

*I of the 1999 Emergency Supplemental Appropriations Act (Public 106–31; 113 Stat. 59).*

*(6) Section 1111(a) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (as contained in section 101(a) of division A of Public Law 105–277; 112 Stat. 2681–44).*

**SEC. 1618. PRODUCER RETENTION OF ERRONEOUSLY PAID LOAN DEFICIENCY PAYMENTS AND MARKETING LOAN GAINS.**

*Notwithstanding any other provision of law, the Secretary 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.*

## **TITLE II—CONSERVATION**

### **Subtitle A—Conservation Security**

**SEC. 2001. CONSERVATION SECURITY PROGRAM.**

*(a) IN GENERAL.—Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.) is amended by inserting after chapter 1 the following:*

**“CHAPTER 2—CONSERVATION SECURITY AND FARMLAND PROTECTION**

**“Subchapter A—Conservation Security Program**

**“SEC. 1238. DEFINITIONS.**

*“In this subchapter:*

*“(1) BASE PAYMENT.—The term ‘base payment’ means an amount that is—*

*“(A) determined in accordance with the rate described in section 1238C(b)(1)(A); and*

*“(B) paid to a producer under a conservation security contract in accordance with clause (i) of subparagraph (C), (D), or (E) of section 1238C(b)(1), as appropriate.*

*“(2) BEGINNING FARMER OR RANCHER.—The term ‘beginning farmer or rancher’ has the meaning given the term under section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)).*

*“(3) CONSERVATION PRACTICE.—The term ‘conservation practice’ means a conservation farming practice described in section 1238A(d)(4) that—*

*“(A) requires planning, implementation, management, and maintenance; and*

- “(B) promotes 1 or more of the purposes described in section 1238A(a).
- “(4) CONSERVATION SECURITY CONTRACT.—The term ‘conservation security contract’ means a contract described in section 1238A(e).
- “(5) CONSERVATION SECURITY PLAN.—The term ‘conservation security plan’ means a plan described in section 1238A(c).
- “(6) CONSERVATION SECURITY PROGRAM.—The term ‘conservation security program’ means the program established under section 1238A(a).
- “(7) ENHANCED PAYMENT.—The term ‘enhanced payment’ means the amount paid to a producer under a conservation security contract that is equal to the amount described in section 1238C(b)(1)(C)(iii).
- “(8) NONDEGRADATION STANDARD.—The term ‘nondegradation standard’ means the level of measures required to adequately protect, and prevent degradation of, 1 or more natural resources, as determined by the Secretary in accordance with the quality criteria described in handbooks of the Natural Resources Conservation Service.
- “(9) PRODUCER.—
- “(A) IN GENERAL.—The term ‘producer’ means an owner, operator, landlord, tenant, or sharecropper that—
- “(i) shares in the risk of producing any crop or livestock; and
- “(ii) is entitled to share in the crop or livestock available for marketing from a farm (or would have shared had the crop or livestock been produced).
- “(B) HYBRID SEED GROWERS.—In determining whether a grower of hybrid seed is a producer, the Secretary shall not take into consideration the existence of a hybrid seed contract.
- “(10) RESOURCE-CONSERVING CROP ROTATION.—The term ‘resource-conserving crop rotation’ means a crop rotation that—
- “(A) includes at least 1 resource-conserving crop (as defined by the Secretary);
- “(B) reduces erosion;
- “(C) improves soil fertility and tilth;
- “(D) interrupts pest cycles; and
- “(E) in applicable areas, reduces depletion of soil moisture (or otherwise reduces the need for irrigation).
- “(11) RESOURCE MANAGEMENT SYSTEM.—The term ‘resource management system’ means a system of conservation practices and management relating to land or water use that is designed to prevent resource degradation and permit sustained use of land, water, and other natural resources, as defined in accordance with the technical guide of the Natural Resources Conservation Service.
- “(12) SECRETARY.—The term ‘Secretary’ means the Secretary of Agriculture, acting through the Chief of the Natural Resources Conservation Service.
- “(13) TIER I CONSERVATION SECURITY CONTRACT.—The term ‘Tier I conservation security contract’ means a contract described in section 1238A(d)(5)(A).

“(14) **TIER II CONSERVATION SECURITY CONTRACT.**—The term ‘Tier II conservation security contract’ means a contract described in section 1238A(d)(5)(B).

“(15) **TIER III CONSERVATION SECURITY CONTRACT.**—The term ‘Tier III conservation security contract’ means a contract described in section 1238A(d)(5)(C).

**“SEC. 1238A. CONSERVATION SECURITY PROGRAM.**

“(a) **IN GENERAL.**—The Secretary shall establish and, for each of fiscal years 2003 through 2007, carry out a conservation security program to assist producers of agricultural operations in promoting, as is applicable with respect to land to be enrolled in the program, conservation and improvement of the quality of soil, water, air, energy, plant and animal life, and any other conservation purposes, as determined by the Secretary.

“(b) **ELIGIBILITY.**—

“(1) **ELIGIBLE PRODUCERS.**—To be eligible to participate in the conservation security program (other than to receive technical assistance under section 1238C(g) for the development of conservation security contracts), a producer shall—

“(A) develop and submit to the Secretary, and obtain the approval of the Secretary of, a conservation security plan that meets the requirements of subsection (c)(1); and

“(B) enter into a conservation security contract with the Secretary to carry out the conservation security plan.

“(2) **ELIGIBLE LAND.**—Except as provided in paragraph (3), private agricultural land (including cropland, grassland, prairie land, improved pasture land, and rangeland), land under the jurisdiction of an Indian tribe (as defined by the Secretary), and forested land that is an incidental part of an agricultural operation shall be eligible for enrollment in the conservation security program.

“(3) **EXCLUSIONS.**—

“(A) **CONSERVATION RESERVE PROGRAM.**—Land enrolled in the conservation reserve program under subchapter B of chapter 1 shall not be eligible for enrollment in the conservation security program.

“(B) **WETLANDS RESERVE PROGRAM.**—Land enrolled in the wetlands reserve program established under subchapter C of chapter 1 shall not be eligible for enrollment in the conservation security program.

“(C) **GRASSLAND RESERVE PROGRAM.**—Land enrolled in the grassland reserve program established under subchapter C of chapter 2 shall not be eligible for enrollment in the conservation security program.

“(D) **CONVERSION TO CROPLAND.**—Land that is used for crop production after the date of enactment of this subchapter that had not been planted, considered to be planted, or devoted to crop production for at least 4 of the 6 years preceding that date (except for land enrolled in the conservation reserve program under subchapter B of chapter 1) or that has been maintained using long-term crop rotation practices, as determined by the Secretary, shall not be the basis for any payment under the conservation security program.

“(4) *ECONOMIC USES.*—The Secretary shall permit a producer to implement, with respect to all eligible land covered by a conservation security plan, economic uses that—

“(A) maintain the agricultural nature of the land; and

“(B) are consistent with the natural resource and conservation objectives of the conservation security program.

“(c) *CONSERVATION SECURITY PLANS.*—

“(1) *IN GENERAL.*—A conservation security plan shall—

“(A) identify the designated land and resources to be conserved under the conservation security plan;

“(B) describe the tier of conservation security contract, and the particular conservation practices to be implemented, maintained, or improved, in accordance with subsection (d) on the land covered by the conservation security contract for the specified term; and

“(C) contain a schedule for the implementation, maintenance, or improvement of the conservation practices described in the conservation security plan during the term of the conservation security contract.

“(2) *RESOURCE PLANNING.*—The Secretary may assist producers that enter into conservation security contracts in developing a comprehensive, long-term strategy for improving and maintaining all natural resources of the agricultural operation of the producer.

“(d) *CONSERVATION CONTRACTS AND PRACTICES.*—

“(1) *IN GENERAL.*—

“(A) *ESTABLISHMENT OF TIERS.*—The Secretary shall establish, and offer to eligible producers, 3 tiers of conservation contracts under which a payment under this subchapter may be received.

“(B) *ELIGIBLE CONSERVATION PRACTICES.*—

“(i) *IN GENERAL.*—The Secretary shall make eligible for payment under a conservation security contract land management, vegetative, and structural practices.

“(ii) *DETERMINATION.*—In determining the eligibility of a practice described in clause (i), the Secretary shall require, to the maximum extent practicable, that the lowest cost alternatives be used to fulfill the purposes of the conservation security plan, as determined by the Secretary.

“(2) *ON-FARM RESEARCH AND DEMONSTRATION OR PILOT TESTING.*—With respect to land enrolled in the conservation security program, the Secretary may approve a conservation security plan that includes—

“(A) on-farm conservation research and demonstration activities; and

“(B) pilot testing of new technologies or innovative conservation practices.

“(3) *USE OF HANDBOOK AND GUIDES; STATE AND LOCAL CONSERVATION CONCERNS.*—

“(A) *USE OF HANDBOOK AND GUIDES.*—In determining eligible conservation practices and the criteria for implementing or maintaining the conservation practices under the conservation security program, the Secretary shall use

*the National Handbook of Conservation Practices of the Natural Resources Conservation Service.*

“(B) *STATE AND LOCAL CONSERVATION PRIORITIES.*—*The conservation priorities of a State or locality in which an agricultural operation is situated shall be determined by the State Conservationist, in consultation with—*

“(i) *the State technical committee established under subtitle G; and*

“(ii) *local agricultural producers and conservation working groups.*

“(4) *CONSERVATION PRACTICES.*—*Conservation practices that may be implemented by a producer under a conservation security contract (as appropriate for the agricultural operation of a producer) include—*

“(A) *nutrient management;*

“(B) *integrated pest management;*

“(C) *water conservation (including through irrigation) and water quality management;*

“(D) *grazing, pasture, and rangeland management;*

“(E) *soil conservation, quality, and residue management;*

“(F) *invasive species management;*

“(G) *fish and wildlife habitat conservation, restoration, and management;*

“(H) *air quality management;*

“(I) *energy conservation measures;*

“(J) *biological resource conservation and regeneration;*

“(K) *contour farming;*

“(L) *strip cropping;*

“(M) *cover cropping;*

“(N) *controlled rotational grazing;*

“(O) *resource-conserving crop rotation;*

“(P) *conversion of portions of cropland from a soil-depleting use to a soil-conserving use, including production of cover crops;*

“(Q) *partial field conservation practices;*

“(R) *native grassland and prairie protection and restoration; and*

“(S) *any other conservation practices that the Secretary determines to be appropriate and comparable to other conservation practices described in this paragraph.*

“(5) *TIERS.*—*Subject to paragraph (6), to carry out this subsection, the Secretary shall establish the following 3 tiers of conservation contracts:*

“(A) *TIER I CONSERVATION SECURITY CONTRACTS.*—*A conservation security plan for land enrolled under a Tier I conservation security contract shall—*

“(i) *be for a period of 5 years; and*

“(ii) *include conservation practices appropriate for the agricultural operation, that, at a minimum (as determined by the Secretary)—*

“(I) *address at least 1 significant resource of concern for the enrolled portion of the agricultural*

*operation at a level that meets the appropriate nondegradation standard; and*

*“(II) cover active management of conservation practices that are implemented or maintained under the conservation security contract.*

*“(B) TIER II CONSERVATION SECURITY CONTRACTS.—A conservation security plan for land enrolled under a Tier II conservation security contract shall—*

*“(i) be for a period of not less than 5 nor more than 10 years, as determined by the producer;*

*“(ii) include conservation practices appropriate for the agricultural operation, that, at a minimum—*

*“(I) address at least 1 significant resource of concern for the entire agricultural operation, as determined by the Secretary, at a level that meets the appropriate nondegradation standard; and*

*“(II) cover active management of conservation practices that are implemented or maintained under the conservation security contract.*

*“(C) TIER III CONSERVATION SECURITY CONTRACTS.—A conservation security plan for land enrolled under a Tier III conservation security contract shall—*

*“(i) be for a period of not less than 5 nor more than 10 years, as determined by the producer; and*

*“(ii) include conservation practices appropriate for the agricultural operation that, at a minimum—*

*“(I) apply a resource management system that meets the appropriate nondegradation standard for all resources of concern of the entire agricultural operation, as determined by the Secretary; and*

*“(II) cover active management of conservation practices that are implemented or maintained under the conservation security contract.*

*“(6) MINIMUM REQUIREMENTS.—The minimum requirements for each tier of conservation contracts implemented under paragraph (5) shall be determined and approved by the Secretary.*

*“(e) CONSERVATION SECURITY CONTRACTS.—*

*“(1) IN GENERAL.—On approval of a conservation security plan of a producer, the Secretary shall enter into a conservation security contract with the producer to enroll the land covered by the conservation security plan in the conservation security program.*

*“(2) MODIFICATION.—*

*“(A) OPTIONAL MODIFICATIONS.—A producer may apply to the Secretary for a modification of the conservation security contract of the producer that is consistent with the purposes of the conservation security program.*

*“(B) OTHER MODIFICATIONS.—*

*“(i) IN GENERAL.—The Secretary may, in writing, require a producer to modify a conservation security contract before the expiration of the conservation security contract if the Secretary determines that a change*

*made to the type, size, management, or other aspect of the agricultural operation of the producer would, without the modification of the contract, significantly interfere with achieving the purposes of the conservation security program.*

*“(ii) PARTICIPATION IN OTHER PROGRAMS.—If appropriate payment reductions and other adjustments (as determined by the Secretary) are made to the conservation security contract of a producer, the producer may—*

*“(I) simultaneously participate in—*

*“(aa) the conservation security program;*

*“(bb) the conservation reserve program under subchapter B of chapter 1; and*

*“(cc) the wetlands reserve program under subchapter C of chapter 1; and*

*“(II) may remove land enrolled in the conservation security program for enrollment in a program described in item (bb) or (cc) of subclause (I).*

*“(3) TERMINATION.—*

*“(A) OPTIONAL TERMINATION.—A producer may terminate a conservation security contract and retain payments received under the conservation security contract, if—*

*“(i) the producer is in full compliance with the terms and conditions (including any maintenance requirements) of the conservation security contract as of the date of the termination; and*

*“(ii) the Secretary determines that termination of the contract would not defeat the purposes of the conservation security plan of the producer.*

