

## TITLE VI—RURAL DEVELOPMENT AND INVESTMENT

## Subtitle A—Consolidated Farm and Rural Development Act

- Sec. 6001. Water, waste disposal, and wastewater facility grants.
- Sec. 6002. Rural business opportunity grants.
- Sec. 6003. Child day care facility grants, loans, and loan guarantees.
- Sec. 6004. Rural water and wastewater circuit rider program.
- Sec. 6005. Multijurisdictional regional planning organizations.
- Sec. 6006. Rural hospital loans and loan guarantees.
- Sec. 6007. Tribal college and university essential community facilities.
- Sec. 6008. Community facility loans and grants for freely associated States and outlying areas.
- Sec. 6009. Priority for community facility loan and grant projects with high non-Federal share.
- Sec. 6010. SEARCH grants.
- Sec. 6011. Emergency and imminent community water assistance grant program.
- Sec. 6012. Water systems for rural and native villages in Alaska.
- Sec. 6013. Grants to develop wells in rural areas.
- Sec. 6014. Cooperative equity security guarantee.
- Sec. 6015. Rural cooperative development grants.
- Sec. 6016. Grants to broadcasting systems.
- Sec. 6017. Locally-produced agricultural food products.
- Sec. 6018. Center for Healthy Food Access and Enterprise Development.
- Sec. 6019. Appropriate technology transfer for rural areas.
- Sec. 6020. Rural economic area partnership zones.
- Sec. 6021. Definitions.
- Sec. 6022. Rural microenterprise assistance program.
- Sec. 6023. Artisanal cheese centers.
- Sec. 6024. National Rural Development Partnership.
- Sec. 6025. Historic barn preservation.
- Sec. 6026. Grants for NOAA weather radio transmitters.
- Sec. 6027. Grants to train farm workers in new technologies and to train farm workers in specialized skills necessary for higher value crops.
- Sec. 6028. Grants for expansion of employment opportunities for individuals with disabilities in rural areas.
- Sec. 6029. Delta Regional Authority.
- Sec. 6030. Northern Great Plains Regional Authority.
- Sec. 6031. Rural business investment program.
- Sec. 6032. Rural collaborative investment program.
- Sec. 6033. Funding of pending rural development loan and grant applications.

## Subtitle B—Rural Electrification Act of 1936

- Sec. 6101. Energy efficiency programs.
- Sec. 6102. Loans and grants for electric generation and transmission.
- Sec. 6103. Fees for electrification baseload generation loan guarantees.
- Sec. 6104. Deferral of payments to allow loans for improved energy efficiency and demand reduction.
- Sec. 6105. Rural electrification assistance.

- Sec. 6106. Guarantees for bonds and notes issued for electrification or telephone purposes.
- Sec. 6107. Expansion of 911 access.
- Sec. 6108. Electric loans to rural electric cooperatives.
- Sec. 6109. Agency procedures.
- Sec. 6110. Access to broadband telecommunications services in rural areas.
- Sec. 6111. Substantially underserved trust areas.
- Sec. 6112. Study of Federal assistance for broadband infrastructure.

Subtitle C—Connect the Nation Act

- Sec. 6201. Short title.
- Sec. 6202. Grants to encourage State initiatives to improve broadband service.

Subtitle D—Food, Agriculture, Conservation, and Trade Act of 1990

- Sec. 6301. Rural electronic commerce extension program.
- Sec. 6302. Telemedicine, library connectivity, public television, and distance learning services in rural areas.

Subtitle E—Miscellaneous

- Sec. 6401. Value-added agricultural product market development grants.
- Sec. 6402. Study of railroad issues.

1 **TITLE VI—RURAL DEVELOP-**  
2 **MENT AND INVESTMENT**  
3 **Subtitle A—Consolidated Farm and**  
4 **Rural Development Act**

5 **SEC. 6001. WATER, WASTE DISPOSAL, AND WASTEWATER**  
6 **FACILITY GRANTS.**

7 Section 306(a)(2)(B)(vii) of the Consolidated Farm  
8 and Rural Development Act (7 U.S.C. 1926(a)(2)(B)(vii))  
9 is amended, by striking “2007” and inserting “2012”.

10 **SEC. 6002. RURAL BUSINESS OPPORTUNITY GRANTS.**

11 Section 306(a)(11)(D) of the Consolidated Farm and  
12 Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is  
13 amended by striking “2007” and inserting “2012”.

1 **SEC. 6003. CHILD DAY CARE FACILITY GRANTS, LOANS, AND**  
2 **LOAN GUARANTEES.**

3 Section 306(a)(19) of the Consolidated Farm and  
4 Rural Development Act (7 U.S.C. 1926(a)(19)) is amend-  
5 ed by striking subparagraph (C) and inserting the fol-  
6 lowing:

7 “(C) CHILD DAY CARE FACILITIES.—

8 “(i) IN GENERAL.—Of the funds of  
9 the Commodity Credit Corporation, the  
10 Secretary shall use for the costs of grants,  
11 loans, and loan guarantees to pay the Fed-  
12 eral share of the cost of developing and  
13 constructing day care facilities for children  
14 in rural areas, as determined by the Sec-  
15 retary, \$40,000,000 for fiscal year 2008,  
16 to remain available until expended.

