the terms by which grassland and shrubland subject to an easement under an agreement entered into under the program shall be restored.

''(2) REQUIREMENTS.—The restoration agreement shall describe the respective duties of the owner and the Secretary (including paying the Federal share of the cost of restoration and the provision of technical assistance).

''(e) VIOLATIONS.—

''(1) IN GENERAL.—On the violation of the terms or conditions of an easement or restoration agreement entered into under this section—

''(A) the easement shall remain in force; and

''(B) the Secretary may require the owner to refund all or part of any payments received by the owner under this subchapter, with interest on the payments as determined appropriate by the Secretary.

''(2) PERIODIC INSPECTIONS.—

''(A) IN GENERAL.—After providing notice to the owner, the Secretary shall conduct periodic inspections of land subject to easements under this subchapter to ensure that the terms of the easement and restoration agreement are being met.

''(B) LIMITATION.—The Secretary may not prohibit the owner, or a representative of the owner, from being present during a periodic inspection.

''SEC. 1238B. DUTIES OF SECRETARY.

''(a) IN GENERAL.—In return for the granting of an easement by an owner under this subchapter, the Secretary shall, in accordance with this section—

''(1) make easement payments;

''(2) pay the Federal share of the cost of restoration; and

''(3) provide technical assistance to the owner.

''(b) PAYMENT SCHEDULE.—

''(1) EASEMENT PAYMENTS.—

''(A) AMOUNT.—In return for the granting of an easement by an owner under this subchapter, the Secretary shall make easement payments to the owner in an amount equal to—

''(i) in the case of a permanent easement, the fair market value of the land less the grazing value of the land encumbered by the easement; and

''(ii) in the case of a 30-year easement or an easement for the maximum duration allowed under applicable State law, 30 percent of the fair market value of the land less the grazing value of the land for the period during which the land is encumbered by the easement.

''(B) SCHEDULE.—Easement payments may be provided in not less than 1 payment nor more than 10 annual payments of equal or unequal amount, as agreed to by the Secretary and the owner.

''(2) RENTAL AGREEMENT PAYMENTS.—

''(A) AMOUNT.—If an owner enters into a 30-year rental agreement authorized under section 1238(b)(3)(C), the Secretary shall make 30 annual rental payments to the owner in an amount that equals, to the maximum extent practicable, the 30-year easement payment amount under paragraph (1)(A)(ii).

''(B) ASSESSMENT.—Not less than once every 5 years throughout the 30-year rental period, the Secretary shall assess whether the value of the rental payments under subparagraph (A) equals, to the maximum extent practicable, the 30-year easement payments as of the date of the assessment.

''(C) ADJUSTMENT.—If on completion of the assessment under subparagraph (B), the Secretary determines that the rental payments do not equal, to the maximum extent practicable, the value of payments under a 30-year easement, the Secretary shall adjust the amount of the remaining payments to equal, to the maximum extent practicable, the value of a 30-year easement over the entire 30-year rental period.

''(c) FEDERAL SHARE OF COST OF RESTORATION.—The Secretary shall make payments to the owner of not more than 75 percent of the cost of carrying out measures and practices necessary to restore grassland and shrubland functions and values.

''(d) TECHNICAL ASSISTANCE.—

''(1) IN GENERAL.—The Secretary shall provide owners with technical assistance to execute easement documents and restore the grassland and shrubland.

''(2) REIMBURSEMENT BY COMMODITY CREDIT CORPORATION.—The Commodity Credit Corporation shall reimburse the Secretary, acting through the Natural Resources Conservation Service, for not more than 10 percent of the cost of acquisition of the easement and the Federal share of the cost of restoration obligated for that fiscal year.

''(e) PAYMENTS TO OTHERS.—If an owner that is entitled to a payment under this subchapter dies, becomes incompetent, is otherwise unable to receive the payment, or is succeeded by another person who renders or completes the required performance, the Secretary shall make the payment, in accordance with regulations promulgated by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable in light of all the circumstances.

''(f) OTHER PAYMENTS.—Easement payments received by an owner under this subchapter shall be in addition to, and not affect, the total amount of payments that the owner is otherwise eligible to receive under other Federal laws.

''SEC. 1238C. ADMINISTRATION.

''(a) DELEGATION TO PRIVATE ORGANIZATIONS.—

''(1) IN GENERAL.—The Secretary shall permit a private conservation or land trust organization or a State agency to hold and enforce an easement under this subchapter, in lieu of the Secretary, if—

''(A) the Secretary determines that granting such permission is likely to promote grassland and shrubland protection; and

''(B) the owner authorizes the private conservation or land trust or a State agency to hold and enforce the easement.

''(2) APPLICATION.—An organization that desires to hold an easement under this subchapter shall apply to the Secretary for approval.

''(3) APPROVAL BY SECRETARY.—The Secretary shall approve an organization under this subchapter that is constituted for conservation or ranching purposes and is competent to administer grassland and shrubland easements.

''(4) REASSIGNMENT.—If an organization holding an easement on land under this subchapter terminates—

''(A) the owner of the land shall reassign the easement to another organization described in paragraph (1) or to the Secretary; and

''(B) the owner and the new organization shall notify the Secretary in writing that a reassignment for termination has been made.

''(b) REGULATIONS.—Not later than 180 days after the date of enactment of this subchapter, the Secretary shall issue such regulations as are necessary to carry out this subchapter.''.

(b) FUNDING.—Section 1241(a)(2) of the Food Security Act of 1985 (16 U.S.C. 3841(a)(2)) is

amended by striking ''subchapter C'' and inserting ''subchapters C and D''.

SEC. 256. FARMLAND STEWARDSHIP PROGRAM.

Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830–3839bb) is amended by inserting after chapter 1 (and the matter added by section 255 of this Act) the following:

''CHAPTER 2—FARMLAND STEWARDSHIP PROGRAM

''SEC. 1238. DEFINITIONS.

''In this chapter:

''(1) AGREEMENT.—The term 'agreement' means a service contract authorized by this chapter.

''(2) BIOFUEL.—

''(A) IN GENERAL.—The term 'biofuel' means an energy source derived from living organisms.

''(B) INCLUSIONS.—The term 'biofuel' includes—

''(i) plant residue that is harvested, dried, and burned, or further processed into a solid, liquid, or gaseous fuel;

''(ii) agricultural waste (such as cereal straw, seed hulls, corn stalks and cobs);

''(iii) native shrubs and herbaceous plants (such as some varieties of willows and prairie switchgrass); and

''(iv) animal waste (including methane gas that is produced as a byproduct of animal waste).

''(3) BIOPRODUCT.—The term 'bioproduct' means a product that is manufactured or produced—

''(A) by using plant material and plant byproduct (such as glucose, starch, and protein); and

''(B) to replace a petroleum-based product, additive, or activator used in the production of a solvent, paint, adhesive, chemical, or other product (such as tires or Styrofoam cups).

''(4) CARBON SEQUESTRATION.—The term 'carbon sequestration' means the process of providing plant cover to avoid contributing to the greenhouse effect by—

''(A) removing carbon dioxide from the air; and

''(B) developing a 'carbon sink' to retain that carbon dioxide.

''(5) CONTRACTING AGENCY.—The term 'contracting agency' means a local conservation district, resource conservation and development council, extension service office, state-chartered stewardship entity, nonprofit organization, local office of the Department, or other participating government agency that is authorized by the Secretary to enter into farmland stewardship agreements on behalf of the Secretary.

''(6) ELIGIBLE AGRICULTURAL LAND.—The term 'eligible agricultural land' means private land that is in primarily native or natural condition, or that is classified by the Secretary as cropland, pastureland, grazing land, timberland, or another similar type of land, that—

''(A) contains wildlife habitat, wetland, or other natural resources; or

''(B) provides 1 or more benefits to the public, such as—

''(i) conservation of soil, water, and related resources;

''(ii) water quality protection or improvement;

''(iii) control of invasive and exotic species;

''(iv) wetland restoration, development, and protection;

''(v) wildlife habitat development and protection;

''(vi) survival and recovery of listed species or candidate species;

''(vii) preservation of open spaces or prime, unique, or other productive farm land;

''(viii) increased participation in Federal agricultural or forestry programs in an area or region that has traditional under-representation in those programs;

''(ix) provision of a structure for interstate cooperation to address ecosystem challenges that affect an area involving 1 or more States;

''(x) improvements in the ecological integrity of the area, region or corridor;

''(xi) carbon sequestration;

''(xii) phytoremediation;

''(xiii) improvements in the economic viability of agriculture;

''(xiv) production of biofuels and bioproducts;

''(xv) establishment of experimental or innovative crops;

''(xvi) use of existing crops or crop byproducts in experimental or innovative ways;

''(xvii) installation of equipment to produce materials that may be used for biofuels or other bioproducts;

''(xviii) maintenance of experimental or innovative crops until the earlier of the date on which—

''(I) a viable market is established for those crops; or

''(II) an agreement terminates; and

''(xix) other similar conservation purposes identified by the Secretary.

''(7) GERMPLASM.—The term 'germplasm' means the genetic material of a germ cell of any life form that is important for food or agricultural production.

''(8) INDIAN TRIBE.—The term 'Indian tribe' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

''(9) PROGRAM.—The term 'program' means the farmland stewardship program established by this chapter.

''(10) PYTOREMEDIATION.—The term 'pytoremediation' means the use of green living plant material (including plants that may be harvested and used to produce biofuel or other bioproduces) to remove contaminants from water and soil.

''(11) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture, acting—

''(A) through the Natural Resources Conservation Service; and

''(B) in cooperation with any applicable agricultural or other agencies of a State.

''(12) SERVICE CONTRACT.—The term 'service contract' means a legally binding agreement between 2 parties under which—

''(A) 1 party agrees to render 1 or more services in accordance with the terms of the contract; and

''(B) the second party agrees to pay the first party for the each service rendered.

''SEC. 1238A. ESTABLISHMENT AND PURPOSE OF PROGRAM.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—The Secretary shall establish within the Department a program to be known as the 'farmland stewardship program'.

''(2) PURPOSE.—The purpose of the program shall be to modify and more effectively target conservation programs administered by the Secretary to the specific conservation needs of, and opportunities presented by, individual parcels of eligible agricultural land.

''(b) RELATION TO OTHER CONSERVATION PROGRAMS.—Under the program, the Secretary may implement, alone or in combination, the features of—

''(1) any conservation program administered by the Secretary; or

''(2) any conservation program administered by another Federal agency or a State or local government, if implementation by the Secretary—

''(A) is feasible; and

''(B) is carried out with the consent of the applicable administering agency or government.

''(3) CONSERVATION ENHANCEMENT PROGRAMS.—

''(A) IN GENERAL.—States, local governments, Indian tribes, or any combination of those entities may submit, and the Secretary may approve, a conservation enhancement program that integrates 1 or more Federal agriculture and forestry conservation programs and 1 or more State, local, or private efforts to address, in critical areas and corridors, in a manner that enhances the conservation benefits of the individual programs and modifies programs to more effectively address State and local needs—

''(i) water quality;

''(ii) wildlife;

''(iii) farm preservation; and

''(iv) any other conservation need.

''(B) REQUIREMENT.—

''(i) IN GENERAL.—A conservation enhancement program submitted under subparagraph (A) shall be designed to provide benefits greater than benefits that, by reason of any factor described in clause (ii), would be provided through the individual application of a conservation program administered by the Secretary.

''(ii) FACTORS.—Factors referred to in clause (i) include—

''(I) conservation commitments of greater duration;

''(II) more intensive conservation benefits;

''(III) integrated treatment of special natural resource problems (such as preservation and enhancement of natural resource corridors); and

''(IV) improved economic viability for agriculture.

''(C) APPROVAL.—

''(i) DEFINITION OF RESOURCES.—In this subparagraph, the term 'resources' means, with respect to any conservation program administered by the Secretary—

''(I) acreage enrolled under the conservation program; and

''(II) funding made available to the Secretary to carry out the conservation program with respect to acreage described in subclause (I).

''(ii) DETERMINATION.—If the Secretary determines that a plan submitted under subparagraph (A) meets the requirements of subparagraph (B), the Secretary, in accordance with an agreement, may use not more than 20 percent of the resources of any conservation program administered by the Secretary to implement the plan.

''(D) CRP ACREAGE.—Acreage enrolled under an approved conservation reserve enhancement program shall be considered acreage of conservation reserve program that is committed to conservation reserve enhancement program.

''(c) FUNDING.—

''(1) IN GENERAL.—The program and agreements shall be funded by the Secretary using—

''(A) the funding authorities of the conservation programs that are implemented through the use of Farmland Stewardship Agreements for the conservation purposes listed in Sec. 1238(4)(A) and (B)(i through x);

''(B) technical assistance in accordance with Sec. 1243(d); and

''(C) such other funds as are appropriated to carry out the Farmland Stewardship Program.

''(2) COST SHARING.—It shall be a requirement of the Farmland Stewardship Program

that the majority of the funds to carry out the Program must come from existing conservation programs, which may be Federal, State, regional, local, or private, that are combined into and made a part of an agreement, with the balance made up from matching funding contributions made by State, regional, or local agencies and divisions of government or from private funding sources. Funds from existing programs may be used only to carry out the purposes and intents of those programs to the degree that those programs are made a part of a Farmland Stewardship Agreement. Funding for other purposes or intents must come from the funds provided under paragraphs (1)(B) and (1)(C) of subsection (c) or from the matching funding contributions made by State, regional, or local agencies and divisions of government or from private funding sources.

''(d) PERSONNEL COSTS.—The Secretary shall use the Natural Resources Conservation Service to carry out the Farmland Stewardship Program in cooperation with the state department of agriculture or other designated agency within the state. The role of the Natural Resources Conservation Services shall be limited to federal oversight of the program. The Natural Resources Conservation Service shall perform its normal functions with respect to the conservation programs that it administers. However, it shall play no role in the assembly of programs administered by other federal agencies into Farmland Stewardship Agreements.

''(e) STATE LEVEL ADMINISTRATION.—The state departments of agriculture shall have primary responsibility for operating the Farmland Stewardship Program. A state department of agriculture may choose to operate the program on its own, may collaborate with another local, state or federal agency, conservation district or tribe in operating the program, or may delegate responsibility to another state agency, such as the state department of natural resources or the state conservation district agency. The state department of agriculture or designated state agency shall consult with the agencies with management authority and responsibility for the resources affected on properties on which Farmland Stewardship Agreements are negotiated and assembled.

''(1) A state department of agriculture shall submit an application to the Secretary requesting designation as the 'designated state agency' to operate the Farmland Stewardship Program. If the state department of agriculture chooses to delegate responsibility to another state agency, the department of agriculture shall ask the governor to designate another agency for this purpose and that agency shall submit application to the Secretary.

''(2) The Secretary shall approve the request for designation as the 'designated state agency' if the agency demonstrates that it has the capability to implement the Farmland Stewardship Program and attests that it shall conform with the confidentiality requirements in Sec. 1238B(g). Upon approval of the request, the Secretary shall enter into a memorandum of understanding with the designated state agency specifying the state's responsibilities in carrying out the program and the amount of technical assistance funds that shall be provided to the state on an annual basis to operate the program, in accordance with paragraphs (1)(C), (1)(E) and (1)(F) of subsection (g).

''(f) ANNUAL REPORTS.—The designated state agency shall annually submit to the Secretary and make publicly available a report that describes—

''(1) The progress achieved, the funds expended, the purposes for which funds were expended and monitoring and evaluating results obtained by local contracting agencies, and

''(2) The plans and objectives of the State for future activities under the program.

''(g) TECHNICAL ASSISTANCE.—

''(1) Of the funds used from other programs and of funds made available to carry out the Farmland Stewardship Program for a fiscal year, the Secretary shall reserve not more than twenty-five percent for the provision of technical assistance under the Program. Of the funds made available—

''(A) not more than 1.5% shall be reserved for administration, coordination and oversight through the Natural Resources Conservation Service headquarters office;

''(B) not more than 1.5% shall be reserved for the Farmland Stewardship Council to carry out its duties in cooperation with the State Technical Committees, as provided under section 1238E;

''(C) not more than 2.0% shall be reserved for administration and coordination through the designated state agency in the state where the property is located;

''(D) not more than 1.0% shall be reserved for administration and coordination through the Natural Resources Conservation Service state office, in the state where property is located;

''(E) not more than 1.0% shall be reserved for administration and coordination through the state conservation district agency, unless such agency is the designated state agency for administering this program, in which case these funds shall be added to the funds in the next paragraph; and

''(F) not less than 18% shall be reserved for local technical assistance, carried out through a designated 'contracting agency' and subcontractors chosen by and working with the contracting agency for preparing and executing agreements and monitoring, evaluating and administering agreements for their full term.

''(2) An owner or operator who is receiving a benefit under this chapter shall be eligible to receive technical assistance in accordance with section 1243(d) to assist the owner or operator in carrying out a contract entered into under this chapter.

''(h) ENSURING AVAILABILITY OF FUNDS.—All amounts required for preparing, executing, carrying out, monitoring, evaluating and administering an agreement for its entire term shall be made available by the Federal, State, and local agencies and private sector entities involved in funding the agreement upon execution of the agreement.

''SEC. 1238B. USE OF FARMLAND STEWARDSHIP AGREEMENTS.

''(a) AGREEMENTS AUTHORIZED.—The Secretary shall carry out the Farmland Stewardship Program by entering into service contracts as determined by the Secretary, to be known as farmland stewardship agreements, with the owners or operators of eligible agricultural land to maintain and protect the natural and agricultural resources on the land.

''(b) LEGAL BASIS.—An agreement shall operate in all respects as a service contract and, as such, provides the Secretary with the opportunity to hire the owner or operator of eligible agricultural land as a vendor to perform one or more specific services for an equitable fee for each service rendered. Any agency participating in the Farmland Stewardship Program that has the authority to enter into service contracts and to expend public funds under such contracts may enter into or participate in the funding of an agreement.

''(c) BASIC PURPOSES.—An agreement with the owner or operator of eligible agricultural land shall be used—

''(1) to negotiate a mutually agreeable set of guidelines, practices, and procedures under which conservation practices will be provided by the owner or operator to protect, maintain, and, where possible, improve, the natural resources on the land covered by the agreement in return for annual payments to the owner or operator;

''(2) to enable an owner or operator to participate in one or more of the conservation programs offered through agencies at all levels of government and the private sector and, where possible and feasible, comply with permit requirements and regulations, through a one-stop, one-application process.

''(3) to implement a conservation program or series of programs where there is no such program or to implement conservation management activities where there is no such activity;

''(4) to expand or maintain conservation practices and resource management activities to a property where it is not possible at the present time to negotiate or reach agreement on a public purchase of a fee-simple or less-than-fee interest in the property for conservation purposes; and

''(5) to negotiate and develop agreements with private owners and operators to expand or maintain their participation in conservation activities and programs; to enable them to install or maintain best management practices (BMPs) and other recommended practices to improve the compatibility of agriculture, horticulture, silviculture, aquaculture and equine activities with the environment; and improve compliance with public health, safety and environmental regulations.

''(d) MODIFICATION OF OTHER CONSERVATION PROGRAM ELEMENTS.—If most, but not all, of the limitations, conditions, policies and requirements of a conservation program that is implemented in whole, or in part, through the Farmland Stewardship Program are met with respect to a parcel of eligible agricultural land, and the purposes to be achieved by the agreement to be entered into for such land are consistent with the purposes of the conservation program, then the Secretary may waive any remaining limitations, conditions, policies or requirements of the conservation program that would otherwise prohibit or limit the agreement. The Secretary may also grant requests to—

''(1) establish different or automatic enrollment criteria than otherwise established by regulation or policy;

''(2) establish different compensation rates to the extent the parties to the agreement consider justified;

''(3) establish different conservation practice criteria if doing so will achieve greater conservation benefits;

''(4) provide more streamlined and integrated paperwork requirements;

''(5) provide for the transfer of conservation program funds to states with flexible incentives accounts; and

''(6) provide funds for an adaptive management process to monitor the effectiveness of the Program for wildlife, the protection of natural resources, economic effectiveness and sustaining the agricultural economy.

''(7) For a waiver or exception to be considered, a contracting agency or the designated state agency must—

''(A) Submit a request for a waiver to the Secretary or Administrator who has responsibility for the program for which a waiver

or exception is being requested. Requests for waivers or exceptions in programs administered by the United States Department of Agriculture shall be submitted to the Secretary of Agriculture, while requests for waivers or exceptions in programs administered by the United States Department of Interior shall be submitted to the Secretary of Interior and requests for waivers or exceptions in programs administered by the United States Environmental Protection Agency shall be submitted to the Administrator of that Agency, and so forth.

''(B) The request shall—

''(i) explain why the property qualifies for participation in the program;

''(ii) explain why it is necessary or desirable to make an exception to or waive one or more program limitations, conditions, policies or requirements;

''(iii) if possible, suggest alternative methods or approaches to satisfying these limitations, conditions, policies or requirements that are appropriate for the property in question;

''(iv) request that the Secretary or Administrator grant the exception or waiver, based on the documentation submitted.

''(C) The Secretary or Administrator may request additional documentation, or may suggest alternative methods of overcoming program limitations or obstacles on the property in question, prior to deciding whether or not to grant a request for an exception or waiver.

''(D) Waivers and exceptions may be granted by a Secretary or Administrator to allow additional flexibility in tailoring conservation programs to the specific needs, opportunities and challenges offered by individual parcels of land, and to remove administrative and regulatory obstacles that previously may have limited the use of these programs on eligible agricultural land, or would prevent these programs from being combined together through a Farmland Stewardship Agreement. Waivers and exceptions may be granted only if the purposes to be achieved by the program after the waiver or exception is granted remain consistent with the purposes for which the program was established.

''(E) The Secretaries and Administrators who receive requests for waivers or exceptions under this chapter shall respond to these requests within sixty (60) days of receipt. Decisions on whether to grant a request shall be rendered within one hundred eighty (180) days of receipt.

''(e) PROVISIONAL CONTRACTS.—Provisional contracts shall be used to provide payments to private landowners or operators, and to the organization or agency that will oversee the agreement, while baseline data is gathered, documents are prepared and the formal agreement is being negotiated. Provisional contracts shall pay for all technical services required to establish an agreement. Provisional contracts may be used to establish a Farmland Stewardship Agreement, or any other type of conservation program, permit or agreement on private land. Provisional contracts shall be used during a two-year planning period, which may be extended for up to two additional periods of six months each by mutual agreement between the Secretary, the contracting agency and the owner or operator.

''(f) PAYMENTS.—Payments to owners and operators shall be made as provided in the programs that are combined as part of a Farmland Stewardship Agreement. At the election of the owner or operator, payments may be collected and combined together by the designated state agency and issued to the owner or operator in equal annual payments over the term of the agreement. Payments for other services rendered by the owner or operator shall be made as follows—

''(1) IN GENERAL.—Programs that contain term or permanent easements may be combined into a Farmland Stewardship Agreement. Except for portions of a property affected by easements, Farmland Stewardship Agreements shall provide no interest in property and shall be solely contracts for specific services. The fees paid shall be based on the services provided. Compensation shall include—

''(A) ANNUAL BASE PAYMENT.—All owners or operators enrolled in a Farmland Stewardship Agreement shall receive an annual base payment, at a rate to be determined by the Secretary. The annual base payment shall be considered by the Secretary to be satisfied if the owner or operator receives annual payments from another conservation program that has been incorporated into the Farmland Stewardship Agreement. In addition, owners and operators shall receive—

''(B) DIRECT FEES FOR SERVICES.—These fees shall be based on the cost of providing each service. These fees may be set by adopting private sector market prices for the performance of similar services or by competitive bidding. Or, alternatively—

''(C) ANNUAL PER-ACRE STEWARDSHIP FEES.—These fees shall be based on the services provided, or the quantity of benefits provided, with higher fees for greater benefits that can be quantified. Such values shall be determined and set by the Secretary. Or, alternatively—

''(D) OTHER INCENTIVES.—Other forms of compensation acceptable to an owner or operator also may be considered. These other forms of compensation may include federal, state or local tax waivers, credits, reductions or exclusions; priority processing of permits from state and local agencies; consolidation of permits from state and local agencies into a single operating plan; extended-duration permits from state and local agencies; enhanced eligibility and priority listing for participation in cost-share programs, loan programs, conservation programs and permanent conservation easement or public purchase programs; and priority access to technical assistance services provided by federal and, where possible, local, regional and state agencies.

''(g) CONFIDENTIALITY OF DATA.—All information or data provided to, obtained by or developed by the Secretary, or any contractor to the Secretary or the designated state agency, for the purpose of providing technical or financial assistance to owners or operators in connection with the United States Department of Agriculture's conservation programs, or in connection with the Farmland Stewardship Program, shall be—

''(1) Kept confidential by all officers and employees of the Department and the designated state agency;

''(2) Not released, disclosed, made public or in any manner communicated to any agency, state or person outside the Department and the designated state agency; and

''(3) Not subject to any other law that would require the information or data to be released, disclosed, made public or in any way communicated to any agency, state or person outside the Department and designated state agency.

''(4) Any information or data related to an individual farm owner or operator may be reported only in an anonymous, aggregated form as currently provided under the Department's National Agricultural Statistic Services.

''(h) STATE AND LOCAL CONSERVATION PRIORITIES.—To the maximum extent practicable, agreements shall address the conservation priorities established by the State and locality in which the eligible agricultural land are located. The Secretary may adopt for this purpose a pre-existing state or regional conservation plan or strategy that maps economically and ecologically important land, including a plan developed pursuant to planning requirements under Title VIII of the 2001 Interior Appropriations Act and Title IX of the 2001 Commerce, Justice, State Appropriations Act.

''(i) WATERSHED ENHANCEMENT.—To the extent practicable, the Secretary shall encourage the development of Farmland Stewardship Program applications on a watershed basis.

''SEC. 1238C. PARTNERSHIP APPROACH TO PROGRAM.

''(a) AUTHORITY OF SECRETARY EXERCISED THROUGH PARTNERSHIPS.—The Secretary may administer agreements under the Farmland Stewardship Program in partnership with other Federal, State, and local agencies whose programs are incorporated into the Program under section 1238A, and in partnership with state departments of agriculture or other designated state agencies.

''(b) DESIGNATION AND USE OF CONTRACTING AGENCIES.—Subject to subsection (c), the Secretary may authorize a local conservation district, resource conservation and development council, extension service office, state-chartered stewardship entity, nonprofit organization, local office of the Department of Agriculture, or other participating government agency to enter into and administer agreements under the Program as a contracting agency on behalf of the Secretary.

''(c) CONDITIONS OF DESIGNATION.—The Secretary may designate an eligible district or office as a contracting agency under subsection (b) only if the district or office—

''(1) submits a written request for such designation to the Secretary;

''(2) affirms that it is willing to follow all guidelines for executing and administering an agreement, as promulgated by the Secretary;

''(3) demonstrates to the satisfaction of the Secretary that it has established working relationships with owners and operators of eligible agricultural land, and based on the history of these working relationships, demonstrates that it has the ability to work with owners and operators of eligible agricultural land in a cooperative manner;

''(4) affirms its responsibility for preparing all documentation for the agreement, negotiating its terms with an owner or operator, monitoring compliance, making annual reports to the Secretary, and administering the agreement throughout its full term; and

''(5) demonstrates to the satisfaction of the Secretary that it has or will have the necessary staff resources and expertise to carry out its responsibilities under paragraphs (3) and (4).

''(d) DELEGATION OF RESPONSIBILITY.—The Secretary may delegate responsibility for reviewing and approving applications from local contracting agencies to the state department of agriculture or other designated state agency in the state in which the property is located, provided that the designated agency follows the criteria for reviewing and approving applications as established by the Secretary and consults with the agencies with management authority and responsibility for the resources affected on properties

on which Farmland Stewardship Agreements are negotiated and assembled.

"SEC. 1238D. PARTICIPATION OF OWNERS AND OPERATORS OF ELIGIBLE AGRICULTURAL LAND.

''(a) APPLICATION AND APPROVAL PROCESS.—To participate in the Farmland Stewardship Program, an owner or operator of eligible agricultural land shall—

''(1) submit to the Secretary an application indicating interest in the Program and describing the owner's or operator's property, its resources, and their ecological and agricultural values;

''(2) submit to the Secretary the purpose and objectives of the proposed agreement and a list of services to be provided, or a management plan to be implemented, or both, under the proposed agreement;

''(3) if the application and list are accepted by the Secretary, enter into an agreement that details the purpose and objectives of the agreement and the services to be provided, or management plan to be implemented, or both, and requires compliance with the other terms of the agreement.

''(b) APPLICATION ON BEHALF OF AN OWNER OR OPERATOR.—A designated contracting agency may submit the application required by subsection (a) on behalf of an owner or operator if the contracting agency has secured the consent of the owner or operator to enter into an agreement.

''(c) DELEGATION OF RESPONSIBILITY.—The Secretary may delegate responsibility for reviewing and approving applications from or on behalf of an owner or operator to the state department of agriculture or other designated agency in the state in which the property is located, provided that the designated agency follows the criteria for reviewing and approving applications as established by the Secretary and consults with the agencies with management authority and responsibility for the resources affected on properties on which Farmland Stewardship Agreements are negotiated and assembled.

"SEC. 1238E. CREATION OF A FARMLAND STEWARDSHIP COUNCIL REGARDING PROGRAM.

''(a) APPOINTMENT.—The Secretary shall appoint an advisory committee to assist the Secretary in carrying out the Farmland Stewardship Program.

''(b) IN GENERAL.—The Committee shall be known as the Farmland Stewardship Council and shall operate on the federal level in the same manner, with the same roles and responsibilities and the same membership requirements as provided in the policies and guidelines governing State Technical Committees in Subpart B of Part 501 of the United States Department of Agriculture's directives to the Natural Resources Conservation Service regarding Conservation Program Delivery.