*“(B) OTHER TERMINATION.—A producer that is required to modify a conservation security contract under paragraph (2)(B)(i) may, in lieu of modifying the contract—*

*“(i) terminate the conservation security contract; and*

*“(ii) retain payments received under the conservation security contract, if the producer has fully complied with the terms and conditions of the conservation security contract before termination of the contract, as determined by the Secretary.*

*“(4) RENEWAL.—*

*“(A) IN GENERAL.—Except as provided in subparagraph (B), at the option of a producer, the conservation security contract of the producer may be renewed for an additional period of not less than 5 nor more than 10 years.*

*“(B) TIER 1 RENEWALS.—In the case of a Tier I conservation security contract of a producer, the producer may renew the contract only if the producer agrees—*

*“(i) to apply additional conservation practices that meet the nondegradation standard on land already enrolled in the conservation security program; or*

*“(ii) to adopt new conservation practices with respect to another portion of the agricultural operation that address resource concerns and meet the nondeg-*

*radation standard under the terms of the Tier I conservation security contract.*

*“(f) NONCOMPLIANCE DUE TO CIRCUMSTANCES BEYOND THE CONTROL OF PRODUCERS.—The Secretary shall include in the conservation security contract a provision, and may permit modification of a conservation security contract under subsection (e)(1), to ensure that a producer shall not be considered in violation of a conservation security contract for failure to comply with the conservation security contract due to circumstances beyond the control of the producer, including a disaster or related condition, as determined by the Secretary.*

**“SEC. 1238B. DUTIES OF PRODUCERS.**

*“Under a conservation security contract, a producer shall agree, during the term of the conservation security contract—*

*“(1) to implement the applicable conservation security plan approved by the Secretary;*

*“(2) to maintain, and make available to the Secretary at such times as the Secretary may request, appropriate records showing the effective and timely implementation of the conservation security plan;*

*“(3) not to engage in any activity that would interfere with the purposes of the conservation security program; and*

*“(4) on the violation of a term or condition of the conservation security contract—*

*“(A) if the Secretary determines that the violation warrants termination of the conservation security contract—*

*“(i) to forfeit all rights to receive payments under the conservation security contract; and*

*“(ii) to refund to the Secretary all or a portion of the payments received by the producer under the conservation security contract, including any advance payments and interest on the payments, as determined by the Secretary; or*

*“(B) if the Secretary determines that the violation does not warrant termination of the conservation security contract, to refund to the Secretary, or accept adjustments to, the payments provided to the producer, as the Secretary determines to be appropriate.*

**“SEC. 1238C. DUTIES OF THE SECRETARY.**

*“(a) TIMING OF PAYMENTS.—The Secretary shall make payments under a conservation security contract as soon as practicable after October 1 of each fiscal year.*

*“(b) ANNUAL PAYMENTS.—*

*“(1) CRITERIA FOR DETERMINING AMOUNT OF PAYMENTS.—*

*“(A) BASE PAYMENT.—A base payment under this paragraph shall be (as determined by the Secretary)—*

*“(i) the average national per-acre rental rate for a specific land use during the 2001 crop year; or*

*“(ii) another appropriate rate for the 2001 crop year that ensures regional equity.*

*“(B) PAYMENTS.—A payment for a conservation practice under this paragraph shall be determined in accordance with subparagraphs (C) through (E).*



*“(C) TIER I CONSERVATION SECURITY CONTRACTS.—The payment for a Tier I conservation security contract shall consist of the total of the following amounts:*

*“(i) An amount equal to 5 percent of the applicable base payment for land covered by the contract.*

*“(ii) An amount that does not exceed 75 percent (or, in the case of a beginning farmer or rancher, 90 percent) of the average county costs of practices for the 2001 crop year that are included in the conservation security contract, as determined by the Secretary, including the costs of—*

*“(I) the adoption of new management, vegetative, and land-based structural practices;*

*“(II) the maintenance of existing land management and vegetative practices; and*

*“(III) the maintenance of existing land-based structural practices that are approved by the Secretary but not already covered by a Federal or State maintenance requirement.*

*“(iii) An enhanced payment that is determined by the Secretary in a manner that ensures equity across regions of the United States, if the producer—*

*“(I) implements or maintains multiple conservation practices that exceed minimum requirements for the applicable tier of participation (including practices that involve a change in land use, such as resource-conserving crop rotation, managed rotational grazing, or conservation buffer practices);*

*“(II) addresses local conservation priorities in addition to resources of concern for the agricultural operation;*

*“(III) participates in an on-farm conservation research, demonstration, or pilot project;*

*“(IV) participates in a watershed or regional resource conservation plan that involves at least 75 percent of producers in a targeted area; or*

*“(V) carries out assessment and evaluation activities relating to practices included in a conservation security plan.*

*“(D) TIER II CONSERVATION SECURITY CONTRACTS.—The payment for a Tier II conservation security contract shall consist of the total of the following amounts:*

*“(i) An amount equal to 10 percent of the applicable base payment for land covered by the conservation security contract.*

*“(ii) An amount that does not exceed 75 percent (or, in the case of a beginning farmer or rancher, 90 percent) of the average county cost of adopting or maintaining practices for the 2001 crop year that are included in the conservation security contract, as described in subparagraph (C)(ii).*

*“(iii) An enhanced payment that is determined in accordance with subparagraph (C)(iii).*

*“(E) TIER III CONSERVATION SECURITY CONTRACTS.—The payment for a Tier III conservation security contract shall consist of the total of the following amounts:*

*“(i) An amount equal to 15 percent of the base payment for land covered by the conservation security contract.*

*“(ii) An amount that does not exceed 75 percent (or, in the case of a beginning farmer or rancher, 90 percent) of the average county cost of adopting or maintaining practices for the 2001 crop year that are included in the conservation security contract, as described in subparagraph (C)(ii).*

*“(iii) An enhanced payment that is determined in accordance with subparagraph (C)(iii).*

*“(2) LIMITATION ON PAYMENTS.—*

*“(A) IN GENERAL.—Subject to paragraphs (1) and (3), the Secretary shall make an annual payment, directly or indirectly, to an individual or entity covered by a conservation security contract in an amount not to exceed—*

*“(i) in the case of a Tier I conservation security contract, \$20,000;*

*“(ii) in the case of a Tier II conservation security contract, \$35,000; or*

*“(iii) in the case of a Tier III conservation security contract, \$45,000.*

*“(B) LIMITATION ON BASE PAYMENTS.—In applying the payment limitation under each of clauses (i), (ii), and (iii) of subparagraph (A), an individual or entity may not receive, directly or indirectly, payments described in clause (i) of paragraph (1)(C), (1)(D), or (1)(E), as appropriate, in an amount that exceeds—*

*“(i) in the case of Tier I contracts, 25 percent of the applicable payment limitation; or*

*“(ii) in the case of Tier II contracts and Tier III contracts, 30 percent of the applicable payment limitation.*

*“(C) OTHER USDA PAYMENTS.—A producer shall not receive payments under the conservation security program and any other conservation program administered by the Secretary for the same practices on the same land.*

*“(D) COMMENSURATE SHARE.—To be eligible to receive a payment under this subchapter, an individual or entity shall make contributions (including contributions of land, labor, management, equipment, or capital) to the operation of the farm that are at least commensurate with the share of the proceeds of the operation of the individual or entity.*

*“(3) EQUIPMENT OR FACILITIES.—A payment to a producer under this subchapter shall not be provided for—*

*“(A) construction or maintenance of animal waste storage or treatment facilities or associated waste transport or transfer devices for animal feeding operations; or*

*“(B) the purchase or maintenance of equipment or a non-land based structure that is not integral to a land-based practice, as determined by the Secretary.*

“(c) **MINIMUM PRACTICE REQUIREMENT.**—*In determining a payment under subsection (b) for a producer that receives a payment under another program administered by the Secretary that is contingent on complying with requirements under subtitle B or C (relating to the use of highly erodible land or wetland), a payment under this subchapter on land subject to those requirements shall be for practices only to the extent that the practices exceed minimum requirements for the producer under those subtitles, as determined by the Secretary.*

“(d) **REGULATIONS.**—*The Secretary shall promulgate regulations that—*

“(1) *provide for adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing payments, on a fair and equitable basis; and*

“(2) *prescribe such other rules as the Secretary determines to be necessary to ensure a fair and reasonable application of the limitations established under subsection (b).*

“(e) **TRANSFER OR CHANGE OF INTEREST IN LAND SUBJECT TO CONSERVATION SECURITY CONTRACT.**—

“(1) **IN GENERAL.**—*Except as provided in paragraph (2), the transfer, or change in the interest, of a producer in land subject to a conservation security contract shall result in the termination of the conservation security contract.*

“(2) **TRANSFER OF DUTIES AND RIGHTS.**—*Paragraph (1) shall not apply if, not later than 60 days after the date of the transfer or change in the interest in land, the transferee of the land provides written notice to the Secretary that all duties and rights under the conservation security contract have been transferred to, and assumed by, the transferee.*

“(f) **ENROLLMENT PROCEDURE.**—*In entering into conservation security contracts with producers under this subchapter, the Secretary shall not use competitive bidding or any similar procedure.*

“(g) **TECHNICAL ASSISTANCE.**—*For each of fiscal years 2003 through 2007, the Secretary shall provide technical assistance to producers for the development and implementation of conservation security contracts, in an amount not to exceed 15 percent of amounts expended for the fiscal year.”*

“(b) **REGULATIONS.**—*Not later than 270 days after the date of enactment of this Act, the Secretary of Agriculture shall promulgate regulations implementing the amendment made by subsection (a).*

**SEC. 2002. CONSERVATION COMPLIANCE.**

“(a) **HIGHLY ERODIBLE LAND.**—*Section 1211 of the Food Security Act of 1985 (16 U.S.C. 3811) is amended—*

“(1) *by striking the section heading and all that follows through “Except as provided in” and inserting the following:*

“**SEC. 1211. PROGRAM INELIGIBILITY.**

“(a) **IN GENERAL.**—*Except as provided in”; and*

“(2) *by adding at the end the following:*

“(b) **HIGHLY ERODIBLE LAND.**—*The Secretary shall have, and shall not delegate to any private person or entity, authority to determine whether a person has complied with this subtitle.”*

“(b) **WETLAND.**—*Section 1221 of the Food Security Act of 1985 (16 U.S.C. 3821) is amended by adding at the end the following:*

“(e) WETLAND.—The Secretary shall have, and shall not delegate to any private person or entity, authority to determine whether a person has complied with this subtitle.”

**SEC. 2003. PARTNERSHIPS AND COOPERATION.**

Section 1243 of the Food Security Act of 1985 (16 U.S.C. 3843) is amended by adding at the end the following:

“(f) PARTNERSHIPS AND COOPERATION.—

“(1) IN GENERAL.—In carrying out any program under subtitle D, the Secretary may use resources provided under that subtitle to enter into stewardship agreements with State and local agencies, Indian tribes, and nongovernmental organizations and to designate special projects, as recommended by the State Conservationist, after consultation with the State technical committee, to enhance technical and financial assistance provided to owners, operators, and producers to address natural resource issues related to agricultural production.

“(2) CRITERIA FOR SPECIAL PROJECTS.—The purposes of special projects carried out under this subsection shall be to encourage—

“(A) producers to cooperate in the installation and maintenance of conservation practices that affect multiple agricultural operations;

“(B) the sharing of information and technical and financial resources among producers;

“(C) cumulative conservation benefits in geographic areas; and

“(D) the development and demonstration of innovative conservation methods.

“(3) INCENTIVES.—To realize the purposes of the special projects under paragraph (1), the Secretary may provide special incentives to owners, operators, and producers participating in the special projects to encourage partnerships and enrollments of optimal conservation value.

“(4) FLEXIBILITY.—

“(A) IN GENERAL.—The Secretary may enter into stewardship agreements with States (including State agencies and units of local government), Indian tribes, and nongovernmental organizations that have a history of working with agricultural producers to allow greater flexibility to adjust the application of eligibility criteria, approved practices, innovative conservation practices, and other elements of the programs under this title to better reflect unique local circumstances and purposes in a manner that is consistent with—

“(i) conservation enhancement and long-term productivity of the natural resource base; and

“(ii) the purposes and requirements of this title.

“(B) PLAN.—Each party to a stewardship agreement under subparagraph (A) shall submit to the Secretary, for approval by the Secretary, a special project area plan for each program to be carried out by the party that includes—

“(i) a description of the requested resources and adjustments to program implementation (including a

*description of how those adjustments will accelerate the achievement of conservation benefits);*

*“(ii) an analysis of the contribution those adjustments will make to the effectiveness of programs in achieving the purposes of the special project;*

*“(iii) a timetable for reevaluating the need for or performance of the proposed adjustments;*

*“(iv) a description of non-Federal programs and resources that will contribute to achieving the purposes of the special project; and*

*“(v) a plan for the evaluation of progress toward the purposes of the special project.*

**“(5) FUNDING.—**

*“(A) IN GENERAL.—In addition to resources from programs under subtitle D, subject to subparagraph (B), the Secretary shall use not more than 5 percent of the funds made available for each fiscal year under section 1241(a) to carry out activities that are authorized under conservation programs under subtitle D.*

*“(B) UNUSED FUNDING.—Any funds made available for a fiscal year under subparagraph (A) that are not obligated by April 1 of the fiscal year may be used to carry out other activities under conservation programs under subtitle D during the fiscal year in which the funding becomes available.”.*

**SEC. 2004. ADMINISTRATIVE REQUIREMENTS FOR CONSERVATION PROGRAMS.**

*(a) IN GENERAL.—Subtitle E of title XII of the Food Security Act of 1985 (16 U.S.C. 3841 et seq.) is amended by adding at the end the following:*

**“SEC. 1244. ADMINISTRATIVE REQUIREMENTS FOR CONSERVATION PROGRAMS.**

*“(a) 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 and Indian tribes (as those terms are defined in section 1238) and limited resource agricultural producers incentives to participate in the conservation program to—*

*“(1) foster new farming and ranching opportunities; and*

*“(2) enhance environmental stewardship over the long term.*

**“(b) PRIVACY OF PERSONAL INFORMATION RELATING TO NATURAL RESOURCES CONSERVATION PROGRAMS.—**

**“(1) INFORMATION RECEIVED FOR TECHNICAL AND FINANCIAL ASSISTANCE.—**

*“(A) IN GENERAL.—In accordance with section 552(b)(3) of title 5, United States Code, except as provided in subparagraph (C) and paragraph (2), information described in subparagraph (B)—*

*“(i) shall not be considered to be public information; and*

*“(ii) shall not be released to any person or Federal, State, local agency or Indian tribe (as defined by the Secretary) outside the Department of Agriculture.*

“(B) *INFORMATION.*—The information referred to in subparagraph (A) is information—

“(i) provided to the Secretary or a contractor of the Secretary (including information provided under subtitle D) for the purpose of providing technical or financial assistance to an owner, operator, or producer with respect to any natural resources conservation program administered by the Natural Resources Conservation Service or the Farm Service Agency; and

“(ii) that is proprietary (within the meaning of section 552(b)(4) of title 5, United States Code) to the agricultural operation or land that is a part of an agricultural operation of the owner, operator, or producer.