17 “(ii) RELATIONSHIP TO OTHER FUND-  
18 ING AND AUTHORITIES.—The funds and  
19 authorities made available under this sub-  
20 paragraph shall be in addition to other  
21 funds and authorities relating to develop-  
22 ment and construction of rural day care  
23 facilities.”.

1 **SEC. 6004. RURAL WATER AND WASTEWATER CIRCUIT**  
2 **RIDER PROGRAM.**

3 Section 306(a)(22) of the Consolidated Farm and  
4 Rural Development Act (7 U.S.C. 1926(a)(22)) is amend-  
5 ed—

6 (1) in subparagraph (B), by striking “2002  
7 (115 Stat. 719)” and inserting “2008”; and

8 (2) in subparagraph (C), by striking  
9 “\$15,000,000 for fiscal year 2003” and inserting  
10 “\$20,000,000 for fiscal year 2008”.

11 **SEC. 6005. MULTIJURISDICTIONAL REGIONAL PLANNING**  
12 **ORGANIZATIONS.**

13 Section 306(a)(23)(E) of the Consolidated Farm and  
14 Rural Development Act (7 U.S.C. 1926(a)(23)(E)) is  
15 amended by striking “2007” and inserting “2012”.

16 **SEC. 6006. RURAL HOSPITAL LOANS AND LOAN GUARAN-**  
17 **TEES.**

18 Section 306(a)(24) of the Consolidated Farm and  
19 Rural Development Act (7 U.S.C. 1926(a)(24)) is amend-  
20 ed by adding at the end the following:

21 “(C) RURAL HOSPITALS.—

22 “(i) IN GENERAL.—Of the funds of  
23 the Commodity Credit Corporation, the  
24 Secretary shall use for the costs of loans  
25 and loan guarantees to pay the Federal  
26 share of the cost of rehabilitating or im-

1           proving hospitals that have not more than  
2           100 acute beds in rural areas, as deter-  
3           mined by the Secretary, \$50,000,000 for  
4           fiscal year 2008, to remain available until  
5           expended.

6           “(ii) PRIORITY.—In making loans and  
7           loan guarantees under this subparagraph,  
8           the Secretary shall give priority to hos-  
9           pitals for—

10                   “(I) the provision of facilities to  
11                   improve and install patient care,  
12                   health quality outcomes, and health  
13                   information technology, including  
14                   computer hardware and software,  
15                   equipment for electronic medical  
16                   records, handheld computer tech-  
17                   nology, and equipment that improves  
18                   interoperability; or

19                   “(II) the acquisition of equip-  
20                   ment and software purchased collec-  
21                   tively in a cost effective manner to ad-  
22                   dress technology needs.

23           “(iii) RELATIONSHIP TO OTHER  
24           FUNDING AND AUTHORITIES.—The funds  
25           and authorities made available under this

1           subparagraph shall be in addition to other  
2           funds and authorities relating to rehabili-  
3           tation and improvement of hospitals de-  
4           scribed in clause (i).”.

5 **SEC. 6007. TRIBAL COLLEGE AND UNIVERSITY ESSENTIAL**  
6 **COMMUNITY FACILITIES.**

7           Section 306(a)(25) of the Consolidated Farm and  
8 Rural Development Act (7 U.S.C. 1926(a)(25)) is amend-  
9 ed—

10           (1) in subparagraph (B)(ii), by striking “75  
11           percent” and inserting “95 percent”; and

12           (2) in subparagraph (C), by striking “2007”  
13           and inserting “2012”.

14 **SEC. 6008. COMMUNITY FACILITY LOANS AND GRANTS FOR**  
15 **FREELY ASSOCIATED STATES AND OUTLYING**  
16 **AREAS.**

17           Section 306(a) of the Consolidated Farm and Rural  
18 Development Act (7 U.S.C. 1926(a)) is amended by add-  
19 ing at the end the following:

20           “(26) COMMUNITY FACILITY LOANS AND  
21 GRANTS FOR FREELY ASSOCIATED STATES AND OUT-  
22 LYING AREAS.—

23           “(A) IN GENERAL.—Subject to subpara-  
24 graph (B), of the amount that is made available  
25           for each fiscal year for each of the community

1 facility loan and grant programs established  
2 under paragraphs (1), (19), (20), (21), and  
3 (25), the Secretary shall allocate 0.5 percent of  
4 the amount for making loans or grants (as ap-  
5 plicable) under the program to eligible entities  
6 that are located in freely associated States or  
7 outlying areas (as those terms are defined in  
8 section 1121(c) of the Elementary and Sec-  
9 ondary Education Act of 1965 (20 U.S.C.  
10 6331(c)) that are subject to the jurisdiction of  
11 the United States and are otherwise covered by  
12 this Act.