''(c) DUTIES.—The Farmland Stewardship Council shall cooperate in all respects with the State Technical Committees and Resource Advisory Committees in each state. In addition to the roles and responsibilities set forth for these committees, the Farmland Stewardship Council shall assist the Secretary in—

''(1) drafting such regulations as are necessary to carry out the Program;

''(2) developing the documents necessary for executing farmland stewardship agreements;

''(3) developing procedures and guidelines to facilitate partnerships with other levels of government and nonprofit organizations and assist contracting agencies in gathering data and negotiating agreements;

''(4) designing criteria to consider applications submitted under sections 1238C and 1238D;

''(5) providing assistance and training to designated state agencies, project partners and contracting agencies;

''(6) assisting designated state agencies, project partners and contracting agencies in combining together other conservation programs into agreements;

''(7) tailoring the agreements to each individual property;

''(8) developing agreements that are highly flexible and can be used to respond to and fit in with the conservation needs and opportunities on any property in the United States;

''(9) developing a methodology for determining a fair market price in each state for each service rendered by a private owner or operator under a Farmland Stewardship Agreement;

''(10) developing guidelines for administering the Farmland Stewardship Program on a national basis that respond to the conservation needs and opportunities in each state and in each rural community in which Farmland Stewardship Agreements may be implemented;

''(11) monitoring progress under the agreements; and

''(12) reviewing and recommending possible modifications, additions, adaptations, improvements, enhancements, or other changes to the Program to improve the way in which the program operates.

''(d) MEMBERSHIP.—The Farmland Stewardship Council shall have the same membership requirements as the State Technical Committees, except that C

''(1) All participating members must have offices located in the Washington, D.C. metropolitan area;

''(2) The list of members representing 'Federal Agencies and Other Groups Required by Law' shall be expanded to include all federal agencies whose programs might be included in Farmland Stewardship Program;

''(3) State agency representation shall be provided by the organizations located in the Washington, D.C. metropolitan area representing state agencies and shall include individuals from organizations representing wetland managers, environmental councils, fish and wildlife agencies, counties, resource and conservation development councils, state conservation agencies, state departments of agriculture, state foresters, and governors; and

''(4) Private Interest Membership shall be comprised of 21 members representing the principal agricultural commodity groups, farm organizations, national forestry associations, woodland owners, conservation districts, rural stewardship organizations, and up to a maximum of six (6) conservation and environment organizations, including organizations with an emphasis on wildlife, rangeland management and soil and water conservation.

''(5) The Secretary shall appoint one of the Private Interest Members to serve as chair. The Private Interest Members shall appoint another member to serve as co-chair.

''(6) The Secretary shall follow equal opportunity practices in making appointments to the Farmland Stewardship Council. To ensure that recommendations of the Council take into account the needs of the diverse groups served by the United States Department of Agriculture, membership will include, to the extent practicable, individuals with demonstrated ability to represent minorities, women, and persons with disabilities.

''(e) PERSONNEL COSTS.—The technical assistance funds designated in Sec. 1238A(g)(1)(B) may be used to provide staff positions and support for the Farmland Stewardship Council to—

''(1) carry out its duties as provided in subsection (c);

''(2) ensure communication and coordination with all federal agencies, state organizations and Private Interest Members on the council, and the constituencies represented by these agencies, organizations and members;

''(3) ensure communication and coordination with the State Technical Committees and Resource Advisory Committees in each state;

''(4) solicit input from agricultural producers and owners and operators of private forestry operations and woodland through the organizations represented on the council and other organizations, as necessary; and

''(5) take into consideration the needs and interests of producers of different agricultural commodities and forest products in different regions of the nation.

''(6) Representatives of federal agencies and state organizations shall serve without additional compensation, except for reimbursement of travel expenses and per diem costs which are incurred as a result of their Council responsibilities and service.

''(7) Payments may be made to the organizations serving as Private Interest Members for the purposes of providing staff and support to carry out paragraphs (1) through (5). The amounts and duration of these payments and the number of staff positions to be created within Private Interest Member organizations to carry out these duties shall be determined by the Secretary.

''(f) REPORTS.—The Farmland Stewardship Council shall annually submit to the Secretary and make publicly available a report that describes—

''(1) The progress achieved, the funds expended, the purposes for which funds were expended and results obtained by the council; and

''(2) The plans and objectives for future activities.

''(g) TERMINATION.—The Farmland Stewardship Council shall remain in force for as long as the Secretary administers the Farmland Stewardship Program, except that the council will terminate in 2011 unless renewed by Congress in the next Farm Bill.

"SEC. 1238F. STATE BLOCK GRANT PROGRAM.

''(a) IN GENERAL.—The Secretary of Agriculture may provide agricultural stewardship block grants on an annual basis to state departments of agriculture as a means of providing assistance and support, cost-share payments, incentive payments, technical assistance or education to agricultural producers and owners and operators of agriculture, silviculture, aquaculture, horticulture or equine operations for environmental enhancements, best management practices, or air and water quality improvements addressing resource concerns. Under the block grant program, states shall have maximum flexibility to—

''(1) Address threats to soil, air, water and related natural resources including grazing land, wetland and wildlife habitats;

''(2) Comply with state and federal environmental laws;

''(3) Make beneficial, cost-effective changes to cropping systems; grazing management; nutrient, pest, or irrigation management; land uses; or other measures needed to conserve and improve soil, water, and related natural resources; and

''(4) Implement other practices or obtain other services to benefit the public through Farmland Stewardship Agreements.

''(b) PROGRAM APPLICATION.—A state department of agriculture, in collaboration with other state and local agencies, conservation districts, tribes, partners or organizations, may submit an application to the Secretary requesting approval for an agricultural stewardship block grant program. The Secretary shall approve the grant request if the program proposed by the state maintains or improves the state's natural resources, and the state has the capability to implement the agricultural stewardship program. Upon approval of a stewardship program submitted by a state department of agriculture, the Secretary shall—

''(1) Allocate funds to the state for administration of the program, and

''(2) Enter into a memorandum of understanding with the state department of agriculture specifying the state's responsibilities in carrying out the program and the amount of the block grant that shall be provided to the state on an annual basis.

''(c) PARTICIPATION.—A state department of agriculture may choose to operate the block grant program, may collaborate with another local, state or federal agency, conservation district or tribe in operating the program, or may delegate responsibility for the program to another local, state or federal agency, such as the state office of the United States Department of Agriculture, Natural Resources Conservation Service, or the state conservation district agency.

''(d) COORDINATION.—A state department of agriculture may establish an agricultural stewardship planning committee, or other advisory body, or expand the authority of an existing body, to design, develop and implement the state's agricultural stewardship block grant program. Such planning committee or advisory committee shall cooperate fully with the Farmland Stewardship Council established in Sec. 1238E and the State Technical Committee and Resource Advisory Committee in the state.

''(e) DELIVERY.—The state department of agriculture, or other designated agency, shall administer the stewardship block grants through existing delivery systems, infrastructure or processes, including contracts, cooperative agreements, and grants with local, state and federal agencies that address resource concerns and were prioritized and developed in cooperation with locally-led advisory groups.

''(f) STRATEGIC PLANS.—The state department of agriculture may collaborate with a local advisory or planning committee to develop a state strategic plan for the enhancement and protection of land, air, water and wildlife through resource planning. The state strategic plan shall be submitted to the Secretary annually in a report on the implementation of projects, activities, and other measures under the block grant program. In general, state strategic plans shall include—

''(1) A description of goals and objectives, including outcome-related goals for designated program activities;

''(2) A description of how the goals and objectives are to be achieved, including a description of the operational processes, skills and technologies, and the human capital, information and other resources required to meet the goals and objectives;

''(3) A description of performance indicators to be used in measuring or assessing the relevant output service levels and outcomes of the program activities; and

''(4) A description of the program evaluation to be used in comparing actual results with established goals and objectives.

''(g) ANNUAL REPORTS.—The state department of agriculture shall annually submit to the Secretary and make publicly available a report that describes—

''(1) The progress achieved, the funds expended, the purposes for which funds were expended and monitoring results obtained by the agricultural stewardship planning committee or local advisory group, where applicable; and

''(2) The plans and objectives of the State for future activities under the program.

''(h) COORDINATION WITH FEDERAL AGENCIES.—To the maximum extent possible, the Secretary shall coordinate with other federal departments and agencies to acknowledge and ensure that the block grant program is consistent with and is meeting the needs and desired public benefits of other federal programs on a state-by-state basis.

''(i) PAYMENTS.—The agricultural stewardship program may be used as a means of providing compensation to owners and operators for implementing on-farm practices that enhance environmental goals. The type of financial assistance may be in the form of cost-share payments, incentive payments or Farmland Stewardship Agreements, as determined by guidelines established by the state department of agriculture and the agricultural stewardship planning committee.

''(j) PROGRAM EXPENDITURES.—States shall have flexibility to target resources where needed, including the ability to allocate dollars between payments to owners and operators or technical assistance based upon needs and priorities.

''(k) METHOD OF PAYMENT.—A state department of agriculture may collaborate with the agricultural stewardship planning committee or other local advisory group to determine payment levels and methods for individual program activities and projects, including any conditions, limitations or restrictions. Payments may be made—

''(1) To compensate for a verifiable or measurable loss;

''(2) Under a binding agreement providing for payments to carry out specific activities, measures, practices or services prioritized by the state department of agriculture, the agricultural stewardship planning committee or a local advisory board; or

''(3) To fund portions of projects and measures to complement other federal programs, including the Conservation Reserve Program, the Environmental Quality Incentives Program, the Wetlands Reserve Program, the Forestry Incentives Program, the Farmland Protection Program, and the Wildlife Habitat Incentives Program.''.

SEC. 257. SMALL WATERSHED REHABILITATION PROGRAM.

Section 14(h) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012(h)) is amended—

(1) by adding ''and'' at the end of paragraph (1); and

(2) by striking all that follows paragraph (1) and inserting the following:

''(2) $15,000,000 for fiscal year 2002 and each succeeding fiscal year.''.

SEC. 258. PROVISION OF ASSISTANCE FOR REPAUPO CREEK TIDE GATE AND DIKE RESTORATION PROJECT, NEW JERSEY.

Notwithstanding section 403 of the Agricultural Credit Act of 1978 (16 U.S.C. 2203), the Secretary of Agriculture, acting through the Natural Resources Conservation Service, shall provide assistance for planning and implementation of the Repaupo Creek Tide Gate and Dike Restoration Project in the State of New Jersey.

SEC. 259. GRASSROOTS SOURCE WATER PROTECTION PROGRAM.

Section 1256 of the Food Security Act of 1985 (16 U.S.C. 2101 note) is amended to read as follows:

''SEC. 1256. GRASSROOTS SOURCE WATER PROTECTION PROGRAM.

''(a) IN GENERAL.—The Secretary shall establish a national grassroots water protection program to more effectively use onsite technical assistance capabilities of each State rural water association that, as of the date of enactment of the Farm Security Act of 2001, operates a wellhead or groundwater protection program in the State.

''(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for each fiscal year.''.

Subtitle G—Repeals

SEC. 261. PROVISIONS OF THE FOOD SECURITY ACT OF 1985.

(a) WETLANDS MITIGATION BANKING PROGRAM.—Section 1222 of the Food Security Act of 1985 (16 U.S.C. 3822) is amended by striking subsection (k).

(b) CONSERVATION RESERVE PROGRAM.—

(1) REPEALS.—(A) Section 1234(f) of such Act (16 U.S.C. 3834(f)) is amended by striking paragraph (3) and by redesignating paragraph (4) as paragraph (3).

(B) Section 1236 of such Act (16 U.S.C. 3836) is repealed.

(2) CONFORMING AMENDMENTS.—(A) Section 1232(a)(5) of such Act (16 U.S.C. 3832(a)(5)) is amended by striking ''in addition to the remedies provided under section 1236(d),''.

(B) Section 1234(d)(4) of such Act (16 U.S.C. 3834(d)(4)) is amended by striking ''subsection (f)(4)'' and inserting ''subsection (f)(3)''.

(c) WETLANDS RESERVE PROGRAM.—Section 1237D(c) of such Act (16 U.S.C. 3837d(c)) is amended by striking paragraph (3).

(d) ENVIRONMENTAL EASEMENT PROGRAM.—

(1) REPEAL.—Chapter 3 of subtitle D of title XII of such Act (16 U.S.C. 3839–3839d) is repealed.

(2) CONFORMING AMENDMENT.—Section 1243(b)(3) of such Act (16 U.S.C. 3843(b)(3)) is amended by striking ''or 3''.

(e) CONSERVATION FARM OPTION.—Chapter 5 of subtitle D of title XII of such Act (16 U.S.C. 3839bb) is repealed.

SEC. 262. NATIONAL NATURAL RESOURCES CONSERVATION FOUNDATION ACT.

Subtitle F of title III of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 5801–5809) is repealed.

TITLE III—TRADE

SEC. 301. MARKET ACCESS PROGRAM.

Section 211(c)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)(1)) is amended—

(1) by striking ''and not more'' and inserting ''not more'';

(2) by inserting ''and not more than $200,000,000 for each of fiscal years 2002 through 2011,'' after ''2002,''; and

(3) by striking ''2002'' and inserting ''2001''.

SEC. 302. FOOD FOR PROGRESS.

(a) IN GENERAL.—Subsections (f)(3), (g), (k), and (l)(1) of section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o) are each amended by striking ''2002'' and inserting ''2011''.

(b) INCREASE IN FUNDING.—Section 1110(l)(1) of the Food Security Act of 1985 (7 U.S.C.1736o(l)(1)) is amended—

(1) by striking ''2002'' and inserting ''2011''; and

(2) by striking ''$10,000,000'' and inserting ''$15,000,000.

(c) EXCLUSION FROM LIMITATION.—Section 1110(e)(2) of the Food Security Act of 1985 (7

U.S.C. 1736o(e)(2)) is amended by inserting '', and subsection (g) does not apply to such commodities furnished on a grant basis or on credit terms under title I of the Agricultural Trade Development Act of 1954'' before the final period.

(d) TRANSPORTATION COSTS.—Section 1110(f)(3) of the Food Security Act of 1985 (7 U.S.C. 1736o(f)(3)) is amended by striking ''$30,000,000'' and inserting ''$40,000,000''.

(e) AMOUNTS OF COMMODITIES.—Section 1110(g) of the Food Security Act of 1985 (7 U.S.C. 1736o(g)) is amended by striking ''500,000'' and inserting ''1,000,000''.

(f) MULTIYEAR BASIS.—Section 1110(j) of the Food Security Act of 1985 (7 U.S.C. 1736o(j)) is amended—

(1) by striking ''may'' and inserting ''is encouraged''; and

(2) by inserting ''to'' before ''approve''.

(g) MONETIZATION.—Section 1110(l)(3) of the Food Security Act of 1985 (7 U.S.C. 1736o(l)(3)) is amended by striking ''local currencies'' and inserting ''proceeds''.

(h) NEW PROVISIONS.—Section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o) is amended by adding at the end the following:

''(p) The Secretary is encouraged to finalize program agreements and resource requests for programs under this section before the beginning of the relevant fiscal year. By November 1 of the relevant fiscal year, the Secretary shall provide to the Committee on Agriculture and the Committee on International Relations of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a list of approved programs, countries, and commodities, and the total amounts of funds approved for transportation and administrative costs, under this section.''.

SEC. 303. SURPLUS COMMODITIES FOR DEVELOPING OR FRIENDLY COUNTRIES.

(a) USE OF CURRENCIES.—Section 416(b)(7)(D) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)(7)(D)) is amended—

(1) in clauses (i) and (iii), by striking ''foreign currency'' each place it appears;

(2) in clause (ii)—

(A) by striking ''Foreign currencies'' and inserting ''Proceeds''; and

(B) by striking ''foreign currency''; and

(3) in clause (iv)—

(A) by striking ''Foreign currency proceeds'' and inserting ''Proceeds'';

(B) by striking ''country of origin'' the second place it appears and all that follows through ''as necessary to expedite'' and inserting ''country of origin as necessary to expedite'';

(C) by striking ''; or'' and inserting a period; and

(D) by striking subclause (II).

(b) IMPLEMENTATION OF AGREEMENTS.—Section 416(b)(8)(A) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)(8)(A)) is amended—

(1) by inserting ''(i)'' after ''(A)''; and

(2) by adding at the end the following new clauses:

''(ii) The Secretary shall publish in the Federal Register, not later than October 31 of each fiscal year, an estimate of the commodities that shall be available under this section for that fiscal year.

''(iii) The Secretary is encouraged to finalize program agreements under this section not later than December 31 of each fiscal year.''.

SEC. 304. EXPORT ENHANCEMENT PROGRAM.

Section 301(e)(1)(G) of the Agricultural Trade Act of 1978 (7 U.S.C. 5651(e)(1)(G)) is amended by inserting ''and for each fiscal year thereafter through fiscal year 2011'' after ''2002''.

SEC. 305. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

(a) IN GENERAL.—Section 703 of the Agricultural Trade Act of 1978 (7 U.S.C.5723) is amended—

(1) by inserting ''(a) PRIOR YEARS.—'' before ''There'';

(2) by striking ''2002'' and inserting ''2001''; and

(3) by adding at the end the following new subsection:

''(b) FISCAL 2002 AND LATER.—For each of fiscal years 2002 through 2011 there are authorized to be appropriated such sums as may be necessary to carry out this title, and, in addition to any sums so appropriated, the Secretary shall use $37,000,000 of the funds of, or an equal value of the commodities of, the Commodity Credit Corporation to carry out this title.''.

(b) VALUE ADDED PRODUCTS.—

(1) IN GENERAL.—Section 702(a) of the Agricultural Trade Act of 1978 (7 U.S.C. 5721 et seq.) is amended by inserting '', with a significant emphasis on the importance of the export of value-added United States agricultural products into emerging markets'' after ''products''.

(2) REPORT TO CONGRESS.—Section 702 of the Agricultural Trade Act of 1978 (7 U.S.C. 5722) is amended by adding at the end the following:

''(c) REPORT TO CONGRESS.—

''(1) IN GENERAL.—The Secretary shall report annually to appropriate congressional committees the amount of funding provided, types of programs funded, the value added products that have been targeted, and the foreign markets for those products that have been developed.

''(2) DEFINITION.—In this subsection, the term 'appropriate congressional committees' means—

''(A) the Committee on Agriculture and the Committee on International Relations of the House of Representatives; and

''(B) the Committee on Agriculture, Nutrition and Forestry and the Committee on Foreign Relations of the Senate.''.

SEC. 306. EXPORT CREDIT GUARANTEE PROGRAM.

(a) REAUTHORIZATION.—Section 211(b)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(b)(1)) is amended by striking ''2002'' and inserting ''2011''.

(b) PROCESSED AND HIGH VALUE PRODUCTS.—Section 202(k)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5622(k)(1)) is amended by striking '', 2001, and 2002'' and inserting ''through 2011''.

SEC. 307. FOOD FOR PEACE (PUBLIC LAW 480).

The Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) is amended—

(1) in section 2 (7 U.S.C. 1691), by striking paragraph (2) and inserting the following:

''(2) promote broad-based, equitable, and sustainable development, including agricultural development as well as conflict prevention;'';

(2) in section 202(e)(1) (7 U.S.C. 1722(e)(1)), by striking ''not less than $10,000,000, and not more than $28,000,000'' and inserting ''not less than 5 percent and not more than 10 percent of such funds'';

(3) in section 203(a) (7 U.S.C. 1723(a)), by striking ''the recipient country, or in a country'' and inserting ''one or more recipient countries, or one or more countries'';

(4) in section 203(c) (7 U.S.C. 1723(c))—

(A) by striking ''foreign currency''; and

(B) by striking ''the recipient country, or in a country'' and inserting ''one or more recipient countries, or one or more countries'';

(5) in section 203(d) (7 U.S.C. 1723(d))—

(A) by striking ''Foreign currencies'' and inserting ''Proceeds'';

(B) in paragraph (2)—

(i) by striking ''income generating'' and inserting ''income-generating''; and

(ii) by striking ''the recipient country or within a country'' and inserting ''one or more recipient countries, or one or more countries''; and

(C) in paragraph (3), by inserting a comma after ''invested'' and ''used'';

(6) in section 204(a) (7 U.S.C. 1724(a))—

(A) by striking ''1996 through 2002'' and inserting ''2002 through 2011''; and

(B) by striking ''2,025,000'' and inserting ''2,250,000'';

(7) in section 205(f) (7 U.S.C. 1725(f)), by striking ''2002'' and inserting ''2011'';

(8) by striking section 206 (7 U.S.C. 1726);

(9) in section 207(a) (7 U.S.C. 1726a(a))—

(A) by redesignating paragraph (2) as paragraph (3); and

(B) by striking paragraph (1) and inserting the following:

''(1) RECIPIENT COUNTRIES.—A proposal to enter into a non-emergency food assistance agreement under this title shall identify the recipient country or countries subject to the agreement.

''(2) TIME FOR DECISION.—Not later than 120 days after receipt by the Administrator of a proposal submitted by an eligible organization under this title, the Administrator shall make a decision concerning such proposal.'';

(10) in section 208(f), by striking ''2002'' and inserting ''2011'';

(11) in section 403 (7 U.S.C. 1733), by inserting after subsection (k) the following:

''(l) SALES PROCEDURES.—Subsections (b) and (h) shall apply to sales of commodities to generate proceeds for titles II and III of this Act, section 416(b) of the Agricultural Act of 1949, and section 1110 of the Food and Security Act of 1985. Such sales transactions may be in United States dollars and other currencies.'';

(12) in section 407(c)(4), by striking ''2001 and 2002'' and inserting ''2001 through 2011'';

(13) in section 407(c)(1) (7 U.S.C. 1736a(c)(1))—

(A) by striking ''The Administrator'' and inserting ''(A) The Administrator''; and

(B) by adding at the end the following:

''(B) In the case of commodities made available for nonemergency assistance under title II for least developed countries that meet the poverty and other eligibility criteria established by the International Bank for Reconstruction and Development for financing under the International Development Association, the Administrator may pay the transportation costs incurred in moving the commodities from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs.''.

(14) in section 408, by striking ''2002'' and inserting ''2011''; and

(15) in section 501(c), by striking ''2002'' and inserting ''2011''.

SEC. 308. EMERGING MARKETS.

Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5622 note) is amended—

(1) in subsections (a) and (d)(1)(A)(i), by striking ''2002'' and inserting ''2011''; and

(2) in subsection (d)(1)(H), by striking ''$10,000,000 in any fiscal year'' and inserting ''$13,000,000 for each of fiscal years 2002 through 2011''.

SEC. 309. BILL EMERSON HUMANITARIAN TRUST.

Subsections (b)(2)(B)(i), (h)(1), and (h)(2) of section 302 of the Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f–1) are each

amended by striking ''2002'' and inserting ''2011''.

SEC. 310. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish an export assistance program (referred to in this section as the ''program'') to address unique barriers that prohibit or threaten the export of United States specialty crops.

(b) PURPOSE.—The program shall provide direct assistance through public and private sector projects and technical assistance to remove, resolve, or mitigate sanitary and phytosanitary and related barriers to trade.

(c) PRIORITY.—The program shall address time sensitive and strategic market access projects based on—

(1) trade effect on market retention, market access, and market expansion; and

(2) trade impact.

(d) FUNDING.—The Secretary shall make available $3,000,000 for each of fiscal years 2002 through 2011 of the funds of, or an equal value of commodities owned by, the Commodity Credit Corporation.

SEC. 311. FARMERS FOR AFRICA AND CARIBBEAN BASIN PROGRAM.

(a) FINDINGS.—Congress finds the following:

(1) Many African farmers and farmers in Caribbean Basin countries use antiquated techniques to produce their crops, which result in poor crop quality and low crop yields.

(2) Many of these farmers are losing business to farmers in European and Asian countries who use advanced planting and production techniques and are supplying agricultural produce to restaurants, resorts, tourists, grocery stores, and other consumers in Africa and Caribbean Basin countries.

(3) A need exists for the training of African farmers and farmers in Caribbean Basin countries and other developing countries in farming techniques that are appropriate for the majority of eligible farmers in African or Caribbean countries, including standard growing practices, insecticide and sanitation procedures, and other farming methods that will produce increased yields of more nutritious and healthful crops.

(4) African-American and other American farmers, as well as banking and insurance professionals, are a ready source of agribusiness expertise that would be invaluable for African farmers and farmers in Caribbean Basin countries.

(5) A United States commitment is appropriate to support the development of a comprehensive agricultural skills training program for these farmers that focuses on—

(A) improving knowledge of insecticide and sanitation procedures to prevent crop destruction;

(B) teaching modern farming techniques, including the identification and development of standard growing practices and the establishment of systems for recordkeeping, that would facilitate a continual analysis of crop production;

(C) the use and maintenance of farming equipment that is appropriate for the majority of eligible farmers in African or Caribbean Basin countries;

(D) expansion of small farming operations into agribusiness enterprises through the development and use of village banking systems and the use of agricultural risk insurance pilot products, resulting in increased access to credit for these farmers; and

(E) marketing crop yields to prospective purchasers (businesses and individuals) for local needs and export.

(6) The participation of African-American and other American farmers and American agricultural farming specialists in such a training program promises the added benefit of improving access to African and Caribbean Basin markets for American farmers and United States farm equipment and products and business linkages for United States insurance providers offering technical assistance on, among other things, agricultural risk insurance products.

(7) Existing programs that promote the exchange of agricultural knowledge and expertise through the exchange of American and foreign farmers have been effective in promoting improved agricultural techniques and food security, and, thus, the extension of additional resources to such farmer-to- farmer exchanges is warranted.

(b) DEFINITIONS.—In this section:

(1) AGRICULTURAL FARMING SPECIALIST.—The term ''agricultural farming specialist'' means an individual trained to transfer information and technical support relating to agribusiness, food security, the mitigation and alleviation of hunger, the mitigation of agricultural and farm risk, maximization of crop yields, agricultural trade, and other needs specific to a geographical location as determined by the President.

(2) CARIBBEAN BASIN COUNTRY.—The term ''Caribbean Basin country'' means a country eligible for designation as a beneficiary country under section 212 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702).

(3) ELIGIBLE FARMER.—The term ''eligible farmer'' means an individual owning or working on farm land (as defined by a particular country's laws relating to property) in the sub-Saharan region of the continent of Africa, in a Caribbean Basin country, or in any other developing country in which the President determines there is a need for farming expertise or for information or technical support described in paragraph (1).

(4) PROGRAM.—The term ''Program'' means the Farmers for Africa and Caribbean Basin Program established under this section.

(c) ESTABLISHMENT OF PROGRAM.—The President shall establish a grant program, to be known as the ''Farmers for Africa and Caribbean Basin Program'', to assist eligible organizations in carrying out bilateral exchange programs whereby African-American and other American farmers and American agricultural farming specialists share technical knowledge with eligible farmers regarding—

(1) maximization of crop yields;

(2) use of agricultural risk insurance as financial tools and a means of risk management (as allowed by Annex II of the World Trade Organization rules);

(3) expansion of trade in agricultural products;

(4) enhancement of local food security;

(5) the mitigation and alleviation of hunger;

(6) marketing agricultural products in local, regional, and international markets; and

(7) other ways to improve farming in countries in which there are eligible farmers.

(d) ELIGIBLE GRANTEES.—The President may make a grant under the Program to—

(1) a college or university, including a historically black college or university, or a foundation maintained by a college or university; and

(2) a private organization or corporation, including grassroots organizations, with an established and demonstrated capacity to carry out such a bilateral exchange program.

(e) TERMS OF PROGRAM.—(1) It is the goal of the Program that at least 1,000 farmers participate in the training program by December 31, 2005, of which 80 percent of the total number of participating farmers will be African farmers or farmers in Caribbean Basin countries and 20 percent of the total number of participating farmers will be American farmers.

(2) Training under the Program will be provided to eligible farmers in groups to ensure that information is shared and passed on to other eligible farmers. Eligible farmers will be trained to be specialists in their home communities and will be encouraged not to retain enhanced farming technology for their own personal enrichment.

(3) Through partnerships with American businesses, the Program will utilize the commercial industrial capability of businesses dealing in agriculture to train eligible farmers on farming equipment that is appropriate for the majority of eligible farmers in African or Caribbean Basin countries and to introduce eligible farmers to the use of insurance as a risk management tool.

(f) SELECTION OF PARTICIPANTS.—(1) The selection of eligible farmers, as well as African-American and other American farmers and agricultural farming specialists, to participate in the Program shall be made by grant recipients using an application process approved by the President.

(2) Participating farmers must have sufficient farm or agribusiness experience and have obtained certain targets regarding the productivity of their farm or agribusiness.

(g) GRANT PERIOD.—The President may make grants under the Program during a period of 5 years beginning on October 1 of the first fiscal year for which funds are made available to carry out the Program.

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2002 through 2011.

SEC. 312. GEORGE MCGOVERN-ROBERT DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM.

(a) IN GENERAL.—The President may, subject to subsection (j), direct the procurement of commodities and the provision of financial and technical assistance to carry out—

(1) preschool and school feeding programs in foreign countries to improve food security, reduce the incidence of hunger, and improve literacy and primary education, particularly with respect to girls; and

(2) maternal, infant, and child nutrition programs for pregnant women, nursing mothers, infants, and children who are 5 years of age or younger.

(b) ELIGIBLE COMMODITIES AND COST ITEMS.—Notwithstanding any other provision of law—

(1) any agricultural commodity is eligible for distribution under this section;

(2) as necessary to achieve the purposes of this section—

(A) funds may be used to pay the transportation costs incurred in moving commodities (including prepositioned commodities) provided under this section from the designated points of entry or ports of entry of one or more recipient countries to storage and distribution sites in these countries, and associated storage and distribution costs;

(B) funds may be used to pay the costs of activities conducted in the recipient countries by a nonprofit voluntary organization, cooperative, or intergovernmental agency or organization that would enhance the effectiveness of the activities implemented by such entities under this section; and

(C) funds may be provided to meet the allowable administrative expenses of private

voluntary organizations, cooperatives, or intergovernmental organizations which are implementing activities under this section; and

(3) for the purposes of this section, the term ''agricultural commodities'' includes any agricultural commodity, or the products thereof, produced in the United States.