“(C) *EXCEPTION.*—Nothing in this section affects the availability of payment information (including payment amounts and the names and addresses of recipients of payments) under section 552 of title 5, United States Code.

“(2) *EXCEPTIONS.*—

“(A) *RELEASE AND DISCLOSURE FOR ENFORCEMENT.*—The Secretary may release or disclose to the Attorney General information covered by paragraph (1) to the extent necessary to enforce the natural resources conservation programs referred to in paragraph (1)(B)(i).

“(B) *DISCLOSURE TO COOPERATING PERSONS AND AGENCIES.*—

“(i) *IN GENERAL.*—The Secretary may release or disclose information covered by paragraph (1) to a person or Federal, State, local, or tribal agency working in cooperation with the Secretary in providing technical and financial assistance described in paragraph (1)(B)(i) or collecting information from data gathering sites.

“(ii) *USE OF INFORMATION.*—The person or Federal, State, local, or tribal agency that receives information described in clause (i) 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 data gathering sites.

“(C) *STATISTICAL AND AGGREGATE INFORMATION.*—Information covered by paragraph (1) may be disclosed to the public if the information has been transformed into a statistical or aggregate form without naming any—

“(i) individual owner, operator, or producer; or

“(ii) specific data gathering site.

“(D) *CONSENT OF OWNER, OPERATOR, OR PRODUCER.*—

“(i) *IN GENERAL.*—An owner, operator, or producer may consent to the disclosure of information described in paragraph (1).

“(ii) *CONDITION OF OTHER PROGRAMS.*—The participation of the owner, operator, or producer in, and the receipt of any benefit by the owner, operator, or producer under, this title or any other program adminis-

tered by the Secretary may not be conditioned on the owner, operator, or producer providing consent under this paragraph.

“(3) 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 subsection.

“(4) DATA COLLECTION, DISCLOSURE, AND REVIEW.—Nothing in this subsection—

“(A) affects any procedure for data collection or disclosure through the National Resources Inventory; or

“(B) limits the authority of Congress or the General Accounting Office to review information collected or disclosed under this subsection.”.

(b) NATIONAL RESOURCES INVENTORY.—Section 1770 of the Food Security Act of 1985 (7 U.S.C. 2276) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking “or” at the end;

(B) in paragraph (2), by striking the period and inserting “; or”; and

(C) by adding at the end the following:

“(3) in the case of information collected under the authority described in subsection (d)(12), disclose the information to any person or any Federal, State, local, or tribal agency outside the Department of Agriculture, unless the information has been converted into a statistical or aggregate form that does not allow the identification of the person that supplied particular information.”; and

(2) in subsection (d)—

(A) in paragraph (9), by striking “or” at the end;

(B) in paragraph (11), by striking the period and inserting “; or”; and

(C) by adding at the end the following:

“(12) section 302 of the Rural Development Act of 1972 (7 U.S.C. 1010a) regarding the authority to collect data for the National Resources Inventory.”.

**SEC. 2005. REFORM AND ASSESSMENT OF CONSERVATION PROGRAMS.**

(a) IN GENERAL.—The Secretary of Agriculture shall develop a plan to coordinate land retirement and agricultural working land conservation programs that are administered by the Secretary to achieve the goals of—

(1) eliminating redundancy;

(2) streamlining program delivery; and

(3) improving services provided to agricultural producers (including the reevaluation of the provision of technical assistance).

(b) REPORT.—Not later than December 31, 2005, 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—

(1) the plan developed under subsection (a); and

(2) the means by which the Secretary intends to achieve the goals described in subsection (a).

**SEC. 2006. CONFORMING AMENDMENTS.**

(a) 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 striking the chapter heading and inserting the following:

**“CHAPTER 1—COMPREHENSIVE CONSERVATION  
ENHANCEMENT PROGRAM”.**

(b) Section 1230 of the Food Security Act of 1985 (16 U.S.C. 3830) is amended—

(1) in the section heading, by striking “ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM” and inserting “COMPREHENSIVE CONSERVATION ENHANCEMENT PROGRAM”;

(2) in subsection (a)(1), by striking “an environmental conservation acreage reserve program” and inserting “a comprehensive conservation enhancement program”;

(3) by striking subsection (c); and

(4) by striking “ECARP” each place it appears and inserting “CCEP”.

(c) Section 1230A of the Food Security Act of 1985 (16 U.S.C. 3830a) is repealed.

(d) Section 1243 of the Food Security Act of 1985 (16 U.S.C. 3843) is amended by striking the section heading and inserting the following:

**“SEC. 1243. ADMINISTRATION OF CCEP.”.**

**Subtitle B—Conservation Reserve**

**SEC. 2101. CONSERVATION RESERVE PROGRAM.**

(a) IN GENERAL.—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.) is amended to read as follows:

**“Subchapter B—Conservation Reserve**

**“SEC. 1231. CONSERVATION RESERVE.**

“(a) IN GENERAL.—Through the 2007 calendar year, the Secretary shall formulate and carry out a conservation reserve program under which land is enrolled through the use of contracts to assist owners and operators of land specified in subsection (b) to conserve and improve the soil, water, and wildlife resources of such land.

“(b) ELIGIBLE LAND.—The Secretary may include in the program established under this subchapter—

“(1) highly erodible cropland that—

“(A)(i) if permitted to remain untreated could substantially reduce the agricultural production capability for future generations; or

“(ii) cannot be farmed in accordance with a 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 4 of the 6 years preceding the date of enactment of the Farm Security and Rural Investment Act of 2002 (except for land enrolled in the conservation reserve program as of that date).



“(2) marginal pasture land converted to wetland or established as wildlife habitat prior to November 28, 1990;

“(3) marginal pasture land to be devoted to appropriate vegetation, including trees, in or near riparian areas, or devoted to similar water quality purposes (including marginal pastureland converted to wetland or established as wildlife habitat);

“(4) cropland that is otherwise ineligible if the Secretary determines that—

“(A) if permitted to remain in agricultural production, the land would—

“(i) contribute to the degradation of soil, water, or air quality; or

“(ii) pose an on-site or off-site environmental threat to soil, water, or air quality;

“(B) the land is a—

“(i) newly-created, permanent grass sod waterway;

or

“(ii) a contour grass sod strip established and maintained as part of an approved conservation plan;

“(C) the land will be devoted to newly established living snow fences, permanent wildlife habitat, windbreaks, shelterbelts, or filterstrips devoted to trees or shrubs; or

“(D) the land poses an off-farm environmental threat, or a threat of continued degradation of productivity due to soil salinity, if permitted to remain in production; and

“(E) enrollment of the land would facilitate a net savings in groundwater or surface water resources of the agricultural operation of the producer;

“(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, if—

“(A) the land is enrolled as part of the buffer; and

“(B) the remainder of the field is—

“(i) infeasible to farm; and

“(ii) enrolled at regular rental rates.

“(c) **PLANTING STATUS OF CERTAIN LAND.**—For purposes of determining the eligibility of land to be placed in the conservation reserve established under this subchapter, land shall be considered to be planted to an agricultural commodity during a crop year if—

“(1) during the crop year, the land was devoted to a conserving use; or

“(2)(A) during the crop year or during any of the 2 years preceding the crop year, the land was enrolled in the water bank program; and

“(B) the contract of the owner or operator of the cropland expired or will expire in calendar year 2000, 2001, or 2002.

“(d) **MAXIMUM ENROLLMENT.**—The Secretary may maintain up to 39,200,000 acres in the conservation reserve at any 1 time during the 2002 through 2007 calendar years (including contracts extended by the Secretary pursuant to section 1437(c) of the Food, Agriculture, Conservation, and Trade Act of 1990 ( 16 U.S.C. 3831 note; Public Law 101-624)).

“(e) **DURATION OF CONTRACT.**—

“(1) *IN GENERAL.*—For the purpose of carrying out this subchapter, the Secretary shall enter into contracts of not less than 10, nor more than 15, years.

“(2) *CERTAIN LAND.*—

“(A) *IN GENERAL.*—In the case of land devoted to hardwood trees, shelterbelts, windbreaks, or wildlife corridors under a contract entered into under this subchapter after October 1, 1990, and land devoted to such uses under contracts modified under section 1235A, the owner or operator of the land may, within the limitations prescribed under this section, specify the duration of the contract.

“(B) *HARDWOOD TREES.*—In the case of land that is devoted to hardwood trees under a contract entered into under this subchapter prior to October 1, 1990, the Secretary may extend the contract for a term of not to exceed 5 years, as agreed to by the owner or operator of such land and the Secretary.

“(3) *1-YEAR EXTENSION.*—In the case of a contract described in paragraph (1) the term of which expires during calendar year 2002, an owner or operator of land enrolled under the contract may extend the contract for 1 additional year.

“(f) *CONSERVATION PRIORITY AREAS.*—

“(1) *DESIGNATION.*—On application by the appropriate State agency, the Secretary shall designate watershed areas of the Chesapeake Bay Region (Pennsylvania, Maryland, and Virginia), the Great Lakes Region, the Long Island Sound Region, and other areas of special environmental sensitivity as conservation priority areas.

“(2) *ELIGIBLE WATERSHEDS.*—Watersheds eligible for designation under this subsection shall include areas with actual and significant adverse water quality or habitat impacts related to agricultural production activities.

“(3) *EXPIRATION.*—Conservation priority area designation under this subsection shall expire after 5 years, subject to redesignation, except that the Secretary may withdraw a watershed’s designation—

“(A) on application by the appropriate State agency; or

“(B) in the case of an area covered by this subsection, if the Secretary finds that the area no longer contains actual and significant adverse water quality or habitat impacts related to agricultural production activities.

“(4) *DUTY OF SECRETARY.*—In carrying out this subsection, the Secretary shall attempt to maximize water quality and habitat benefits in the watersheds described in paragraph (1) by promoting a significant level of enrollment of land within the watersheds in the program under this subchapter by whatever means the Secretary determines are appropriate and consistent with the purposes of this subchapter.

“(g) *MULTI-YEAR GRASSES AND LEGUMES.*—For purposes of this subchapter, alfalfa and other multi-year grasses and legumes in a rotation practice, approved by the Secretary, shall be considered agricultural commodities.

“(h) *PILOT PROGRAM FOR ENROLLMENT OF WETLAND AND BUFFER ACREAGE IN CONSERVATION RESERVE.*—

*“(1) PROGRAM.—*

*“(A) IN GENERAL.—During the 2002 through 2007 calendar years, the Secretary shall carry out a program in each State under which the Secretary shall include eligible acreage described in paragraph (2) in the program established under this subchapter.*

*“(B) PARTICIPATION AMONG STATES.—The Secretary shall ensure, to the maximum extent practicable, that owners and operators in each State have an equitable opportunity to participate in the pilot program established under this subsection.*

*“(2) ELIGIBLE ACREAGE.—*

*“(A) IN GENERAL.—Subject to subparagraphs (B) through (D), an owner or operator may enroll in the conservation reserve under this subsection—*

*“(i) a wetland (including a converted wetland described in section 1222(b)(1)(A)) that was cropped during at least 3 of the immediately preceding 10 crop years; and*

*“(ii) buffer acreage that—*

*“(I) is contiguous to the wetland described in clause (i);*

*“(II) is used to protect the wetland; and*

*“(III) is of such width as the Secretary determines is necessary to protect the wetland, taking into consideration and accommodating the farming practices (including the straightening of boundaries to accommodate machinery) used with respect to the cropland that surrounds the wetland.*

*“(B) EXCLUSIONS.—An owner or operator may not enroll in the conservation reserve under this subsection—*

*“(i) any wetland, or land on a floodplain, that is, or is adjacent to, a perennial riverine system wetland identified on the final national wetland inventory map of the Secretary of the Interior; or*

*“(ii) in the case of an area that is not covered by the final national inventory map, any wetland, or land on a floodplain, that is adjacent to a perennial stream identified on a 1-24,000 scale map of the United States Geological Survey.*

*“(C) PROGRAM LIMITATIONS.—*

*“(i) IN GENERAL.—The Secretary may enroll in the conservation reserve under this subsection not more than—*

*“(I) 100,000 acres in any 1 State referred to in paragraph (1); and*

*“(II) not more than a total of 1,000,000 acres.*

*“(ii) RELATIONSHIP TO PROGRAM MAXIMUM.—Subject to clause (iii), for the purposes of subsection (d), any acreage enrolled in the conservation reserve under this subsection shall be considered acres maintained in the conservation reserve.*

“(iii) *RELATIONSHIP TO OTHER ENROLLED ACREAGE.*—Acreage enrolled under this subsection shall not affect for any fiscal year the quantity of—

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

“(II) acreage enrolled into the conservation reserve enhancement program announced on May 27, 1998 (63 Fed. Reg. 28965).

“(iv) *REVIEW; POTENTIAL INCREASE IN ENROLLMENT ACREAGE.*—Not later than 3 years after the date of enactment of this clause, the Secretary shall—

“(I) conduct a review of the program under this subsection with respect to each State that has enrolled land in the program; and

“(II) notwithstanding clause (i)(I), increase the number of acres that may be enrolled by a State under clause (i)(I) to not more than 150,000 acres, as determined by the Secretary.