13 “(B) REALLOCATION.—If the Secretary  
14 determines that a sufficient number of applica-  
15 tions for loans or grants for a program de-  
16 scribed in subparagraph (A) have not been re-  
17 ceived from eligible entities for a fiscal year  
18 during the 180-day period beginning on October  
19 1 of the fiscal year, the Secretary shall reallo-  
20 cate any unused funds to make loans or grants  
21 (as applicable) under the program to eligible en-  
22 tities that are located in States.”.

1 **SEC. 6009. PRIORITY FOR COMMUNITY FACILITY LOAN AND**  
2 **GRANT PROJECTS WITH HIGH NON-FEDERAL**  
3 **SHARE.**

4 Section 306(a) of the Consolidated Farm and Rural  
5 Development Act (7 U.S.C. 1926(a)) (as amended by sec-  
6 tion 6008) is amended by adding at the end the following:

7 “(27) PRIORITY FOR COMMUNITY FACILITY  
8 LOAN AND GRANT PROJECTS WITH HIGH NON-FED-  
9 ERAL SHARE.—In carrying out the community facil-  
10 ity loan and grant programs established under para-  
11 graphs (1), (19), (20), (21), and (25), the Secretary  
12 shall give priority to projects that will be carried out  
13 with a non-Federal share of funds that is substan-  
14 tially greater than the minimum requirement, as de-  
15 termined by the Secretary by regulation.”.

16 **SEC. 6010. SEARCH GRANTS.**

17 Section 306(a) of the Consolidated Farm and Rural  
18 Development Act (7 U.S.C. 1926(a)) (as amended by sec-  
19 tion 6009) is amended by adding at the end the following:

20 “(28) APPLICATIONS FILED BY ELIGIBLE COM-  
21 MUNITIES.—

22 “(A) ELIGIBLE COMMUNITY.—In this  
23 paragraph, the term ‘eligible community’ means  
24 a community that, as determined by the Sec-  
25 retary—



1                   “(i) has a population of 2,500 or  
2                   fewer inhabitants; and

3                   “(ii) is financially distressed.

4                   “(B) APPLICATIONS.—In the case of water  
5                   and waste disposal and wastewater facilities  
6                   grant programs authorized under this title, the  
7                   Secretary may accept applications from eligible  
8                   communities for grants for feasibility study de-  
9                   sign and other forms of technical assistance.

10                  “(C) TERMS.—

11                   “(i) IN GENERAL.—Except as pro-  
12                   vided in clause (ii), the terms of the grant  
13                   programs described in subparagraph (B)  
14                   shall apply to the applications described in  
15                   that subparagraph.

16                   “(ii) EXCEPTIONS.—Grants made  
17                   pursuant to applications described in sub-  
18                   paragraph (B)—

19                   “(I) shall fund up to 100 percent  
20                   of eligible project costs; and

21                   “(II) shall be subject to the least  
22                   documentation requirements prac-  
23                   ticable.

24                   “(iii) PROCESSING.—The Secretary  
25                   shall process applications received under



1           “(2) the Denali Commission to improve solid  
2 waste disposal sites that are contaminating, or  
3 threaten to contaminate, rural drinking water sup-  
4 plies in the State of Alaska.”;

5           (2) in subsection (b), by striking “the State of  
6 Alaska” and inserting “a grantee”;

7           (3) in subsection (c)—

8           (A) in the subsection heading by striking  
9 “WITH THE STATE OF ALASKA”; and

10           (B) by striking “the State of Alaska” and  
11 inserting “the appropriate grantee under sub-  
12 section (a)”;

13           (4) in subsection (d)(1), by striking “2007”  
14 and inserting “2012”.

15 **SEC. 6013. GRANTS TO DEVELOP WELLS IN RURAL AREAS.**

16           (a) GRANTS TO NONPROFIT ORGANIZATIONS TO FI-  
17 NANCE THE CONSTRUCTION, REFURBISHING, AND SERV-  
18 ICING OF INDIVIDUALLY-OWNED HOUSEHOLD WATER  
19 WELL SYSTEMS IN RURAL AREAS FOR INDIVIDUALS  
20 WITH LOW OR MODERATE INCOMES.—Section 306E(d)  
21 of the Consolidated Farm and Rural Development Act (7  
22 U.S.C. 1926e(d)) is amended by striking “2007” and in-  
23 serting “2012”.

24           (b) GRANTS TO DEVELOP AREA WELLS IN ISOLATED  
25 AREAS.—Subtitle D of the Consolidated Farm and Rural

1 Development Act is amended by inserting after section  
2 306E (7 U.S.C. 1926e) the following:

3 **“SEC. 306F. GRANTS TO DEVELOP AREA WELLS IN ISO-**  
4 **LATED AREAS.**

5 “(a) DEFINITION OF ISOLATED AREA.—In this sec-  
6 tion, the term ‘isolated area’ means an area—

7 “(1) in which the development of a traditional  
8 water system is not financially practical due to—

9 “(A) the distances or geography of the  
10 area; and

11 “(B) the limited number of households  
12 present to be served; and

13 “(2) that is not part of a city of more than  
14 1,000 inhabitants.