(c) GENERAL AUTHORITIES.—The President shall designate one or more Federal agencies to—

(1) implement the program established under this section;

(2) ensure that the program established under this section is consistent with the foreign policy and development assistance objectives of the United States; and

(3) consider, in determining whether a country should receive assistance under this section, whether the government of the country is taking concrete steps to improve the preschool and school systems in its country.

(d) ELIGIBLE RECIPIENTS.—Assistance may be provided under this section to private voluntary organizations, cooperatives, intergovernmental organizations, governments and their agencies, and other organizations.

(e) PROCEDURES.—

(1) IN GENERAL.—In carrying out subsection (a) the President shall assure that procedures are established that—

(A) provide for the submission of proposals by eligible recipients, each of which may include one or more recipient countries, for commodities and other assistance under this section;

(B) provide for eligible commodities and assistance on a multi-year basis;

(C) ensure eligible recipients demonstrate the organizational capacity and the ability to develop, implement, monitor, report on, and provide accountability for activities conducted under this section;

(D) provide for the expedited development, review, and approval of proposals submitted in accordance with this section;

(E) ensure monitoring and reporting by eligible recipients on the use of commodities and other assistance provided under this section; and

(F) allow for the sale or barter of commodities by eligible recipients to acquire funds to implement activities that improve the food security of women and children or otherwise enhance the effectiveness of programs and activities authorized under this section.

(2) PRIORITIES FOR PROGRAM FUNDING.—In carrying out paragraph (1) with respect to criteria for determining the use of commodities and other assistance provided for programs and activities authorized under this section, the implementing agency may consider the ability of eligible recipients to—

(A) identify and assess the needs of beneficiaries, especially malnourished or undernourished mothers and their children who are 5 years of age or younger, and school-age children who are malnourished, undernourished, or do not regularly attend school;

(B)(i) in the case of preschool and school-age children, target low-income areas where children's enrollment and attendance in school is low or girls' enrollment and participation in preschool or school is low, and incorporate developmental objectives for improving literacy and primary education, particularly with respect to girls; and

(ii) in the case of programs to benefit mothers and children who are 5 years of age or younger, coordinate supplementary feeding and nutrition programs with existing or newly-established maternal, infant, and children programs that provide health-needs interventions, and which may include maternal, prenatal, and postnatal and newborn care;

(C) involve indigenous institutions as well as local communities and governments in the development and implementation to foster local capacity building and leadership; and

(D) carry out multiyear programs that foster local self-sufficiency and ensure the longevity of recipient country programs.

(f) USE OF FOOD AND NUTRITION SERVICE.—The Food and Nutrition Service of the Department of Agriculture may provide technical advice on the establishment of programs under subsection (a)(1) and on their implementation in the field in recipient countries.

(g) MULTILATERAL INVOLVEMENT.—The President is urged to engage existing international food aid coordinating mechanisms to ensure multilateral commitments to, and participation in, programs like those supported under this section. The President shall report annually to the Committee on International Relations and the Committee on Agriculture of the United States House of Representatives and the Committee on Foreign Relations and the Committee on Agriculture, Nutrition, and Forestry of the United States Senate on the commitments and activities of governments, including the United States government, in the global effort to reduce child hunger and increase school attendance.

(h) PRIVATE SECTOR INVOLVEMENT.—The President is urged to encourage the support and active involvement of the private sector, foundations, and other individuals and organizations in programs assisted under this section.

(i) REQUIREMENT TO SAFEGUARD LOCAL PRODUCTION AND USUAL MARKETING.—The requirement of section 403(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733(a) and 1733(h)) applies with respect to the availability of commodities under this section.

(j) FUNDING.—

(1) IN GENERAL.—There are authorized to be appropriated such sums as may be necessary to carry out this section for each of fiscal years 2002 through 2011. Nothing in this section shall be interpreted to preclude the use of authorities in effect before the date of the enactment of this Act to carry out the ongoing Global Food for Education Initiative.

(2) ADMINISTRATIVE EXPENSES.—Funds made available to carry out the purposes of this section may be used to pay the administrative expenses of any agency of the Federal Government implementing or assisting in the implementation of this section.

SEC. 313. STUDY ON FEE FOR SERVICES.

(a) STUDY.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall provide a report to the designated congressional committees on the feasibility of instituting a program which would charge and retain a fee to cover the costs for providing persons with commercial services performed abroad on matters within the authority of the Department of Agriculture administered through the Foreign Agriculture Service or any successor agency.

(b) DEFINITION.—In this section, the term ''designated congressional committees'' means the Committee on Agriculture and the Committee on International Relations of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate.

SEC. 314. NATIONAL EXPORT STRATEGY REPORT.

(a) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Agriculture shall provide to the designated congressional committees a report on the policies and programs that the Department of Agriculture has undertaken to implement the National Export Strategy Report. The report shall contain a description of the effective coordination of these policies and programs through all other appropriate Federal agencies participating in the Trade Promotion Coordinating Committee and the steps the Department of Agriculture is taking to reduce the level of protectionism in agricultural trade, to foster market growth, and to improve the commercial potential of markets in both developed and developing countries for United States agricultural commodities.

(b) DEFINITION.—In this section, the term ''designated congressional committees'' means the Committee on Agriculture and the Committee on International Relations of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate.

TITLE IV—NUTRITION PROGRAMS

Subtitle A—Food Stamp Program

SEC. 401. SIMPLIFIED DEFINITION OF INCOME.

Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended—

(1) in paragraph (3)—

(A) by striking ''and (C)'' and inserting ''(C)''; and

(B) by inserting after ''premiums,'' the following:

''and (D) to the extent that any other educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits, and the like, are required to be excluded under title XIX of the Social Security Act, the state agency may exclude it under this subsection,'';

(2) by striking ''and (15)'' and inserting ''(15)'';

(3) by inserting before the period at the end the following:

'', (16) any state complementary assistance program payments that are excluded pursuant to subsections (a) and (b) of section 1931 of title XIX of the Social Security Act, and (17) at the option of the State agency, any types of income that the State agency does not consider when determining eligibility for cash assistance under a program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1), except that this paragraph shall not authorize a State agency to exclude earned income, payments under title I, II, IV, X, XIV, or XVI of the Social Security Act, or such other types of income whose consideration the Secretary determines essential to equitable determinations of eligibility and benefit levels except to the extent that those types of income may be excluded under other paragraphs of this subsection''.

SEC. 402. STANDARD DEDUCTION.

Section 5(e)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(1)) is amended—

(1) by striking ''of $134, $229, $189, $269, and $118'' and inserting ''equal to 9.7 percent of the eligibility limit established under section 5(c)(1) for fiscal year 2002 but not more than 9.7 percent of the eligibility limit established under section 5(c)(1) for a household of six for fiscal year 2002 nor less than $134, $229, $189, $269, and $118''; and

(2) by inserting before the period at the end the following:

'', except that the standard deduction for Guam shall be determined with reference to 2 times the eligibility limits under section

5(c)(1) for fiscal year 2002 for the 48 contiguous states and the District of Columbia''.

SEC. 403. TRANSITIONAL FOOD STAMPS FOR FAMILIES MOVING FROM WELFARE.

(a) IN GENERAL.—Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended by adding at the end the following:

''(s) TRANSITIONAL BENEFITS OPTION.—

''(1) IN GENERAL.—A State may provide transitional food stamp benefits to a household that is no longer eligible to receive cash assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

''(2) TRANSITIONAL BENEFITS PERIOD.—Under paragraph (1), a household may continue to receive food stamp benefits for a period of not more than 6 months after the date on which cash assistance is terminated.

''(3) AMOUNT.—During the transitional benefits period under paragraph (2), a household shall receive an amount equal to the allotment received in the month immediately preceding the date on which cash assistance is terminated. A household receiving benefits under this subsection may apply for recertification at any time during the transitional benefit period. If a household reapplies, its allotment shall be determined without regard to this subsection for all subsequent months.

''(4) DETERMINATION OF FUTURE ELIGIBILITY.—In the final month of the transitional benefits period under paragraph (2), the State agency may—

''(A) require a household to cooperate in a redetermination of eligibility to receive an authorization card; and

''(B) renew eligibility for a new certification period for the household without regard to whether the previous certification period has expired.

''(5) LIMITATION.—A household sanctioned under section 6, or for a failure to perform an action required by Federal, State, or local law relating to such cash assistance program, shall not be eligible for transitional benefits under this subsection.''.

(b) CONFORMING AMENDMENTS.—(1) Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended by adding at the end the following: ''The limits in this section may be extended until the end of any transitional benefit period established under section 11(s).''.

(2) Section 6(c) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)) is amended by striking ''No household'' and inserting ''Except in a case in which a household is receiving transitional benefits during the transitional benefits period under section 11(s), no household''.

SEC. 404. QUALITY CONTROL SYSTEMS.

(a) TARGETED QUALITY CONTROL SYSTEM.—Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) is amended—

(1) in paragraph (1)(C)—

(A) in the matter preceding clause (i), by inserting ''the Secretary determines that a 95 percent statistical probability exists that for the 3d consecutive year'' after ''year in which''; and

(B) in clause (i)(II)(aa)(bbb) by striking ''the national performance measure for the fiscal year'' and inserting ''10 percent'';

(2) in the 1st sentence of paragraph (4)—

(A) by striking ''or claim'' and inserting ''claim''; and

(B) by inserting ''or performance under the measures established under paragraph (10),'' after ''for payment error,'';

(3) in paragraph (5), by inserting ''to comply with paragraph (10) and'' before ''to establish'';

(4) in the 1st sentence of paragraph (6), by inserting ''one percentage point more than'' after ''measure that shall be''; and

(5) by inserting at the end the following:

''(10)(A) In addition to the measures established under paragraph (1), the Secretary shall measure the performance of State agencies in each of the following regards—

''(i) compliance with the deadlines established under paragraphs (3) and (9) of section 11(e); and

''(ii) the percentage of negative eligibility decisions that are made correctly.

''(B) For each fiscal year, the Secretary shall make excellence bonus payments of $1,000,000 each to the 5 States with the highest combined performance in the 2 measures in subparagraph (A) and to the 5 States whose combined performance under the 2 measures in subparagraph (A) most improved in such fiscal year.

''(C) For any fiscal year in which the Secretary determines that a 95 percent statistical probability exists that a State agency's performance with respect to any of the 2 performance measures established in subparagraph (A) is substantially worse than a level the Secretary deems reasonable, other than for good cause shown, the Secretary shall investigate that State agency's administration of the food stamp program. If this investigation determines that the State's administration has been deficient, the Secretary shall require the State agency to take prompt corrective action.''.

(b) IMPLEMENTATION.—The amendment made by subsection (a)(5) shall apply to all fiscal years beginning on or after October 1, 2001, and ending before October 1, 2007. All other amendments made by this section shall apply to all fiscal years beginning on or after October 1, 1999.

SEC. 405. SIMPLIFIED APPLICATION AND ELIGIBILITY DETERMINATION SYSTEMS.

Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended by inserting at the end the following:

''(l) SIMPLIFICATION OF SYSTEMS.—The Secretary shall expend up to $9,500,000 million in each fiscal year to pay 100 percent of the costs of State agencies to develop and implement simple application and eligibility determination systems.''.

SEC. 406. AUTHORIZATION OF APPROPRIATIONS.

(a) EMPLOYMENT AND TRAINING PROGRAMS.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended—

(1) in subparagraph (A)(vii) by striking ''fiscal year 2002'' and inserting ''each of the fiscal years 2003 through 2011''; and

(2) in subparagraph (B) by striking ''2002'' and inserting ''2011''.

(b) COST ALLOCATION.—Section 16(k)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(3)) is amended—

(1) in subparagraph (A) by striking ''2002'' and inserting ''2011''; and

(2) in subparagraph (B)(ii) by striking ''2002'' and inserting ''2011''.

(c) CASH PAYMENT PILOT PROJECTS.—Section 17(b)(1)(B)(vi) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(vi)) is amended by striking ''2002'' and inserting ''2011''.

(d) OUTREACH DEMONSTRATION PROJECTS.—Section 17(i)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(i)(1)(A)) is amended by striking ''1992 through 2002'' and inserting ''2003 through 2011''.

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking ''1996 through 2002'' and inserting ''2003 through 2011''.

(f) PUERTO RICO.—Section 19(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)) is amended—

(1) in subparagraph (A)—

(A) in clause (ii) by striking ''and'' at the end;

(B) in clause (iii) by adding ''and'' at the end; and

(C) by inserting after clause (iii) the following:

''(iv) for each of fiscal years 2003 through 2011, the amount equal to the amount required to be paid under this subparagraph for the preceding fiscal year, as adjusted by the percentage by which the thrifty food plan is adjusted under section 3(o)(4) for the current fiscal year for which the amount is determined under this clause;''; and

(2) in subparagraph (B)—

(A) by inserting ''(i)'' after ''(B)''; and

(B) by adding at the end the following:

''(ii) Notwithstanding subparagraph (A) and clause (i), the Commonwealth may spend up to $6,000,000 of the amount required under subparagraph (A) to be paid for fiscal year 2002 to pay 100 percent of the cost to upgrade and modernize the electronic data processing system used to provide such food assistance and to implement systems to simplify the determination of eligibility to receive such assistance.''.

(g) TERRITORY OF AMERICAN SAMOA.—Section 24 of the Food Stamp Act of 1977 (7 U.S.C. 2033) is amended—

(1) by striking ''Effective October 1, 1995, from'' and inserting ''From''; and

(2) by striking ''$5,300,000 for each of fiscal years 1996 through 2002'' and inserting ''$5,750,000 for fiscal year 2002 and $5,800,000 for each of fiscal years 2003 though 2011''.

(h) ASSISTANCE FOR COMMUNITY FOOD PROJECTS.—Section 25(b)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2034(b)(2)) is amended—

(1) in subparagraph (A) by striking ''and'' at the end;

(2) in subparagraph (B)—

(A) by striking ''2002'' and inserting ''2001''; and

(B) by striking the period at the end and inserting ''; and''; and

(3) by inserting after subparagraph (B) the following:

''(C) $7,500,000 for each of the fiscal years 2002 through 2011.''.

(i) AVAILABILITY OF COMMODITIES FOR THE EMERGENCY FOOD ASSISTANCE PROGRAM.—Section 27 of the Food Stamp Act of 1977 (7 U.S.C. 2036) is amended—

(1) in subsection (a)—

(A) by striking ''1997 through 2002'' and inserting ''2002 through 2011''; and

(B) by striking ''$100,000,000'' and inserting ''$140,000,000''; and

(2) by adding at the end the following:

''(c) USE OF FUNDS FOR RELATED COSTS.—For each of the fiscal years 2002 through 2011, the Secretary shall use $10,000,000 of the funds made available under subsection (a) to pay for the direct and indirect costs of the States related to the processing, storing, transporting, and distributing to eligible recipient agencies of commodities purchased by the Secretary under such subsection and commodities secured from other sources, including commodities secured by gleaning (as defined in section 111 of the Hunger Prevention Act of 1988 (7 U.S.C. 612c note)).''.

(j) SPECIAL EFFECTIVE DATE.—The amendments made by subsections (g), (h), and (i) shall take effect on October 1, 2001.

Subtitle B—Commodity Distribution

SEC. 441. DISTRIBUTION OF SURPLUS COMMODITIES TO SPECIAL NUTRITION PROJECTS.

Section 1114(a) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e) is amended by striking ''2002'' and inserting ''2011''.

SEC. 442. COMMODITY SUPPLEMENTAL FOOD PROGRAM.

The Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended—

(1) in section 4(a) by striking ''1991 through 2002'' and inserting ''2003 through 2011''; and

(2) in subsections (a)(2) and (d)(2) of section 5 by striking ''1991 through 2002'' and inserting ''2003 through 2011''.

SEC. 443. EMERGENCY FOOD ASSISTANCE.

The 1st sentence of section 204(a)(1) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)(1)) is amended—

(1) by striking ''1991 through 2002'' and inserting ''2003 through 2011'';

(2) by striking ''administrative''; and

(3) by inserting ''storage,'' after ''processing,''.

Subtitle C—Miscellaneous Provisions

SEC. 461. HUNGER FELLOWSHIP PROGRAM.

(a) SHORT TITLE; FINDINGS.—

(1) SHORT TITLE.—This section may be cited as the ''Congressional Hunger Fellows Act of 2001''.

(2) FINDINGS.—The Congress finds as follows:

(A) There is a critical need for compassionate individuals who are committed to assisting people who suffer from hunger as well as a need for such individuals to initiate and administer solutions to the hunger problem.

(B) Bill Emerson, the distinguished late Representative from the 8th District of Missouri, demonstrated his commitment to solving the problem of hunger in a bipartisan manner, his commitment to public service, and his great affection for the institution and the ideals of the United States Congress.

(C) George T. (Mickey) Leland, the distinguished late Representative from the 18th District of Texas, demonstrated his compassion for those in need, his high regard for public service, and his lively exercise of political talents.

(D) The special concern that Mr. Emerson and Mr. Leland demonstrated during their lives for the hungry and poor was an inspiration for others to work toward the goals of equality and justice for all.

(E) These two outstanding leaders maintained a special bond of friendship regardless of political affiliation and worked together to encourage future leaders to recognize and provide service to others, and therefore it is especially appropriate to honor the memory of Mr. Emerson and Mr. Leland by creating a fellowship program to develop and train the future leaders of the United States to pursue careers in humanitarian service.

(b) ESTABLISHMENT.—There is established as an independent entity of the legislative branch of the United States Government the Congressional Hunger Fellows Program (hereinafter in this section referred to as the ''Program'').

(c) BOARD OF TRUSTEES.—

(1) IN GENERAL.—The Program shall be subject to the supervision and direction of a Board of Trustees.

(2) MEMBERS OF THE BOARD OF TRUSTEES.—

(A) APPOINTMENT.—The Board shall be composed of 6 voting members appointed under clause (i) and one nonvoting ex officio member designated in clause (ii) as follows:

(i) VOTING MEMBERS.—(I) The Speaker of the House of Representatives shall appoint two members.

(II) The minority leader of the House of Representatives shall appoint one member.

(III) The majority leader of the Senate shall appoint two members.

(IV) The minority leader of the Senate shall appoint one member.

(ii) NONVOTING MEMBER.—The Executive Director of the program shall serve as a nonvoting ex officio member of the Board.

(B) TERMS.—Members of the Board shall serve a term of 4 years.

(C) VACANCY.—

(i) AUTHORITY OF BOARD.—A vacancy in the membership of the Board does not affect the power of the remaining members to carry out this section.

(ii) APPOINTMENT OF SUCCESSORS.—A vacancy in the membership of the Board shall be filled in the same manner in which the original appointment was made.

(iii) INCOMPLETE TERM.—If a member of the Board does not serve the full term applicable to the member, the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

(D) CHAIRPERSON.—As the first order of business of the first meeting of the Board, the members shall elect a Chairperson.

(E) COMPENSATION.—

(i) IN GENERAL.—Subject to clause (ii), members of the Board may not receive compensation for service on the Board.

(ii) TRAVEL.—Members of the Board may be reimbursed for travel, subsistence, and other necessary expenses incurred in carrying out the duties of the program.

(3) DUTIES.—

(A) BYLAWS.—

(i) ESTABLISHMENT.—The Board shall establish such bylaws and other regulations as may be appropriate to enable the Board to carry out this section, including the duties described in this paragraph.

(ii) CONTENTS.—Such bylaws and other regulations shall include provisions—

(I) for appropriate fiscal control, funds accountability, and operating principles;

(II) to prevent any conflict of interest, or the appearance of any conflict of interest, in the procurement and employment actions taken by the Board or by any officer or employee of the Board and in the selection and placement of individuals in the fellowships developed under the program;

(III) for the resolution of a tie vote of the members of the Board; and

(IV) for authorization of travel for members of the Board.

(iii) TRANSMITTAL TO CONGRESS.—Not later than 90 days after the date of the first meeting of the Board, the Chairperson of the Board shall transmit to the appropriate congressional committees a copy of such bylaws.

(B) BUDGET.—For each fiscal year the program is in operation, the Board shall determine a budget for the program for that fiscal year. All spending by the program shall be pursuant to such budget unless a change is approved by the Board.

(C) PROCESS FOR SELECTION AND PLACEMENT OF FELLOWS.—The Board shall review and approve the process established by the Executive Director for the selection and placement of individuals in the fellowships developed under the program.

(D) ALLOCATION OF FUNDS TO FELLOWSHIPS.—The Board of Trustees shall determine the priority of the programs to be carried out under this section and the amount of funds to be allocated for the Emerson and Leland fellowships.

(d) PURPOSES; AUTHORITY OF PROGRAM.—

(1) PURPOSES.—The purposes of the program are—

(A) to encourage future leaders of the United States to pursue careers in humanitarian service, to recognize the needs of people who are hungry and poor, and to provide assistance and compassion for those in need;

(B) to increase awareness of the importance of public service; and

(C) to provide training and development opportunities for such leaders through placement in programs operated by appropriate organizations or entities.

(2) AUTHORITY.—The program is authorized to develop such fellowships to carry out the purposes of this section, including the fellowships described in paragraph (3).

(3) FELLOWSHIPS.—

(A) IN GENERAL.—The program shall establish and carry out the Bill Emerson Hunger Fellowship and the Mickey Leland Hunger Fellowship.

(B) CURRICULUM.—

(i) IN GENERAL.—The fellowships established under subparagraph (A) shall provide experience and training to develop the skills and understanding necessary to improve the humanitarian conditions and the lives of individuals who suffer from hunger, including—

(I) training in direct service to the hungry in conjunction with community-based organizations through a program of field placement; and

(II) experience in policy development through placement in a governmental entity or nonprofit organization.

(ii) FOCUS OF BILL EMERSON HUNGER FELLOWSHIP.—The Bill Emerson Hunger Fellowship shall address hunger and other humanitarian needs in the United States.

(iii) FOCUS OF MICKEY LELAND HUNGER FELLOWSHIP.—The Mickey Leland Hunger Fellowship shall address international hunger and other humanitarian needs.

(iv) WORKPLAN.—To carry out clause (i) and to assist in the evaluation of the fellowships under paragraph (4), the program shall, for each fellow, approve a work plan that identifies the target objectives for the fellow in the fellowship, including specific duties and responsibilities related to those objectives.

(C) PERIOD OF FELLOWSHIP.—

(i) EMERSON FELLOW.—A Bill Emerson Hunger Fellowship awarded under this paragraph shall be for no more than 1 year.

(ii) LELAND FELLOW.—A Mickey Leland Hunger Fellowship awarded under this paragraph shall be for no more than 2 years. Not less than 1 year of the fellowship shall be dedicated to fulfilling the requirement of subparagraph (B)(i)(I).

(D) SELECTION OF FELLOWS.—

(i) IN GENERAL.—A fellowship shall be awarded pursuant to a nationwide competition established by the program.

(ii) QUALIFICATION.—A successful applicant shall be an individual who has demonstrated—

(I) an intent to pursue a career in humanitarian service and outstanding potential for such a career;

(II) a commitment to social change;

(III) leadership potential or actual leadership experience;

(IV) diverse life experience;

(V) proficient writing and speaking skills;

(VI) an ability to live in poor or diverse communities; and

(VII) such other attributes as determined to be appropriate by the Board.

(iii) AMOUNT OF AWARD.—

(I) IN GENERAL.—Each individual awarded a fellowship under this paragraph shall receive a living allowance and, subject to subclause (II), an end-of-service award as determined by the program.

(II) REQUIREMENT FOR SUCCESSFUL COMPLETION OF FELLOWSHIP.—Each individual awarded a fellowship under this paragraph shall be

entitled to receive an end-of-service award at an appropriate rate for each month of satisfactory service as determined by the Executive Director.

(iv) RECOGNITION OF FELLOWSHIP AWARD.—

(I) EMERSON FELLOW.—An individual awarded a fellowship from the Bill Emerson Hunger Fellowship shall be known as an ''Emerson Fellow''.

(II) LELAND FELLOW.—An individual awarded a fellowship from the Mickey Leland Hunger Fellowship shall be known as a ''Leland Fellow''.

(4) EVALUATION.—The program shall conduct periodic evaluations of the Bill Emerson and Mickey Leland Hunger Fellowships. Such evaluations shall include the following:

(A) An assessment of the successful completion of the work plan of the fellow.

(B) An assessment of the impact of the fellowship on the fellows.

(C) An assessment of the accomplishment of the purposes of the program.

(D) An assessment of the impact of the fellow on the community.

(e) TRUST FUND.—

(1) ESTABLISHMENT.—There is established the Congressional Hunger Fellows Trust Fund (hereinafter in this section referred to as the ''Fund'') in the Treasury of the United States, consisting of amounts appropriated to the Fund under subsection (i), amounts credited to it under paragraph (3), and amounts received under subsection (g)(3)(A).

(2) INVESTMENT OF FUNDS.—The Secretary of the Treasury shall invest the full amount of the Fund. Each investment shall be made in an interest bearing obligation of the United States or an obligation guaranteed as to principal and interest by the United States that, as determined by the Secretary in consultation with the Board, has a maturity suitable for the Fund.

(3) RETURN ON INVESTMENT.—Except as provided in subsection (f)(2), the Secretary of the Treasury shall credit to the Fund the interest on, and the proceeds from the sale or redemption of, obligations held in the Fund.

(f) EXPENDITURES; AUDITS.—

(1) IN GENERAL.—The Secretary of the Treasury shall transfer to the program from the amounts described in subsection (e)(3) and subsection (g)(3)(A) such sums as the Board determines are necessary to enable the program to carry out the provisions of this section.

(2) LIMITATION.—The Secretary may not transfer to the program the amounts appropriated to the Fund under subsection (i).

(3) USE OF FUNDS.—Funds transferred to the program under paragraph (1) shall be used for the following purposes:

(A) STIPENDS FOR FELLOWS.—To provide for a living allowance for the fellows.

(B) TRAVEL OF FELLOWS.—To defray the costs of transportation of the fellows to the fellowship placement sites.

(C) INSURANCE.—To defray the costs of appropriate insurance of the fellows, the program, and the Board.

(D) TRAINING OF FELLOWS.—To defray the costs of preservice and midservice education and training of fellows.

(E) SUPPORT STAFF.—Staff described in subsection (g).

(F) AWARDS.—End-of-service awards under subsection (d)(3)(D)(iii)(II).

(G) ADDITIONAL APPROVED USES.—For such other purposes that the Board determines appropriate to carry out the program.

(4) AUDIT BY GAO.—

(A) IN GENERAL.—The Comptroller General of the United States shall conduct an annual audit of the accounts of the program.

(B) BOOKS.—The program shall make available to the Comptroller General all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the program and necessary to facilitate such audit.

(C) REPORT TO CONGRESS.—The Comptroller General shall submit a copy of the results of each such audit to the appropriate congressional committees.

(g) STAFF; POWERS OF PROGRAM.—

(1) EXECUTIVE DIRECTOR.—

(A) IN GENERAL.—The Board shall appoint an Executive Director of the program who shall administer the program. The Executive Director shall carry out such other functions consistent with the provisions of this section as the Board shall prescribe.

(B) RESTRICTION.—The Executive Director may not serve as Chairperson of the Board.

(C) COMPENSATION.—The Executive Director shall be paid at a rate not to exceed the rate of basic pay payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(2) STAFF.—

(A) IN GENERAL.—With the approval of a majority of the Board, the Executive Director may appoint and fix the pay of additional personnel as the Executive Director considers necessary and appropriate to carry out the functions of the provisions of this section.

(B) COMPENSATION.—An individual appointed under subparagraph (A) shall be paid at a rate not to exceed the rate of basic pay payable for level GS–15 of the General Schedule.

(3) POWERS.—In order to carry out the provisions of this section, the program may perform the following functions:

(A) GIFTS.—The program may solicit, accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the program. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Fund and shall be available for disbursement upon order of the Board.

(B) EXPERTS AND CONSULTANTS.—The program may procure temporary and intermittent services under section 3109 of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay payable for GS–15 of the General Schedule.

(C) CONTRACT AUTHORITY.—The program may contract, with the approval of a majority of the members of the Board, with and compensate Government and private agencies or persons without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

(D) OTHER NECESSARY EXPENDITURES.—The program shall make such other expenditures which the program considers necessary to carry out the provisions of this section, but excluding project development.

(h) REPORT.—Not later than December 31 of each year, the Board shall submit to the appropriate congressional committees a report on the activities of the program carried out during the previous fiscal year, and shall include the following:

(1) An analysis of the evaluations conducted under subsection (d)(4) (relating to evaluations of the Emerson and Leland fellowships and accomplishment of the program purposes) during that fiscal year.

(2) A statement of the total amount of funds attributable to gifts received by the program in that fiscal year (as authorized under subsection (g)(3)(A)), and the total amount of such funds that were expended to carry out the program that fiscal year.

(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $18,000,000 to carry out the provisions of this section.

(j) DEFINITION.—In this section, the term ''appropriate congressional committees'' means—

(1) the Committee on Agriculture and the Committee on International Relations of the House of Representatives; and

(2) the Committee on Agriculture, Nutrition and Forestry and the Committee on Foreign Relations of the Senate.

SEC. 462. GENERAL EFFECTIVE DATE.

Except as otherwise provided in this title, the amendments made by this title shall take effect on October 1, 2002.

TITLE V—CREDIT

Subtitle A—Farm Ownership Loans

SEC. 501. DIRECT LOANS.

Section 302(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922(b)(1)) is amended by striking ''operated'' and inserting ''participated in the business operations of''.

SEC. 502. FINANCING OF BRIDGE LOANS.

Section 303(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1923(a)(1)) is amended—

(1) in subparagraph (C), by striking ''or'' at the end;

(2) in subparagraph (D), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(E) refinancing, during a fiscal year, a short-term, temporary bridge loan made by a commercial or cooperative lender to a beginning farmer or rancher for the acquisition of land for a farm or ranch, if—

''(i) the Secretary approved an application for a direct farm ownership loan to the beginning farmer or rancher for acquisition of the land; and

''(ii) funds for direct farm ownership loans under section 346(b) were not available at the time at which the application was approved.''.