“(D) *OWNER OR OPERATOR LIMITATIONS.*—

“(i) *WETLAND.*—

“(I) *IN GENERAL.*—The maximum size of any wetland described in subparagraph (A)(i) of an owner or operator enrolled in the conservation reserve under this subsection shall be 10 contiguous acres, of which not more than 5 acres shall be eligible for payment.

“(II) *COVERAGE.*—All acres described in subclause (I) (including acres that are ineligible for payment) shall be covered by the conservation contract.

“(ii) *BUFFER ACREAGE.*—The maximum size of any buffer acreage described in subparagraph (A)(ii) of an owner or operator enrolled in the conservation reserve under this subsection shall be the greater of—

“(I) 3 times the size of any wetland described in subparagraph (A)(i) to which the buffer acreage is contiguous; or

“(II) 150 feet on either side of the wetland.

“(iii) *TRACTS.*—The maximum size of any eligible acreage described in subparagraph (A) in a tract (as determined by the Secretary) of an owner or operator enrolled in the conservation reserve under this subsection shall be 40 acres.

“(3) *DUTIES OF OWNERS AND OPERATORS.*—Under a contract entered into under this subsection, during the term of the contract, an owner or operator of a farm or ranch shall agree—

“(A) to restore the hydrology of the wetland within the eligible acreage to the maximum extent practicable, as determined by the Secretary;

“(B) to establish vegetative cover (which may include emerging vegetation in water) on the eligible acreage, as determined by the Secretary; and

“(C) to carry out other duties described in section 1232.

*“(4) DUTIES OF THE SECRETARY.—*

*“(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), in return for a contract entered into by an owner or operator under this subsection, the Secretary shall make payments and provide assistance to the owner or operator in accordance with sections 1233 and 1234.*

*“(B) CONTINUOUS SIGNUP.—The Secretary shall use continuous signup under section 1234(c)(2)(B) to determine the acceptability of contract offers and the amount of rental payments under this subsection.*

*“(C) INCENTIVES.—The amounts payable to owners and operators in the form of rental payments under contracts entered into under this subsection shall reflect incentives that are provided to owners and operators to enroll filterstrips in the conservation reserve under section 1234.*

*“(i) ELIGIBILITY FOR CONSIDERATION.—On the expiration of a contract entered into under this subchapter, the land subject to the contract shall be eligible to be considered for reenrollment in the conservation reserve.*

*“(j) BALANCE OF NATURAL RESOURCE PURPOSES.—In determining the acceptability of contract offers under this subchapter, the Secretary shall ensure, to the maximum extent practicable, an equitable balance among the conservation purposes of soil erosion, water quality, and wildlife habitat.*

**“SEC. 1232. DUTIES OF OWNERS AND OPERATORS.**

*“(a) IN GENERAL.—Under the terms of a contract entered into under this subchapter, during the term of the contract, an owner or operator of a farm or ranch shall agree—*

*“(1) to implement a plan approved by the local conservation district (or in an area not located within a conservation district, a plan approved by the Secretary) for converting eligible land normally devoted to the production of an agricultural commodity on the farm or ranch to a less intensive use (as defined by the Secretary), such as pasture, permanent grass, legumes, forbs, shrubs, or trees, substantially in accordance with a schedule outlined in the plan;*

*“(2) to place highly erodible cropland subject to the contract in the conservation reserve established under this subchapter;*

*“(3) not to use the land for agricultural purposes, except as permitted by the Secretary;*

*“(4) to establish approved vegetative cover (which may include emerging vegetation in water), water cover for the enhancement of wildlife, or, where practicable, maintain existing cover on the land, except that—*

*“(A) the water cover shall not include ponds for the purpose of watering livestock, irrigating crops, or raising fish for commercial purposes; and*

*“(B) the Secretary shall not terminate the contract for failure to establish approved vegetative or water cover on the land if—*

*“(i) the failure to plant the cover was due to excessive rainfall or flooding;*

*“(ii) the land subject to the contract that could practicably be planted to the cover is planted to the cover; and*

*“(iii) the land on which the owner or operator was unable to plant the cover is planted to the cover after the wet conditions that prevented the planting subsides;*

*“(5) on a violation of a term or condition of the contract at any time the owner or operator has control of the land—*

*“(A) to forfeit all rights to receive rental payments and cost sharing payments under the contract and to refund to the Secretary any rental payments and cost sharing payments received by the owner or operator under the contract, together with interest on the payments as determined by the Secretary, if the Secretary, after considering the recommendations of the soil conservation district and the Natural Resources Conservation Service, determines that the violation is of such nature as to warrant termination of the contract; or*

*“(B) to refund to the Secretary, or accept adjustments to, the rental payments and cost sharing payments provided to the owner or operator, as the Secretary considers appropriate, if the Secretary determines that the violation does not warrant termination of the contract;*

*“(6) on the transfer of the right and interest of the owner or operator in land subject to the contract—*

*“(A) to forfeit all rights to rental payments and cost sharing payments under the contract; and*

*“(B) to refund to the United States all rental payments and cost sharing payments received by the owner or operator, or accept such payment adjustments or make such refunds as the Secretary considers appropriate and consistent with the objectives of this subchapter;*

*unless the transferee of the land agrees with the Secretary to assume all obligations of the contract, except that no refund of rental payments and cost sharing payments shall be required if the land is purchased by or for the United States Fish and Wildlife Service, or the transferee and the Secretary agree to modifications to the contract, in a case in which the modifications are consistent with the objectives of the program, as determined by the Secretary;*

*“(7) not to conduct any harvesting or grazing, nor otherwise make commercial use of the forage, on land that is subject to the contract, nor adopt any similar practice specified in the contract by the Secretary as a practice that would tend to defeat the purposes of the contract, except that the Secretary may permit, consistent with the conservation of soil, water quality, and wildlife habitat (including habitat during nesting seasons for birds in the area)—*

*“(A) managed harvesting and grazing (including the managed harvesting of biomass), except that in permitting managed harvesting and grazing, the Secretary—*

*“(i) shall, in coordination with the State technical committee—*

*“(I) develop appropriate vegetation management requirements; and*

*“(II) identify periods during which harvesting and grazing under this paragraph may be conducted;*

*“(ii) may permit harvesting and grazing or other commercial use of the forage on the land that is subject to the contract in response to a drought or other emergency; and*

*“(iii) shall, in the case of routine managed harvesting or grazing or harvesting or grazing conducted in response to a drought or other emergency, reduce the rental payment otherwise payable under the contract by an amount commensurate with the economic value of the activity; and*

*“(B) the installation of wind turbines, except that in permitting the installation of wind turbines, the Secretary shall determine the number and location of wind turbines that may be installed, taking into account—*

*“(i) the location, size, and other physical characteristics of the land;*

*“(ii) the extent to which the land contains wildlife and wildlife habitat; and*

*“(iii) the purposes of the conservation reserve program under this subchapter;*

*“(8) not to conduct any planting of trees on land that is subject to the contract unless the contract specifies that the harvesting and commercial sale of trees such as Christmas trees are prohibited, nor otherwise make commercial use of trees on land that is subject to the contract unless it is expressly permitted in the contract, nor adopt any similar practice specified in the contract by the Secretary as a practice that would tend to defeat the purposes of the contract, except that no contract shall prohibit activities consistent with customary forestry practice, such as pruning, thinning, or stand improvement of trees, on land converted to forestry use;*

*“(9) not to adopt any practice specified by the Secretary in the contract as a practice that would tend to defeat the purposes of this subchapter; and*

*“(10) to comply with such additional provisions as the Secretary determines are desirable and are included in the contract to carry out this subchapter or to facilitate the practical administration of this subchapter.*

*“(b) CONSERVATION PLANS.—The plan referred to in subsection (a)(1)—*

*“(1) shall set forth—*

*“(A) the conservation measures and practices to be carried out by the owner or operator during the term of the contract; and*

*“(B) the commercial use, if any, to be permitted on the land during the term; and*

*“(2) may provide for the permanent retirement of any existing cropland base and allotment history for the land.*

*“(c) FORECLOSURE.—*

*“(1) IN GENERAL.—Notwithstanding any other provision of law, an owner or operator who is a party to a contract entered into under this subchapter may not be required to make repayments to the Secretary of amounts received under the contract if the land that is subject to the contract has been foreclosed on and the Secretary determines that forgiving the repayments is appropriate in order to provide fair and equitable treatment.*

*“(2) RESUMPTION OF CONTROL.—*

*“(A) IN GENERAL.—This subsection shall not void the responsibilities of an owner or operator under the contract if the owner or operator resumes control over the land that is subject to the contract within the period specified in the contract.*

*“(B) CONTRACT.—On the resumption of the control over the land by the owner or operator, the provisions of the contract in effect on the date of the foreclosure shall apply.*

**“SEC. 1233. DUTIES OF THE SECRETARY.**

*“In return for a contract entered into by an owner or operator under section 1232, the Secretary shall—*

*“(1) share the cost of carrying out the conservation measures and practices set forth in the contract for which the Secretary determines that cost sharing is appropriate and in the public interest; and*

*“(2) for a period of years not in excess of the term of the contract, pay an annual rental payment in an amount necessary to compensate for—*

*“(A) the conversion of highly erodible cropland normally devoted to the production of an agricultural commodity on a farm or ranch to a less intensive use; and*

*“(B) the retirement of any cropland base and allotment history that the owner or operator agrees to retire permanently.*

**“SEC. 1234. PAYMENTS.**

*“(a) TIMING.—The Secretary shall provide payment for obligations incurred by the Secretary under a contract entered into under this subchapter—*

*“(1) with respect to any cost-sharing payment obligation incurred by the Secretary, as soon as practicable after the obligation is incurred; and*

*“(2) with respect to any annual rental payment obligation incurred by the Secretary—*

*“(A) as soon as practicable after October 1 of each calendar year; or*

*“(B) at the option of the Secretary, at any time prior to such date during the year that the obligation is incurred.*

*“(b) FEDERAL PERCENTAGE OF COST SHARING PAYMENTS.—*

*“(1) IN GENERAL.—In making cost sharing payments to an owner or operator under a contract entered into under this subchapter, the Secretary shall pay 50 percent of the cost of establishing water quality and conservation measures and practices required under each contract for which the Secretary determines that cost sharing is appropriate and in the public interest.*



“(2) *LIMITATION.*—The Secretary shall not make any payment to an owner or operator under this subchapter to the extent that the total amount of cost sharing payments provided to the owner or operator from all sources would exceed 100 percent of the total cost of establishing measures and practices described in paragraph (1).

“(3) *HARDWOOD TREES, WINDBREAKS, SHELTERBELTS, AND WILDLIFE CORRIDORS.*—

“(A) *APPLICABILITY.*—This paragraph applies to—

“(i) land devoted to the production of hardwood trees, windbreaks, shelterbelts, or wildlife corridors under a contract entered into under this subchapter after November 28, 1990; and

“(ii) land converted to such production under section 1235A.

“(B) *PAYMENTS.*—In making cost share payments to an owner or operator of land described in subparagraph (A), the Secretary shall pay 50 percent of the reasonable and necessary costs, as determined by the Secretary, incurred by the owner or operator for maintaining trees or shrubs, including the cost of replanting (if the trees or shrubs were lost due to conditions beyond the control of the owner or operator), during not less than the 2-year, and not more than the 4-year, period beginning on the date of the planting of the trees or shrubs, as determined appropriate by the Secretary.

“(4) *HARDWOOD TREE PLANTING.*—The Secretary may permit owners or operators that contract to devote at least 10 acres of land to the production of hardwood trees under this subchapter to extend the planting of the trees over a 3-year period if at least  $\frac{1}{3}$  of the trees are planted in each of the first 2 years.

“(5) *OTHER FEDERAL COST SHARE ASSISTANCE.*—An owner or operator shall not be eligible to receive or retain cost share assistance under this subsection if the owner or operator receives any other Federal cost share assistance with respect to the land under any other provision of law.

“(c) *ANNUAL RENTAL PAYMENTS.*—

“(1) *IN GENERAL.*—In determining the amount of annual rental payments to be paid to owners and operators for converting highly erodible cropland normally devoted to the production of an agricultural commodity to less intensive use, the Secretary may consider, among other things, the amount necessary to encourage owners or operators of highly erodible cropland to participate in the program established by this subchapter.

“(2) *METHOD OF DETERMINATION.*—The amounts payable to owners or operators in the form of rental payments under contracts entered into under this subchapter may be determined through—

“(A) the submission of bids for such contracts by owners and operators in such manner as the Secretary may prescribe; or

“(B) such other means as the Secretary determines are appropriate.

*“(3) ACCEPTANCE OF CONTRACT OFFERS.—In determining the acceptability of contract offers, the Secretary may—*

*“(A) take into consideration the extent to which enrollment of the land that is the subject of the contract offer would improve soil resources, water quality, wildlife habitat, or provide other environmental benefits; and*

*“(B) establish different criteria in various States and regions of the United States based on the extent to which water quality or wildlife habitat may be improved or erosion may be abated.*

*“(4) HARDWOOD TREE ACREAGE.—In the case of acreage enrolled in the conservation reserve established under this subchapter that is to be devoted to hardwood trees, the Secretary may consider bids for contracts under this subsection on a continuous basis.*

*“(d) CASH OR IN-KIND PAYMENTS.—*

*“(1) IN GENERAL.—Except as otherwise provided in this section, payments under this subchapter—*

*“(A) shall be made in cash or in commodities in such amount and on such time schedule as is agreed on and specified in the contract; and*

*“(B) may be made in advance of determination of performance.*

*“(2) METHOD OF PROVIDING IN-KIND PAYMENTS.—If the payment to an owner or operator is made with in-kind commodities, the payment shall be made by the Commodity Credit Corporation—*

*“(A) by delivery of the commodity involved to the owner or operator at a warehouse or other similar facility located in the county in which the highly erodible cropland is located or at such other location as is agreed to by the Secretary and the owner or operator;*

*“(B) by the transfer of negotiable warehouse receipts; or*

*“(C) by such other method, including the sale of the commodity in commercial markets, as is determined by the Secretary to be appropriate to enable the owner or operator to receive efficient and expeditious possession of the commodity.*

*“(3) CASH PAYMENTS.—*

*“(A) COMMODITY CREDIT CORPORATION STOCKS.—If stocks of a commodity acquired by the Commodity Credit Corporation are not readily available to make full payment in kind to the owner or operator, the Secretary may substitute full or partial payment in cash for payment in kind.*

*“(B) SPECIAL CONSERVATION RESERVE ENHANCEMENT PROGRAM.—Payments to an owner or operator under a special conservation reserve enhancement program described in subsection (f)(4) shall be in the form of cash only.*

*“(e) PAYMENTS ON DEATH, DISABILITY, OR SUCCESSION.—If an owner or operator that is entitled to a payment under a contract entered into under this subchapter dies, becomes incompetent, is otherwise unable to receive the payment, or is succeeded by another person that renders or completes the required performance, the Secretary shall make the payment, in accordance with regulations pre-*

scribed by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable in light of all of the circumstances.