15 “(b) GRANTS.—The Secretary may make grants to  
16 nonprofit organizations to develop and construct house-  
17 hold, shared, and community water wells in isolated rural  
18 areas.

19 “(c) PRIORITY IN AWARDING GRANTS.—In awarding  
20 grants under this section, the Secretary shall give priority  
21 to applicants that have demonstrated experience in devel-  
22 oping safe and similar projects including household,  
23 shared, and community wells in rural areas.

24 “(d) REQUIREMENTS.—

1           “(1) IN GENERAL.—As a condition on receipt of  
2           a grant under this section, the water from wells  
3           funded under this section shall be tested annually  
4           for water quality, as determined by the Secretary.

5           “(2) RESULTS.—The results of tests under  
6           paragraph (1) shall be made available to—

7                   “(A) the users of the wells; and

8                   “(B) the appropriate State agency.

9           “(e) LIMITATION.—The amount of a grant under this  
10          section shall not exceed the lesser of—

11                   “(1) \$50,000; or

12                   “(2) the amount that is 75 percent of the cost  
13          of a single well and associated system.

14          “(f) PROHIBITION.—The Secretary may not award  
15          grants under this section in any area in which a majority  
16          of the users of a proposed well have a household income  
17          that is greater than the nonmetropolitan median house-  
18          hold income of the State or territory, as determined by  
19          the Secretary.

20          “(g) ADMINISTRATIVE EXPENSES.—Not more than  
21          10 percent of the amount of a grant made under this sec-  
22          tion may be used to pay administrative expenses associ-  
23          ated with providing project assistance, as determined by  
24          the Secretary.

1 “(h) AUTHORIZATION OF APPROPRIATIONS.—There  
2 is authorized to be appropriated to carry out this section  
3 \$10,000,000 for each of fiscal years 2008 through 2012.”.

4 **SEC. 6014. COOPERATIVE EQUITY SECURITY GUARANTEE.**

5 Section 310B of the Consolidated Farm and Rural  
6 Development Act (7 U.S.C. 1932) is amended—

7 (1) in the first sentence of subsection (a), by in-  
8 serting “and private investment funds that invest  
9 primarily in cooperative organizations” after “or  
10 nonprofit”; and

11 (2) in subsection (g)—

12 (A) in paragraph (1), by inserting “, includ-  
13 ing guarantees described in paragraph  
14 (3)(A)(ii)” before the period at the end;

15 (B) in paragraph (3)(A)—

16 (i) by striking “(A) IN GENERAL.—  
17 The Secretary” and inserting the following:

18 “(A) ELIGIBILITY.—

19 “(i) IN GENERAL.—The Secretary”;

20 and

21 (ii) by adding at the end the fol-  
22 lowing:

23 “(ii) EQUITY.—The Secretary may  
24 guarantee a loan made for the purchase of  
25 preferred stock or similar equity issued by

1 a cooperative organization or a fund that  
2 invests primarily in cooperative organiza-  
3 tions, if the guarantee significantly bene-  
4 fits 1 or more entities eligible for assist-  
5 ance under subsection (a)(1), as deter-  
6 mined by the Secretary.”; and

7 (C) in paragraph (8)(A)(ii), by striking “a  
8 project—” and all that follows through the end  
9 of subclause (II) and inserting “a project  
10 that—

11 “(I)(aa) is in a rural area; and

12 “(bb) provides for the value-  
13 added processing of agricultural com-  
14 modities; or

15 “(II) significantly benefits 1 or  
16 more entities eligible for assistance  
17 under subsection (a)(1), as deter-  
18 mined by the Secretary.”.

19 **SEC. 6015. RURAL COOPERATIVE DEVELOPMENT GRANTS.**

20 (a) **ELIGIBILITY.**—Section 310B(e)(5) of the Consoli-  
21 dated Farm and Rural Development Act (7 U.S.C.  
22 1932(e)(5)) is amended—

23 (1) in subparagraph (A), by striking “a nation-  
24 ally coordinated, regionally or State-wide operated  
25 project” and inserting “activities to promote and as-

1       sist the development of cooperatively- and mutually-  
2       owned businesses”;

3               (2) in subparagraph (B), by inserting “to pro-  
4       mote and assist the development of cooperatively-  
5       and mutually-owned businesses” before the semi-  
6       colon;

7               (3) by striking subparagraph (D);

8               (4) by redesignating subparagraph (E) as sub-  
9       paragraph (D);

10              (5) in subparagraph (D) (as so redesignated),  
11       by striking “and” at the end;

12              (6) by inserting after subparagraph (D) (as so  
13       redesignated) the following:

14                       “(E) demonstrate a commitment to—

15                               “(i) networking with and sharing the  
16                               results of the efforts of the center with  
17                               other cooperative development centers and  
18                               other organizations involved in rural eco-  
19                               nomic development efforts; and

20                               “(ii) developing multiorganization and  
21                               multistate approaches to addressing the co-  
22                               operative and economic development needs  
23                               of rural areas; and”;

24              (7) in subparagraph (F), by striking “providing  
25       greater than” and inserting “providing”.