SEC. 503. LIMITATIONS ON AMOUNT OF FARM OWNERSHIP LOANS.

Section 305 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1925) is amended by striking subsection (a) and inserting the following:

''(a) IN GENERAL.—The Secretary shall not make or insure a loan under section 302, 303, 304, 310D, or 310E that would cause the unpaid indebtedness under those sections of any 1 borrower to exceed the lesser of—

''(1) the value of the farm or other security; or

''(2)(A) in the case of a loan made by the Secretary—

''(i) to a beginning farmer or rancher, $250,000, as adjusted (beginning with fiscal year 2003) by the inflation percentage applicable to the fiscal year in which the loan is made; or

''(ii) to a borrower other than a beginning farmer or rancher, $200,000; or

''(B) in the case of a loan guaranteed by the Secretary, $700,000, as—

''(i) adjusted (beginning with fiscal year 2000) by the inflation percentage applicable to the fiscal year in which the loan is guaranteed; and

''(ii) reduced by the amount of any unpaid indebtedness of the borrower on loans under subtitle B that are guaranteed by the Secretary.''.

SEC. 504. JOINT FINANCING ARRANGEMENTS.

Section 307(a)(3)(D) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(3)(D)) is amended—

(1) by striking ''If'' and inserting the following:

''(i) IN GENERAL.—Subject to clause (ii), if''; and

(2) by adding at the end the following:

''(ii) BEGINNING FARMERS AND RANCHERS.—The interest rate charged a beginning farmer or rancher for a loan described in clause (i) shall be 50 basis points less than the rate charged farmers and ranchers that are not beginning farmers or ranchers.''.

SEC. 505. GUARANTEE PERCENTAGE FOR BEGINNING FARMERS AND RANCHERS.

Section 309(h)(6) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(h)(6)) is amended by striking ''GUARANTEED UP'' and all that follows through ''more than'' and inserting ''GUARANTEED AT 95 PERCENT.—The Secretary shall guarantee''.

SEC. 506. GUARANTEE OF LOANS MADE UNDER STATE BEGINNING FARMER OR RANCHER PROGRAMS.

Section 309 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929) is amended by adding at the end the following:

''(j) GUARANTEE OF LOANS MADE UNDER STATE BEGINNING FARMER OR RANCHER PROGRAMS.—The Secretary may guarantee under this title a loan made under a State beginning farmer or rancher program, including a loan financed by the net proceeds of a qualified small issue agricultural bond for land or property described in section 144(a)(12)(B)(ii) of the Internal Revenue Code of 1986.''.

SEC. 507. DOWN PAYMENT LOAN PROGRAM.

Section 310E of the Consolidated Farm and Rural Development Act (7 U.S.C. 1935) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking ''30 percent'' and inserting ''40 percent''; and

(B) in paragraph (3), by striking ''10 years'' and inserting ''20 years''; and

(2) in subsection (c)(3)(B), by striking ''10-year'' and inserting ''20-year''.

SEC. 508. BEGINNING FARMER AND RANCHER CONTRACT LAND SALES PROGRAM.

(a) IN GENERAL.—Subtitle A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922 et seq.) is amended by adding at the end the following:

''SEC. 310F. BEGINNING FARMER AND RANCHER CONTRACT LAND SALES PROGRAM.

''(a) IN GENERAL.—Not later than October 1, 2002, the Secretary shall carry out a pilot program in not fewer than 10 geographically dispersed States, as determined by the Secretary, to guarantee up to 5 loans per State in each of fiscal years 2003 through 2006 made by a private seller of a farm or ranch to a qualified beginning farmer or rancher on a contract land sale basis, if the loan meets applicable underwriting criteria and a commercial lending institution agrees to serve as escrow agent.

''(b) DATE OF COMMENCEMENT OF PROGRAM.—The Secretary shall commence the pilot program on making a determination that guarantees of contract land sales present a risk that is comparable with the risk presented in the case of guarantees to commercial lenders.''.

(b) REGULATIONS.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary of Agriculture shall promulgate such regulations as are necessary to implement the amendment made by subsection (a).

(2) PROCEDURE.—The promulgation of the regulations and administration of the amendment made by subsection (a) shall be made without regard to—

(A) the notice and comment provisions of section 553 of title 5, United States Code;

(B) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and

(C) chapter 35 of title 44, United States Code (commonly known as the ''Paperwork Reduction Act'').

(3) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out the amendment made by subsection (a), the Secretary shall use the authority provided under section 808 of title 5, United States Code.

Subtitle B—Operating Loans

SEC. 511. DIRECT LOANS.

Section 311(c)(1)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(c)(1)(A)) is amended by striking ''who has not'' and all that follows through ''5 years''.

SEC. 512. AMOUNT OF GUARANTEE OF LOANS FOR TRIBAL FARM OPERATIONS; WAIVER OF LIMITATIONS FOR TRIBAL OPERATIONS AND OTHER OPERATIONS.

(a) AMOUNT OF GUARANTEE OF LOANS FOR TRIBAL OPERATIONS.—Section 309(h) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(h)) is amended—

(1) in paragraph (4), by striking ''paragraphs (5) and (6)'' and inserting ''paragraphs (5), (6), and (7)''; and

(2) by adding at the end the following:

''(7) AMOUNT OF GUARANTEE OF LOANS FOR TRIBAL OPERATIONS.—In the case of an operating loan made to a Native American farmer or rancher whose farm or ranch is within an Indian reservation (as defined in section 335(e)(1)(A)(ii)), the Secretary shall guarantee 95 percent of the loan.''.

(b) WAIVER OF LIMITATIONS.—Section 311(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(c)) is amended—

(1) in paragraph (1), by striking ''paragraph (3)'' and inserting ''paragraphs (3) and (4)''; and

(2) by adding at the end the following:

''(4) WAIVERS.—

''(A) TRIBAL FARM AND RANCH OPERATIONS.—The Secretary shall waive the limitation under paragraph (1)(C) for a direct loan made under this subtitle to a Native American farmer or rancher whose farm or ranch is within an Indian reservation (as defined in section 335(e)(1)(A)(ii)) if the Secretary determines that commercial credit is not generally available for such farm or ranch operations.

''(B) OTHER FARM AND RANCH OPERATIONS.—On a case-by-case determination not subject to administrative appeal, the Secretary may grant a borrower a waiver, 1 time only for a period of 2 years, of the limitation under paragraph (1)(C) for a direct operating loan if the borrower demonstrates to the satisfaction of the Secretary that—

''(i) the borrower has a viable farm or ranch operation;

''(ii) the borrower applied for commercial credit from at least 2 commercial lenders;

''(iii) the borrower was unable to obtain a commercial loan (including a loan guaranteed by the Secretary); and

''(iv) the borrower successfully has completed, or will complete within 1 year, borrower training under section 359 (from which requirement the Secretary shall not grant a waiver under section 359(f)).''.

Subtitle C—Administrative Provisions

SEC. 521. ELIGIBILITY OF LIMITED LIABILITY COMPANIES FOR FARM OWNERSHIP LOANS, FARM OPERATING LOANS, AND EMERGENCY LOANS.

(a) IN GENERAL.—Sections 302(a), 311(a), and 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922(a), 1941(a), 1961(a)) are amended by striking ''and joint operations'' each place it appears and inserting ''joint operations, and limited liability companies''.

(b) CONFORMING AMENDMENT.—Section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended by striking ''or joint operations'' each place it appears and inserting ''joint operations, or limited liability companies''.

SEC. 522. DEBT SETTLEMENT.

Section 331(b)(4) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981(b)(4)) is amended by striking ''carried out—'' and all that follows through ''(B) after'' and inserting ''carried out after''.

SEC. 523. TEMPORARY AUTHORITY TO ENTER INTO CONTRACTS; PRIVATE COLLECTION AGENCIES.

(a) IN GENERAL.—Section 331 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981) is amended by striking subsections (d) and (e).

(b) APPLICATION.—The amendment made by subsection (a) shall not apply to a contract entered into before the effective date of this Act.

SEC. 524. INTEREST RATE OPTIONS FOR LOANS IN SERVICING.

Section 331B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981b) is amended—

(1) by striking ''lower of (1) the'' and inserting the following: ''lowest of—

''(1) the''; and

(2) by striking ''original loan or (2) the'' and inserting the following: ''original loan;

''(2) the rate being charged by the Secretary for loans, other than guaranteed loans, of the same type at the time at which the borrower applies for a deferral, consolidation, rescheduling, or reamortization; or

''(3) the''.

SEC. 525. ANNUAL REVIEW OF BORROWERS.

Section 333 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983) is amended by striking paragraph (2) and inserting the following:

''(2) except with respect to a loan under section 306, 310B, or 314—

''(A) an annual review of the credit history and business operation of the borrower; and

''(B) an annual review of the continued eligibility of the borrower for the loan;''.

SEC. 526. SIMPLIFIED LOAN APPLICATIONS.

Section 333A(g)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983a(g)(1)) is amended by striking ''of loans the principal amount of which is $50,000 or less'' and inserting ''of farmer program loans the principal amount of which is $100,000 or less''.

SEC. 527. INVENTORY PROPERTY.

Section 335(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985(c)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B)—

(i) in clause (i), by striking ''75 days'' and inserting ''135 days''; and

(ii) by adding at the end the following:

''(iv) COMBINING AND DIVIDING OF PROPERTY.—To the maximum extent practicable, the Secretary shall maximize the opportunity for beginning farmers and ranchers to

purchase real property acquired by the Secretary under this title by combining or dividing inventory parcels of the property in such manner as the Secretary determines to be appropriate.''; and

(B) in subparagraph (C)—

(i) by striking ''75 days'' and inserting ''135 days''; and

(ii) by striking ''75-day period'' and inserting ''135-day period'';

(2) by striking paragraph (2) and inserting the following:

''(2) PREVIOUS LEASE.—In the case of real property acquired before April 4, 1996, that the Secretary leased before April 4, 1996, not later than 60 days after the lease expires, the Secretary shall offer to sell the property in accordance with paragraph (1).''; and

(3) in paragraph (3)—

(A) in subparagraph (A), by striking ''subparagraph (B)'' and inserting ''subparagraphs (B) and (C)''; and

(B) by adding at the end the following:

''(C) OFFER TO SELL OR GRANT FOR FARMLAND PRESERVATION.—For the purpose of farmland preservation, the Secretary shall—

''(i) in consultation with the State Conservationist of each State in which inventory property is located, identify each parcel of inventory property in the State that should be preserved for agricultural use; and

''(ii) offer to sell or grant an easement, restriction, development right, or similar legal right to each parcel identified under clause (i) to a State, a political subdivision of a State, or a private nonprofit organization separately from the underlying fee or other rights to the property owned by the United States.''.

SEC. 528. DEFINITIONS.

(a) QUALIFIED BEGINNING FARMER OR RANCHER.—Section 343(a)(11)(F) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(11)(F)) is amended by striking ''25 percent'' and inserting ''30 percent''.

(b) DEBT FORGIVENESS.—Section 343(a)(12) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(12)) is amended by striking subparagraph (B) and inserting the following:

''(B) EXCEPTIONS.—The term 'debt forgiveness' does not include—

''(i) consolidation, rescheduling, reamortization, or deferral of a loan; or

''(ii) any write-down provided as part of a resolution of a discrimination complaint against the Secretary.''.

SEC. 529. LOAN AUTHORIZATION LEVELS.

Section 346 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994) is amended—

(1) in subsection (b)—

(A) by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—The Secretary may make or guarantee loans under subtitles A and B from the Agricultural Credit Insurance Fund provided for in section 309 for not more than $3,750,000,000 for each of fiscal years 2002 through 2006, of which, for each fiscal year—

''(A) $750,000,000 shall be for direct loans, of which—

''(i) $200,000,000 shall be for farm ownership loans under subtitle A; and

''(ii) $550,000,000 shall be for operating loans under subtitle B; and

''(B) $3,000,000,000 shall be for guaranteed loans, of which—

''(i) $1,000,000,000 shall be for guarantees of farm ownership loans under subtitle A; and

''(ii) $2,000,000,000 shall be for guarantees of operating loans under subtitle B.''; and

(B) in paragraph (2)(A)(ii), by striking ''farmers and ranchers'' and all that follows and inserting ''farmers and ranchers 35 percent for each of fiscal years 2002 through 2006.''; and

(2) in subsection (c), by striking the last sentence.

SEC. 530. INTEREST RATE REDUCTION PROGRAM.

Section 351 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999) is amended—

(1) in subsection (a)—

(A) by striking ''PROGRAM.—'' and all that follows through ''The Secretary'' and inserting ''PROGRAM.—The Secretary''; and

(B) by striking paragraph (2);

(2) by striking subsection (c) and inserting the following:

''(c) AMOUNT OF INTEREST RATE REDUCTION.—

''(1) IN GENERAL.—In return for a contract entered into by a lender under subsection (b) for the reduction of the interest rate paid on a loan, the Secretary shall make payments to the lender in an amount equal to not more than 100 percent of the cost of reducing the annual rate of interest payable on the loan, except that such payments shall not exceed the cost of reducing the rate by more than—

''(A) in the case of a borrower other than a beginning farmer or rancher, 3 percent; and

''(B) in the case of a beginning farmer or rancher, 4 percent.

''(2) BEGINNING FARMERS AND RANCHERS.—The percentage reduction of the interest rate for which payments are authorized to be made for a beginning farmer or rancher under paragraph (1) shall be 1 percent more than the percentage reduction for farmers and ranchers that are not beginning farmers or ranchers.''; and

(3) in subsection (e), by striking paragraph (2) and inserting the following:

''(2) MAXIMUM AMOUNT OF FUNDS.—

''(A) IN GENERAL.—The total amount of funds used by the Secretary to carry out this section for a fiscal year shall not exceed $750,000,000.

''(B) BEGINNING FARMERS AND RANCHERS.—

''(i) IN GENERAL.—The Secretary shall reserve not less than 25 percent of the funds used by the Secretary under subparagraph (A) to make payments for guaranteed loans made to beginning farmers and ranchers.

''(ii) DURATION OF RESERVATION OF FUNDS.—Funds reserved for beginning farmers or ranchers under clause (i) for a fiscal year shall be reserved only until April 1 of the fiscal year.''.

SEC. 531. OPTIONS FOR SATISFACTION OF OBLIGATION TO PAY RECAPTURE AMOUNT FOR SHARED APPRECIATION AGREEMENTS.

(a) IN GENERAL.—Section 353(e)(7) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001(e)(7)) is amended—

(1) in subparagraph (C), by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively, and adjusting the margins appropriately;

(2) by redesignating subparagraphs (A) through (C) as clauses (i) through (iii), respectively, and adjusting the margins appropriately;

(3) by striking the paragraph heading and inserting the following:

''(7) OPTIONS FOR SATISFACTION OF OBLIGATION TO PAY RECAPTURE AMOUNT.—

''(A) IN GENERAL.—As an alternative to repaying the full recapture amount at the end of the term of the agreement (as determined by the Secretary in accordance with this section), a borrower may satisfy the obligation to pay the amount of recapture by—

''(i) financing the recapture payment in accordance with subparagraph (B); or

''(ii) granting the Secretary an agricultural use protection and conservation easement on the property subject to the shared appreciation agreement in accordance with subparagraph (C).

''(B) FINANCING OF RECAPTURE PAYMENT.—''; and

(4) by adding at the end the following:

''(C) AGRICULTURAL USE PROTECTION AND CONSERVATION EASEMENT.—

''(i) IN GENERAL.—Subject to clause (iii), the Secretary shall accept an agricultural use protection and conservation easement from the borrower for all of the real security property subject to the shared appreciation agreement in lieu of payment of the recapture amount.

''(ii) TERM.—The term of an easement accepted by the Secretary under this subparagraph shall be 25 years.

''(iii) CONDITIONS.—The easement shall require that the property subject to the easement shall continue to be used or conserved for agricultural and conservation uses in accordance with sound farming and conservation practices, as determined by the Secretary.

''(iv) REPLACEMENT OF METHOD OF SATISFYING OBLIGATION.—A borrower that has begun financing of a recapture payment under subparagraph (B) may replace that financing with an agricultural use protection and conservation easement under this subparagraph.''.

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply to a shared appreciation agreement that—

(1) matures on or after the date of enactment of this Act; or

(2) matured before the date of enactment of this Act, if—

(A) the recapture amount was reamortized under section 353(e)(7) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001(e)(7)) (as in effect on the day before the date of enactment of this Act); or

(B)(i) the recapture amount had not been paid before the date of enactment of this Act because of circumstances beyond the control of the borrower; and

(ii) the borrower acted in good faith (as determined by the Secretary) in attempting to repay the recapture amount.

SEC. 532. WAIVER OF BORROWER TRAINING CERTIFICATION REQUIREMENT.

Section 359 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006a) is amended by striking subsection (f) and inserting the following:

''(f) WAIVERS.—

''(1) IN GENERAL.—The Secretary may waive the requirements of this section for an individual borrower if the Secretary determines that the borrower demonstrates adequate knowledge in areas described in this section.

''(2) CRITERIA.—The Secretary shall establish criteria providing for the application of paragraph (1) consistently in all counties nationwide.''.

SEC. 533. ANNUAL REVIEW OF BORROWERS.

Section 360(d)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006b(d)(1)) is amended by striking ''biannual'' and inserting ''annual''.

Subtitle D—Farm Credit

SEC. 541. REPEAL OF BURDENSOME APPROVAL REQUIREMENTS.

(a) BANKS FOR COOPERATIVES.—Section 3.1(11)(B) of the Farm Credit Act of 1971 (12 U.S.C. 2122(11)(B)) is amended—

(1) by striking clause (iii); and

(2) by redesignating clause (iv) as clause (iii).

(b) OTHER SYSTEM BANKS; ASSOCIATIONS.—Section 4.18A of the Farm Credit Act of 1971 (12 U.S.C. 2206a) is amended—

(1) in subsection (a)(1), by striking ''3.11(11)(B)(iv)'' and inserting ''3.11(11)(B)(iii)''; and

(2) by striking subsection (c).

SEC. 542. BANKS FOR COOPERATIVES.

Section 3.7(b) of the Farm Credit Act of 1971 (12 U.S.C. 2128(b)) is amended—

(1) in paragraphs (1) and (2)(A)(i), by striking ''farm supplies'' each place it appears and inserting ''agricultural supplies''; and

(2) by adding at the end the following:

''(4) DEFINITION OF AGRICULTURAL SUPPLY.—In this subsection, the term 'agricultural supply' includes—

''(A) a farm supply; and

''(B)(i) agriculture-related processing equipment;

''(ii) agriculture-related machinery; and

''(iii) other capital-related goods related to the storage or handling of agricultural commodities or products.''.

SEC. 543. INSURANCE CORPORATION PREMIUMS.

(a) REDUCTION IN PREMIUMS FOR GSE-GUARANTEED LOANS.—

(1) IN GENERAL.—Section 5.55 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4) is amended—

(A) in subsection (a)—

(i) in paragraph (1)—

(I) in subparagraph (A), by striking ''government-guaranteed loans provided for in subparagraph (C)'' and inserting ''loans provided for in subparagraphs (C) and (D)'';

(II) in subparagraph (B), by striking ''and'' at the end;

(III) in subparagraph (C), by striking the period at the end and inserting ''; and''; and

(IV) by adding at the end the following:

''(D) the annual average principal outstanding for such year on the guaranteed portions of Government Sponsored Enterprise-guaranteed loans made by the bank that are in accrual status, multiplied by a factor, not to exceed 0.0015, determined by the Corporation at the sole discretion of the Corporation.''; and

(ii) by adding at the end the following:

''(4) DEFINITION OF GOVERNMENT SPONSORED ENTERPRISE-GUARANTEED LOAN.—In this section and sections 1.12(b) and 5.56(a), the term 'Government Sponsored Enterprise-guaranteed loan' means a loan or credit, or portion of a loan or credit, that is guaranteed by an entity that is chartered by Congress to serve a public purpose and the debt obligations of which are not explicitly guaranteed by the United States, including the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank System, and the Federal Agricultural Mortgage Corporation, but not including any other institution of the Farm Credit System.''; and

(B) in subsection (e)(4)(B), by striking ''government-guaranteed loans described in subsection (a)(1)(C)'' and inserting ''loans described in subparagraph (C) or (D) of subsection (a)(1)''.

(2) CONFORMING AMENDMENTS.—

(A) Section 1.12(b) of the Farm Credit Act of 1971 (12 U.S.C. 2020(b)) is amended—

(i) in paragraph (1), by inserting ''and Government Sponsored Enterprise-guaranteed loans (as defined in section 5.55(a)(4)) provided for in paragraph (4)'' after ''government-guaranteed loans (as defined in section 5.55(a)(3)) provided for in paragraph (3)'';

(ii) in paragraph (2), by striking ''and'' at the end;

(iii) in paragraph (3), by striking the period at the end and inserting ''; and''; and

(iv) by adding at the end the following:

''(4) the annual average principal outstanding for such year on the guaranteed portions of Government Sponsored Enterprise-guaranteed loans (as so defined) made by the association, or by the other financing institution and funded by or discounted with the Farm Credit Bank, that are in accrual status, multiplied by the factor, not to exceed 0.0015, determined by the Corporation for the purpose of setting the premium for such guaranteed portions of loans under section 5.55(a)(1)(D).''.

(B) Section 5.56(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–5(a)) is amended—

(i) in paragraph (1), by inserting ''and Government Sponsored Enterprise-guaranteed loans (as defined in section 5.55(a)(4))'' after ''government-guaranteed loans'';

(ii) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(iii) by inserting after paragraph (3) the following:

''(4) the annual average principal outstanding on the guaranteed portions of Government Sponsored Enterprise-guaranteed loans (as defined in section 5.55(a)(4)) that are in accrual status;''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) take effect on the date on which Farm Credit System Insurance Corporation premiums are due from insured Farm Credit System banks under section 5.55 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4) for calendar year 2001.

SEC. 544. BOARD OF DIRECTORS OF THE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

Section 8.2(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–2(b)) is amended—

(1) in paragraph (2)—

(A) by striking ''15'' and inserting ''17'';

(B) in subparagraph (A), by striking ''common stock'' and all that follows and inserting ''Class A voting common stock;'';

(C) in subparagraph (B), by striking ''common stock'' and all that follows and inserting ''Class B voting common stock;'';

(D) by redesignating subparagraph (C) as subparagraph (D); and

(E) by inserting after subparagraph (B) the following:

''(C) 2 members shall be elected by holders of Class A voting common stock and Class B voting common stock, 1 of whom shall be the chief executive officer of the Corporation and 1 of whom shall be another executive officer of the Corporation; and'';

(2) in paragraph (3), by striking ''(2)(C)'' and inserting ''(2)(D)'';

(3) in paragraph (4)—

(A) in subparagraph (A), by striking ''(A) or (B)'' and inserting ''(A), (B), or (C)''; and

(B) in subparagraph (B), by striking ''(2)(C)'' and inserting ''(2)(D)'';

(4) in paragraph (5)(A)—

(A) by inserting ''executive officers of the Corporation or'' after ''from among persons who are''; and

(B) by striking ''such a representative'' and inserting ''such an executive officer or representative'';

(5) in paragraph (6)(B), by striking ''(A) and (B)'' and inserting ''(A), (B), and (C)'';

(6) in paragraph (7), by striking ''8 members'' and inserting ''Nine members'';

(7) in paragraph (8)—

(A) in the paragraph heading, by inserting ''OR EXECUTIVE OFFICERS OF THE CORPORATION'' after ''EMPLOYEES''; and

(B) by inserting ''or executive officers of the Corporation'' after ''United States''; and

(8) by striking paragraph (9) and inserting the following:

''(9) CHAIRPERSON.—

''(A) ELECTION.—The permanent board shall annually elect a chairperson from among the members of the permanent board.

''(B) TERM.—The term of the chairperson shall coincide with the term served by elected members of the permanent board under paragraph (6)(B).''.

Subtitle E—General Provisions

SEC. 551. INAPPLICABILITY OF FINALITY RULE.

Section 281(a)(1) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7001(a)(1)) is amended—

(1) by striking ''This subsection'' and inserting the following:

''(A) IN GENERAL.—Except as provided in subparagraph (B), this subsection''; and

(2) by adding at the end the following:

''(B) AGRICULTURAL CREDIT DECISIONS.—This subsection shall not apply with respect to an agricultural credit decision made by such a State, county, or area committee, or employee of such a committee, under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.).''.

SEC. 552. TECHNICAL AMENDMENTS.

(a) Section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended by striking ''Disaster Relief and Emergency Assistance Act'' each place it appears and inserting ''Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.)''.

(b) Section 336(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1986(b)) is amended in the second sentence by striking ''provided for in section 332 of this title''.

(c) Section 359(c)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006a(c)(1)) is amended by striking ''established pursuant to section 332,''.

(d) Section 360(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006b(a)) is amended by striking ''established pursuant to section 332''.

SEC. 553. EFFECT OF AMENDMENTS.

(a) IN GENERAL.—Except as otherwise specifically provided in this title and notwithstanding any other provision of law, this title and the amendments made by this title shall not affect the authority of the Secretary of Agriculture to carry out a farm credit program for any of the 1996 through 2001 fiscal years under a provision of law in effect immediately before the enactment of this Act.

(b) LIABILITY.—A provision of this title or an amendment made by this title shall not affect the liability of any person under any provision of law as in effect immediately before the enactment of this Act.

SEC. 554. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b) and section 543(b), this title and the amendments made by this title take effect on October 1, 2001.

(b) BOARD OF DIRECTORS OF THE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.—The amendments made by section 544 take effect on the date of enactment of this Act.

TITLE VI—RURAL DEVELOPMENT

SEC. 601. FUNDING FOR RURAL LOCAL TELEVISION BROADCAST SIGNAL LOAN GUARANTEES.

Section 1011(a) of the Launching Our Communities' Access to Local Television Act of 2000 (title X of H.R. 5548, as enacted by section 1(a)(2) of Public Law 106–553) is amended by adding at the end the following: ''In addition, a total of $200,000,000 of the funds of the Commodity Credit Corporation shall be available during fiscal years 2002 through 2006, without fiscal year limitation, for loan guarantees under this title.''.

SEC. 602. EXPANDED ELIGIBILITY FOR VALUE-ADDED AGRICULTURAL PRODUCT MARKET DEVELOPMENT GRANTS.

Section 231(a) of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note) is amended—

(1) by striking paragraph (1) and inserting the following:

''(1) ESTABLISHMENT AND PURPOSES.—

''(A) IN GENERAL.—In each of fiscal years 2002 through 2011, the Secretary shall award competitive grants—

''(i) to eligible independent producers (as determined by the Secretary) of value-added agricultural commodities and products of agricultural commodities to assist an eligible producer—

''(I) to develop a business plan for viable marketing opportunities for a value-added agricultural commodity or product of an agricultural commodity; or

''(II) to develop strategies for the ventures that are intended to create marketing opportunities for the producers; and

''(ii) to public bodies, institutions of higher learning, and trade associations to assist such entities—

''(I) to develop a business plan for viable marketing opportunities in emerging markets for a value-added agricultural commodity or product of an agricultural commodity; or

''(II) to develop strategies for the ventures that are intended to create marketing opportunities in emerging markets for the producers.

''(B) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph $50,000,000 for each of fiscal years 2002 through 2011.'';

(2) by striking ''producer'' each place it appears thereafter and inserting ''grantee''; and

(3) in the heading for paragraph (3), by striking ''PRODUCER'' and inserting ''GRANTEE''.

SEC. 603. AGRICULTURE INNOVATION CENTER DEMONSTRATION PROGRAM.

(a) PURPOSES.—The purposes of this section are to carry out a demonstration program under which agricultural producers are provided—

(1) technical assistance, including engineering services, applied research, scale production, and similar services to enable the producers to establish businesses for further processing of agricultural products;

(2) marketing, market development, and business planning; and

(3) overall organizational, outreach, and development assistance to increase the viability, growth, and sustainability of value-added agricultural businesses.

(b) NATURE OF PROGRAM.—The Secretary of Agriculture (in this section referred to as the ''Secretary'') shall—

(1) make grants to eligible applicants for the purposes of enabling the applicants to obtain the assistance described in subsection (a); and

(2) provide assistance to eligible applicants through the research and technical services of the Department of Agriculture.

(c) ELIGIBILITY REQUIREMENTS.—

(1) IN GENERAL.—An applicant shall be eligible for a grant and assistance described in subsection (b) to establish an Agriculture Innovation Center if—

(A) the applicant—

(i) has provided services similar to those described in subsection (a); or

(ii) shows the capability of providing the services;

(B) the application of the applicant for the grant and assistance sets forth a plan, in accordance with regulations which shall be prescribed by the Secretary, outlining support of the applicant in the agricultural community, the technical and other expertise of the applicant, and the goals of the applicant for increasing and improving the ability of local producers to develop markets and processes for value-added agricultural products;

(C) the applicant demonstrates that resources (in cash or in kind) of definite value are available, or have been committed to be made available, to the applicant, to increase and improve the ability of local producers to develop markets and processes for value-added agricultural products; and

(D) the applicant meets the requirement of paragraph (2).

(2) BOARD OF DIRECTORS.—The requirement of this paragraph is that the applicant shall have a board of directors comprised of representatives of the following groups:

(A) The 2 general agricultural organizations with the greatest number of members in the State in which the applicant is located.

(B) The Department of Agriculture or similar State organization or department, for the State.

(C) Organizations representing the 4 highest grossing commodities produced in the State, according to annual gross cash sales.

(d) GRANTS AND ASSISTANCE.—

(1) IN GENERAL.—Subject to subsection (g), the Secretary shall make annual grants to eligible applicants under this section, each of which grants shall not exceed the lesser of—

(A) $1,000,000; or

(B) twice the dollar value of the resources (in cash or in kind) that the applicant has demonstrated are available, or have been committed to be made available, to the applicant in accordance with subsection (c)(1)(C).