“(f) **PAYMENT LIMITATION FOR RENTAL PAYMENTS.**—

“(1) **IN GENERAL.**—The total amount of rental payments, including rental payments made in the form of in-kind commodities, made to a person under this subchapter for any fiscal year may not exceed \$50,000.

“(2) **REGULATIONS.**—

“(A) **IN GENERAL.**—The Secretary shall promulgate regulations—

“(i) defining the term ‘person’ as used in this subsection; and

“(ii) providing such terms and conditions as the Secretary determines necessary to ensure a fair and reasonable application of the limitation established by this subsection.

“(B) **CORPORATIONS AND STOCKHOLDERS.**—The regulations promulgated by the Secretary on December 18, 1970, under section 101 of the Agricultural Act of 1970 (7 U.S.C. 1307), shall be used to determine whether corporations and their stockholders may be considered as separate persons under this subsection.

“(3) **OTHER PAYMENTS.**—Rental payments received by an owner or operator shall be in addition to, and not affect, the total amount of payments that the owner or operator is otherwise eligible to receive under the Farm Security and Rural Investment Act of 2002.

“(4) **SPECIAL CONSERVATION RESERVE ENHANCEMENT PROGRAM.**—

“(A) **IN GENERAL.**—The provisions of this subsection that limit payments to any person, and section 1305(d) of the Agricultural Reconciliation Act of 1987 (7 U.S.C. 1308 note; Public Law 100–203), shall not be applicable to payments received by a State, political subdivision, or agency thereof in connection with agreements entered into under a special conservation reserve enhancement program carried out by that entity that has been approved by the Secretary.

“(B) **AGREEMENTS.**—The Secretary may enter into such agreements for payments to States (including political subdivisions and agencies of States) that the Secretary determines will advance the purposes of this subchapter.

“(g) **OTHER STATE OR LOCAL ASSISTANCE.**—In addition to any payment under this subchapter, an owner or operator may receive cost share assistance, rental payments, or tax benefits from a State or subdivision thereof for enrolling land in the conservation reserve program.

“**SEC. 1235. CONTRACTS.**

“(a) **OWNERSHIP OR OPERATION REQUIREMENTS.**—

“(1) **IN GENERAL.**—Except as provided in paragraph (2), no contract shall be entered into under this subchapter concerning land with respect to which the ownership has changed in the 1-year period preceding the first year of the contract period unless—

“(A) the new ownership was acquired by will or succession as a result of the death of the previous owner;

“(B) the new ownership was acquired before January 1, 1985;

“(C) the Secretary determines that the land was acquired under circumstances that give adequate assurance that the land was not acquired for the purpose of placing the land in the program established by this subchapter; or

“(D) 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.

“(2) EXCEPTIONS.—Paragraph (1) shall not—

“(A) prohibit the continuation of an agreement by a new owner after an agreement has been entered into under this subchapter; or

“(B) require a person to own the land as a condition of eligibility for entering into the contract if the person—

“(i) has operated the land to be covered by a contract under this section for at least 1 year preceding the date of the contract or since January 1, 1985, whichever is later; and

“(ii) controls the land for the contract period.

“(b) SALES OR TRANSFERS.—If, during the term of a contract entered into under this subchapter, an owner or operator of land subject to the contract sells or otherwise transfers the ownership or right of occupancy of the land, the new owner or operator of the land may—

“(1) continue the contract under the same terms or conditions;

“(2) enter into a new contract in accordance with this subchapter; or

“(3) elect not to participate in the program established by this subchapter.

“(c) MODIFICATIONS.—

“(1) IN GENERAL.—The Secretary may modify a contract entered into with an owner or operator under this subchapter if—

“(A) the owner or operator agrees to the modification; and

“(B) the Secretary determines that the modification is desirable—

“(i) to carry out this subchapter;

“(ii) to facilitate the practical administration of this subchapter; or

“(iii) to achieve such other goals as the Secretary determines are appropriate, consistent with this subchapter.

“(2) PRODUCTION OF AGRICULTURAL COMMODITIES.—The Secretary may modify or waive a term or condition of a contract entered into under this subchapter in order to permit all or part of the land subject to such contract to be devoted to the production of an agricultural commodity during a crop year, subject to such conditions as the Secretary determines are appropriate.

“(d) TERMINATION.—

“(1) *IN GENERAL.*—The Secretary may terminate a contract entered into with an owner or operator under this subchapter if—

“(A) the owner or operator agrees to the termination; and

“(B) the Secretary determines that the termination would be in the public interest.

“(2) *NOTICE TO CONGRESSIONAL COMMITTEES.*—At least 90 days before taking any action to terminate under paragraph (1) all conservation reserve contracts entered into under this subchapter, the Secretary shall provide to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate written notice of the action.

“(e) *EARLY TERMINATION BY OWNER OR OPERATOR.*—

“(1) *EARLY TERMINATION.*—

“(A) *IN GENERAL.*—The Secretary shall allow a participant that entered into a contract under this subchapter before January 1, 1995, to terminate the contract at any time if the contract has been in effect for at least 5 years.

“(B) *LIABILITY FOR CONTRACT VIOLATION.*—The termination shall not relieve the participant of liability for a contract violation occurring before the date of the termination.

“(C) *NOTICE TO SECRETARY.*—The participant shall provide the Secretary with reasonable notice of the desire of the participant to terminate the contract.

“(2) *CERTAIN LAND EXCEPTED.*—The following land shall not be subject to an early termination of contract under this subsection:

“(A) Filterstrips, waterways, strips adjacent to riparian areas, windbreaks, and shelterbelts.

“(B) Land with an erodibility index of more than 15.

“(C) Other land of high environmental value (including wetland), as determined by the Secretary.

“(3) *EFFECTIVE DATE.*—The contract termination shall become effective 60 days after the date on which the owner or operator submits the notice required under paragraph (1)(C).

“(4) *PRORATED RENTAL PAYMENT.*—If a contract entered into under this subchapter is terminated under this subsection before the end of the fiscal year for which a rental payment is due, the Secretary shall provide a prorated rental payment covering the portion of the fiscal year during which the contract was in effect.

“(5) *RENEWED ENROLLMENT.*—The termination of a contract entered into under this subchapter shall not affect the ability of the owner or operator that requested the termination to submit a subsequent bid to enroll the land that was subject to the contract into the conservation reserve.

“(6) *CONSERVATION REQUIREMENTS.*—If land that was subject to a contract is returned to production of an agricultural commodity, the conservation requirements under subtitles B and C shall apply to the use of the land to the extent that the requirements are similar to those requirements imposed on other similar land in the area, except that the requirements

may not be more onerous than the requirements imposed on other land.

**“SEC. 1235A. CONVERSION OF LAND SUBJECT TO CONTRACT TO OTHER CONSERVING USES.**

**“(a) CONVERSION TO TREES.—**

**“(1) IN GENERAL.—**The Secretary shall permit an owner or operator that has entered into a contract under this subchapter that is in effect on November 28, 1990, to convert areas of highly erodible cropland that are subject to the contract, and that are devoted to vegetative cover, from that use to hardwood trees, windbreaks, shelterbelts, or wildlife corridors.

**“(2) TERMS.—**

**“(A) EXTENSION OF CONTRACT.—**With respect to a contract that is modified under this section that provides for the planting of hardwood trees, windbreaks, shelterbelts, or wildlife corridors, if the original term of the contract was less than 15 years, the owner or operator may extend the contract to a term of not to exceed 15 years.

**“(B) COST SHARE ASSISTANCE.—**The Secretary shall pay 50 percent of the cost of establishing conservation measures and practices authorized under this subsection for which the Secretary determines the cost sharing is appropriate and in the public interest.

**“(b) CONVERSION TO WETLAND.—**The Secretary shall permit an owner or operator that has entered into a contract under this subchapter that is in effect on November 28, 1990, to restore areas of highly erodible cropland that are devoted to vegetative cover under the contract to wetland if—

**“(1) the areas are prior converted wetland;**

**“(2) the owner or operator of the areas enters into an agreement to provide the Secretary with a long-term or permanent easement under subchapter C covering the areas;**

**“(3) there is a high probability that the prior converted area can be successfully restored to wetland status; and**

**“(4) the restoration of the areas otherwise meets the requirements of subchapter C.**

**“(c) LIMITATION.—**The Secretary shall not incur, through a conversion under this section, any additional expense on the acres, including the expense involved in the original establishment of the vegetative cover, that would result in cost share for costs under this section in excess of the costs that would have been subject to cost share for the new practice had that practice been the original practice.

**“(d) CONDITION OF CONTRACT.—**An owner or operator shall as a condition of entering into a contract under subsection (a) participate in the Forest Stewardship Program established under section 5 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103a).”

**(b) STUDY ON ECONOMIC EFFECTS.—**

**(1) IN GENERAL.—**Not later than 18 months after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the economic and social ef-

*fects 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.).*

(2) *COMPONENTS.—The study under paragraph (1) shall include analyses of—*

(A) *the impact that enrollments in the conservation reserve program have on rural businesses, civic organizations, and community services (such as schools, public safety, and infrastructure), particularly in communities with a large percentage of whole farm enrollments;*

(B) *the effect that those enrollments have on rural population and beginning farmers (including a description of any connection between the rate of enrollment and the incidence of absentee ownership);*

(C)(i) *the manner in which differential per acre payment rates potentially impact the types of land (by productivity) enrolled;*

(ii) *changes to the per acre payment rates that may affect that impact; and*

(iii) *the manner in which differential per acre payment rates could facilitate retention of productive agricultural land in agriculture; and*

(D) *the effect of enrollment on opportunities for recreational activities (including hunting and fishing).*

### ***Subtitle C—Wetlands Reserve Program***

#### **SEC. 2201. REAUTHORIZATION.**

*Section 1237(c) of the Food Security Act of 1985 (16 U.S.C. 3837(c)) is amended by striking “2002” and inserting “2007”.*

#### **SEC. 2202. ENROLLMENT.**

*Section 1237 of the Food Security Act of 1985 (16 U.S.C. 3837) is amended—*

(1) *by striking subsection (b) and inserting the following:*

*“(b) ENROLLMENT CONDITIONS.—*

*“(1) MAXIMUM ENROLLMENT.—The total number of acres enrolled in the wetlands reserve program shall not exceed 2,275,000 acres, of which, to the maximum extent practicable, the Secretary shall enroll 250,000 acres in each calendar year.*

*“(2) METHODS OF ENROLLMENT.—The Secretary shall enroll acreage into the wetlands reserve program through the use of permanent easements, 30-year easements, restoration cost share agreements, or any combination of those options.”; and*

(2) *by striking subsection (g).*

#### **SEC. 2203. EASEMENTS AND AGREEMENTS.**

*Section 1237A of the Food Security Act of 1985 (16 U.S.C. 3837a) is amended by striking subsection (h).*

**SEC. 2204. CHANGES IN OWNERSHIP; AGREEMENT MODIFICATION; TERMINATION.**

*Section 1237E(a) of the Food Security Act of 1985 (16 U.S.C. 3837e(a)) is amended by striking paragraph (2) and inserting the following:*

*“(2)(A) the ownership change occurred because of foreclosure on the land; and*

*“(B) immediately before the foreclosure, the owner of the land exercises a right of redemption from the mortgage holder in accordance with State law; or”.*

### **Subtitle D—Environmental Quality Incentives**

**SEC. 2301. 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:*

**“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 goals, and to optimize environmental benefits, by—*

*“(1) assisting producers in complying with local, State, and national regulatory requirements concerning—*

*“(A) soil, water, and air quality;*

*“(B) wildlife habitat; and*

*“(C) surface and ground water conservation;*

*“(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, tribal, and local agencies;*

*“(3) providing flexible assistance to producers to install and maintain conservation practices 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; and*

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

**“SEC. 1240A. DEFINITIONS.**

*“In this chapter:*

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

*“(2) ELIGIBLE LAND.—*



“(A) *IN GENERAL.*—The term ‘eligible land’ means land on which agricultural commodities or livestock are produced.

“(B) *INCLUSIONS.*—The term ‘eligible land’ includes—

“(i) cropland;

“(ii) grassland;

“(iii) rangeland;

“(iv) pasture land;

“(v) private, nonindustrial forest land; and

“(vi) other agricultural land that the Secretary determines poses a serious threat to soil, air, water, or related resources.

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

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

“(5) *PRACTICE.*—The term ‘practice’ means 1 or more structural practices, land management practices, and comprehensive nutrient management planning practices.

“(6) *STRUCTURAL PRACTICE.*—The term ‘structural practice’ means—

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

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

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

“(a) *ESTABLISHMENT.*—

“(1) *IN GENERAL.*—During each of the 2002 through 2007 fiscal years, the Secretary shall provide cost-share payments and incentive payments to producers that enter into contracts with the Secretary under the program.

“(2) *ELIGIBLE PRACTICES.*—With respect to practices implemented under this chapter—

“(A) a producer that implements a structural practice in accordance with this chapter shall be eligible to receive cost-share payments; and

“(B) a producer that implements a land management practice, or develops a comprehensive nutrient management plan, in accordance with this chapter shall be eligible to receive incentive payments.