1 (b) AUTHORITY TO AWARD MULTIYEAR GRANTS.—  
2 Section 310B(e) of the Consolidated Farm and Rural De-  
3 velopment Act (7 U.S.C. 1932(e)) is amended by striking  
4 paragraph (6) and inserting the following:

5 “(6) GRANT PERIOD.—

6 “(A) IN GENERAL.—A grant awarded to a  
7 center that has received no prior funding under  
8 this subsection shall be made for a period of 1  
9 year.

10 “(B) MULTIYEAR GRANTS.—If the Sec-  
11 retary determines it to be in the best interest  
12 of the program, the Secretary shall award  
13 grants for a period of more than 1 year, but  
14 not more than 3 years, to a center that has suc-  
15 cessfully met the goals described in paragraph  
16 (3) in providing services under this subsection,  
17 as determined by the Secretary.”.

18 (c) AUTHORITY TO EXTEND GRANT PERIOD.—Sec-  
19 tion 310B(e) of the Consolidated Farm and Rural Devel-  
20 opment Act (7 U.S.C. 1932(e)) is amended—

21 (1) by redesignating paragraphs (7), (8), and  
22 (9) as paragraphs (8), (9), and (12), respectively;  
23 and

24 (2) inserting after paragraph (6) the following:

1           “(7) AUTHORITY TO EXTEND GRANT PERIOD.—  
2           The Secretary may extend for 1 additional 12-month  
3           period the period in which a grantee may use a  
4           grant made under this subsection.”.

5           (d) COOPERATIVE RESEARCH PROGRAM.—Section  
6           310B(e) of the Consolidated Farm and Rural Develop-  
7           ment Act (7 U.S.C. 1932(e)) is amended by inserting after  
8           paragraph (9) (as redesignated by subsection (c)(1)) the  
9           following:

10           “(10) COOPERATIVE RESEARCH PROGRAM.—  
11           The Secretary shall enter into a cooperative research  
12           agreement with 1 or more qualified academic institu-  
13           tions in each fiscal year to conduct research on the  
14           national economic effects of all types of coopera-  
15           tives.”.

16           (e) ADDRESSING NEEDS OF MINORITY COMMU-  
17           NITIES.—Section 310B(e) of the Consolidated Farm and  
18           Rural Development Act (7 U.S.C. 1932(e)) is amended by  
19           inserting after paragraph (10) (as added by subsection  
20           (d)) the following:

21           “(11) ADDRESSING NEEDS OF MINORITY COM-  
22           MUNITIES.—

23           “(A) DEFINITION OF SOCIALLY DISADVAN-  
24           TAGED.—In this paragraph, the term ‘socially

1           disadvantaged’ has the meaning given the term  
2           in section 355(e).

3           “(B) RESERVATION OF FUNDS.—

4                   “(i) IN GENERAL.—If the total  
5           amount appropriated under paragraph  
6           (12) for a fiscal year exceeds \$7,500,000,  
7           the Secretary shall reserve an amount  
8           equal to 20 percent of the total amount ap-  
9           propriated for grants for cooperative devel-  
10          opment centers, individual cooperatives, or  
11          groups of cooperatives that serve socially  
12          disadvantaged communities, a majority of  
13          the boards of directors or governing boards  
14          of which are comprised of socially dis-  
15          advantaged individuals.

16                   “(ii) INSUFFICIENT APPLICATIONS.—  
17          To the extent that the Secretary deter-  
18          mines that funds reserved under clause (i)  
19          would not be used for grants described in  
20          that clause due to insufficient applications  
21          for the grants, the Secretary shall use the  
22          funds as otherwise authorized by this sub-  
23          section.”.

24          (f) AUTHORIZATION OF APPROPRIATIONS.—Para-  
25          graph (12) of section 310B(e) of the Consolidated Farm

1 and Rural Development Act (7 U.S.C. 1932(e)) (as reded-  
2 icated by subsection (c)(1)) is amended by striking  
3 “2007” and inserting “2012”.

4 **SEC. 6016. GRANTS TO BROADCASTING SYSTEMS.**

5 Section 310B(f)(3) of the Consolidated Farm and  
6 Rural Development Act (7 U.S.C. 1932(f)(3)) is amended  
7 by striking “2007” and inserting “2012”.

8 **SEC. 6017. LOCALLY-PRODUCED AGRICULTURAL FOOD**  
9 **PRODUCTS.**

10 Section 310B(g) of the Consolidated Farm and Rural  
11 Development Act (7 U.S.C. 1932(g)) is amended by add-  
12 ing at the end the following:

13 “(9) LOCALLY-PRODUCED AGRICULTURAL FOOD  
14 PRODUCTS.—

15 “(A) DEFINITIONS.—In this paragraph:

16 “(i) LOCALLY-PRODUCED AGRICUL-  
17 TURAL FOOD PRODUCT.—The term ‘lo-  
18 cally-produced agricultural food product’  
19 means any agricultural product raised,  
20 produced, and distributed in—

21 “(I) the locality or region in  
22 which the final agricultural product is  
23 marketed, so that the total distance  
24 that the agricultural product is trans-

1                   ported is less than 300 miles from the  
2                   origin of the agricultural product; or

3                   “**(II)** the State in which the agri-  
4                   cultural product is produced.