(2) INITIAL LIMITATION.—In the first year of the demonstration program under this section, the Secretary shall make grants under this section, on a competitive basis, to not more than 5 eligible applicants.

(3) EXPANSION OF DEMONSTRATION PROGRAM.—In the second year of the demonstration program under this section, the Secretary may make grants under this section to not more than 10 eligible applicants, in addition to any entities to which grants are made under paragraph (2) for such year.

(4) STATE LIMITATION.—In the first 3 years of the demonstration program under this section, the Secretary shall not make an Agricultural Innovation Center Demonstration Program grant under this section to more than 1 entity in a single State.

(e) USE OF FUNDS.—An entity to which a grant is made under this section may use the grant only for the following purposes, but only to the extent that the use is not described in section 231(d) of the Agricultural Risk Protection Act of 2000:

(1) Applied research.

(2) Consulting services.

(3) Hiring of employees, at the discretion of the board of directors of the entity.

(4) The making of matching grants, each of which shall be not more than $5,000, to agricultural producers, so long as the aggregate amount of all such matching grants shall be not more than $50,000.

(5) Legal services.

(f) RULE OF INTERPRETATION.—This section shall not be construed to prevent a recipient of a grant under this section from collaborating with any other institution with respect to activities conducted using the grant.

(g) AVAILABILITY OF FUNDS.—Of the amount made available under section 231(a)(1) of the Agricultural Risk Protection Act of 2000 (Public Law 106–224; 7 U.S.C. 1621 note), the Secretary shall use to carry out this section—

(1) not less than $5,000,000 for fiscal year 2002; and

(2) not less than $10,000,000 for each of the fiscal years 2003 and 2004.

(h) REPORT ON BEST PRACTICES.—

(1) EFFECTS ON THE AGRICULTURAL SECTOR.—The Secretary shall utilize $300,000 per year of the funds made available pursuant to this section to support research at any university into the effects of value-added projects on agricultural producers and the commodity markets. The research should systematically examine possible effects on demand for agricultural commodities, market prices, farm income, and Federal outlays on commodity programs using linked, long-term, global projections of the agricultural sector.

(2) DEPARTMENT OF AGRICULTURE.—Not later than 3 years after the first 10 grants are made under this section, the Secretary shall prepare and submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and to the Committee on Agriculture of the House of Representatives a written report on the effectiveness of the demonstration program conducted under this section at improving the production of value-added agricultural products and on the effects of the program on the economic viability of the producers, which shall include the best practices and innovations found at each of the Agriculture Innovation Centers established under the demonstration program under this section, and detail the number and type of agricultural projects assisted, and the type of assistance provided, under this section.

SEC. 604. FUNDING OF COMMUNITY WATER ASSISTANCE GRANT PROGRAM.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out section 306A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a) $30,000,000 for each of fiscal years 2002 though 2011.

(b) EXTENSION OF PROGRAM.—Section 306A(i) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a(i)) is amended by striking ''2002'' and inserting ''2011''.

(c) MISCELLANEOUS AMENDMENTS.—Section 306A of such Act (7 U.S.C. 1926a) is amended—

(1) in the heading by striking ''emergency'';

(2) in subsection (a)(1)—

(A) by striking ''after'' and inserting ''when''; and

(B) by inserting ''is imminent'' after ''communities''; and

(3) in subsection (c), by striking ''shall—'' and all that follows and inserting ''shall be a public or private nonprofit entity.''.

SEC. 605. LOAN GUARANTEES FOR THE FINANCING OF THE PURCHASE OF RENEWABLE ENERGY SYSTEMS.

Section 4 of the Rural Electrification Act of 1936 (7 U.S.C. 904) is amended—

(1) by inserting ''(a)'' before ''The Secretary''; and

(2) by adding after and below the end the following:

''(b) LOAN GUARANTEES FOR THE FINANCING OF THE PURCHASE OF RENEWABLE ENERGY SYSTEMS.—The Secretary may provide a loan guarantee, on such terms and conditions as the Secretary deems appropriate, for the purpose of financing the purchase of a renewable energy system, including a wind energy system and anaerobic digestors for the purpose of energy generation, by any person or

individual who is a farmer, a rancher, or an owner of a small business (as defined by the Secretary) that is located in a rural area (as defined by the Secretary). In providing guarantees under this subsection, the Secretary shall give priority to loans used primarily for power generation on a farm, ranch, or small business (as so defined).''.

SEC. 606. LOANS AND LOAN GUARANTEES FOR RENEWABLE ENERGY SYSTEMS.

Section 310B(a)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)(3)) is amended by inserting ''and other renewable energy systems including wind energy systems and anaerobic digestors for the purpose of energy generation'' after ''solar energy systems''.

SEC. 607. RURAL BUSINESS OPPORTUNITY GRANTS.

Section 306(a)(11)(D) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 608. GRANTS FOR WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

Section 306D(d)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926d(d)(1)) is amended by striking ''and 2002'' and inserting ''through 2011''.

SEC. 609. RURAL COOPERATIVE DEVELOPMENT GRANTS.

Section 310B(e)(9) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)(9)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 610. NATIONAL RESERVE ACCOUNT OF RURAL DEVELOPMENT TRUST FUND.

Section 381E(e)(3)(F) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009d(e)(3)(F)) is amended by striking ''fiscal year 2002'' and inserting ''each of the fiscal years 2002 through 2011''.

SEC. 611. RURAL VENTURE CAPITAL DEMONSTRATION PROGRAM.

Section 381O(b)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009n(b)(3)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 612. INCREASE IN LIMIT ON CERTAIN LOANS FOR RURAL DEVELOPMENT.

Section 310B(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)) is amended by striking ''$25,000,000'' and inserting ''$100,000,000''.

SEC. 613. PILOT PROGRAM FOR DEVELOPMENT AND IMPLEMENTATION OF STRATEGIC REGIONAL DEVELOPMENT PLANS.

(a) DEVELOPMENT.—

(1) SELECTION OF STATES.—The Secretary of Agriculture (in this section referred to as the ''Secretary'') shall, on a competitive basis, select States in which to implement strategic regional development plans developed under this subsection.

(2) GRANTS.—

(A) AUTHORITY.—

(i) IN GENERAL.—From the funds made available to carry out this subsection, the Secretary shall make a matching grant to 1 or more entities in each State selected under subsection (a), to develop a strategic regional development plan that provides for rural economic development in a region in the State in which the entity is located.

(ii) PRIORITY.—In making grants under this subsection, the Secretary shall give priority to entities that represent a regional coalition of community-based planning, development, governmental, and business organizations.

(B) TERMS OF MATCH.—In order for an entity to be eligible for a matching grant under this subsection, the entity shall make a commitment to the Secretary to provide funds for the development of a strategic regional development plan of the kind referred to in subparagraph (A) in an amount that is not less than the amount of the matching grant.

(C) LIMITATION.—The Secretary shall not make a grant under this subsection in an amount that exceeds $150,000.

(3) FUNDING.—

(A) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section for each of fiscal years 2002 through 2011 the total obtained by adding—

(i) $2,000,000; and

(ii) 2/13 of the amounts made available by section 943 of the Farm Security Act of 2001 for grants under this section.

(B) AVAILABILITY.—Funds made available pursuant to subparagraph (A) shall remain available without fiscal year limitation.

(b) STRATEGIC PLANNING IMPLEMENTATION.—

(1) The Secretary shall use the authorities provided in the provisions of law specified in section 793(c)(1)(A)(ii) of the Federal Agriculture Improvement and Reform Act of 1996 to implement the strategic regional development plans developed pursuant to subsection (a) of this section.

(2) FUNDING.—

(A) IN GENERAL.—The Secretary shall use $13,000,000 of the funds of the Commodity Credit Corporation, plus 11/13 of the amounts made available by section 943 of the Farm Security Act of 2001 for grants under this section, in each of fiscal years 2002 through 2011 to carry out this subsection.

(B) AVAILABILITY.—Funds made available pursuant to subparagraph (A) shall remain available without fiscal year limitation.

(c) USE OF FUNDS.—The amounts made available under subsections (a) and (b) may be used as the Secretary deems appropriate to carry out any provision of this section.

SEC. 614. GRANTS TO NONPROFIT ORGANIZATIONS TO FINANCE THE CONSTRUCTION, REFURBISHING, AND SERVICING OF INDIVIDUALLY-OWNED HOUSEHOLD WATER WELL SYSTEMS IN RURAL AREAS FOR INDIVIDUALS WITH LOW OR MODERATE INCOMES.

(a) IN GENERAL.—Subtitle A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922–1949) is amended by inserting after section 306D the following:

''SEC. 306E. GRANTS TO NONPROFIT ORGANIZATIONS TO FINANCE THE CONSTRUCTION, REFURBISHING, AND SERVICING OF INDIVIDUALLY-OWNED HOUSEHOLD WATER WELL SYSTEMS IN RURAL AREAS FOR INDIVIDUALS WITH LOW OR MODERATE INCOMES.

''(a) DEFINITION OF ELIGIBLE INDIVIDUAL.—In this section, the term 'eligible individual' means an individual who is a member of a household, the combined income of whose members for the most recent 12-month period for which the information is available, is not more than 100 percent of the median nonmetropolitan household income for the State or territory in which the individual resides, according to the most recent decennial census of the United States.

''(b) GRANTS.—The Secretary may make grants to private nonprofit organizations for the purpose of assisting eligible individuals in obtaining financing for the construction, refurbishing, and servicing of individual household water well systems in rural areas that are owned (or to be owned) by the eligible individuals.

''(c) USE OF FUNDS.—A grant made under this section may be—

''(1) used, or invested to provide income to be used, to carry out subsection (b); and

''(2) used to pay administrative expenses associated with providing the assistance described in subsection (b).

''(d) PRIORITY IN AWARDING GRANTS.—In awarding grants under this section, the Secretary shall give priority to an applicant that has substantial expertise and experience in promoting the safe and productive use of individually-owned household water well systems and ground water.''.

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on October 1, 2001.

SEC. 615. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.

Subtitle E of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009–2009n) is amended by adding at the end the following:

''SEC. 381P. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.

''(a) RURAL AREA DEFINED.—In this section, the term 'rural area' means such areas as the Secretary may determine.

''(b) ESTABLISHMENT.—There is established a National Rural Development Partnership (in this section referred to as the 'Partnership'), which shall be composed of—

''(1) the National Rural Development Coordinating Committee established in accordance with subsection (c); and

''(2) State rural development councils established in accordance with subsection (d).

''(c) NATIONAL RURAL DEVELOPMENT COORDINATING COMMITTEE.—

''(1) COMPOSITION.—The National Rural Development Coordinating Committee (in this section referred to as the 'Coordinating Committee') may be composed of—

''(A) representatives of all Federal departments and agencies with policies and programs that affect or benefit rural areas;

''(B) representatives of national associations of State, regional, local, and tribal governments and intergovernmental and multijurisdictional agencies and organizations;

''(C) national public interest groups; and

''(D) other national nonprofit organizations that elect to participate in the activities of the Coordinating Committee.

''(2) FUNCTIONS.—The Coordinating Committee may—

''(A) provide support for the work of the State rural development councils established in accordance with subsection (d); and

''(B) develop and facilitate strategies to reduce or eliminate conflicting or duplicative administrative and regulatory impediments confronting rural areas.

''(d) STATE RURAL DEVELOPMENT COUNCILS.—

''(1) COMPOSITION.—A State rural development council may—

''(A) be composed of representatives of Federal, State, local, and tribal governments, and nonprofit organizations, the private sector, and other entities committed to rural advancement; and

''(B) have a nonpartisan and nondiscriminatory membership that is broad and representative of the economic, social, and political diversity of the State.

''(2) FUNCTIONS.—A State rural development council may—

''(A) facilitate collaboration among Federal, State, local, and tribal governments and the private and non-profit sectors in the planning and implementation of programs and policies that affect the rural areas of the State, and to do so in such a way that provides the greatest degree of flexibility and innovation in responding to the unique needs of the State and the rural areas; and

''(B) in conjunction with the Coordinating Committee, develop and facilitate strategies to reduce or eliminate conflicting or duplicative administrative and regulatory impediments confronting the rural areas of the State.

''(e) ADMINISTRATION OF THE PARTNERSHIP.—The Secretary may provide for any additional support staff to the Partnership as the Secretary determines to be necessary to carry out the duties of the Partnership.

''(f) TERMINATION.—The authority provided by this section shall terminate on the date that is 5 years after the date of the enactment of this section.''.

SEC. 616. ELIGIBILITY OF RURAL EMPOWERMENT ZONES, RURAL ENTERPRISE COMMUNITIES, AND CHAMPION COMMUNITIES FOR DIRECT AND GUARANTEED LOANS FOR ESSENTIAL COMMUNITY FACILITIES.

Section 306(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(1)) is amended by inserting after the 1st sentence the following: ''The Secretary may also make or insure loans to communities that have been designated as rural empowerment zones or rural enterprise communities pursuant to part I of subchapter U of chapter 1 of the Internal Revenue Code of 1986, as rural enterprise communities pursuant to section 766 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999, or as champion communities (as determined by the Secretary), to provide for the installation or improvement of essential community facilities including necessary related equipment, and to furnish financial assistance or other aid in planning projects for such purposes.''.

SEC. 617. GRANTS TO TRAIN FARM WORKERS IN NEW TECHNOLOGIES AND TO TRAIN FARM WORKERS IN SPECIALIZED SKILLS NECESSARY FOR HIGHER VALUE CROPS.

(a) IN GENERAL.—The Secretary of Agriculture may make a grant to a nonprofit organization with the capacity to train farm workers, or to a consortium of non-profit organizations, agribusinesses, State and local governments, agricultural labor organizations, and community-based organizations with that capacity.

(b) USE OF FUNDS.—An entity to which a grant is made under this section shall use the grant to train farm workers to use new technologies and develop specialized skills for agricultural development.

(c) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For grants under this section, there are authorized to be appropriated to the Secretary of Agriculture not more than $10,000,000 for each of fiscal years 2002 through 2011.

SEC. 618. LOAN GUARANTEES FOR THE PURCHASE OF STOCK IN A FARMER COOPERATIVE SEEKING TO MODERNIZE OR EXPAND.

Section 310B(g)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(g)(2)) is amended by striking ''start-up'' and all that follows and inserting ''capital stock of a farmer cooperative established for an agricultural purpose.''.

SEC. 619. INTANGIBLE ASSETS AND SUBORDINATED UNSECURED DEBT REQUIRED TO BE CONSIDERED IN DETERMINING ELIGIBILITY OF FARMER-OWNED COOPERATIVE FOR BUSINESS AND INDUSTRY GUARANTEED LOAN.

Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended by adding at the end the following:

''(h) INTANGIBLE ASSETS AND SUBORDINATED UNSECURED DEBT REQUIRED TO BE CONSIDERED IN DETERMINING ELIGIBILITY OF FARMER-OWNED COOPERATIVE FOR BUSINESS AND INDUSTRY GUARANTEED LOAN.—In determining whether a cooperative organization owned by farmers is eligible for a guaranteed loan under subsection (a)(1), the Secretary may consider the value of the intangible assets and subordinated unsecured debt of the cooperative organization.''.

SEC. 620. BAN ON LIMITING ELIGIBILITY OF FARMER COOPERATIVE FOR BUSINESS AND INDUSTRY LOAN GUARANTEE BASED ON POPULATION OF AREA IN WHICH COOPERATIVE IS LOCATED; REFINANCING.

Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is further amended by adding at the end of the following:

''(i) SPECIAL RULES APPLICABLE TO FARMER COOPERATIVES UNDER THE BUSINESS AND INDUSTRY LOAN PROGRAM.—In determining whether a cooperative organization owned by farmers is eligible for a guaranteed loan under subsection (a)(1), the Secretary shall not apply any lending restriction based on population to the area in which the cooperative organization is located.

''(j) REFINANCING.—A cooperative organization owned by farmers that is eligible to receive a business or industry guaranteed loan under subsection (a) shall be eligible to refinance an existing loan with the same lender or a new lender if—

''(1) the original loan—

''(A) is current and performing; and

''(B) is not in default; and

''(2) the cooperative organization has adequate security or collateral (including tangible and intangible assets).''.

SEC. 621. RURAL WATER AND WASTE FACILITY GRANTS.

Section 306(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)) is amended by striking ''aggregating not to exceed $590,000,000 in any fiscal year''.

SEC. 622. RURAL WATER CIRCUIT RIDER PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a national rural water and wastewater circuit rider grant program that shall be modeled after the National Rural Water Association Rural Water Circuit Rider Program that receives funding from the Rural Utilities Service.

(b) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—To carry out subsection (a), there are authorized to be appropriated to the Secretary of Agriculture $15,000,000 for each fiscal year.

SEC. 623. RURAL WATER GRASSROOTS SOURCE WATER PROTECTION PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a national grassroots source water protection program that will utilize the on-site technical assistance capabilities of State rural water associations that are operating wellhead or ground water protection programs in each State.

(b) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—To carry out subsection (a), there are authorized to be appropriated to the Secretary of Agriculture $5,000,000 for each fiscal year.

SEC. 624. DELTA REGIONAL AUTHORITY.

Section 382N of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa–13) is amended by striking ''2002'' and inserting ''2011''.

SEC. 625. PREDEVELOPMENT AND SMALL CAPITALIZATION LOAN FUND.

The Secretary of Agriculture may make grants to private, nonprofit, multi-State rural community assistance programs to capitalize revolving funds for the purpose of financing eligible projects of predevelopment, repair, and improvement costs of existing water and wastewater systems. Financing provided using funds appropriated to carry out this program may not exceed $300,000.

SEC. 626. RURAL ECONOMIC DEVELOPMENT LOAN AND GRANT PROGRAM.

The Secretary of Agriculture may use an additional source of funding for economic development programs administered by the Department of Agriculture through guaranteeing fees on guarantees of bonds and notes issued by cooperative lenders for electricity and telecommunications purposes.

TITLE VII—RESEARCH AND RELATED MATTERS

Subtitle A—Extensions

SEC. 700. MARKET EXPANSION RESEARCH.

Section 1436(b)(3)(C) of the Food Security Act of 1985 (7 U.S.C. 1632(b)(3)(C)) is amended by striking ''1990'' and inserting ''2011''.

SEC. 701. NATIONAL RURAL INFORMATION CENTER CLEARINGHOUSE.

Section 2381(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125b(e)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 702. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION.

Section 1417(l) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(l)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 703. POLICY RESEARCH CENTERS.

Section 1419A(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3155(d)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 704. HUMAN NUTRITION INTERVENTION AND HEALTH PROMOTION RESEARCH PROGRAM.

Section 1424(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174(d)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 705. PILOT RESEARCH PROGRAM TO COMBINE MEDICAL AND AGRICULTURAL RESEARCH.

Section 1424A(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174a(d)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 706. NUTRITION EDUCATION PROGRAM.

Section 1425(c)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175(c)(3)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 707. CONTINUING ANIMAL HEALTH AND DISEASE RESEARCH PROGRAMS.

Section 1433(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195(a)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 708. APPROPRIATIONS FOR RESEARCH ON NATIONAL OR REGIONAL PROBLEMS.

Section 1434(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196(a)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 709. GRANTS TO UPGRADE AGRICULTURAL AND FOOD SCIENCES FACILITIES AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY.

Section 1447(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b(b)) is

amended by striking ''2002'' and inserting ''2011''.

SEC. 710. NATIONAL RESEARCH AND TRAINING CENTENNIAL CENTERS AT 1890 LAND-GRANT INSTITUTIONS.

Sections 1448(a)(1) and (f) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222c(a)(1) and (f)) are amended by striking ''2002'' each place it appears and inserting ''2011''.

SEC. 711. HISPANIC-SERVING INSTITUTIONS.

Section 1455(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3241(c)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 712. COMPETITIVE GRANTS FOR INTERNATIONAL AGRICULTURAL SCIENCE AND EDUCATION PROGRAMS.

Section 1459A(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292b(c)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 713. UNIVERSITY RESEARCH.

Subsections (a) and (b) of section 1463 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311(a) and (b)) are amended by striking ''2002'' each place it appears and inserting ''2011''.

SEC. 714. EXTENSION SERVICE.

Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended by striking ''2002'' and inserting ''2011''.

SEC. 715. SUPPLEMENTAL AND ALTERNATIVE CROPS.

Section 1473D(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d(a)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 716. AGRICULTURE RESEARCH FACILITIES.

The first sentence of section 1477 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3324) is amended by striking ''2002'' and inserting ''2011''.

SEC. 717. RANGELAND RESEARCH.

Section 1483(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3336(a)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 718. NATIONAL GENETICS RESOURCES PROGRAM.

Section 1635(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 719. HIGH-PRIORITY RESEARCH AND EXTENSION INITIATIVES.

Section 1672(h) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925(h)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 720. NUTRIENT MANAGEMENT RESEARCH AND EXTENSION INITIATIVE.

Section 1672A(g) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925a(g)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 721. AGRICULTURAL TELECOMMUNICATIONS PROGRAM.

Section 1673(h) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5926(h)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 722. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION REVOLVING FUND.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 1664(g)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5908(g)(1)) is amended by striking ''2002'' and inserting ''2011''.

(b) CAPITALIZATION.—Section 1664(g)(2) of such Act (7 U.S.C. 5908(g)(2)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 723. ASSISTIVE TECHNOLOGY PROGRAM FOR FARMERS WITH DISABILITIES.

Section 1680(c)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933(c)(1)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 724. PARTNERSHIPS FOR HIGH-VALUE AGRICULTURAL PRODUCT QUALITY RESEARCH.

Section 402(g) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7622(g)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 725. BIOBASED PRODUCTS.

(a) PILOT PROJECT.—Section 404(e)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7624(e)(2)) is amended by striking ''2001'' and inserting ''2011''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 404(h) of such Act (7 U.S.C. 7624(h)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 726. INTEGRATED RESEARCH, EDUCATION, AND EXTENSION COMPETITIVE GRANTS PROGRAM.

Section 406(e) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626(e)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 727. INSTITUTIONAL CAPACITY BUILDING GRANTS.

(a) GENERALLY.—Section 535(b)(1) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking ''2000'' and inserting ''2011''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 535(c) of such Act is amended by striking ''2000'' and inserting ''2011''.

SEC. 728. 1994 INSTITUTION RESEARCH GRANTS.

Section 536(c) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking ''2002'' and inserting ''2011''.

SEC. 729. ENDOWMENT FOR 1994 INSTITUTIONS.

The first sentence of section 533(b) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking ''$4,600,000'' and all that follows through the period and inserting ''such sums as are necessary to carry out this section for each of fiscal years 1996 through 2011.''.

SEC. 730. PRECISION AGRICULTURE.

Section 403(i) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7623(i)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 731. THOMAS JEFFERSON INITIATIVE FOR CROP DIVERSIFICATION.

Section 405(h) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7625(h)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 732. SUPPORT FOR RESEARCH REGARDING DISEASES OF WHEAT, TRITICALE, AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM OR BY TILLETIA INDICA.

Section 408(e) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7628(e)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 733. OFFICE OF PEST MANAGEMENT POLICY.

Section 614(f) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7653(f)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 734. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.

Section 1408(h) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(h)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 735. GRANTS FOR RESEARCH ON PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.

Section 1419(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154(d)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 736. BIOMASS RESEARCH AND DEVELOPMENT.

Title III of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 7624 note) is amended—

(1) in section 307(f), by striking ''2005'' and inserting ''2011''; and

(2) in section 310, by striking ''2005'' and inserting ''2011''.

SEC. 737. AGRICULTURAL EXPERIMENT STATIONS RESEARCH FACILITIES.

Section 6(a) of the Research Facilities Act (7 U.S.C. 390d(a)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 738. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANTS NATIONAL RESEARCH INITIATIVE.

Section 2(b)(10) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(10)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 739. FEDERAL AGRICULTURAL RESEARCH FACILITIES AUTHORIZATION OF APPROPRIATIONS.

Section 1431 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1556) is amended by striking ''2002'' and inserting ''2011''.

SEC. 740. COTTON CLASSIFICATION SERVICES.

The first sentence of section 3a of the Act of March 3, 1927 (commonly known as the ''Cotton Statistics and Estimates Act''; 7 U.S.C. 473a) is amended by striking ''2002'' and inserting ''2011''.

SEC. 740A. CRITICAL AGRICULTURAL MATERIALS RESEARCH.

Section 16(a) of the Critical Agricultural Materials Act (7 U.S.C. 178n(a)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 740B. PRIVATE NONINDUSTRIAL HARDWOOD RESEARCH PROGRAM.

(a) IN GENERAL.—The Secretary shall establish a program to provide competitive grants to producers to be used for basic hardwood research projects directed at—

(1) improving timber management techniques;

(2) increasing timber production;

(3) expanding genetic research; and

(4) addressing invasive and endangered species.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2002 through 2011.

Subtitle B—Modifications

SEC. 741. EQUITY IN EDUCATIONAL LAND-GRANT STATUS ACT OF 1994.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 534(a)(1)(A) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking ''$50,000'' and inserting ''$100,000''.

(b) WITHDRAWALS AND EXPENDITURES.—Section 533(c)(4)(A) of such Act is amended by striking ''section 390(3)'' and all that follows

through ''1998)'' and inserting ''section 2(a)(7) of the Tribally Controlled College or University Assistance Act of 1978)''.

(c) ACCREDITATION.—Section 533(a)(3) of such Act is amended by striking ''under sections 534 and 535'' and inserting ''under sections 534, 535, and 536''.

(d) 1994 INSTITUTIONS.—Section 532 of such Act is amended by striking paragraphs (1) through (30) and inserting the following:

''(1) Bay Mills Community College.

''(2) Blackfeet Community College.

''(3) Cankdeska Cikana Community College.

''(4) College of Menominee Nation.

''(5) Crownpoint Institute of Technology.

''(6) D–Q University.

''(7) Diné College.

''(8) Dull Knife Memorial College.

''(9) Fond du Lac Tribal and Community College.

''(10) Fort Belknap College.

''(11) Fort Berthold Community College.

''(12) Fort Peck Community College.

''(13) Haskell Indian Nations University.

''(14) Institute of American Indian and Alaska Native Culture and Arts Development.

''(15) Lac Courte Oreilles Ojibwa Community College.

''(16) Leech Lake Tribal College.

''(17) Little Big Horn College.

''(18) Little Priest Tribal College.

''(19) Nebraska Indian Community College.

''(20) Northwest Indian College.

''(21) Oglala Lakota College.

''(22) Salish Kootenai College.

''(23) Sinte Gleska University.

''(24) Sisseton Wahpeton Community College.

''(25) Si Tanka/Huron University.

''(26) Sitting Bull College.

''(27) Southwestern Indian Polytechnic Institute.

''(28) Stone Child College.

''(29) Turtle Mountain Community College.

''(30) United Tribes Technical College.''.

SEC. 742. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977.

Section 1404(4) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(4)) is amended—

(1) by striking the period at the end of subparagraph (E) and inserting '', or''; and

(2) by adding at the end the following: ''(F) is one of the 1994 Institutions (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994).''.

SEC. 743. AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION REFORM ACT OF 1998.

(a) PRIORITY MISSION AREAS.—Section 401(c)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(c)(2)) is amended—

(1) by striking ''and'' at the end of subparagraph (E);

(2) by striking the period at the end of subparagraph (F) and inserting ''; and''; and

(3) by adding at the end the following new subparagraph:

''(G) alternative fuels and renewable energy sources.''.

(b) PRECISION AGRICULTURE.—Section 403 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7623) is amended—

(1) in subsection (a)(5)(F), by inserting ''(including improved use of energy inputs)'' after ''farm production efficiencies''; and

(2) in subsection (d)—

(A) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(B) by inserting after paragraph (3) the following new paragraph:

''(4) Improve on farm energy use efficiencies.''.

(c) THOMAS JEFFERSON INITIATIVE FOR CROP DIVERSIFICATION.—Section 405(a) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7625(a)) is amended by striking ''and marketing'' and inserting '', marketing, and efficient use''.

(d) COORDINATED PROGRAM OF RESEARCH, EXTENSION, AND EDUCATION TO IMPROVE VIABILITY OF SMALL- AND MEDIUM-SIZE DAIRY, LIVESTOCK, AND POULTRY OPERATIONS.—Section 407(b)(3) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7627(b)(3)) is amended by inserting ''(including improved use of energy inputs)'' after ''poultry systems that increase efficiencies''.

(e) SUPPORT FOR RESEARCH REGARDING DISEASES OF WHEAT, TRITICALE, AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM OR BY TILLETIA INDICA.—

(1) RESEARCH GRANT AUTHORIZED.—Section 408(a) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7628(a)) is amended to read as follows:

''(a) RESEARCH GRANT AUTHORIZED.—The Secretary of Agriculture may make grants to consortia of land-grant colleges and universities to enhance the ability of the consortia to carry out multi-State research projects aimed at understanding and combating diseases of wheat, triticale, and barley caused by Fusarium graminearum and related fungi (referred to in this section as 'wheat scab') or by Tilletia indica and related fungi (referred to in this section as 'Karnal bunt').''.

(2) RESEARCH COMPONENTS.—Section 408(b) of such Act (7 U.S.C. 7628(b)) is amended—

(A) in paragraph (1), by inserting ''or of Karnal bunt,'' after ''epidemiology of wheat scab'';

(B) in paragraph (1), by inserting '', triticale,'' after ''occurring in wheat'';

(C) in paragraph (2), by inserting ''or Karnal bunt'' after ''wheat scab'';

(D) in paragraph (3)(A), by striking ''and barley for the presence of'' and inserting '', triticale, and barley for the presence of Karnal bunt or of'';

(E) in paragraph (3)(B), by striking ''and barley infected with wheat scab'' and inserting '', triticale, and barley infected with wheat scab or with Karnal bunt'';

(F) in paragraph (3)(C), by inserting ''wheat scab'' after ''to render'';

(G) in paragraph (4), by striking ''and barley to wheat scab'' and inserting '', triticale, and barley to wheat scab and to Karnal bunt''; and

(H) in paragraph (5)—

(i) by inserting ''and Karnal bunt'' after ''wheat scab''; and

(ii) by inserting '', triticale,'' after ''resistant wheat''.