“(b) *PRACTICES AND TERM.*—

*“(1) PRACTICES.—A contract under this chapter may apply to 1 or more structural practices, land management practices, and comprehensive nutrient management practices.*

*“(2) TERM.—A contract under this chapter shall have a term that—*

*“(A) at a minimum, is equal to the period beginning on the date on which the contract is entered into and ending on the date that is 1 year after the date on which all practices under the contract have been implemented; but*

*“(B) not to exceed 10 years.*

*“(c) BIDDING DOWN.—If the Secretary determines that the environmental values of 2 or more applications for cost-share payments or incentive payments are comparable, the Secretary shall not assign a higher priority to the application only because it would present the least cost to the program established under the program.*

*“(d) COST-SHARE PAYMENTS.—*

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

*“(2) EXCEPTIONS.—*

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

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

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

*“(e) INCENTIVE PAYMENTS.—*

*“(1) IN GENERAL.—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 land management practices.*

*“(2) SPECIAL RULE.—In determining the amount and rate of incentive payments, the Secretary may accord great significance to a practice that promotes residue, nutrient, pest, invasive species, or air quality management.*

*“(f) 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.*

*“(g) ALLOCATION OF FUNDING.—For each of fiscal years 2002 through 2007, 60 percent of the funds made available for cost-share payments and incentive payments under this chapter shall be targeted at practices relating to livestock production.*

**“SEC. 1240C. EVALUATION OF OFFERS AND PAYMENTS.**

*“In evaluating applications for cost-share payments and incentive payments, the Secretary shall accord a higher priority to assistance and payments that—*

*“(1) encourage the use by producers of cost-effective conservation practices; and*

*“(2) address national conservation priorities.*

**“SEC. 1240D. DUTIES OF PRODUCERS.**

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

*“(1) to implement an environmental quality incentives program plan (including a comprehensive nutrient management plan, if applicable) 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 anytime 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 cost-share payments or incentive payments under the program, a producer shall submit to the Secretary for approval a plan of operations that—*

*“(1) specifies practices covered under the program;*

*“(2) includes such terms and conditions as the Secretary considers necessary to carry out the program, including a description of the purposes to be met by the implementation of the plan; and*

*“(3) in the case of a confined livestock feeding operation, provides for development and implementation of a comprehensive nutrient management plan, if applicable.*

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

**“SEC. 1240F. DUTIES OF THE SECRETARY.**

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

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

*“(2) providing the producer with information and training to aid in implementation of the plan.*

**“SEC. 1240G. LIMITATION ON PAYMENTS.**

*“An individual or entity may not receive, directly or indirectly, cost-share or incentive payments under this chapter that, in the aggregate, exceed \$450,000 for all contracts entered into under this chapter by the individual or entity during the period of fiscal years 2002 through 2007, regardless of the number of contracts entered into under this chapter by the individual or entity.*

**“SEC. 1240H. CONSERVATION INNOVATION GRANTS.**

*“(a) IN GENERAL.—The Secretary may pay the cost of competitive grants that are intended to stimulate innovative approaches to leveraging Federal investment in environmental enhancement and protection, in conjunction with agricultural production, through the program.*

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

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

*“(2) implement projects, such as—*

*“(A) market systems for pollution reduction; and*

*“(B) innovative conservation practices, including the storing of carbon in the soil; and*

*“(3) leverage funds made available to carry out the program under 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) *COST SHARE.*—The amount of a grant made under this section to carry out a project shall not exceed 50 percent of the cost of the project.

**“SEC. 1240I. GROUND AND SURFACE WATER CONSERVATION.**

“(a) *ESTABLISHMENT.*—In carrying out the program under this chapter, subject to subsection (b), the Secretary shall promote ground and surface water conservation by providing cost-share payments, incentive payments, and loans to producers to carry out eligible water conservation activities with respect to the agricultural operations of producers, to—

“(1) improve irrigation systems;

“(2) enhance irrigation efficiencies;

“(3) convert to—

“(A) the production of less water-intensive agricultural commodities; or

“(B) dryland farming;

“(4) improve the storage of water through measures such as water banking and groundwater recharge;

“(5) mitigate the effects of drought; or

“(6) institute other measures that improve groundwater and surface water conservation, as determined by the Secretary, in the agricultural operations of producers.

“(b) *NET SAVINGS.*—The Secretary may provide assistance to a producer under this section only if the Secretary determines that the assistance will facilitate a conservation measure that results in a net savings in groundwater or surface water resources in the agricultural operation of the producer.

“(c) *FUNDING.*—Of the funds of the Commodity Credit Corporation, in addition to amounts made available under section 1241(a)(6) to carry out this chapter, the Secretary shall use—

“(1) to carry out this section—

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

“(B) \$45,000,000 for fiscal year 2003; and

“(C) \$60,000,000 for each of fiscal years 2004 through 2007; and

“(2) \$50,000,000 to carry out water conservation activities in Klamath Basin, California and Oregon, to be made available as soon as practicable after the date of enactment of this section.”.

## ***Subtitle E—Grassland Reserve***

**SEC. 2401. GRASSLAND RESERVE PROGRAM.**

Chapter 2 of the Food Security Act of 1985 (as amended by section 2001) is amended by adding at the end the following:

### **“Subchapter C—Grassland Reserve Program**

**“SEC. 1238N. GRASSLAND RESERVE PROGRAM.**

“(a) *ESTABLISHMENT.*—The Secretary shall establish a grassland reserve program (referred to in this subchapter as the ‘program’) to assist owners in restoring and conserving eligible land described in subsection (c).

“(b) **ENROLLMENT CONDITIONS.**—

“(1) **MAXIMUM ENROLLMENT.**—*The total number of acres enrolled in the program shall not exceed 2,000,000 acres of restored or improved grassland, rangeland, and pastureland.*

“(2) **METHODS OF ENROLLMENT.**—

“(A) **IN GENERAL.**—*Except as provided in subparagraph (B), the Secretary shall enroll in the program from a willing owner not less than 40 contiguous acres of land through the use of—*

“(i) a 10-year, 15-year, or 20-year rental agreement;

“(ii)(I) a 30-year rental agreement or permanent or 30-year easement; or

“(II) in a State that imposes a maximum duration for easements, an easement for the maximum duration allowed under State law.

“(B) **WAIVER.**—*The Secretary may enroll in the program such parcels of land that are less than 40 acres as the Secretary determines are appropriate to achieve the purposes of the program.*

“(3) **LIMITATION ON USE OF EASEMENTS AND RENTAL AGREEMENTS.**—*Of the total amount of funds expended under the program to acquire easements and rental agreements described in paragraph (2)(A)—*

“(A) not more than 40 percent shall be used for rental agreements described in paragraph (2)(A)(i); and

“(B) not more than 60 percent shall be used for easements and rental agreements described in paragraph (2)(A)(ii).

“(c) **ELIGIBLE LAND.**—*Land shall be eligible to be enrolled in the program if the Secretary determines that the land is private land that is—*

“(1) grassland, land that contains forbs, or shrubland (including improved rangeland and pastureland); or

“(2) land that—

“(A) is located in an area that has been historically dominated by grassland, forbs, or shrubland; and

“(B) has potential to serve as habitat for animal or plant populations of significant ecological value if the land is—

“(i) retained in the current use of the land; or

“(ii) restored to a natural condition; 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 an agreement or easement.

“**SEC. 12380. REQUIREMENTS RELATING TO EASEMENTS AND AGREEMENTS.**

“(a) **REQUIREMENTS OF LANDOWNER.**—

“(1) **IN GENERAL.**—*To be eligible to enroll land in the program through the grant of an easement, the owner of the land shall enter into an agreement with the Secretary—*

“(A) to grant an easement that applies to the land to the Secretary;

“(B) to create and record an appropriate deed restriction in accordance with applicable State law to reflect the easement;

“(C) to provide a written statement of consent to the easement signed by persons holding a security interest or any vested interest in the land;

“(D) to provide proof of unencumbered title to the underlying fee interest in the land that is the subject of the easement; and

“(E) to comply with the terms of the easement and restoration agreement.

“(2) AGREEMENTS.—To be eligible to enroll land in the program under an agreement, the owner or operator of the land shall agree—

“(A) to comply with the terms of the agreement (including any related restoration agreements); and

“(B) to the suspension of any existing cropland base and allotment history for the land under a program administered by the Secretary.

“(b) TERMS OF EASEMENT OR RENTAL AGREEMENT.—An easement or rental agreement under subsection (a) shall—

“(1) permit—

“(A) common grazing practices, including maintenance and necessary cultural practices, on the land in a manner that is consistent with maintaining the viability of grassland, forb, and shrub species common to that locality;

“(B) subject to appropriate restrictions during the nesting season for birds in the local area that are in significant decline or are conserved in accordance with Federal or State law, as determined by the Natural Resources Conservation Service State conservationist, haying, mowing, or harvesting for seed production; and

“(C) fire rehabilitation and construction of fire breaks and fences (including placement of the posts necessary for fences);

“(2) prohibit—

“(A) the production of crops (other than hay), fruit trees, vineyards, or any other agricultural commodity that requires breaking the soil surface; and

“(B) except as permitted under this subsection or subsection (d), the conduct of any other activity that would disturb the surface of the land covered by the easement or rental agreement; and

“(3) include such additional provisions as the Secretary determines are appropriate to carry out or facilitate the administration of this subchapter.

“(c) EVALUATION AND RANKING OF EASEMENT AND RENTAL AGREEMENT APPLICATIONS.—

“(1) IN GENERAL.—The Secretary shall establish criteria to evaluate and rank applications for easements and rental agreements under this subchapter.

“(2) CONSIDERATIONS.—In establishing the criteria, the Secretary shall emphasize support for—

“(A) grazing operations;

“(B) plant and animal biodiversity; and

“(C) grassland, land that contains forbs, and shrubland under the greatest threat of conversion.

“(d) RESTORATION AGREEMENTS.—

“(1) IN GENERAL.—The Secretary shall prescribe the terms of a restoration agreement by which grassland, land that contains forbs, or shrubland that is subject to an easement or rental 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 the Federal share of restoration payments and technical assistance).

“(e) VIOLATIONS.—On a violation of the terms or conditions of an easement, rental agreement, or restoration agreement entered into under this section—

“(1) the easement or rental agreement shall remain in force; and

“(2) 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.

**“SEC. 1238P. DUTIES OF SECRETARY.**

“(a) IN GENERAL.—In return for the granting of an easement, or the execution of a rental agreement, by an owner under this subchapter, the Secretary shall, in accordance with this section—

“(1) make easement or rental agreement payments to the owner in accordance with subsection (b); and

“(2) make payments to the owner for the Federal share of the cost of restoration in accordance with subsection (c).

“(b) PAYMENTS.—

“(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.—In return for entering into a rental agreement by an owner under this subchapter, the Secretary shall make annual payments to the owner during the term of the rental agreement in an amount that is not more than 75 percent of the grazing value of the land covered by the contract.



*“(c) FEDERAL SHARE OF RESTORATION.—The Secretary shall make payments to an owner under this section of not more than—*

*“(1) in the case of grassland, land that contains forbs, or shrubland that has never been cultivated, 90 percent of the costs of carrying out measures and practices necessary to restore functions and values of that land; or*

*“(2) in the case of restored grassland, land that contains forbs, or shrubland, 75 percent of those costs.*

*“(d) 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.*

**“SEC. 1238Q. DELEGATION TO PRIVATE ORGANIZATIONS.**

*“(a) IN GENERAL.—The Secretary may permit a private conservation or land trust organization (referred to in this section as a ‘private organization’) or a State agency to hold and enforce an easement under this subchapter, in lieu of the Secretary, subject to the right of the Secretary to conduct periodic inspections and enforce the easement, if—*

*“(1) the Secretary determines that granting the permission will promote protection of grassland, land that contains forbs, and shrubland;*

*“(2) the owner authorizes the private organization or State agency to hold and enforce the easement; and*

*“(3) the private organization or State agency agrees to assume the costs incurred in administering and enforcing the easement, including the costs of restoration or rehabilitation of the land as specified by the owner and the private organization or State agency.*

*“(b) APPLICATION.—A private organization or State agency that seeks to hold and enforce an easement under this subchapter shall apply to the Secretary for approval.*

*“(c) APPROVAL BY SECRETARY.—The Secretary may approve a private organization to hold and enforce an easement under this subchapter if (as determined by the Secretary) the private organization—*

*“(1)(A) 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; or*

*“(B) is described in section 509(a)(3), and is controlled by an organization described in section 509(a)(2), of that Code;*

*“(2) has the relevant experience necessary to administer grassland and shrubland easements;*

*“(3) has a charter that describes the commitment of the private organization to conserving ranchland, agricultural land, or grassland for grazing and conservation purposes; and*

*“(4) has the resources necessary to effectuate the purposes of the charter.*

*“(d) REASSIGNMENT.—*

“(1) *IN GENERAL.*—If a private organization holding an easement on land under this subchapter terminates, not later than 30 days after termination of the private organization, the owner of the land shall reassign the easement to—

“(A) a new private organization that is approved by the Secretary; or

“(B) the Secretary.

“(2) *NOTIFICATION OF SECRETARY.*—

“(A) *IN GENERAL.*—If the easement is reassigned to a new private organization, not later than 60 days after the date of reassignment, the owner and the new organization shall notify the Secretary in writing that a reassignment for termination has been made.

“(B) *FAILURE TO NOTIFY.*—If the owner and the new organization fail to notify the Secretary of the reassignment in accordance with subparagraph (A), the easement shall revert to the control of the Secretary.”.

## ***Subtitle F—Other Conservation Programs***

### ***SEC. 2501. AGRICULTURAL MANAGEMENT ASSISTANCE.***

*Section 524 of the Federal Crop Insurance Act (7 U.S.C. 1524) is amended by striking subsection (b) and inserting the following:*

“(b) *AGRICULTURAL MANAGEMENT ASSISTANCE.*—

“(1) *AUTHORITY.*—The Secretary shall provide financial assistance to producers in the States of Connecticut, Delaware, Maryland, Massachusetts, Maine, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming.