5                   “(ii) **UNDERSERVED COMMUNITY.**—  
6                   The term ‘underserved community’ means  
7                   a community (including an urban or rural  
8                   community and an Indian tribal commu-  
9                   nity) that has, as determined by the Sec-  
10                  retary—

11                  “(I) limited access to affordable,  
12                  healthy foods, including fresh fruits  
13                  and vegetables, in grocery retail stores  
14                  or farmer-to-consumer direct markets  
15                  or a high incidence of a diet-related  
16                  disease as compared to the national  
17                  average, including obesity; and

18                  “(II) a high rate of hunger or  
19                  food insecurity or a high poverty rate.

20                  “(B) **LOAN AND LOAN GUARANTEE PRO-**  
21                  **GRAM.**—

22                  “(i) **IN GENERAL.**—The Secretary,  
23                  acting through the Administrator of the  
24                  Rural Business-Cooperative Service in co-  
25                  ordination with the Administration of the

1 Agricultural Marketing Service, shall make  
2 or guarantee loans to individuals, coopera-  
3 tives, businesses, and other entities to es-  
4 tablish and facilitate enterprises that proc-  
5 ess, distribute, aggregate, store, and mar-  
6 ket locally-produced agricultural food prod-  
7 ucts.

8 “(ii) REQUIREMENT.—The recipient  
9 of a loan or loan guarantee under clause  
10 (i) shall agree to make a reasonable effort,  
11 as determined by the Secretary, to work  
12 with retail and institutional facilities to  
13 which the recipient sells locally-produced  
14 agricultural food products to inform the  
15 consumers of the retail or institutional fa-  
16 cilities that the consumers are purchasing  
17 or consuming locally-produced agricultural  
18 food products.

19 “(iii) PRIORITY.—In making or guar-  
20 anteeing a loan under clause (i), the Sec-  
21 retary shall give priority to—

22 “(I) projects that support com-  
23 munity development and farm and  
24 ranch income by marketing, distrib-  
25 uting, storing, aggregating, or proc-

1                   essing a locally-produced agricultural  
2                   food product; and

3                   “(II) projects that have compo-  
4                   nents benefitting underserved commu-  
5                   nities.

6                   “(iv) RETAIL OR INSTITUTIONAL FA-  
7                   CILITIES.—The Secretary may allow recipi-  
8                   ents of loans or loan guarantees under  
9                   clause (i) to provide up to \$250,000 in  
10                  loan or loan guarantee funds per retail or  
11                  institutional facility for an underserved  
12                  community in a rural or nonrural area to  
13                  help retail facilities—

14                  “(I) to modify and update the fa-  
15                  cilities to accommodate locally-pro-  
16                  duced agricultural food products; and

17                  “(II) to provide outreach to con-  
18                  sumers about the sale of locally-pro-  
19                  duced agricultural food products.

20                  “(v) REPORTS.—Not later than 1  
21                  year after the date of enactment of this  
22                  paragraph and annually thereafter, the  
23                  Secretary shall submit to the Committee  
24                  on Agriculture of the House of Representa-  
25                  tives and the Committee on Agriculture,

1 Nutrition, and Forestry of the Senate a re-  
2 port that describes projects carried out  
3 using loans or loan guarantees made under  
4 clause (i), including—

5 “(I) the characteristics of the  
6 communities served by the projects;  
7 and

8 “(II) benefits of the projects.

9 “(vi) RESERVATION OF FUNDS.—

10 “(I) IN GENERAL.—For each of  
11 fiscal years 2008 through 2012, the  
12 Secretary shall reserve not less than 5  
13 percent of the funds made available to  
14 carry out this subsection to carry out  
15 this subparagraph.

16 “(II) AVAILABILITY OF FUNDS.—  
17 Funds reserved under subclause (I)  
18 for a fiscal year shall be reserved until  
19 April 1 of the fiscal year.”.

20 **SEC. 6018. CENTER FOR HEALTHY FOOD ACCESS AND EN-**  
21 **TERPRISE DEVELOPMENT.**

22 Paragraph (9) of section 310B(g) of the Consolidated  
23 Farm and Rural Development Act (7 U.S.C. 1932(g)) (as  
24 added by section 6017) is amended by adding at the end  
25 the following:



1                   “(C) CENTER FOR HEALTHY FOOD ACCESS  
2                   AND ENTERPRISE DEVELOPMENT.—

3                   “(i) IN GENERAL.—The Secretary,  
4                   acting through the Agricultural Marketing  
5                   Service, shall establish and support a Cen-  
6                   ter for Healthy Food Access and Enter-  
7                   prise Development.