(3) COMMUNICATIONS NETWORKS.—Section 408(c) of such Act (7 U.S.C. 7628(c)) is amended by inserting ''or Karnal bunt'' after ''wheat scab''.

(4) TECHNICAL AMENDMENTS.—(A) The section heading for section 408 of such Act is amended by striking ''**AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM**'' and inserting ''**, TRITICALE, AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM OR BY TILLETIA INDICA**''.

(B) The table of sections for such Act is amended by striking ''and barley caused by fusarium graminearum'' in the item relating to section 408 and inserting '', triticale, and barley caused by Fusarium graminearum or by Tilletia indica''.

(f) PROGRAM TO CONTROL JOHNE'S DISEASE.—Title IV of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621 et seq.) is amended by adding at the end the following new section:

''SEC. 409. BOVINE JOHNE'S DISEASE CONTROL PROGRAM.

''(a) ESTABLISHMENT.—The Secretary of Agriculture, in coordination with State veterinarians and other appropriate State animal health professionals, may establish a program to conduct research, testing, and evaluation of programs for the control and management of Johne's disease in livestock.

''(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary such sums as may be necessary to carry out this section for each of fiscal years 2003 through 2011.''.

SEC. 744. FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990.

(a) AGRICULTURAL GENOME INITIATIVE.—Section 1671(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5924(b)) is amended—

(1) in paragraph (3), by inserting ''pathogens and'' before ''diseases causing economic hardship'';

(2) in paragraph (6), by striking ''and'' at the end;

(3) by redesignating paragraph (7) as paragraph (8); and

(4) by inserting after paragraph (6) the following new paragraph:

''(7) reducing the economic impact of plant pathogens on commercially important crop plants; and''.

(b) HIGH-PRIORITY RESEARCH AND EXTENSION INITIATIVES.—Section 1672(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925) is amended by adding at the end the following new paragraphs:

''(25) RESEARCH TO PROTECT THE UNITED STATES FOOD SUPPLY AND AGRICULTURE FROM BIOTERRORISM.—Research grants may be made under this section for the purpose of developing technologies, which support the capability to deal with the threat of agricultural bioterrorism.

''(26) WIND EROSION RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of validating wind erosion models.

''(27) CROP LOSS RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of validating crop loss models.

''(28) LAND USE MANAGEMENT RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purposes of evaluating the environmental benefits of land use management tools such as those provided in the Farmland Protection Program.

''(29) WATER AND AIR QUALITY RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of better understanding agricultural impacts to air and water quality and means to address them.

''(30) REVENUE AND INSURANCE TOOLS RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purposes of better understanding the impact of revenue and insurance tools on farm income.

''(31) AGROTOURISM RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of better understanding the economic, environmental, and food systems impacts on agrotourism.

''(32) HARVESTING PRODUCTIVITY FOR FRUITS AND VEGETABLES.—Research and extension

grants may be made under this section for the purpose of improving harvesting productivity for fruits and vegetables (including citrus), including the development of mechanical harvesting technologies and effective, economical, and safe abscission compounds.

''(33) NITROGEN-FIXATION BY PLANTS.—Research and extension grants may be made under this section for the purpose of enhancing the nitrogen-fixing ability and efficiency of legumes, developing new varieties of legumes that fix nitrogen more efficiently, and developing new varieties of other commercially important crops that potentially are able to fix nitrogen.

''(34) AGRICULTURAL MARKETING.—Extension grants may be made under this section for the purpose of providing education materials, information, and outreach programs regarding commodity and livestock marketing strategies for agricultural producers and for cooperatives and other marketers of any agricultural commodity, including livestock.

''(35) ENVIRONMENT AND PRIVATE LANDS RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of researching the use of computer models to aid in assessment of best management practices on a watershed basis, working with government, industry, and private landowners to help craft industry-led solutions to identified environmental issues, researching and monitoring water, air, or soil environmental quality to aid in the development of new approaches to local environmental concerns, and working with local, State, and federal officials to help craft effective environmental solutions that respect private property rights and agricultural production realities.

''(36) LIVESTOCK DISEASE RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of identifying possible livestock disease threats, educating the public regarding livestock disease threats, training persons to deal with such threats, and conducting related research.

''(37) PLANT GENE EXPRESSION.—Research and development grants may be made under this section for the purpose of plant gene expression research to accelerate the application of basic plant genomic science to the development and testing of new varieties of enhanced food crops, crops that can be used as renewable energy sources, and other alternative uses of agricultural crops.''.

SEC. 745. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977.

(a) NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMIC ADVISORY BOARD.—Section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123) is amended—

(1) in subsection (b)(3)—

(A) by redesignating subparagraphs (R) through (DD) as subparagraphs (S) through (EE), respectively; and

(B) by inserting after subparagraph (Q) the following new subparagraph:

''(R) 1 member representing a nonland grant college or university with a historic commitment to research in the food and agricultural sciences.'';

(2) in subsection (c)(1), by striking ''and land-grant colleges and universities'' and inserting '', land-grant colleges and universities, and the Committee on Agriculture of the House of Representatives, the Committee on Agriculture, Nutrition, and Forestry of the Senate, the Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies of the Committee on Appropriations of the House of Representatives, and the Subcommittee on Agriculture, Rural Development and Related Agencies of the Committee on Appropriations of the Senate'';

(3) in subsection (d)(1), inserting ''consult with any appropriate agencies of the Department of Agriculture and'' after ''the Advisory Board shall''; and

(4) in subsection (b)(1), by striking ''30 members'' and inserting ''31 members''.

(b) GRANTS FOR RESEARCH ON PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.—Section 1419 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154) is amended—

(1) in subsection (a)(2), by inserting ''and animal fats and oils'' after ''industrial oilseed crops''; and

(2) in subsection (a)(4), by inserting ''or triglycerides'' after ''other industrial hydrocarbons''.

(c) FAS OVERSEAS INTERN PROGRAM.—Section 1458(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3291(a)) is amended—

(1) by striking ''and'' at the end of paragraph (8);

(2) by striking the period at the end of paragraph (9) and inserting ''; and''; and

(3) by adding at the end the following new paragraph:

''(10) establish a program, to be coordinated by the Cooperative State Research, Education, and Extension Service and the Foreign Agricultural Service, to place interns from United States colleges and universities at Foreign Agricultural Service field offices overseas.''.

SEC. 746. BIOMASS RESEARCH AND DEVELOPMENT.

Title III of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 7624 note) is amended—

(1) in section 302(3), by inserting ''or biodiesel'' after ''such as ethanol'';

(2) in section 303(3), by inserting ''animal byproducts,'' after ''fibers,''; and

(3) in section 306(b)(1)—

(A) by redesignating subparagraphs (E) through (J) as subparagraphs (F) through (K), respectively; and

(B) by inserting after subparagraph (D) the following new subparagraph:

''(E) an individual affiliated with a livestock trade association;''.

SEC. 747. BIOTECHNOLOGY RISK ASSESSMENT RESEARCH.

Section 1668 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5921) is amended to read as follows:

''SEC. 1668. BIOTECHNOLOGY RISK ASSESSMENT RESEARCH.

''(a) PURPOSE.—It is the purpose of this section—

''(1) to authorize and support environmental assessment research to help identify and analyze environmental effects of biotechnology; and

''(2) to authorize research to help regulators develop long-term policies concerning the introduction of such technology.

''(b) GRANT PROGRAM.—The Secretary of Agriculture shall establish a grant program within the Cooperative State Research, Education, and Extension Service and the Agricultural Research Service to provide the necessary funding for environmental assessment research concerning the introduction of genetically engineered plants and animals into the environment.

''(c) TYPES OF RESEARCH.—Types of research for which grants may be made under this section shall include the following:

''(1) Research designed to identify and develop appropriate management practices to minimize physical and biological risks associated with genetically engineered animals and plants once they are introduced into the environment.

''(2) Research designed to develop methods to monitor the dispersal of genetically engineered animals and plants.

''(3) Research designed to further existing knowledge with respect to the characteristics, rates and methods of gene transfer that may occur between genetically engineered plants and animals and related wild and agricultural organisms.

''(4) Environmental assessment research designed to provide analysis, which compares the relative impacts of plants and animals modified through genetic engineering to other types of production systems.

''(5) Other areas of research designed to further the purposes of this section.

''(d) ELIGIBILITY REQUIREMENTS.—Grants under this section shall be—

''(1) made on the basis of the quality of the proposed research project; and

''(2) available to any public or private research or educational institution or organization.

''(e) CONSULTATION.—In considering specific areas of research for funding under this section, the Secretary of Agriculture shall consult with the Administrator of the Animal and Plant Health Inspection Service and the National Agricultural Research, Extension, Education, and Economics Advisory Board.

''(f) PROGRAM COORDINATION.—The Secretary of Agriculture shall coordinate research funded under this section with the Office of Research and Development of the Environmental Protection Agency in order to avoid duplication of research activities.

''(g) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated such sums as necessary to carry out this section.

''(2) WITHHOLDINGS FROM BIOTECHNOLOGY OUTLAYS.—The Secretary of Agriculture shall withhold from outlays of the Department of Agriculture for research on biotechnology, as defined and determined by the Secretary, at least 3 percent of such amount for the purpose of making grants under this section for research on biotechnology risk assessment. Except that, funding from this authorization should be collected and applied to the maximum extent practicable to risk assessment research on all categories identified as biotechnology by the Secretary.''.

SEC. 748. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANTS.

Section 2(a) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(a)) is amended by adding at the end the following new paragraph:

''(3) DETERMINATION OF HIGH PRIORITY RESEARCH.—Research priorities shall be determined by the Secretary on an annual basis, taking into account input as gathered by the Secretary through the National Agricultural Research, Extension, Education, and Economics Advisory Board.''.

SEC. 749. MATCHING FUNDS REQUIREMENT FOR RESEARCH AND EXTENSION ACTIVITIES OF 1890 INSTITUTIONS.

Section 1449 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222d) is amended—

(1) by amending subsection (c) to read as follows:

''(c) MATCHING FORMULA.—For each of fiscal years 2003 through 2011, the State shall provide matching funds from non-Federal sources. Such matching funds shall be for an amount equal to not less than 60 percent of the formula funds to be distributed to the eligible institution, and shall increase by 10 percent each fiscal year thereafter until fiscal year 2007.''; and

(2) by amending subsection (d) to read as follows:

''(d) WAIVER AUTHORITY.—Notwithstanding subsection (f), the Secretary may waive the matching funds requirement under subsection (c) above the 50 percent level for fiscal years 2003 through 2011 for an eligible institution of a State if the Secretary determines that the State will be unlikely to satisfy the matching requirement.''.

SEC. 749A. MATCHING FUNDS REQUIREMENT FOR RESEARCH AND EXTENSION ACTIVITIES FOR THE UNITED STATES TERRITORIES.

(a) RESEARCH MATCHING REQUIREMENT.—Section 3(d)(4) of the Hatch Act of 1887 (7 U.S.C. 361c(d)(4)) is amended by striking ''the same matching funds'' and all that follows through the end of the sentence and inserting ''matching funds requirements from non-Federal sources for fiscal years 2003 through 2011 in an amount equal to not less than 50 percent of the formula funds to be distributed to the Territory. The Secretary may waive the matching funds requirements for a Territory for any of the fiscal years 2003 through 2011 if the Secretary determines that the Territory will be unlikely to satisfy the matching funds requirement for that fiscal year.''.

(b) EXTENSION MATCHING REQUIREMENT.—Section 3(e)(4) of the Smith-Lever Act (7 U.S.C. 343(e)(4)) is amended by striking ''the same matching funds'' and all that follows through the end of the sentence and inserting ''matching funds requirements from non-Federal sources for fiscal years 2003 through 2011 in an amount equal to not less than 50 percent of the formula funds to be distributed to the Territory. The Secretary may waive the matching funds requirements for a Territory for any of the fiscal years 2003 through 2011 if the Secretary determines that the Territory will be unlikely to satisfy the matching funds requirement for that fiscal year.''.

SEC. 750. INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.

(a) FUNDING.—Section 401(b)(1) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(b)(1)) is amended to read as follows:

''(1) IN GENERAL.—

''(A) TOTAL AMOUNT TO BE TRANSFERRED.—On October 1, 2003, and each October 1 thereafter through September 30, 2011, the Secretary of Agriculture shall deposit funds of the Commodity Credit Corporation into the Account. The total amount of Commodity Credit Corporation funds deposited into the Account under this subparagraph shall equal $1,160,000,000.

''(B) EQUAL AMOUNTS.—To the maximum extent practicable, the amounts deposited into the Account pursuant to subparagraph (A) shall be deposited in equal amounts for each fiscal year.

''(C) AVAILABILITY OF FUNDS.—Amounts deposited into the Account pursuant to subparagraph (A) shall remain available until expended.''.

(b) AVAILABILITY OF FUNDS.—Section 401(f)(6) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(f)(6)) is amended to read as follows:

''(6) AVAILABILITY OF FUNDS.—Funds made available under this section to the Secretary prior to October 1, 2003, for grants under this section shall be available to the Secretary for a 2-year period.''.

SEC. 751. CARBON CYCLE RESEARCH.

Section 221 of the Agricultural Risk Protection Act of 2000 (Public Law 106–224; 114 Stat. 407) is amended—

(1) in subsection (a), by striking ''Of the amount'' and all that follows through ''to provide'' and inserting ''To the extent funds are made available for this purpose, the Secretary shall provide'';

(2) in subsection (d), by striking ''under subsection (a)'' and inserting ''for this section''; and

(3) by adding at the end the following new subsection:

''(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for fiscal years 2002 through 2011 such sums as may be necessary to carry out this section.''.

SEC. 752. DEFINITION OF FOOD AND AGRICULTURAL SCIENCES.

Section 2(3) of the Research Facilities Act (7 U.S.C. 390(2)(3)) is amended to read as follows:

''(3) FOOD AND AGRICULTURAL SCIENCES.—The term 'food and agricultural sciences' has the meaning given that term in section 1404(8) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(8)).''.

SEC. 753. FEDERAL EXTENSION SERVICE.

Section 3(b)(3) of the Smith-Lever Act (7 U.S.C. 343(b)(3)) is amended by striking ''$5,000,000'' and inserting ''such sums as are necessary''.

SEC. 754. POLICY RESEARCH CENTERS.

Section 1419A(c)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3155(c)(3)) is amended by striking ''collect and analyze data'' and inserting ''collect, analyze, and disseminate data''.

SEC. 755. ANIMALS USED IN RESEARCH.

Section 2(g) of the Animal Welfare Act (7 U.S.C. 2132(g)) is amended by inserting ''birds, rats of the genus *Rattus*, and mice of the genus *Mus*, that are bred for use in research, and'' after ''excludes''.

Subtitle C—Related Matters

SEC. 761. RESIDENT INSTRUCTION AT LAND-GRANT COLLEGES IN UNITED STATES TERRITORIES.

(a) PURPOSE.—It is the purpose of this section to promote and strengthen higher education in the food and agricultural sciences at agricultural and mechanical colleges located in the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau (hereinafter referred to in this section as ''eligible institutions'') by formulating and administering programs to enhance teaching programs in agriculture, natural resources, forestry, veterinary medicine, home economics, and disciplines closely allied to the food and agriculture production and delivery system.

(b) GRANTS.—The Secretary of Agriculture shall make competitive grants to those eligible institutions having a demonstrable capacity to carry out the teaching of food and agricultural sciences.

(c) USE OF GRANT FUNDS.—Grants made under subsection (b) shall be used to—

(1) strengthen institutional educational capacities, including libraries, curriculum, faculty, scientific instrumentation, instruction delivery systems, and student recruitment and retention, in order to respond to identified State, regional, national, or international education needs in the food and agricultural sciences;

(2) attract and support undergraduate and graduate students in order to educate them in identified areas of national need to the food and agriculture sciences;

(3) facilitate cooperative initiatives between two or more eligible institutions or between eligible institutions and units of State Government, organizational in the private sector, to maximize the development and use of resources such as faculty, facilities, and equipment to improve food and agricultural sciences teaching programs; and

(4) conduct undergraduate scholarship programs to assist in meeting national needs for training food and agricultural scientists.

(d) GRANT REQUIREMENTS.—

(1) The Secretary of Agriculture shall ensure that each eligible institution, prior to receiving grant funds under subsection (b), shall have a significant demonstrable commitment to higher education programs in the food and agricultural sciences and to each specific subject area for which grant funds under this subsection are to be used.

(2) The Secretary of Agriculture may require that any grant awarded under this section contain provisions that require funds to be targeted to meet the needs identified in section 1402 of the National Agriculture Research, Extension, and Teaching Policy Act of 1977.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary for each of the fiscal years 2002 through 2011 to carry out this section.

SEC. 762. DECLARATION OF EXTRAORDINARY EMERGENCY AND RESULTING AUTHORITIES.

(a) REVIEW OF PAYMENT OF COMPENSATION.—Section 415(e) of the Plant Protection Act (7 U.S.C. 7715(e)) is amended by inserting before the final period the following: ''or review by any officer of the Government other than the Secretary or the designee of the Secretary''.

(b) REVIEW OF CERTAIN DECISIONS.—

(1) PLANT PROTECTION ACT.—Section 442 of the Plant Protection Act (7 U.S.C. 7772) is amended by adding at the end following new subsection:

''(f) SECRETARIAL DISCRETION.—The action of any officer, employee, or agent of the Secretary in carrying out this section, including determining the amount of and making any payment authorized to be made under this section, shall not be subject to review by any officer of the Government other than the Secretary or the designee of the Secretary.''.

(2) OTHER PLANT AND ANIMAL PEST AND DISEASE LAWS.—Section 11 of the Act of May 29, 1884 (21 U.S.C. 114a; commonly known as the ''Animal Industry Act'') and the first section of the Act of September 25, 1981 (7 U.S.C. 147b), are each amended by adding at the end the following new sentence: ''The action of any officer, employee, or agent of the Secretary in carrying out this section, including determining the amount of and making any payment authorized to be made under this section, shall not be subject to review by any officer of the Government other than the Secretary or the designee of the Secretary.''.

(c) METHYL BROMIDE.—The Plant Protection Act (7 U.S.C. 7701 et seq.) is amended by inserting after section 418 the following new section:

"SEC. 419. METHYL BROMIDE.

''(a) IN GENERAL.—The Secretary, upon request of State, local, or tribal authorities, shall determine whether methyl bromide treatments or applications required by State, local, or tribal authorities to prevent the introduction, establishment, or spread of plant pests (including diseases) or noxious weeds should be authorized as an official control or official requirement.

''(b) ADMINISTRATION.—

''(1) TIMELINE FOR DETERMINATION.—The Secretary shall make the determination required by subsection (a) not later than 90 days after receiving the request for such a determination.

''(2) REGULATIONS.—The promulgation of regulations for and the administration of this section shall be made without regard to—

''(A) the notice and comment provisions of section 553 of title 5, United States Code;

''(B) the Statement of Policy of the Secretary of Agriculture, effective July 24, 1971 (36 Fed. Reg. 13804; relating to notices of proposed rulemaking and public participation in rulemaking); and

''(C) chapter 35 of title 44, United States Code (commonly known as the 'Paperwork Reduction Act').

''(c) REGISTRY.—Not later than 180 days after the date of the enactment of this section, the Secretary shall publish, and thereafter maintain, a registry of State, local, and tribal requirements authorized by the Secretary under this section.''.

SEC. 763. AGRICULTURAL BIOTECHNOLOGY RESEARCH AND DEVELOPMENT FOR THE DEVELOPING WORLD.

(a) GRANT PROGRAM.—The Secretary of Agriculture shall establish a program to award grants to entities described in subsection (b) for the development of agricultural biotechnology with respect to the developing world. The Secretary shall administer and oversee the program through the Foreign Agricultural Service of the Department of Agriculture.

(b) PARTNERSHIPS.—(1) In order to be eligible to receive a grant under this section, the grantee must be a participating institution of higher education, a nonprofit organization, or consortium of for profit institutions with in-country agricultural research institutions.

(2) A participating institution of higher education shall be an historically black or land-grant college or university, an Hispanic serving institution, or a tribal college or university that has agriculture or the biosciences in its curricula.

(c) COMPETITIVE AWARD.—Grants shall be awarded under this section on a merit-reviewed competitive basis.

(d) USE OF FUNDS.—The activities for which the grant funds may be expended include the following:

(1) Enhancing the nutritional content of agricultural products that can be grown in the developing world to address malnutrition through biotechnology.

(2) Increasing the yield and safety of agricultural products that can be grown in the developing world through biotechnology.

(3) Increasing through biotechnology the yield of agricultural products that can be grown in the developing world that are drought and stress-resistant.

(4) Extending the growing range of crops that can be grown in the developing world through biotechnology.

(5) Enhancing the shelf-life of fruits and vegetables grown in the developing world through biotechnology.

(6) Developing environmentally sustainable agricultural products through biotechnology.

(7) Developing vaccines to immunize against life-threatening illnesses and other medications that can be administered by consuming genetically engineered agricultural products.

(e) FUNDING SOURCE.—Of the funds deposited in the Treasury account known as the Initiative for Future Agriculture and Food Systems on October 1, 2003, and each October 1 thereafter through October 1, 2007, the Secretary of Agriculture shall use $5,000,000 during each of fiscal years 2004 through 2008 to carry out this section.

Subtitle D—Repeal of Certain Activities and Authorities

SEC. 771. FOOD SAFETY RESEARCH INFORMATION OFFICE AND NATIONAL CONFERENCE.

(a) REPEAL.—Subsections (b) and (c) of section 615 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7654(b) and (c)) are repealed.

(b) CONFORMING AMENDMENTS.—

(1) GENERALLY.—Section 615 of such Act is amended—

(A) in the section heading, by striking ''and national conference'';

(B) by striking ''(a) FOOD SAFETY RESEARCH INFORMATION OFFICE.—'';

(C) by redesignating paragraphs (1), (2), and (3) as subsections (a), (b), and (c), respectively, and moving the margins 2 ems to the left;

(D) in subsection (b) (as so redesignated), by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively, and moving the margins 2 ems to the left; and

(E) in subsection (c) (as so redesignated), by striking ''this subsection'' and inserting ''this section''.

(2) TABLE OF SECTIONS.—The table of sections for such Act is amended by striking ''and National Conference'' in the item relating to section 615.

SEC. 772. REIMBURSEMENT OF EXPENSES UNDER SHEEP PROMOTION, RESEARCH, AND INFORMATION ACT OF 1994.

Section 617 of the Agricultural Research, Extension, and Education Reform Act of 1998 (Public Law 105–185; 112 Stat. 607) is repealed.

SEC. 773. NATIONAL GENETIC RESOURCES PROGRAM.

Section 1634 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5843) is repealed.

SEC. 774. NATIONAL ADVISORY BOARD ON AGRICULTURAL WEATHER.

(a) REPEAL.—Section 1639 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5853) is repealed.

(b) CONFORMING AMENDMENT.—Section 1640(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5854(b)) is amended by striking ''take into'' and all that follows through ''Weather and''.

SEC. 775. AGRICULTURAL INFORMATION EXCHANGE WITH IRELAND.

Section 1420 of the National Agricultural Research, Extension and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1551) is repealed.

SEC. 776. PESTICIDE RESISTANCE STUDY.

Section 1437 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1558) is repealed.

SEC. 777. EXPANSION OF EDUCATION STUDY.

Section 1438 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1559) is repealed.

SEC. 778. SUPPORT FOR ADVISORY BOARD.

(a) REPEAL.—Section 1412 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3127) is repealed.

(b) CONFORMING AMENDMENT.—Section 1413(c) of such Act (7 U.S.C. 3128(c)) is amended by striking ''section 1412 of this title and''.

SEC. 779. TASK FORCE ON 10-YEAR STRATEGIC PLAN FOR AGRICULTURAL RESEARCH FACILITIES.

(a) REPEAL.—Section 4 of the Research Facilities Act (7 U.S.C. 390b) is repealed.

(b) CONFORMING AMENDMENT.—Section 2 of such Act (7 U.S.C. 390) is amended by striking paragraph (5).

Subtitle E—Agriculture Facility Protection

SEC. 790. ADDITIONAL PROTECTIONS FOR ANIMAL OR AGRICULTURAL ENTERPRISES, RESEARCH FACILITIES, AND OTHER ENTITIES.

(a) DEFINITIONS.—The Research Facilities Act (7 U.S.C. 390 et seq.) is amended—

(1) by redesignating section 6 as section 7; and

(2) by inserting after section 5 the following new section:

"SEC. 6. ADDITIONAL PROTECTIONS FOR ANIMAL OR AGRICULTURAL ENTERPRISES, RESEARCH FACILITIES, AND OTHER ENTITIES AGAINST DISRUPTION.

''(a) DEFINITIONS.—For the purposes of this section, the following definitions apply:

''(1) ANIMAL OR AGRICULTURAL ENTERPRISE.—The term 'animal or agricultural enterprise' means any of the following:

''(A) A commercial, governmental, or academic enterprise that uses animals, plants, or other biological materials for food or fiber production, breeding, processing, research, or testing.

''(B) A zoo, aquarium, circus, rodeo, or other entity that exhibits or uses animals, plants, or other biological materials for educational or entertainment purposes.

''(C) A fair or similar event intended to advance agricultural arts and sciences.

''(D) A facility managed or occupied by an association, federation, foundation, council, or other group or entity of food or fiber producers, processors, or agricultural or biomedical researchers intended to advance agricultural or biomedical arts and sciences.

''(2) ECONOMIC DAMAGE.—The term 'economic damage' means the replacement of the following:

''(A) The cost of lost or damaged property (including all real and personal property) of an animal or agricultural enterprise.

''(B) The cost of repeating an interrupted or invalidated experiment.

''(C) The loss of revenue (including costs related to business recovery) directly related to the disruption of an animal or agricultural enterprise.

''(D) The cost of the tuition and expenses of any student to complete an academic program that was disrupted, or to complete a replacement program, when the tuition and expenses are incurred as a result of the damage or loss of the property of an animal or agricultural enterprise.

''(3) PROPERTY OF AN ANIMAL OR AGRICULTURAL ENTERPRISE.—The term 'property of an animal or agricultural enterprise' means real and personal property of or used by any of the following:

''(A) An animal or agricultural enterprise.

''(B) An employee of an animal or agricultural enterprise.

''(C) A student attending an academic animal or agricultural enterprise.

''(4) DISRUPTION.—The term 'disruption' does not include any lawful disruption that

results from lawful public, governmental, or animal or agricultural enterprise employee reaction to the disclosure of information about an animal or agricultural enterprise.

''(b) VIOLATION.—A person may not recklessly, knowingly, or intentionally cause, or contribute to, the disruption of the functioning of an animal or agricultural enterprise by damaging or causing the loss of any property of the animal or agricultural enterprise that results in economic damage, as determined by the Secretary.

''(c) ASSESSMENT OF CIVIL PENALTY.—

''(1) IN GENERAL.—The Secretary may impose on any person that the Secretary determines violates subsection (b) a civil penalty in an amount determined under paragraphs (2) and (3). The civil penalty may be assessed only on the record after an opportunity for a hearing.

''(2) RECOVERY OF DEPARTMENT COSTS.—The civil penalty assessed by the Secretary against a person for a violation of subsection (b) shall be not less than the total cost incurred by the Secretary for investigation of the violation, conducting any hearing regarding the violation, and assessing the civil penalty.

''(3) RECOVERY OF ECONOMIC DAMAGE.—In addition to the amount determined under paragraph (2), the amount of the civil penalty shall include an amount not less than the total cost (or, in the case of knowing or intentional disruption, not less than 150 percent of the total cost) of the economic damage incurred by the animal or agricultural enterprise, any employee of the animal or agricultural enterprise, or any student attending an academic animal or agricultural enterprise as a result of the damage or loss of the property of an animal or agricultural enterprise.

''(d) IDENTIFICATION.—The Secretary shall identify for each civil penalty assessed under subsection (c), the portion of the amount of the civil penalty that represents the recovery of Department costs and the portion that represents the recovery of economic losses.

''(e) OTHER FACTORS IN DETERMINING PENALTY.— In determining the amount of a civil penalty under subsection (c), the Secretary shall consider the following:

''(1) The nature, circumstance, extent, and gravity of the violation or violations.

''(2) The ability of the injured animal or agricultural enterprise to continue to operate, costs incurred by the animal or agricultural enterprise to recover lost business, and the effect of the violation on earnings of employees of the animal or agricultural enterprise.

''(3) The interruptions experienced by students attending an academic animal or agricultural enterprise.

''(4) Whether the violator has previously violated subsection (a).

''(5) The violator's degree of culpability.

''(f) FUND TO ASSIST VICTIMS OF DISRUPTION.—

''(1) FUND ESTABLISHED.—There is established in the Treasury a fund which shall consist of that portion of each civil penalty collected under subsection (c) that represents the recovery of economic damages.

''(2) USE OF AMOUNTS IN FUND.—The Secretary of Agriculture shall use amounts in the fund to compensate animal or agricultural enterprises, employees of an animal or agricultural enterprise, and student attending an academic animal or agricultural enterprise for economic losses incurred as a result of the disruption of the functioning of an animal or agricultural enterprise in violation of subsection (b).''.

TITLE VIII—FORESTRY INITIATIVES

SEC. 801. REPEAL OF FORESTRY INCENTIVES PROGRAM AND STEWARDSHIP INCENTIVE PROGRAM.

The Cooperative Forestry Assistance Act of 1978 is amended by striking section 4 (16 U.S.C. 2103) and section 6 (16 U.S.C. 2103b).