“(2) *USES.*—A producer may use financial assistance provided under this subsection to—

“(A) construct or improve—

“(i) watershed management structures; or

“(ii) irrigation structures;

“(B) plant trees to form windbreaks or to improve water quality;

“(C) mitigate financial risk through production or marketing diversification or resource conservation practices, including—

“(i) soil erosion control;

“(ii) integrated pest management;

“(iii) organic farming; or

“(iv) to develop and implement a plan to create marketing opportunities for the producer, including through value-added processing;

“(D) enter into futures, hedging, or options contracts in a manner designed to help reduce production, price, or revenue risk;

“(E) enter into agricultural trade options as a hedging transaction to reduce production, price, or revenue risk; or

“(F) conduct any other activity relating to an activity described in subparagraphs (A) through (E), as determined by the Secretary.

“(3) *PAYMENT LIMITATION.*—The total amount of payments made to a person (as defined in section 1001(5) of the Food Security Act (7 U.S.C. 1308(5))) under this subsection for any year may not exceed \$50,000.

“(4) *COMMODITY CREDIT CORPORATION.*—

“(A) *IN GENERAL.*—The Secretary shall carry out this subsection through the Commodity Credit Corporation.

“(B) *FUNDING.*—

“(i) *IN GENERAL.*—Except as provided in clause (ii), the Commodity Credit Corporation shall make available to carry out this subsection not less than \$10,000,000 for each fiscal year.

“(ii) *EXCEPTION.*—For each of fiscal years 2003 through 2007, the Commodity Credit Corporation shall make available to carry out this subsection \$20,000,000.”

**SEC. 2502. GRAZING, WILDLIFE HABITAT INCENTIVE, SOURCE WATER PROTECTION, AND GREAT LAKES BASIN PROGRAMS.**

(a) *IN GENERAL.*—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. CONSERVATION OF PRIVATE GRAZING LAND.**

(a) *PURPOSE.*—It is the purpose of this section to authorize the Secretary to provide a coordinated technical, educational, and related assistance program to conserve and enhance private grazing land resources and provide related benefits to all citizens of the United States by—

“(1) establishing a coordinated and cooperative Federal, State, and local grazing conservation program for management of private grazing land;

“(2) strengthening technical, educational, and related assistance programs that provide assistance to owners and managers of private grazing land;

“(3) conserving and improving wildlife habitat on private grazing land;

“(4) conserving and improving fish habitat and aquatic systems through grazing land conservation treatment;

“(5) protecting and improving water quality;

“(6) improving the dependability and consistency of water supplies;

“(7) identifying and managing weed, noxious weed, and brush encroachment problems on private grazing land; and

“(8) integrating conservation planning and management decisions by owners and managers of private grazing land, on a voluntary basis.

(b) *DEFINITIONS.*—In this section:

“(1) *DEPARTMENT.*—The term ‘Department’ means the Department of Agriculture.

“(2) *PRIVATE GRAZING LAND.*—The term ‘private grazing land’ means private, State-owned, tribally-owned, and any

*other non-federally owned rangeland, pastureland, grazed forest land, and hay land.*

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

*“(c) PRIVATE GRAZING LAND CONSERVATION ASSISTANCE.—*

*“(1) ASSISTANCE TO GRAZING LANDOWNERS AND OTHERS.—Subject to the availability of appropriations for this section, the Secretary shall establish a voluntary program to provide technical, educational, and related assistance to owners and managers of private grazing land and public agencies, through local conservation districts, to enable the landowners, managers, and public agencies to voluntarily carry out activities that are consistent with this section, including—*

*“(A) maintaining and improving private grazing land and the multiple values and uses that depend on private grazing land;*

*“(B) implementing grazing land management technologies;*

*“(C) managing resources on private grazing land, including—*

*“(i) planning, managing, and treating private grazing land resources;*

*“(ii) ensuring the long-term sustainability of private grazing land resources;*

*“(iii) harvesting, processing, and marketing private grazing land resources; and*

*“(iv) identifying and managing weed, noxious weed, and brush encroachment problems;*

*“(D) protecting and improving the quality and quantity of water yields from private grazing land;*

*“(E) maintaining and improving wildlife and fish habitat on private grazing land;*

*“(F) enhancing recreational opportunities on private grazing land;*

*“(G) maintaining and improving the aesthetic character of private grazing land;*

*“(H) identifying the opportunities and encouraging the diversification of private grazing land enterprises; and*

*“(I) encouraging the use of sustainable grazing systems, such as year-round, rotational, or managed grazing.*

*“(2) PROGRAM ELEMENTS.—*

*“(A) FUNDING.—If funding is provided to carry out this section, it shall be provided through a specific line-item in the annual appropriations for the Natural Resources Conservation Service.*

*“(B) TECHNICAL ASSISTANCE AND EDUCATION.—Personnel of the Department trained in pasture and range management shall be made available under the program to deliver and coordinate technical assistance and education to owners and managers of private grazing land, at the request of the owners and managers.*

*“(d) GRAZING TECHNICAL ASSISTANCE SELF-HELP.—*

*“(1) FINDINGS.—Congress finds that—*

“(A) there is a severe lack of technical assistance for farmers and ranchers that graze livestock;

“(B) Federal budgetary constraints preclude any significant expansion, and may force a reduction of, current levels of technical support; and

“(C) farmers and ranchers have a history of cooperatively working together to address common needs in the promotion of their products and in the drainage of wet areas through drainage districts.

“(2) ESTABLISHMENT OF GRAZING DEMONSTRATION.—In accordance with paragraph (3), the Secretary may establish 2 grazing management demonstration districts at the recommendation of the grazing land conservation initiative steering committee.

“(3) PROCEDURE.—

“(A) PROPOSAL.—Within a reasonable time after the submission of a request of an organization of farmers or ranchers engaged in grazing, the Secretary shall propose that a grazing management district be established.

“(B) FUNDING.—The terms and conditions of the funding and operation of the grazing management district shall be proposed by the producers.

“(C) APPROVAL.—The Secretary shall approve the proposal if the Secretary determines that the proposal—

“(i) is reasonable;

“(ii) will promote sound grazing practices; and

“(iii) contains provisions similar to the provisions contained in the beef promotion and research order issued under section 4 of the Beef Research and Information Act (7 U.S.C. 2903) in effect on April 4, 1996.

“(D) AREA INCLUDED.—The area proposed to be included in a grazing management district shall be determined by the Secretary on the basis of an application by farmers or ranchers.

“(E) AUTHORIZATION.—The Secretary may use authority under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to operate, on a demonstration basis, a grazing management district.

“(F) ACTIVITIES.—The activities of a grazing management district shall be scientifically sound activities, as determined by the Secretary in consultation with a technical advisory committee composed of ranchers, farmers, and technical experts.

“(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$60,000,000 for each of fiscal years 2002 through 2007.

**“SEC. 1240N. WILDLIFE HABITAT INCENTIVE PROGRAM.**

“(a) IN GENERAL.—The Secretary, in consultation with the State technical committees established under section 1261, shall establish within the Natural Resources Conservation Service a program to be known as the wildlife habitat incentive program (referred to in this section as the ‘program’).

“(b) COST-SHARE PAYMENTS.—

“(1) *IN GENERAL.*—Under the program, the Secretary shall make cost-share payments to landowners to develop—

“(A) upland wildlife habitat;

“(B) wetland wildlife habitat;

“(C) habitat for threatened and endangered species;

“(D) fish habitat; and

“(E) other types of wildlife habitat approved by the Secretary.

“(2) *INCREASED COST SHARE FOR LONG-TERM AGREEMENTS.*—

“(A) *IN GENERAL.*—In a case in which the Secretary enters into an agreement or contract to protect and restore plant and animal habitat that has a term of at least 15 years, the Secretary may provide cost-share payments in addition to amounts provided under paragraph (1).

“(B) *FUNDING LIMITATION.*—The Secretary may use, for a fiscal year, not more than 15 percent of funds made available under section 1241(a)(7) for the fiscal year to carry out contracts and agreements described in subparagraph (A).

“(c) *REGIONAL EQUITY.*—In carrying out this section, the Secretary shall, to the maximum extent practicable, ensure that regional issues of concern relating to wildlife habitat are addressed in an appropriate manner.

**“SEC. 12400. 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 this section, operates a well-head 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 of fiscal years 2002 through 2007.

**“SEC. 1240P. GREAT LAKES BASIN PROGRAM FOR SOIL EROSION AND SEDIMENT CONTROL.**

“(a) *IN GENERAL.*—The Secretary, in consultation with the Great Lakes Commission created by Article IV of the Great Lakes Basin Compact (82 Stat. 415) and in cooperation with the Administrator of the Environmental Protection Agency and the Secretary of the Army, may carry out the Great Lakes basin program for soil erosion and sediment control (referred to in this section as the ‘program’).

“(b) *ASSISTANCE.*—In carrying out the program, the Secretary may—

“(1) provide project demonstration grants, provide technical assistance, and carry out information and education programs to improve water quality in the Great Lakes basin by reducing soil erosion and improving sediment control; and

“(2) provide a priority for projects and activities that directly reduce soil erosion or improve sediment control.

“(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 2007.”

(b) *CONFORMING AMENDMENT.*—Sections 386 and 387 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 2005b, 3836a) are repealed.

**SEC. 2503. FARMLAND PROTECTION PROGRAM.**

(a) *IN GENERAL.*—Chapter 2 of the Food Security Act of 1985 (as amended by section 2001) is amended by adding at the end the following:

**“Subchapter B—Farmland Protection Program**

**“SEC. 1238H. DEFINITIONS.**

*“In this subchapter:*

*“(1) ELIGIBLE ENTITY.—The term ‘eligible entity’ means—*

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

*“(B) any organization that—*

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

*“(ii) is an organization described in section 501(c)(3) of that Code that is exempt from taxation under section 501(a) of that Code;*

*“(iii) is described in section 509(a)(2) of that Code;*

*or*

*“(iv) is described in section 509(a)(3), and is controlled by an organization described in section 509(a)(2), of that Code.*

*“(2) ELIGIBLE LAND.—*

*“(A) IN GENERAL.—The term ‘eligible land’ means land on a farm or ranch that—*

*“(i) has prime, unique, or other productive soil;*

*or*

*“(II) contains historical or archaeological resources; and*

*“(ii) is subject to a pending offer for purchase from an eligible entity.*

*“(B) INCLUSIONS.—The term ‘eligible land’ includes, on a farm or ranch—*

*“(i) cropland;*

*“(ii) rangeland;*

*“(iii) grassland;*

*“(iv) pasture land; and*

*“(v) forest land that is an incidental part of an agricultural operation, as determined by the Secretary.*

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

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

**“SEC. 1238I. FARMLAND PROTECTION.**

“(a) *IN GENERAL.*—The Secretary, acting through the Natural Resources Conservation Service, shall establish and carry out a farmland protection program under which the Secretary shall purchase conservation easements or other interests in eligible land that is subject to a pending offer from an eligible entity for the purpose of protecting topsoil by limiting nonagricultural uses of the land.

“(b) *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 conversion of the cropland to less intensive uses.

“(c) *COST SHARING.*—

“(1) *FARMLAND PROTECTION.*—

“(A) *SHARE PROVIDED UNDER THIS SUBSECTION.*—The share of the cost of purchasing a conservation easement or other interest in eligible land described in subsection (a) provided under section 1241(d) shall not exceed 50 percent of the appraised fair market value of the conservation easement or other interest in eligible land.

“(B) *SHARE NOT PROVIDED UNDER THIS SUBSECTION.*—As part of the share of the cost of purchasing a conservation easement or other interest in eligible land described in subsection (a) that is not provided under section 1241(d), an eligible entity may include a charitable donation by the private landowner from which the eligible land is to be purchased of not more than 25 percent of the fair market value of the conservation easement or other interest in eligible land.

“(2) *BIDDING DOWN.*—If the Secretary determines that 2 or more applications for the purchase of a conservation easement or other interest in eligible land described in subsection (a) are comparable in achieving the purposes of this section, the Secretary shall not assign a higher priority to any 1 of those applications solely on the basis of lesser cost to the farmland protection program established under subsection (a).

**“SEC. 1238J. FARM VIABILITY PROGRAM.**

“(a) *IN GENERAL.*—The Secretary may provide to eligible entities identified by the Secretary grants for use in carrying out farm viability programs developed by the eligible entities and approved by the Secretary.

“(b) *AUTHORIZATION OF APPROPRIATIONS.*—There are authorized to be appropriated to the Secretary to carry out this section such sums as are necessary for each of fiscal years 2002 through 2007.”.

(b) *CONFORMING AMENDMENTS.*—

(1) *IN GENERAL.*—

(A) Section 388 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3830 note; Public Law 104–127) is repealed.

(B) Section 211 of the Agriculture Risk Protection Act of 2000 (16 U.S.C. 3830 note; Public Law 106–224) is amended—

(i) by striking subsection (a); and

(ii) in subsection (b)—



(I) by striking the subsection designation and the subsection heading;

(II) by redesignating paragraphs (1), (2), and (3) as subsections (a), (b), and (c), respectively, and indenting appropriately;

(III) in subsection (a) (as so redesignated), by redesignating subparagraphs (A), (B), and (C) as paragraphs (1), (2), and (3), respectively, and indenting appropriately;

(IV) in subsection (b) (as so redesignated), by striking “ASSISTANCE” and inserting “ASSISTANCE”; and

(V) by striking “subsection” each place it appears and inserting “section”.

(2) *EFFECT ON CONTRACTS.*—The amendment made by paragraph (1)(A) shall have no effect on any contract entered into under section 388 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3830 note) that is in effect as of the date of enactment of this Act.

**SEC. 2504. 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 developed through a planning process by a council for a designated area of 1 or more States, or of land under the jurisdiction of an Indian tribe, 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, including the production of energy crops;

“(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 in 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 In-

dian 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.