8                   “(ii) DUTIES.—The Center estab-  
9                   lished under clause (i) shall contract with  
10                  1 or more nonprofit entities to provide  
11                  technical assistance and disseminate infor-  
12                  mation to food wholesalers and retailers  
13                  concerning best practices for the aggre-  
14                  gating, storage, processing, and marketing  
15                  of locally-produced agricultural food prod-  
16                  ucts.

17                  “(iii) DEADLINE.—The Secretary  
18                  shall establish the Center not later than  
19                  180 days after the date on which funds are  
20                  made available under clause (iv).

21                  “(iv) AUTHORIZATION OF APPROPRIA-  
22                  TIONS.—There is authorized to be appro-  
23                  priated to carry out this subparagraph  
24                  \$1,000,000 for each of fiscal years 2008  
25                  through 2012.”.

1 **SEC. 6019. APPROPRIATE TECHNOLOGY TRANSFER FOR**  
2 **RURAL AREAS.**

3 Section 310B of the Consolidated Farm and Rural  
4 Development Act (7 U.S.C. 1932) is amended by adding  
5 at the end the following:

6 “(i) **APPROPRIATE TECHNOLOGY TRANSFER FOR**  
7 **RURAL AREAS PROGRAM.**—

8 “(1) **DEFINITION OF NATIONAL NONPROFIT AG-**  
9 **RICULTURAL ASSISTANCE INSTITUTION.**—In this  
10 subsection, the term ‘national nonprofit agricultural  
11 assistance institution’ means an organization that—

12 “(A) is described in section 501(c)(3) of  
13 the Internal Revenue Code of 1986 and exempt  
14 from taxation under 501(a) of that Code;

15 “(B) has staff and offices in multiple re-  
16 gions of the United States;

17 “(C) has experience and expertise in oper-  
18 ating national sustainable agriculture technical  
19 assistance programs; and

20 “(D) provides the technical assistance  
21 through toll-free hotlines, 1 or more websites,  
22 publications, and workshops.

23 “(2) **ESTABLISHMENT.**—The Secretary shall es-  
24 tablish a national appropriate technology transfer  
25 for rural areas program to assist agricultural pro-

1           ducers that are seeking information to help the agri-  
2           cultural producers—

3                   “(A) reduce input costs;

4                   “(B) conserve energy resources;

5                   “(C) diversify operations through new en-  
6           ergy crops and energy generation facilities; and

7                   “(D) expand markets for the agricultural  
8           commodities produced by the producers through  
9           use of practices involving sustainable agri-  
10          culture.

11          “(3) IMPLEMENTATION.—

12                   “(A) IN GENERAL.—The Secretary shall  
13          carry out the program under this subsection by  
14          making a grant to, or offering to enter into a  
15          cooperative agreement with, a national non-  
16          profit agricultural assistance organization.

17                   “(B) GRANT AMOUNT.—A grant made, or  
18          cooperative agreement entered into, under sub-  
19          paragraph (A) shall provide 100 percent of the  
20          cost of providing information described in para-  
21          graph (2).

22          “(4) AUTHORIZATION OF APPROPRIATIONS.—

23          There are authorized to be appropriated to carry out  
24          this subsection \$5,000,000 for each of fiscal years  
25          2008 through 2012.”.

1 **SEC. 6020. RURAL ECONOMIC AREA PARTNERSHIP ZONES.**

2 Section 310B of the Consolidated Farm and Rural  
3 Development Act (7 U.S.C. 1932) (as amended by section  
4 6019) is amended by adding at the end the following:

5 “(j) RURAL ECONOMIC AREA PARTNERSHIP  
6 ZONES.—For the period beginning on the date of enact-  
7 ment of this subsection and ending on September 30,  
8 2012, the Secretary shall carry out rural economic area  
9 partnership zones in the States of New York, North Da-  
10 kota, and Vermont, in accordance with the terms and con-  
11 ditions contained in the memorandums of agreement en-  
12 tered into by the Secretary for the rural economic area  
13 partnership zones, except as otherwise provided in this  
14 subsection.”.

15 **SEC. 6021. DEFINITIONS.**

16 (a) RURAL AREA.—Section 343(a) of the Consoli-  
17 dated Farm and Rural Development Act (7 U.S.C.  
18 1991(a)) is amended by striking paragraph (13) and in-  
19 serting the following:

20 “(13) RURAL AND RURAL AREA.—

21 “(A) IN GENERAL.—Subject to subpara-  
22 graphs (B) and (C), the terms ‘rural’ and ‘rural  
23 area’ mean any area other than—

24 “(i) a city or town that has a popu-  
25 lation of greater than 50,000 inhabitants,  
26 except that, for all activities under pro-



1                   peal the estimate based on actual data  
2                   for the area.