SEC. 802. ESTABLISHMENT OF FOREST LAND ENHANCEMENT PROGRAM.

(a) FINDINGS.—Congress finds the following:

(1) There is a growing dependence on private nonindustrial forest lands to supply the necessary market commodities and nonmarket values, such as habitat for fish and wildlife, aesthetics, outdoor recreation opportunities, and other forest resources, required by a growing population.

(2) There is a strong demand for expanded assistance programs for owners of nonindustrial private forest land since the majority of the wood supply of the United States comes from nonindustrial private forest land.

(3) The soil, carbon stores, water and air quality of the United States can be maintained and improved through good stewardship of nonindustrial private forest lands.

(4) The products and services resulting from stewardship of nonindustrial private forest lands provide income and employment that contribute to the economic health and diversity of rural communities.

(5) Wildfires threaten human lives, property, forests, and other resources, and Federal and State cooperation in forest fire prevention and control has proven effective and valuable, in that properly managed forest stands are less susceptible to catastrophic fire, as dramatized by the catastrophic fire seasons of 1998 and 2000.

(6) Owners of private nonindustrial forest lands are being faced with increased pressure to convert their forestland to development and other uses.

(7) Complex, long-rotation forest investments, including sustainable hardwood management, are often the most difficult commitment for small, nonindustrial private forest landowners and, thus, should receive equal consideration under cost-share programs.

(8) The investment of one Federal dollar in State and private forestry programs is estimated to leverage $9 on average from State, local, and private sources.

(b) PURPOSE.—It is the purpose of this section to strengthen the commitment of the Department of Agriculture to sustainable forestry and to establish a coordinated and cooperative Federal, State, and local sustainable forest program for the establishment, management, maintenance, enhancement, and restoration of forests on nonindustrial private forest lands in the United States.

(c) FOREST LAND ENHANCEMENT PROGRAM.—The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 3 (16 U.S.C. 2102) the following new section 4:

''SEC. 4. FOREST LAND ENHANCEMENT PROGRAM.

''(a) ESTABLISHMENT.—

''(1) ESTABLISHMENT; PURPOSE.—The Secretary shall establish a Forest Land Enhancement Program (in this section referred to as the 'Program') for the purpose of providing financial, technical, educational, and related assistance to State foresters to encourage the long-term sustainability of nonindustrial private forest lands in the United States by assisting the owners of such lands in more actively managing their forest and related resources by utilizing existing State, Federal, and private sector resource management expertise, financial assistance, and educational programs.

''(2) ADMINISTRATION.—The Secretary shall carry out the Program within, and administer the Program through, the Natural Resources Conservation Service.

''(3) COORDINATION.—The Secretary shall implement the Program in coordination with State foresters.

''(b) PROGRAM OBJECTIVES.—In implementing the Program, the Secretary shall target resources to achieve the following objectives:

''(1) Investment in practices to establish, restore, protect, manage, maintain, and enhance the health and productivity of the nonindustrial private forest lands in the United States for timber, habitat for flora and fauna, water quality, and wetlands.

''(2) Ensuring that afforestation, reforestation, improvement of poorly stocked stands, timber stand improvement, practices necessary to improve seedling growth and survival, and growth enhancement practices occur where needed to enhance and sustain the long-term productivity of timber and nontimber forest resources to help meet future public demand for all forest resources and provide environmental benefits.

''(3) Reduce the risks and help restore, recover, and mitigate the damage to forests caused by fire, insects, invasive species, disease, and damaging weather.

''(4) Increase and enhance carbon sequestration opportunities.

''(5) Enhance implementation of agroforestry practices.

''(6) Maintain and enhance the forest landbase and leverage State and local financial and technical assistance to owners that promote the same conservation and environmental values.

''(c) ELIGIBILITY.—

''(1) IN GENERAL.—An owner of nonindustrial private forest land is eligible for cost-sharing assistance under the Program if the owner—

''(A) agrees to develop and implement an individual stewardship, forest, or stand management plan addressing site specific activities and practices in cooperation with, and approved by, the State forester, state official, or private sector program in consultation with the State forester;

''(B) agrees to implement approved activities in accordance with the plan for a period of not less than 10 years, unless the State forester approves a modification to such plan; and

''(C) meets the acreage restrictions as determined by the State forester in conjunction with the State Forest Stewardship Coordinating Committee established under section 19.

''(2) STATE PRIORITIES.—The Secretary, in consultation with the State forester and the State Forest Stewardship Coordinating Committee may develop State priorities for cost sharing under the Program that will promote forest management objectives in that State.

''(3) DEVELOPMENT OF PLAN.—An owner shall be eligible for cost-share assistance for the development of the individual stewardship, forest, or stand management plan required by paragraph (1).

''(d) APPROVED ACTIVITIES.—

''(1) DEVELOPMENT.—The Secretary, in consultation with the State forester and the State Forest Stewardship Coordinating Committee, shall develop a list of approved forest activities and practices that will be eligible for cost-share assistance under the Program within each State.

''(2) TYPE OF ACTIVITIES.—In developing a list of approved activities and practices under paragraph (1), the Secretary shall attempt to achieve the establishment, restoration, management, maintenance, and enhancement of forests and trees for the following:

''(A) The sustainable growth and management of forests for timber production.

''(B) The restoration, use, and enhancement of forest wetlands and riparian areas.

''(C) The protection of water quality and watersheds through the application of State-developed forestry best management practices.

''(D) Energy conservation and carbon sequestration purposes.

''(E) Habitat for flora and fauna.

''(F) The control, detection, and monitoring of invasive species on forestlands as well as preventing the spread and providing for the restoration of lands affected by invasive species.

''(G) Hazardous fuels reduction and other management activities that reduce the risks and help restore, recover, and mitigate the damage to forests caused by fire.

''(H) The development of forest or stand management plans.

''(I) Other activities approved by the Secretary, in coordination with the State forester and the State Forest Stewardship Coordinating Committee.

''(e) COOPERATION.—In implementing the Program, the Secretary shall cooperate with other Federal, State, and local natural resource management agencies, institutions of higher education, and the private sector.

''(f) REIMBURSEMENT OF ELIGIBLE ACTIVITIES.—

''(1) IN GENERAL.—The Secretary shall share the cost of implementing the approved activities that the Secretary determines are appropriate, in the case of an owner that has entered into an agreement to place nonindustrial private forest lands of the owner in the Program.

''(2) RATE.—The Secretary shall determine the appropriate reimbursement rate for cost-share payments under paragraph (1) and the schedule for making such payments.

''(3) MAXIMUM.—The Secretary shall not make cost-share payments under this subsection to an owner in an amount in excess of 75 percent of the total cost, or a lower percentage as determined by the State forester, to such owner for implementing the practices under an approved plan. The maximum payments to any one owner shall be determined by the Secretary.

''(4) CONSULTATION.—The Secretary shall make determinations under this subsection in consultation with the State forester.

''(g) RECAPTURE.—

''(1) IN GENERAL.—The Secretary shall establish and implement a mechanism to recapture payments made to an owner in the event that the owner fails to implement any approved activity specified in the individual stewardship, forest, or stand management plan for which such owner received cost-share payments.

''(2) ADDITIONAL REMEDY.—The remedy provided in paragraph (1) is in addition to any other remedy available to the Secretary.

''(h) DISTRIBUTION.—The Secretary shall distribute funds available for cost sharing under the Program among the States only after giving appropriate consideration to—

''(1) the total acreage of nonindustrial private forest land in each State;

''(2) the potential productivity of such land;

''(3) the number of owners eligible for cost sharing in each State;

''(4) the opportunities to enhance non-timber resources on such forest lands;

''(5) the anticipated demand for timber and nontimber resources in each State;

''(6) the need to improve forest health to minimize the damaging effects of catastrophic fire, insects, disease, or weather; and

''(7) the need and demand for agroforestry practices in each State.

''(i) DEFINITIONS.—In this section:

''(1) NONINDUSTRIAL PRIVATE FOREST LANDS.—The term 'nonindustrial private forest lands' means rural lands, as determined by the Secretary, that—

''(A) have existing tree cover or are suitable for growing trees; and

''(B) are owned or controlled by any nonindustrial private individual, group, association, corporation, Indian tribe, or other private legal entity (other than a nonprofit private legal entity) so long as the individual, group, association, corporation, tribe, or entity has definitive decision-making authority over the lands, including through long-term leases and other land tenure systems, for a period of time long enough to ensure compliance with the Program.

''(2) OWNER.—The term 'owner' includes a private individual, group, association, corporation, Indian tribe, or other private legal entity (other than a nonprofit private legal entity) that has definitive decision-making authority over nonindustrial private forest lands through a long-term lease or other land tenure systems.

''(3) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

''(4) STATE FORESTER.—The term 'State forester' means the director or other head of a State Forestry Agency or equivalent State official.

''(j) AVAILABILITY OF FUNDS.—The Secretary shall use $200,000,000 of funds of the Commodity Credit Corporation to carry out the Program during the period beginning on October 1, 2001, and ending on September 30, 2011.''.

(d) CONFORMING AMENDMENT.—Section 246(b)(2) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)(2)) is amended by striking ''forestry incentive program'' and inserting ''Forest Land Enhancement Program''.

SEC. 803. RENEWABLE RESOURCES EXTENSION ACTIVITIES.

(a) EXTENSION AND AUTHORIZATION INCREASE.—Section 6 of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1675) is amended—

(1) by striking ''$15,000,000'' and inserting ''$30,000,000''; and

(2) by striking ''2002'' and inserting ''2011''.

(b) SUSTAINABLE FORESTRY OUTREACH INITIATIVE.—The Renewable Resources Extension Act of 1978 is amended by inserting after section 5A (16 U.S.C. 1674a) the following new section:

''SEC. 5B. SUSTAINABLE FORESTRY OUTREACH INITIATIVE.

''The Secretary shall establish a program to be known as the 'Sustainable Forestry Outreach Initiative' for the purpose of educating landowners regarding the following:

''(1) The value and benefits of practicing sustainable forestry.

''(2) The importance of professional forestry advice in achieving their sustainable forestry objectives.

''(3) The variety of public and private sector resources available to assist them in planning for and practicing sustainable forestry.''.

SEC. 804. ENHANCED COMMUNITY FIRE PROTECTION.

(a) FINDINGS.—Congress finds the following:

(1) The severity and intensity of wildland fires has increased dramatically over the past few decades as a result of past fire and land management policies.

(2) The record 2000 fire season is a prime example of what can be expected if action is not taken.

(3) These wildfires threaten not only the nation's forested resources, but the thousands of communities intermingled with the wildlands in the wildland-urban interface.

(4) The National Fire Plan developed in response to the 2000 fire season is the proper, coordinated, and most effective means to address this wildfire issue.

(5) Whereas adequate authorities exist to tackle the wildfire issues at the landscape level on Federal lands, there is limited authority to take action on most private lands where the largest threat to life and property lies.

(6) There is a significant Federal interest in enhancing community protection from wildfire.

(b) ENHANCED PROTECTION.—The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 10 (16 U.S.C. 2106) the following new section:

''SEC. 10A. ENHANCED COMMUNITY FIRE PROTECTION.

''(a) COOPERATIVE MANAGEMENT RELATED TO WILDFIRE THREATS.—The Secretary may cooperate with State foresters and equivalent State officials in the management of lands in the United States for the following purposes:

''(1) Aid in wildfire prevention and control.

''(2) Protect communities from wildfire threats.

''(3) Enhance the growth and maintenance of trees and forests that promote overall forest health.

''(4) Ensure the continued production of all forest resources, including timber, outdoor recreation opportunities, wildlife habitat, and clean water, through conservation of forest cover on watersheds, shelterbelts, and windbreaks.

''(b) COMMUNITY AND PRIVATE LAND FIRE ASSISTANCE PROGRAM.—

''(1) ESTABLISHMENT; PURPOSE.—The Secretary shall establish a Community and Private Land Fire Assistance program (in this section referred to as the 'Program')—

''(A) to focus the Federal role in promoting optimal firefighting efficiency at the Federal, State, and local levels;

''(B) to augment Federal projects that establish landscape level protection from wildfires;

''(C) to expand outreach and education programs to homeowners and communities about fire prevention; and

''(D) to establish defensible space around private landowners homes and property against wildfires.

''(2) ADMINISTRATION AND IMPLEMENTATION.—The Program shall be administered by the Forest Service and implemented through the State forester or equivalent State official.

''(3) COMPONENTS.—In coordination with existing authorities under this Act, the Secretary may undertake on both Federal and non-Federal lands—

''(A) fuel hazard mitigation and prevention;

''(B) invasive species management;

''(C) multi-resource wildfire planning;

''(D) community protection planning;

''(E) community and landowner education enterprises, including the program known as FIREWISE;

''(F) market development and expansion;

''(G) improved wood utilization;

''(H) special restoration projects.

''(4) CONSIDERATIONS.—The Secretary shall use local contract personnel wherever possible to carry out projects under the Program.

''(c) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated to the Secretary $35,000,000 for each of fiscal years 2002 through 2011, and such sums as may be necessary thereafter, to carry out this section.''.

SEC. 805. INTERNATIONAL FORESTRY PROGRAM.

Section 2405(d) of the Global Climate Change Prevention Act of 1990 (title XXIV of Public Law 101–624; 7 U.S.C. 6704(d)) is amended by striking ''2002'' and inserting ''2011''.

SEC. 806. WILDFIRE PREVENTION AND HAZARDOUS FUEL PURCHASE PROGRAM.

(a) FINDINGS.—Congress finds that—

(1) the damage caused by wildfire disasters has been equivalent in magnitude to the damage resulting from the Northridge earthquake, Hurricane Andrew, and the recent flooding of the Mississippi River and the Red River;

(2) more than 20,000 communities in the United States are at risk from wildfire and approximately 11,000 of those communities are located near Federal land;

(3) the accumulation of heavy forest fuel loads continues to increase as a result of disease, insect infestations, and drought, further increasing the risk of fire each year;

(4) modification of forest fuel load conditions through the removal of hazardous fuels would—

(A) minimize catastrophic damage from wildfires;

(B) reduce the need for emergency funding to respond to wildfires; and

(C) protect lives, communities, watersheds, and wildlife habitat;

(5) the hazardous fuels removed from forest land represent an abundant renewable resource, as well as a significant supply of biomass for biomass-to-energy facilities;

(6) the United States should invest in technologies that promote economic and entrepreneurial opportunities in processing forest products removed through hazardous fuel reduction activities; and

(7) the United States should—

(A) develop and expand markets for traditionally underused wood and other biomass as a value-added outlet for excessive forest fuels; and

(B) commit resources to support planning, assessments, and project reviews to ensure that hazardous fuels management is accomplished expeditiously and in an environmentally sound manner.

(b) DEFINITIONS.—In this section:

(1) BIOMASS-TO-ENERGY FACILITY.—The term ''biomass-to-energy facility'' means a facility that uses biomass as a raw material to produce electric energy, useful heat, or a transportation fuel.

(2) ELIGIBLE COMMUNITY.—The term ''eligible community'' means—

(A) any town, township, municipality, or other similar unit of local government (as determined by the Secretary), or any area represented by a nonprofit corporation or institution organized under Federal or State law to promote broad-based economic development, that—

(i) has a population of not more than 10,000 individuals;

(ii) is located within a county in which at least 15 percent of the total primary and secondary labor and proprietor income is derived from forestry, wood products, and forest-related industries, such as recreation, forage production, and tourism; and

(iii) is located near forest land, the condition of which land the Secretary determines poses a substantial present or potential hazard to the safety of—

(I) a forest ecosystem;

(II) wildlife; or

(III) in the case of a wildfire, human, community, or firefighter safety, in a year in which drought conditions are present; and

(B) any county that is not contained within a metropolitan statistical area that meets the conditions described in clauses (ii) and (iii) of subparagraph (A).

(3) FOREST BIOMASS.—The term ''forest biomass'' means fuel and biomass accumulation from precommercial thinnings, slash, and brush on forest land of the United States.

(4) HAZARDOUS FUEL.—

(A) IN GENERAL.—The term ''hazardous fuel'' means any excessive accumulation of organic material on public and private forest land (especially land in an urban-wildland interface area or in an area that is located near an eligible community and designated as condition class 2 under the report of the Forest Service entitled 'Protecting People and Sustainable Resources in Fire-Adapted Ecosystems', dated October 13, 2000, or that is designated as condition class 3 under that report) that the Secretary determines poses a substantial present or potential hazard to the safety of—

(i) a forest ecosystem;

(ii) wildlife; or

(iii) in the case of wildfire, human, community, or firefighter safety, in a year in which drought conditions are present.

(B) EXCLUSION.—The term ''hazardous fuel'' does not include forest biomass.

(5) INDIAN TRIBE.—The term ''Indian tribe'' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(6) SECRETARY.—The term ''Secretary'' means—

(A) the Secretary of Agriculture (or a designee), with respect to National Forest System land and private land in the United States; and

(B) the Secretary of the Interior (or a designee) with respect to Federal land under the jurisdiction of the Secretary of the Interior or an Indian tribe.

(c) HAZARDOUS FUEL GRANT PROGRAM.—

(1) GRANTS.—

(A) IN GENERAL.—Subject to the availability of appropriations, the Secretary may make grants to persons that operate biomass-to-energy facilities to offset the costs incurred by those persons in purchasing hazardous fuels derived from public and private forest land adjacent to eligible communities.

(B) SELECTION CRITERIA.—The Secretary shall select recipients for grants under subparagraph (A) based on—

(i) planned purchases by the recipients of hazardous fuels, as demonstrated by the recipient through the submission to the Secretary of such assurances as the Secretary may require; and

(ii) the level of anticipated benefits of those purchases in reducing the risk of wildfires.

(2) GRANT AMOUNTS.—

(A) IN GENERAL.—A grant under this subsection shall—

(i) be based on—

(I) the distance required to transport hazardous fuels to a biomass-to-energy facility; and

(II) the cost of removal of hazardous fuels; and

(ii) be in an amount that is at least equal to the product obtained by multiplying—

(I) the number of tons of hazardous fuels delivered to a grant recipient; by

(II) an amount that is at least $5 but not more than $10 per ton of hazardous fuels, as determined by the Secretary taking into consideration the factors described in clause (i).

(B) LIMITATION ON INDIVIDUAL GRANTS.—

(i) IN GENERAL.—Except as provided in clause (ii), a grant under subparagraph (A) shall not exceed $1,500,000 for any biomass-to-energy facility for any year.

(ii) SMALL BIOMASS-TO-ENERGY FACILITIES.—A biomass-to-energy facility that has an annual production of 5 megawatts or less shall not be subject to the limitation under clause (i).

(3) MONITORING OF GRANT RECIPIENT ACTIVITIES.—

(A) IN GENERAL.—As a condition of receipt of a grant under this subsection, a grant recipient shall keep such records as the Secretary may require, including records that—

(i) completely and accurately disclose the use of grant funds; and

(ii) describe all transactions involved in the purchase of hazardous fuels derived from forest land.

(B) ACCESS.—On notice by the Secretary, the operator of a biomass-to-energy facility that purchases hazardous fuels, or uses hazardous fuels purchased, with funds from a grant under this subsection shall provide the Secretary with—

(i) reasonable access to the biomass-to-facility; and

(ii) an opportunity to examine the inventory and records of the biomass-to-energy facility.

(4) MONITORING OF EFFECT OF TREATMENTS.—The Secretary shall monitor Federal land from which hazardous fuels are removed and sold to a biomass-to-energy facility under this subsection to determine and document the reduction in fire hazards on that land.

(5) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $50,000,000 for each fiscal year.

(d) LONG-TERM FOREST STEWARDSHIP CONTRACTS FOR HAZARDOUS FUELS REMOVAL.—

(1) ANNUAL ASSESSMENT OF TREATMENT ACREAGE.—

(A) IN GENERAL.—Subject to the availability of appropriations, not later than March 1 of each of fiscal years 2002 through 2006, the Secretary shall submit to Congress an assessment of the number of acres of Federal forest land recommended to be treated during the subsequent fiscal year using stewardship end result contracts authorized by paragraph (3).

(B) COMPONENTS.—The assessment shall—

(i) be based on the treatment schedules contained in the report entitled 'Protecting People and Sustaining Resources in Fire-Adapted Ecosystems', dated October 13, 2000 and incorporated into the National Fire Plan;

(ii) identify the acreage by condition class, type of treatment, and treatment year to achieve the restoration goals outlined in the report within 10-, 15-, and 20-year time periods;

(iii) give priority to condition class 3 areas (as described in subsection (a)(4)(A)), include

modifications in the restoration goals based on the effects of—

(I) fire;

(II) hazardous fuel treatments under the National Fire Plan; or

(III) updates in data;

(iv) provide information relating to the type of material and estimated quantities and range of sizes of material that shall be included in the treatments;

(v) describe the land allocation categories in which the contract authorities shall be used; and

(vi) give priority to areas described in subsection (a)(4)(A).

(2) FUNDING RECOMMENDATION.—The Secretary shall include in the annual assessment under paragraph (1) a request for funds sufficient to implement the recommendations contained in the assessment using stewardship end result contracts described in paragraph (3) in any case in which the Secretary determines that the objectives of the National Fire Plan would best be accomplished through forest stewardship end result contracting.

(3) STEWARDSHIP END RESULT CONTRACTING.—

(A) IN GENERAL.—Subject to the availability of appropriations, the Secretary may enter into stewardship end result contracts to implement the National Fire Plan on National Forest System land based on the stewardship treatment schedules provided in the annual assessments conducted under paragraph (1).

(B) PERIOD OF CONTRACTS.—The contracting goals and authorities described in subsections (b) through (g) of section 347 of the Department of the Interior and Related Agencies Appropriations Act, 1999 (commonly known as the 'Stewardship End Result Contracting Demonstration Project') (16 U.S.C. 2104 note; Public Law 105–277), shall apply to contracts entered into under this paragraph, except that the period of each such contract shall be 10 years.

(C) STATUS REPORT.—Beginning with the assessment required under paragraph (1) for fiscal year 2003, the Secretary shall include in the annual assessment under paragraph (1) a status report of the stewardship end result contracts entered into under this paragraph.

(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this subsection.

(e) TERMINATION OF AUTHORITY.—The authority provided under this section shall terminate on September 30, 2006.

SEC. 807. MCINTIRE-STENNIS COOPERATIVE FORESTRY RESEARCH PROGRAM.

It is the sense of Congress to reaffirm the importance of Public Law 87–88 (16 U.S.C. 582a et seq.), commonly known as the McIntire-Stennis Cooperative Forestry Act.

TITLE IX—MISCELLANEOUS PROVISIONS

Subtitle A—Tree Assistance Program

SEC. 901. ELIGIBILITY.

(a) LOSS.—Subject to the limitation in subsection (b), the Secretary of Agriculture shall provide assistance, as specified in section 902, to eligible orchardists that planted trees for commercial purposes but lost such trees as a result of a natural disaster, as determined by the Secretary.

(b) LIMITATION.—An eligible orchardist shall qualify for assistance under subsection (a) only if such orchardist's tree mortality, as a result of the natural disaster, exceeds 15 percent (adjusted for normal mortality).

SEC. 902. ASSISTANCE.

The assistance provided by the Secretary of Agriculture to eligible orchardists for losses described in section 901 shall consist of either—

(1) reimbursement of 75 percent of the cost of replanting trees lost due to a natural disaster, as determined by the Secretary, in excess of 15 percent mortality (adjusted for normal mortality); or

(2) at the discretion of the Secretary, sufficient seedlings to reestablish the stand.

SEC. 903. LIMITATION ON ASSISTANCE.

(a) LIMITATION.—The total amount of payments that a person shall be entitled to receive under this subtitle may not exceed $50,000, or an equivalent value in tree seedlings.

(b) REGULATIONS.—The Secretary of Agriculture shall issue regulations—

(1) defining the term ''person'' for the purposes of this subtitle, which shall conform, to the extent practicable, to the regulations defining the term ''person'' issued under section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) and the Disaster Assistance Act of 1988 (7 U.S.C. 1421 note); and

(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitation established under this section.

SEC. 904. DEFINITIONS.

In this subtitle:

(1) ELIGIBLE ORCHARDIST.—The term ''eligible orchardist'' means a person who produces annual crops from trees for commercial purposes and owns 500 acres or less of such trees.

(2) NATURAL DISASTER.—The term ''natural disaster'' includes plant disease, insect infestation, drought, fire, freeze, flood, earthquake, and other occurrences, as determined by the Secretary.

(3) TREE.—The term ''tree'' includes trees, bushes, and vines.

Subtitle B—Other Matters

SEC. 921. BIOENERGY PROGRAM.

Notwithstanding any limitations in the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.) or part 1424 of title 7, Code of Federal Regulations, the Commodity Credit Corporation shall designate animal fats, agricultural byproducts, and oils as eligible agricultural commodities for use in the Bioenergy Program to promote industrial consumption of agricultural commodities for the production of ethanol and biodiesel fuels.

SEC. 922. AVAILABILITY OF SECTION 32 FUNDS.

The 2d undesignated paragraph of section 32 of the Act of August 24, 1935 (Public Law 320; 49 Stat. 774; 7 U.S.C. 612c), is amended by striking ''$300,000,000'' and inserting ''$500,000,000''.

SEC. 923. SENIORS FARMERS' MARKET NUTRITION PROGRAM.

(a) ESTABLISHMENT.—For each of the fiscal years 2002 through 2011, the Secretary of Agriculture shall use $15,000,000 of the funds available to the Commodity Credit Corporation to carry out and expand a seniors farmers' market nutrition program.

(b) PROGRAM PURPOSES.— The purposes of the seniors farmers' market nutrition program are—

(1) to provide resources in the form of fresh, nutritious, unprepared, locally grown fruits, vegetables, and herbs from farmers' markets, roadside stands and community supported agriculture programs to low-income seniors;

(2) to increase the domestic consumption of agricultural commodities by expanding or aiding in the expansion of domestic farmers' markets, roadside stands, and community supported agriculture programs; and

(3) to develop or aid in the development of new and additional farmers' markets, roadside stands, and community supported agriculture programs.

(c) REGULATIONS.—The Secretary may issue such regulations as the Secretary considers necessary to carry out the seniors farmers' market nutrition program.

SEC. 924. DEPARTMENT OF AGRICULTURE AUTHORITIES REGARDING CANEBERRIES.

(a) AUTHORITY FOR MARKETING ORDER AND RESEARCH AND PROMOTION ORDER.—Section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) in subsection (2)—

(A) in paragraph (A), by inserting ''caneberries (including raspberries, blackberries, and logenberries),'' after ''other than pears, olives, grapefruit,''; and

(B) in the second sentence, by inserting ''caneberries (including raspberries, blackberries, and logenberries),'' after ''effective as to cherries, apples,''; and

(2) in subsection (6)(I), by inserting ''caneberries (including raspberries, blackberries, and logenberries)'' after ''tomatoes,''.

(b) AUTHORITY WITH RESPECT TO IMPORTS.—Section 8e(a) of such Act (7 U.S.C. 608e–1(a)) is amended by inserting ''caneberries (including raspberries, blackberries, and logenberries),'' after ''pistachios,''.

SEC. 925. NATIONAL APPEALS DIVISION.

Section 278 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6998) is amended by adding at the end the following new subsection:

''(f) FINALITY OF CERTAIN APPEAL DECISIONS.—If an appellant prevails at the regional level in an administrative appeal of a decision by the Division, the agency may not pursue an administrative appeal of that decision to the national level.''.

SEC. 926. OUTREACH AND ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.

Subsection (a) of section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279) is amended to read as follows:

''(a) OUTREACH AND ASSISTANCE.—

''(1) IN GENERAL.—The Secretary of Agriculture (in this section referred to as the 'Secretary') shall provide outreach and technical assistance programs specifically to encourage and assist socially disadvantaged farmers and ranchers to own and operate farms and ranches and to participate equitably in the full range of agricultural programs. This assistance, which should enhance coordination and make more effective the outreach, technical assistance, and education efforts authorized in specific agriculture programs, shall include information and assistance on commodity, conservation, credit, rural, and business development programs, application and bidding procedures, farm and risk management, marketing, and other essential information to participate in agricultural and other programs of the Department.

''(2) GRANTS AND CONTRACTS.—The Secretary may make grants and enter into contracts and other agreements in the furtherance of this section with the following entities:

''(A) Any community-based organization, network, or coalition of community-based organizations that—

''(i) has demonstrated experience in providing agricultural education or other agriculturally related services to socially disadvantaged farmers and ranchers;

''(ii) provides documentary evidence of its past experience of working with socially disadvantaged farmers and ranchers during the 2 years preceding its application for assistance under this section; and

''(iii) does not engage in activities prohibited under section 501(c)(3) of the Internal Revenue Code of 1986.

''(B) 1890 Land-Grant Colleges, including Tuskegee Institute, Indian tribal community colleges and Alaska native cooperative colleges, Hispanic serving post-secondary educational institutions, and other post-secondary educational institutions with demonstrated experience in providing agriculture education or other agriculturally related services to socially disadvantaged family farmers and ranchers in their region.

''(C) Federally recognized tribes and national tribal organizations with demonstrated experience in providing agriculture education or other agriculturally related services to socially disadvantaged family farmers and ranchers in their region.

''(3) FUNDING.—There are authorized to be appropriated $25,000,000 for each fiscal year to make grants and enter into contracts and other agreements with the entities described in paragraph (2) and to otherwise carry out the purposes of this subsection.''.

SEC. 927. EQUAL TREATMENT OF POTATOES AND SWEET POTATOES.

Section 508(a)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)(2)) is amended by striking ''and potatoes'' and inserting '', potatoes, and sweet potatoes''.

SEC. 928. REFERENCE TO SEA GRASS AND SEA OATS AS CROPS COVERED BY NONINSURED CROP DISASTER ASSISTANCE PROGRAM.

Section 196(a)(2)(B) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333(a)(2)(B)) is amended by inserting ''sea grass and sea oats,'' after ''fish),''.

SEC. 929. ASSISTANCE FOR LIVESTOCK PRODUCERS.