**“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. 2505. SMALL WATERSHED REHABILITATION PROGRAM.**

Section 14 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012) is amended by striking subsection (h) and inserting the following:

“(h) *FUNDING.*—

“(1) *FUNDS OF COMMODITY CREDIT CORPORATION.*—In carrying out this section, of the funds of the Commodity Credit

*Corporation, the Secretary shall make available, to remain available until expended—*

- “(A) \$45,000,000 for fiscal year 2003;*
- “(B) \$50,000,000 for fiscal year 2004;*
- “(C) \$55,000,000 for fiscal year 2005;*
- “(D) \$60,000,000 for fiscal year 2006;*
- “(E) \$65,000,000 for fiscal year 2007; and*
- “(F) \$0 for fiscal year 2008.*

*“(2) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts made available under paragraph (1), there are authorized to be appropriated to the Secretary to carry out this section, to remain available until expended—*

- “(A) \$45,000,000 for fiscal year 2003;*
- “(B) \$55,000,000 for fiscal year 2004;*
- “(C) \$65,000,000 for fiscal year 2005;*
- “(D) \$75,000,000 for fiscal year 2006; and*
- “(E) \$85,000,000 for fiscal year 2007.”.*

**SEC. 2506. 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 Foundation (exclusive of any symbol or logo of a governmental entity);”;* and

*(2) in subsection (d), by adding at the end the following:*

*“(3) USE OF SYMBOLS, SLOGANS, AND LOGOS OF THE FOUNDATION.—*

*“(A) IN GENERAL.—The Secretary may authorize the Foundation to use, license, or transfer symbols, slogans, and logos of the Foundation.*

*“(B) INCOME.—*

*“(i) IN GENERAL.—All revenue received by the Foundation from the use, licensing, or transfer of symbols, slogans, and logos of the Foundation 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. 2507. DESERT TERMINAL LAKES.**

*“(a) IN GENERAL.—Subject to subsection (b), as soon as practicable after the date of enactment of this Act, the Secretary of Agriculture shall transfer \$200,000,000 of the funds of the Commodity Credit Corporation to the Bureau of Reclamation Water and Related Resources Account, which funds shall—*

*“(1) be used by the Secretary of the Interior, acting through the Commissioner of Reclamation, to provide water to at-risk natural desert terminal lakes; and*

*“(2) remain available until expended.*

“(b) *LIMITATION.*—The funds described in subsection (a) shall not be used to purchase or lease water rights.

### **Subtitle G—Conservation Corridor Demonstration Program**

**SEC. 2601. DEFINITIONS.**

*In this subtitle:*

(1) *DELMARVA PENINSULA.*—The term “Delmarva Peninsula” means land in the States of Delaware, Maryland, and Virginia located on the east side of the Chesapeake Bay.

(2) *DEMONSTRATION PROGRAM.*—The term “demonstration program” means the Conservation Corridor Demonstration Program established under this subtitle.

(3) *CONSERVATION CORRIDOR PLAN; PLAN.*—The terms “conservation corridor plan” and “plan” mean a conservation corridor plan required to be submitted and approved as a condition for participation in the demonstration program.

(4) *SECRETARY.*—The term “Secretary” means the Secretary of Agriculture.

**SEC. 2602. CONSERVATION CORRIDOR DEMONSTRATION PROGRAM.**

(a) *ESTABLISHMENT.*—The Secretary shall carry out a demonstration program, to be known as the “Conservation Corridor Demonstration Program”, under which any of the States of Delaware, Maryland, and Virginia, a local government of any 1 of those States with jurisdiction over land on the Delmarva Peninsula, or a combination of those States, may submit a conservation corridor plan to integrate agriculture and forestry conservation programs of the Department of Agriculture with State and local efforts to address farm conservation needs.

(b) *SUBMISSION OF CONSERVATION CORRIDOR PLAN.*—

(1) *SUBMISSION AND PROPOSAL.*—To be eligible to participate in the demonstration program, a State, local government, or combination of States referred to in subsection (a) shall—

(A) submit to the Secretary a conservation corridor plan that—

(i) proposes specific criteria and commitment of resources in the geographic region designated in the plan; and

(ii) describes how the linkage of Federal, State, and local resources will improve—

(I) the economic viability of agriculture; and

(II) the environmental integrity of the watersheds in the Delmarva Peninsula; and

(B) demonstrate to the Secretary that, in developing the plan, the State, local government, or combination of States has solicited and taken into account the views of local residents.

(2) *DRAFT MEMORANDUM OF AGREEMENT.*—If the conservation corridor plan is submitted by more than 1 State, the plan shall provide a draft memorandum of agreement among entities in each submitting State.

(c) *REVIEW OF PLAN.*—Not later than 90 days after the date of receipt of a conservation corridor plan, the Secretary—

- (1) shall review the plan; and
- (2) may approve the plan for implementation under this subtitle if the Secretary determines that the plan meets the requirements specified in subsection (d).

(d) *CRITERIA FOR APPROVAL.*—The Secretary may approve a conservation corridor plan only if, as determined by the Secretary, the plan provides for each of the following:

(1) *VOLUNTARY ACTIONS.*—Actions taken under the plan—

- (A) are voluntary;
- (B) require the consent of willing landowners; and
- (C) provide a mechanism by which the landowner may withdraw such consent without adverse consequences other than the loss of any payments to the landowner conditioned on continued enrollment of the land.

(2) *LAND OF HIGH CONSERVATION VALUE.*—Criteria specified in the plan ensure that land enrolled in each conservation program incorporated through the plan are of exceptionally high conservation value, as determined by the Secretary.

(3) *NO EFFECT ON UNENROLLED LAND.*—The enrollment of land in a conservation program incorporated through the plan will neither—

- (A) adversely affect any adjacent land not so enrolled; nor
- (B) create any buffer zone on such unenrolled land.

(4) *GREATER BENEFITS.*—The conservation programs incorporated through the plan provide benefits greater than the benefits that would likely be achieved through individual application of the conservation programs.

(5) *SUFFICIENT STAFFING.*—Staffing, considering both Federal and non-Federal resources, is sufficient to ensure success of the plan.

**SEC. 2603. IMPLEMENTATION OF CONSERVATION CORRIDOR PLAN.**

(a) *MEMORANDUM OF AGREEMENT.*—On approval of a conservation corridor plan, the Secretary may enter into a memorandum of agreement with the State, local government, or combination of States that submitted the plan to—

- (1) guarantee specific program resources for implementation of the plan;
- (2) establish various compensation rates to the extent that the parties to the agreement consider justified; and
- (3) provide streamlined and integrated paperwork requirements.

(b) *CONTINUED COMPLIANCE WITH PLAN APPROVAL CRITERIA.*—The Secretary shall terminate the memorandum of agreement entered into under subsection (a) with respect to an approved conservation corridor plan and cease the provision of resources for implementation of the plan if the Secretary determines that, in the implementation of the plan—

- (1) the State, local government, or combination of States that submitted the plan has deviated from—
  - (A) the plan;



(B) the criteria specified in section 2602(d) on which approval of the plan was conditioned; or

(C) the cost-sharing requirements of section 2604(a) or any other condition of the plan; or

(2) the economic viability of agriculture in the geographic region designated in the plan is being hindered.

(c) *PROGRESS REPORT.*—At the end of the 3-year period that begins on the date on which funds are first provided with respect to a conservation corridor plan under the demonstration program, the State, local government, or combination of States that submitted the plan shall submit to the Secretary—

(1) a report on the effectiveness of the activities carried out under the plan; and

(2) an evaluation of the economic viability of agriculture in the geographic region designated in the plan.

(d) *DURATION.*—The demonstration program shall be carried out for not less than 3 nor more than 5 years beginning on the date on which funds are first provided under the demonstration program.

**SEC. 2604. FUNDING REQUIREMENTS.**

(a) *COST SHARING.*—

(1) *REQUIRED NON-FEDERAL SHARE.*—Subject to paragraph (2), as a condition on the approval of a conservation corridor plan, the Secretary shall require the State and local participants to contribute financial resources sufficient to cover at least 50 percent of the total cost of the activities carried out under the plan.

(2) *EXCEPTION.*—The Secretary may reduce the cost-sharing requirement in the case of a specific project or activity under the demonstration program on good cause and on demonstration that the project or activity is likely to achieve extraordinary natural resource benefits.

(b) *RESERVATION OF FUNDS.*—The Secretary may consider directing funds on a priority basis to the demonstration program and to projects in areas identified by the plan.

(c) *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 2007.

## **Subtitle H—Funding and Administration**

**SEC. 2701. FUNDING AND ADMINISTRATION.**

Subtitle E of the Food Security Act of 1985 is amended by striking sections 1241 and 1242 (16 U.S.C. 3841, 3842) and inserting the following:

**“SEC. 1241. COMMODITY CREDIT CORPORATION.**

“(a) *IN GENERAL.*—For each of fiscal years 2002 through 2007, the Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out the following programs under subtitle D (including the provision of technical assistance):

“(1) The conservation reserve program under subchapter B of chapter 1.

“(2) *The wetlands reserve program under subchapter C of chapter 1.*

“(3) *The conservation security program under subchapter A of chapter 2.*

“(4) *The farmland protection program under subchapter B of chapter 2, using, to the maximum extent practicable—*

“(A) *\$50,000,000 in fiscal year 2002;*

“(B) *\$100,000,000 in fiscal year 2003;*

“(C) *\$125,000,000 in each of fiscal years 2004 and 2005;*

“(D) *\$100,000,000 in fiscal year 2006; and*

“(E) *\$97,000,000 in fiscal year 2007.*

“(5) *The grassland reserve program under subchapter C of chapter 2, using, to the maximum extent practicable \$254,000,000 for the period of fiscal years 2003 through 2007.*

“(6) *The environmental quality incentives program under chapter 4, using, to the maximum extent practicable—*

“(A) *\$400,000,000 in fiscal year 2002;*

“(B) *\$700,000,000 in fiscal year 2003;*

“(C) *\$1,000,000,000 in fiscal year 2004;*

“(D) *\$1,200,000,000 in each of fiscal years 2005 and 2006; and*

“(E) *\$1,300,000,000 in fiscal year 2007.*

“(7) *The wildlife habitat incentives program under section 1240N, using, to the maximum extent practicable—*

“(A) *\$15,000,000 in fiscal year 2002;*

“(B) *\$30,000,000 in fiscal year 2003;*

“(C) *\$60,000,000 in fiscal year 2004; and*

“(D) *\$85,000,000 in each of fiscal years 2005 through 2007.*

“(b) **SECTION 11.**—*Nothing in this section affects the limit on expenditures for technical assistance imposed by section 11 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714i).*

“(c) **REGIONAL EQUITY.**—*Before April 1 of each fiscal year, the Secretary shall give priority for funding under the conservation programs under subtitle D (excluding the conservation reserve program under subchapter B of chapter 1, the wetlands reserve program under subchapter C of chapter 1, and the conservation security program under subchapter A of chapter 2) to approved applications in any State that has not received, for the fiscal year, an aggregate amount of at least \$12,000,000 for those conservation programs.*

“(b) **SEC. 1242. DELIVERY OF TECHNICAL ASSISTANCE.**

“(a) **IN GENERAL.**—*The Secretary shall provide technical assistance under this title to a producer eligible for that assistance—*

“(1) *directly; or*

“(2) *at the option of the producer, through a payment, as determined by the Secretary, to the producer for an approved third party, if available.*

“(b) **CERTIFICATION OF THIRD-PARTY PROVIDERS.**—

“(1) **IN GENERAL.**—*Not later than 180 days after the date of enactment of the Farm Security and Rural Investment Act of 2002, the Secretary shall, by regulation, establish a system for—*

“(A) approving individuals and entities to provide technical assistance to carry out programs under this title (including criteria for the evaluation of providers or potential providers of technical assistance); and

“(B) establishing the amounts and methods for payments for that assistance.

“(2) *EXPERTISE.*—In promulgating regulations to carry out this subsection 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 the technical assistance.

“(3) *INTERIM ASSISTANCE.*—

“(A) *IN GENERAL.*—A person that has provided technical assistance in accordance with an agreement between the person and the Secretary before the date of enactment of the Farm Security and Rural Investment Act of 2002 may continue to provide technical assistance under this section until the date on which the Secretary establishes the system described in paragraph (1).

“(B) *EVALUATION.*—If a person described in subparagraph (A) seeks to continue to provide technical assistance after the date referred to in subparagraph (A), the Secretary shall evaluate the person using criteria referred to in paragraph (1).

“(4) *NON-FEDERAL ASSISTANCE.*—The Secretary may request the services of, and enter into cooperative agreements or contracts with, non-Federal entities to assist the Secretary in providing technical assistance necessary to develop and implement conservation programs under this title.”

**SEC. 2702. REGULATIONS.**

(a) *IN GENERAL.*—Except as otherwise provided in this title or an amendment made by this title, not later than 90 days after the date of enactment of this Act, the Secretary of Agriculture, in consultation with the Commodity Credit Corporation, shall promulgate such regulations as are necessary to implement this title.

(b) *APPLICABLE AUTHORITY.*—The promulgation of regulations under subsection (a) and administration of this title—

(1) shall—

(A) be carried out without regard to chapter 35 of title 44, United States Code (commonly known as the Paperwork Reduction Act); and

(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

(2) may—

(A) be promulgated with an opportunity for notice and comment; or

(B) if determined to be appropriate by the Secretary of Agriculture or the Commodity Credit Corporation, as an interim rule effective on publication with an opportunity for notice and comment.

(c) *CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.*—In carrying out this section, the Secretary shall use the authority provided under section 808(2) of title 5, United States Code.

## **TITLE III—TRADE**

### **Subtitle A—Agricultural Trade Development and Assistance Act of 1954 and Related Statutes**

**SEC. 3001. UNITED STATES POLICY.**

Section 2 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691) is amended—

- (1) in paragraph (4), by striking “and” at the end;
- (2) in paragraph (5), by striking the period at the end and inserting “; and”; and
- (3) by adding at the end the following:
  - “(6) prevent conflicts.”.

**SEC. 3002. 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, consistent with section 201, to assist development of 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) **STREAMLINED PROGRAM MANAGEMENT.**—
      - “(1) **IMPROVEMENTS.**—Not later than 1 year after the date of enactment of this subsection, the Administrator shall—
        - “(A) streamline program procedures and guidelines under this title for agreements with eligible organizations for programs in 1 or more countries; and
        - “(B) effective beginning with fiscal year 2004, to the maximum extent practicable, incorporate the changes into the procedures and guidelines for programs and the guidelines for resource requests.
      - “(2) **STREAMLINED PROCEDURES AND GUIDELINES.**—In carrying out paragraph (1), the Administrator shall make improvements in the Office of Food for Peace management systems that include—
        - “(A) expedition of and greater consistency in the program review and approval process under this title;