(a) AVAILABILITY OF ASSISTANCE.—In such amounts as are provided in advance in appropriation Acts, the Secretary may provide assistance to dairy and other livestock producers to cover economic losses incurred by such producers in connection with the production of livestock.

(b) TYPES OF ASSISTANCE.—The assistance provided to livestock producers may be in the form of—

(1) indemnity payments to livestock producers who incur livestock mortality losses;

(2) livestock feed assistance to livestock producers affected by shortages of feed;

(3) compensation for sudden increases in production costs; and

(4) such other assistance, and for such other economic losses, as the Secretary considers appropriate.

(c) LIMITATIONS.—Notwithstanding section 181(a), the Secretary may not use the funds of the Commodity Credit Corporation to provide assistance under this section.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary such sums as may be necessary to carry out this section.

SEC. 930. COMPLIANCE WITH BUY AMERICAN ACT AND SENSE OF CONGRESS REGARDING PURCHASE OF AMERICAN-MADE EQUIPMENT, PRODUCTS, AND SERVICES USING FUNDS PROVIDED UNDER THIS ACT.

(a) COMPLIANCE WITH BUY AMERICAN ACT.—No funds made available under this Act, whether directly using funds of the Commodity Credit Corporation or pursuant to an authorization of appropriations contained in this Act, may be provided to a producer or other person or entity unless the producer, person, or entity agrees to comply with the Buy American Act (41 U.S.C. 10a–10c) in the expenditure of the funds.

(b) SENSE OF CONGRESS.—In the case of any equipment, products, or services that may be authorized to be purchased using funds provided under this Act, it is the sense of Congress that producers and other recipients of such funds should, in expending the funds, purchase only American-made equipment, products, and services.

(c) NOTICE TO RECIPIENTS OF FUNDS.—In providing payments or other assistance under this Act, the Secretary of Agriculture shall provide to each recipient of the funds a notice describing the requirements of subsection (a) and the statement made in subsection (b) by Congress.

SEC. 931. REPORT REGARDING GENETICALLY ENGINEERED FOODS.

(a) IN GENERAL.—Not later than 1 year after funds are made available to carry out this section, the Secretary of Agriculture, acting through the National Academy of Sciences, shall complete and transmit to Congress a report that includes recommendations for the following:

(1) DATA AND TESTS.—The type of data and tests that are needed to sufficiently assess and evaluate human health risks from the consumption of genetically engineered foods.

(2) MONITORING SYSTEM.—The type of Federal monitoring system that should be created to assess any future human health consequences from long-term consumption of genetically engineered foods.

(3) REGULATIONS.—A Federal regulatory structure to approve genetically engineered foods that are safe for human consumption.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary of Agriculture $500,000 to carry out this section.

SEC. 932. MARKET NAME FOR PANGASIUS FISH SPECIES.

The term ''catfish'' may not be considered to be a common or usual name (or part thereof) for the fish Pangasius bocourti, or for any other fish not classified within the family Ictalariidae, for purposes of section 403 of the Federal Food, Drug, and Cosmetic Act, including with respect to the importation of such fish pursuant to section 801 of such Act.

SEC. 933. PROGRAM OF PUBLIC EDUCATION REGARDING USE OF BIOTECHNOLOGY IN PRODUCING FOOD FOR HUMAN CONSUMPTION.

(a) PUBLIC INFORMATION CAMPAIGN.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Agriculture shall develop and implement a program to communicate with the public regarding the use of biotechnology in producing food for human consumption. The information provided under the program shall include the following:

(1) Science-based evidence on the safety of foods produced with biotechnology.

(2) Scientific data on the human outcomes of the use of biotechnology to produce food for human consumption.

(b) AUTHORIZATION OF APPROPRIATIONS.—For each of fiscal years 2002 through 2011 there are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 934. GAO STUDY.

(a) IN GENERAL.—The Comptroller General shall conduct a study and make findings and recommendations with respect to determining how producer income would be affected by updating yield bases, including—

(1) whether crop yields have increased over the past 20 years for both program crops and oilseeds;

(2) whether program payments would be disbursed differently in this Act if yield bases were updated;

(3) what impact this Act's target prices with updated yield bases would have on producer income; and

(4) what impact lower target prices with updated yield bases would have on producer income compared to this Act.

(b) REPORT.—The Comptroller General shall submit a report to Congress on the study, findings, and recommendations required by subsection (a), not later than 6 months after the date of the enactment of this Act.

SEC. 935. INTERAGENCY TASK FORCE ON AGRICULTURAL COMPETITION.

(a) APPOINTMENT.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Agriculture shall establish an Interagency Task Force on Agricultural Competition (in this section referred to as the ''Task Force'') and, after consultation with the Attorney General, shall appoint as members of the Task Force such nine employees of the Department of Agriculture and the Department of Justice as the Secretary considers to be appropriate. The Secretary shall designate one member of the Task Force to serve as chairperson of the Task Force.

(b) HEARINGS.—The Task Force shall conduct hearings to review the lessening of competition among purchasers of livestock, poultry, and unprocessed agricultural commodities in the United States and shall include in such hearings review of the following matters:

(1) The enforcement of particular Federal laws relating to competition.

(2) The concentration and vertical integration of the business operations of such purchasers.

(3) Discrimination and transparency in prices paid by such purchasers to producers of livestock, poultry, and unprocessed agricultural commodities in the United States.

(4) The economic protection and bargaining rights of producers who raise livestock and poultry under contracts.

(5) Marketing innovations and alternatives available to producers of livestock, poultry, and unprocessed agricultural commodities in the United States.

(c) REPORT.—Not later than 1 year after the last member of the Task Force is appointed, the Task Force 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 the findings and recommendations of the Task Force for appropriate administrative and legislative action.

SEC. 936. AUTHORIZATION FOR ADDITIONAL STAFF AND FUNDING FOR THE GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION.

There are authorized to be appropriated such sums as are necessary to enhance the capability of the Grain Inspection, Packers and Stockyards Administration to monitor, investigate, and pursue the competitive implications of structural changes in the meat packing industry. Sums are specifically earmarked to hire litigating attorneys to allow the Grain Inspection, Packers and Stockyards Administration to more comprehensively and effectively pursue its enforcement activities.

SEC. 937. ENFORCEMENT OF THE HUMANE METHODS OF SLAUGHTER ACT OF 1958.

(a) FINDINGS.—Congress finds as follows:

(1) Public demand for passage of Public Law 85–765 (7 U.S.C. 1901 et seq.; commonly known as the ''Humane Methods of Slaughter Act of 1958'') was so great that when President Eisenhower was asked at a press conference if he would sign the bill, he replied, ''If I went by mail, I'd think no one was interested in anything but humane slaughter''.

(2) The Humane Methods of Slaughter Act of 1958 requires that animals be rendered insensible to pain when they are slaughtered.

(3) Scientific evidence indicates that treating animals humanely results in tangible economic benefits.

(4) The United States Animal Health Association passed a resolution at a meeting in October 1998 to encourage strong enforcement of the Humane Methods of Slaughter Act of 1958 and reiterated support for the resolution at a meeting in 2000.

(5) The Secretary of Agriculture is responsible for fully enforcing the Act, including monitoring compliance by the slaughtering industry.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of Agriculture should fully enforce Public Law 85–765 (7 U.S.C. 1901 et seq.; commonly known as the ''Humane Methods of Slaughter Act of 1958'') by ensuring that humane methods in the slaughter of livestock—

(1) prevent needless suffering;

(2) result in safer and better working conditions for persons engaged in the slaughtering industry;

(3) bring about improvement of products and economies in slaughtering operations; and

(4) produce other benefits for producers, processors, and consumers that tend to expedite an orderly flow of livestock and livestock products in interstate and foreign commerce.

(c) POLICY OF THE UNITED STATES.—It is the policy of the United States that the slaughtering of livestock and the handling of livestock in connection with slaughter shall be carried out only by humane methods, as provided by Public Law 85–765 (7 U.S.C. 1901 et seq.; commonly known as the ''Humane Methods of Slaughter Act of 1958'').

SEC. 938. PENALTIES AND FOREIGN COMMERCE PROVISIONS OF THE ANIMAL WELFARE ACT.

(a) PENALTIES AND FOREIGN COMMERCE PROVISIONS OF THE ANIMAL WELFARE ACT.—Section 26 of the Animal Welfare Act (7 U.S.C. 2156) is amended—

(1) in subsection (e)—

(A) by inserting ''PENALTIES.—'' after ''(e)'';

(B) by striking ''$5,000'' and inserting ''$15,000''; and

(C) by striking ''1 year'' and inserting ''2 years''; and

(2) in subsection (g)(2)(B), by inserting at the end before the semicolon the following: ''or from any State into any foreign country''.

(b) EFFECTIVE DATE.—The amendments made by this section take effect 30 days after the date of the enactment of this Act.

SEC. 939. IMPROVE ADMINISTRATION OF ANIMAL AND PLANT HEALTH INSPECTION SERVICE.

(a) DEFINITIONS.—In this section:

(1) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture, acting through the Administrator of the Service.

(2) SERVICE.—The term ''Service'' means the Animal and Plant Health Inspection Service of the Department of Agriculture.

(b) EXEMPTION.—Notwithstanding any other provision of law, any migratory bird management carried out by the Secretary shall be exempt from the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) (including regulations).

(c) PERMITS; MANAGEMENT.—An agent, officer, or employee of the Service that carries out any activity relating to migratory bird management may, under the Migratory Bird Treaty Act (16 U.S.C. 703 et seq.)—

(1) issue a depredation permit to a stakeholder or cooperator of the Service; and

(2) manage and take migratory birds.

SEC. 940. RENEWABLE ENERGY RESOURCES.

(a) ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.—Section 1240 of the Food Security Act of 1985 (16 U.S.C. 3839aa), as amended by section 231 of this Act, is amended—

(1) by striking ''and'' at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4); and

(3) by adding at the end the following:

''(5) assistance to farmers and ranchers for the assessment and development of their on-farm renewable resources, including biomass for the production of power and fuels, wind, and solar.''.

(b) COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE.—The Secretary of Agriculture, through the Cooperative State Research, Education, and Extension Service and, to the extent practicable, in collaboration with the Natural Resources Conservation Service, regional biomass programs under the Department of Energy, and other appropriate entities, may provide education and technical assistance to farmers and ranchers for the development and marketing of renewable energy resources, including biomass for the production of power and fuels, wind, solar, and geothermal.

SEC. 941. USE OF AMOUNTS PROVIDED FOR FIXED, DECOUPLED PAYMENTS TO PROVIDE NECESSARY FUNDS FOR RURAL DEVELOPMENT PROGRAMS.

Notwithstanding section 104 of this Act, in each of fiscal years 2002 through 2011, the Secretary of Agriculture shall—

(1) reduce the total amount payable under section 104 of this Act, on a pro rata basis, so that the total amount of such reductions equals $100,000,000; and

(2) expend—

(A) $45,000,000 for grants under 306A of the Consolidated Farm and Rural Development Act (relating to the community water assistance grant program);

(B) $45,000,000 for grants under 613 of this Act (relating to the pilot program for development and implementation of strategic regional development plans); and

(C) $10,000,000 for grants under section 231(a)(1) of the Agricultural Risk Protection Act of 2000 (relating to value-added agricultural product market development grants).

SEC. 942. STUDY OF NONAMBULATORY LIVESTOCK.

The Secretary—

(1) shall investigate and submit to Congress a report on—

(A) the scope and cause of nonambulatory livestock; and

(B) the extent to which nonambulatory livestock may present handling and disposition problems during marketing; and

(2) based on the findings in the report, may promulgate regulations for the appropriate treatment, handling, and disposition of nonambulatory livestock at market agencies and dealers.

SA 2677. Mr. DORGAN (for himself, Mr. GRASSLEY, Mr. HAGEL, Mr. LUGAR, Mr. JOHNSON, Mr. NELSON of Nebraska, Mr. TORRICELLI, and Mr. WELLSTONE) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. 165. PAYMENT LIMITATIONS; NUTRITION AND COMMODITY PROGRAMS.

(a) PAYMENT LIMITATIONS.—

(1) IN GENERAL.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking paragraphs (1) through (6) and inserting the following:

''(1) LIMITATIONS ON DIRECT AND COUNTER-CYCLICAL PAYMENTS.—Subject to paragraph (5)(A), the total amount of direct payments and counter-cyclical payments made directly or indirectly to an individual or entity during any fiscal year may not exceed $75,000.

''(2) LIMITATIONS ON MARKETING LOAN GAINS, LOAN DEFICIENCY PAYMENTS, AND COMMODITY CERTIFICATE TRANSACTIONS.—

''(A) IN GENERAL.—Subject to paragraph (5)(A), the total amount of the payments and benefits described in subparagraph (B) that an individual or entity may directly or indirectly receive during any crop year may not exceed $150,000.

''(B) PAYMENTS AND BENEFITS.—Subparagraph (A) shall apply to the following payments and benefits:

''(i) MARKETING LOAN GAINS.—

''(I) REPAYMENT GAINS.—Any gain realized by a producer from repaying a marketing assistance loan under section 131 or 158G(a) of the Federal Agriculture Improvement and Reform Act of 1996 for a crop of any loan commodity or peanuts, respectively, at a lower level than the original loan rate established for the loan commodity or peanuts under section 132 or 158G(d) of that Act, respectively.

''(II) FORFEITURE GAINS.—In the case of settlement of a marketing assistance loan under section 131 or 158G(a) of that Act for a crop of any loan commodity or peanuts, respectively, by forfeiture, the amount by which the loan amount exceeds the repayment amount for the loan if the loan had been settled by repayment instead of forfeiture.

''(ii) LOAN DEFICIENCY PAYMENTS.—Any loan deficiency payment received for a loan commodity or peanuts under section 135 or 158G(e) of that Act, respectively.

''(iii) COMMODITY CERTIFICATES.—Any gain realized from the use of a commodity certificate issued by the Commodity Credit Corporation, as determined by the Secretary, including the use of a certificate for the settlement of a marketing assistance loan made under section 131 or 158G(a) of that Act.

''(3) SETTLEMENT OF CERTAIN LOANS.—Notwithstanding subtitle C and section 158G of the Federal Agriculture Improvement and Reform Act of 1996, if the amount of payments and benefits described in paragraph (2)(B) attributed directly or indirectly to an individual or entity for a crop year reaches the limitation described in paragraph (2)(A), the portion of any unsettled marketing assistance loan made under section 131 or

158G(a) of that Act attributed directly or indirectly to the individual or entity shall be settled through the repayment of the total loan principal, plus applicable interest.

''(4) DEFINITIONS.—In this section and sections 1001A through 1001F:

''(A) COUNTER-CYCLICAL PAYMENT.—The term 'counter-cyclical payment'' means a payment made under section 114 or 158D of the Federal Agriculture Improvement and Reform Act of 1996.

''(B) DIRECT PAYMENT.—The term 'direct payment' means a payment made under section 113 or 158C of that Act.

''(C) LOAN COMMODITY.—The term 'loan commodity' has the meaning given the term in section 102 of that Act.

''(D) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

''(5) APPLICATION OF LIMITATION.—

''(A) MARRIED COUPLES.—A married couple is limited to the amount of payments and benefits described in paragraphs (1) and (2), except that a married couple may receive an additional $50,000 in combined benefits, to the extent that the combined benefit does not exceed $275,000 during the fiscal or crop year (as applicable).

''(B) TENANT RULE.—

''(i) IN GENERAL.—Any individual or entity that conducts a farming operation to produce a crop subject to the limitations established under this section as a tenant shall be ineligible to receive any payment or benefit described in paragraph (1) or (2), or subtitle D of title XII, with respect to the land unless the individual or entity makes a contribution of active personal labor to the operation that is at least equal to the lesser of—

''(I) 1000 hours; or

''(II) 40 percent of the minimum number of labor hours required to produce each commodity by the operation (as described in clause (ii)).

''(ii) MINIMUM NUMBER OF LABOR HOURS.—For the purpose of clause (i)(II), the minimum number of labor hours required to produce each commodity shall be equal to the number of hours that would be necessary to conduct a farming operation for the production of each commodity that is comparable in size to an individual or entity's commensurate share in the farming operation for the production of the commodity, based on the minimum number of hours per acre required to produce the commodity in the State where the farming operation is located, as determined by the Secretary.

''(6) PUBLIC SCHOOLS.—The provisions of this section that limit payments to any individual or entity shall not be applicable to land owned by a public school district or land owned by a State that is used to maintain a public school.''.

(2) SUBSTANTIVE CHANGE.—Section 1001A(a) of the Food Security Act of 1985 (7 U.S.C. 1308–1(a)) is amended—

(A) in the section heading, by striking ''**PREVENTION OF CREATION OF ENTITIES TO QUALITY AS SEPARATE PERSONS;**'' and inserting ''**SUBSTANTIVE CHANGE;**'';

(B) by striking ''(a) PREVENTION'' and all that follows through the end of paragraph (2) and inserting the following:

''(a) SUBSTANTIVE CHANGE.—

''(1) IN GENERAL.—The Secretary may not approve (for purposes of the application of the limitations under this section) any change in a farming operation that otherwise will increase the number of individuals or entities to which the limitations under this section are applied unless the Secretary determines that the change is bona fide and substantive.

''(2) FAMILY MEMBERS.—For the purpose of paragraph (1), the addition of a family member to a farming operation under the criteria established under subsection (b)(1)(B) shall be considered a bona fide and substantive change in the farming operation.'';

(C) in the first sentence of paragraph (3)—

(i) by striking ''as a separate person''; and

(ii) by inserting '', as determined by the Secretary'' before the period at the end; and

(D) by striking paragraph (4).

(3) ACTIVELY ENGAGED IN FARMING.—Section 1001A(b) of the Food Security Act of 1985 (7 U.S.C. 1308–1(b)) is amended—

(A) by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—To be eligible to receive, directly or indirectly, payments (as described in paragraphs (1) and (2) of section 1001 as being subject to limitation) with respect to a particular farming operation an individual or entity shall be actively engaged in farming with respect to the operation, as provided under paragraphs (2), (3), and (4).'';

(B) in paragraph (2), by adding at the end the following:

''(E) ACTIVE PERSONAL MANAGEMENT.—For an individual to be considered to be providing active personal management under this paragraph on behalf of the individual or a corporation or entity, the management provided by the individual shall be personally provided on a regular, substantial, and continuous basis through the direction supervision and direction of—

''(i) activities and labor involved in the farming operation; and

''(ii) on-site services that are directly related and necessary to the farming operation.'';

(C) in paragraph (3)—

(i) by striking subparagraph (A) and inserting the following:

''(A) LANDOWNERS.—A person that is a landowner contributing the owned land to the farming operation and that meets the standard provided in clauses (ii) and (iii) of paragraph (2)(A), if the landowner—

''(i)(I) share rents the land to a tenant that is actively engaged in farming; and

''(II) has a share of any payments described in paragraphs (1), (2), and (3) of section 1001 that is commensurate with the person's share in the crop produced on the land for which the payments are made; or

''(ii) makes a significant contribution of active personal management.''; and

(ii) in subparagraph (B), by striking ''persons'' and inserting ''individuals and entities''; and

(D) in paragraph (4)—

(i) in the paragraph heading, by striking ''PERSONS'' and inserting ''INDIVIDUALS AND ENTITIES'';

(ii) in the matter preceding subparagraph (A), by striking ''persons'' and inserting ''individuals and entities''; and

(iii) in subparagraph (B)—

(I) in the subparagraph heading, by striking ''PERSONS'' and inserting ''INDIVIDUALS AND ENTITIES''; and

(II) by striking ''person, or class of persons'' and inserting ''individual or entity, or class of individuals or entities'';

(E) by striking paragraph (5);

(F) in paragraph (6), by striking ''a person'' and inserting ''an individual or entity''; and

(G) by redesignating paragraph (6) as paragraph (5).

(4) ADMINISTRATION.—Section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308–1) is amended by adding at the end the following:

''(c) ADMINISTRATION.—

''(1) REVIEWS.—

''(A) IN GENERAL.—During each of fiscal years 2002 through 2006, the Office of Inspector General for the Department of Agriculture shall conduct a review of the administration of the requirements of this section and sections 1001, 1001B, 1001C, and 1001E in at least 6 States.

''(B) MINIMUM NUMBER OF COUNTIES.—Each State review described in subparagraph (A) shall cover at least 5 counties in the State.

''(C) REPORT.—Not later than 90 days after completing a review described in subparagraph (A), the Inspector General for the Department of Agriculture shall issue a final report to the Secretary of the findings of the Inspector General.

''(2) EFFECT OF REPORT.—If a report issued under paragraph (1) reveals that significant problems exist in the implementation of payment limitation requirements of this section and sections 1001, 1001B, 1001C, and 1001E in a State and the Secretary agrees that the problems exist, the Secretary—

''(A) shall initiate a training program regarding the payment limitation requirements; and

''(B) may require that all payment limitation determinations regarding farming operations in the State be issued from the headquarters of the Farm Service Agency.''.

(5) SCHEME OR DEVICE.—Section 1001B of the Food Security Act of 1985 (7 U.S.C. 1308–2) is amended by striking ''person'' each place it appears and inserting ''individual or entity''.

(6) FOREIGN INDIVIDUALS AND ENTITIES.—Section 1001C(b) of the Food Security Act of 1985 (7 U.S.C. 1308–3(b)) is amended in the first sentence by striking ''considered a person that is''.

(7) EDUCATION PROGRAM.—Section 1001D(c) of the Food Security Act of 1985 (7 U.S.C. 1308–4(c)) is amended by striking ''5 persons'' and inserting ''5 individuals or entities''.

(8) REPORT TO CONGRESS.—No later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall provide a report to and to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that describes—

(A) how State and county office employees are trained regarding the payment limitation requirements of section 1001 through 1001E of the Food Security Act of 1985 (7 U.S.C. 1308 through 1308–5);

(B) the general procedures used by State and county office employees to identify potential violations of the payment limitation requirements;

(C) the requirements for State and county office employees to report serious violations of the payment limitation requirements, including violations of section 1001B of that Act to the county committee, higher level officials of the Farm Service Agency, and to the Office of Inspector General; and

(D) the sanctions imposed against State and county office employees who fail to report or investigate potential violations of the payment limitation requirements.

(b) NET INCOME LIMITATION.—The Food Security Act of 1985 is amended by inserting after section 1001E (7 U.S.C. 1308–5) the following:

''SEC. 1001F. NET INCOME LIMITATION.

''Notwithstanding any other provision of title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7201 et seq.), an owner or producer shall not be eligible for a payment or benefit described in paragraphs (1) or (2) of section 1001 for a fiscal or crop year (as appropriate) if the average adjusted gross income (as defined in section 62 of the Internal Revenue Code of 1986)

of the owner or producer for each of the preceding 3 taxable years exceeds $2,500,000.''.

(c) FOOD STAMP PROGRAM.—

(1) INCREASE IN BENEFITS TO HOUSEHOLDS WITH CHILDREN.—Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking paragraph (1) and inserting the following:

''(1) STANDARD DEDUCTION.—

''(A) IN GENERAL.—Subject to the other provisions of this paragraph, the Secretary shall allow for each household a standard deduction that is equal to the greater of—

''(i) the applicable percentage specified in subparagraph (D) of the applicable income standard of eligibility established under subsection (c)(1); or

''(ii) the minimum deduction specified in subparagraph (E).

''(B) GUAM.—The Secretary shall allow for each household in Guam a standard deduction that is—

''(i) equal to the applicable percentage specified in subparagraph (D) of twice the income standard of eligibility established under subsection (c)(1) for the 48 contiguous States and the District of Columbia; but

''(ii) not less than the minimum deduction for Guam specified in subparagraph (E).

''(C) HOUSEHOLDS OF 6 OR MORE MEMBERS.—The income standard of eligibility established under subsection (c)(1) for a household of 6 members shall be used to calculate the standard deduction for each household of 6 or more members.

''(D) APPLICABLE PERCENTAGE.—For the purpose of subparagraph (A), the applicable percentage shall be—

''(i) 8 percent for each of fiscal years 2002 through 2004;

''(ii) 8.25 percent for each of fiscal years 2005 and 2006;

''(iii) 8.5 percent for each of fiscal years 2007 and 2008;

''(iv) 8.75 percent for fiscal year 2009; and

''(v) 9 percent for each of fiscal years 2010 and 2011.

''(E) MINIMUM DEDUCTION.—The minimum deduction shall be $134, $229, $189, $269, and $118 for the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States, respectively.''.

(2) PARTICIPANT EXPENSES.—Section 6(d)(4)(I)(i)(I) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)(I)(i)(I)) is amended by striking '', except that the State agency may limit such reimbursement to each participant to $25 per month''.

(3) FEDERAL REIMBURSEMENT.—Section 16(h)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(3)) is amended by striking ''such total amount shall not exceed an amount representing $25 per participant per month for costs of transportation and other actual costs (other than dependent care costs) and'' and inserting ''the amount of the reimbursement for dependent care expenses shall not exceed''.

(4) EFFECTIVENESS OF CERTAIN PROVISIONS.—Section 413 and subsections (c) and (d) of section 433, and the amendments made by section 413 and subsections (c) and (d) of section 433, shall have no effect.

(d) LOAN DEFICIENCY PAYMENTS.—

(1) ELIGIBILITY.—Section 135 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235) (as amended by section 126(1)) is amended by striking subsection (a) and inserting the following:

''(a) IN GENERAL.—The Secretary may make loan deficiency payments available to—

''(1) producers on a farm that, although eligible to obtain a marketing assistance loan under section 131 with respect to a loan commodity, agree to forgo obtaining the loan for the covered commodity in return for payments under this section; and

''(2) effective only for the 2000 and 2001 crop years, producers that, although not eligible to obtain such a marketing assistance loan under section 131, produce a loan commodity.''.

(2) BENEFICIAL INTEREST.—Section 135(e)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235(e)) (as amended by section 126(2)) is amended by striking ''A producer'' and inserting ''Effective for the 2001 crop, a producer''.

(e) SPECIALTY CROP INSURANCE INITIATIVE.—

(1) RESEARCH AND DEVELOPMENT FUNDING.—Section 522(e) of the Federal Crop Insurance Act (7 U.S.C. 1522(e)) is amended by striking paragraph (1) and inserting the following:

''(1) REIMBURSEMENTS.—Of the amounts made available from the insurance fund established under section 516(c), the Corporation may use to provide reimbursements under subsection (b) not more than—

''(A) $32,000,000 for fiscal year 2002;

''(B) $27,500,000 for each of fiscal years 2003 and 2004;

''(C) $25,000,000 for each of fiscal years 2005 and 2006; and

''(D) $15,000,000 for fiscal year 2006 and each subsequent fiscal year.''.

(2) EDUCATION AND INFORMATION FUNDING.—Section 524(a)(4) of the Federal Crop Insurance Act (7 U.S.C. 1524(a)(4)) is amended by striking subparagraph (A) and inserting the following:

''(A) for the education and information program established under paragraph (2)—

''(i) $10,000,000 for fiscal year 2003;

''(ii) $13,000,000 for fiscal year 2004;

''(iii) $15,000,000 for each of fiscal years 2005 and 2006; and

''(iv) $5,000,000 for fiscal year 2007 and each subsequent fiscal year; and''.

(3) REPORTS.—Not later than September 30, 2002, 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 progress made by the Corporation in research and development of innovative risk management products to include cost of production insurance that provides coverage for specialty crops, paying special attention to apples, asparagus, blueberries (wild and domestic), cabbage, canola, carrots, cherries, Christmas trees, citrus fruits, cucumbers, dry beans, eggplants, floriculture, grapes, greenhouse and nursery agricultural commodities, green peas, green peppers, hay, lettuce, maple, mushrooms, pears, potatoes, pumpkins, snap beans, spinach, squash, strawberries, sugar beets, and tomatoes;

(B) the progress made by the Corporation in increasing the use of risk management products offered through the Corporation by producers of specialty crops, by small and moderate sized farms, and in areas that are underserved, as determined by the Secretary; and

(C) how the additional funding provided under the amendments made by this section has been used.

(f) INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.—Section 401(b)(1) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(b)(1)) (as amended by section 741) is amended—

(1) in subparagraph (A), by striking ''$120,000,000'' and inserting ''$130,000,000''; and

(2) in subparagraph (B), by striking ''$145,000,000'' and inserting ''$225,000,000''.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on December 18, 2001, at 2:30 p.m., to conduct a hearing on the nominations of Ms. Vickers B. Meadows, of Virginia, to be an Assistant Secretary of Housing and Urban Development; and Ms. Diane L. Tomb, of Virginia, to be an Assistant Secretary of Housing and Urban Development.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on Tuesday, December 18, 2001, at 9:30 a.m., to mark up the Bipartisan Trade Promotion Authority Act of 2001, which the chairman will propose as a substitute for H.R. 3005. In addition, the committee will consider favorably reporting the following nominations: Richard Clarida to be Assistant Secretary of Treasury for Economic Policy; Kenneth Lawson to be Assistant Secretary of Treasury for Enforcement; B. John Williams, Jr., to be Chief Counsel/Assistant General Counsel for the Internal Revenue Service; Janet Hale to be Assistant Secretary of Management and Budget, Department of Health and Human Services; Joan E. Ohl to be Commissioner of Children, Youth and Family Administration, Department of Health and Human Services; James B. Lockhart III, to be Deputy Commissioner of the Social Security Administration; and Harold Daub to be a Member of the Social Security Advisory Board.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, December 18, 2001, at 2:30 p.m., to hold a hearing titled, ''The Global Reach of Al-Qaeda.

Agenda

Witnesses

Panel 1: Mr. J.T. Caruso, Acting Assistant Director, Counter Terrorism Division, Federal Bureau of Investigation, Washington, DC, and Mr. Thomas Wilshere, Deputy Section Chief, International Terrorism Operational Section, Federal Bureau of Investigation, Washington, DC.

Panel 2: Ms. Michelle Flournoy, Senior Advisor, International Security