3                   “(B) WATER AND WASTE DISPOSAL  
4 GRANTS AND DIRECT AND GUARANTEED  
5 LOANS.—For the purpose of water and waste  
6 disposal grants and direct and guaranteed loans  
7 provided under paragraphs (1), (2), and (24) of  
8 section 306(a), the terms ‘rural’ and ‘rural  
9 area’ mean any area other than—

10                   “(i) an area described in clause (i),  
11                   (ii), or (iii) of subparagraph (A); and

12                   “(ii) a city, town, or unincorporated  
13 area that has a population of greater than  
14 10,000 inhabitants.

15                   “(C) COMMUNITY FACILITY LOANS AND  
16 GRANTS.—For the purpose of community facil-  
17 ity direct and guaranteed loans and grants  
18 under paragraphs (1), (19), (20), (21), and  
19 (24) of section 306(a), the terms ‘rural’ and  
20 ‘rural area’ mean any area other than—

21                   “(i) an area described in clause (i),  
22                   (ii), or (iii) of subparagraph (A); and

23                   “(ii) a city, town, or unincorporated  
24 area that has a population of greater than  
25 20,000 inhabitants.”.

1 (b) ADDITIONAL TERMS.—Section 343(a) of the Con-  
2 solidated Farm and Rural Development Act (7 U.S.C.  
3 1991(a)) is amended by adding at the end the following:

4 “(14) SUSTAINABLE AGRICULTURE.—The term  
5 ‘sustainable agriculture’ means an integrated system  
6 of plant and animal production practices having a  
7 site-specific application that will, over the long-  
8 term—

9 “(A) satisfy human food and fiber needs;

10 “(B) enhance environmental quality and  
11 the natural resource base upon which the agri-  
12 culture economy depends;

13 “(C) make the most efficient use of non-  
14 renewable resources and on-farm resources and  
15 integrate, where appropriate, natural biological  
16 cycles and controls;

17 “(D) sustain the economic viability of farm  
18 operations; and

19 “(E) enhance the quality of life for farm-  
20 ers and society as a whole.

21 “(15) TECHNICAL ASSISTANCE.—The term  
22 ‘technical assistance’ means managerial, financial,  
23 operational, and scientific analysis and consultation  
24 to assist an individual or entity (including a bor-  
25 rower or potential borrower under this title)—

1           “(A) to identify and evaluate practices, ap-  
2           proaches, problems, opportunities, or solutions;  
3           and

4           “(B) to assist in the planning, implementa-  
5           tion, management, operation, marketing, or  
6           maintenance of projects authorized under this  
7           title.”.

8   **SEC. 6022. RURAL MICROENTERPRISE ASSISTANCE PRO-**  
9                                   **GRAM.**

10        Subtitle D of the Consolidated Farm and Rural De-  
11        velopment Act (as amended by section 5207) is amended  
12        by inserting after section 365 the following:

13   **“SEC. 366. RURAL MICROENTERPRISE ASSISTANCE PRO-**  
14                                   **GRAM.**

15        “(a) DEFINITIONS.—In this section:

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

20           “(2) LOW- OR MODERATE-INCOME INDIVIDUAL.—The term ‘low- or moderate-income indi-  
21           vidual’ means an individual with an income (ad-  
22           justed for family size) of not more than 80 percent  
23           of the national median income.  
24



1           “(3) MICROCREDIT.—The term ‘microcredit’  
2 means a business loan or loan guarantee of not more  
3 than \$50,000 that is provided to a rural microenter-  
4 prise.

5           “(4) MICROENTERPRISE DEVELOPMENT ORGA-  
6 NIZATION.—The term ‘microenterprise development  
7 organization’ means an organization that—

8           “(A) is—

9           “(i) a nonprofit entity;

10           “(ii) an Indian tribe, the tribal gov-  
11 ernment of which certifies to the Secretary  
12 that no microenterprise development orga-  
13 nization or microenterprise development  
14 program exists under the jurisdiction of  
15 the Indian tribe; or

16           “(iii) for the purpose of subsection  
17 (b), a public institution of higher edu-  
18 cation;

19           “(B) provides training and technical assist-  
20 ance to rural microenterprises;

21           “(C) facilitates access to capital or another  
22 service described in subsection (b) for rural  
23 microenterprises; and

24           “(D) has a demonstrated record of deliv-  
25 ering services to economically disadvantaged

1 microenterprises, or an effective plan to develop  
2 a program to deliver microenterprise services to  
3 rural microenterprises effectively, as determined  
4 by the Secretary.

5 “(5) RURAL CAPACITY BUILDING SERVICE.—  
6 The term ‘rural capacity building service’ means a  
7 service provided to an organization that—

8 “(A) is, or is in the process of becoming,  
9 a microenterprise development organization;  
10 and

11 “(B) serves rural areas for the purpose of  
12 enhancing the ability of the organization to pro-  
13 vide training, technical assistance, and other  
14 services relating to rural development.

15 “(6) RURAL MICROENTERPRISE.—

16 “(A) IN GENERAL.—The term ‘rural  
17 microenterprise’ means an individual described  
18 in subparagraph (B) who is unable to obtain  
19 sufficient training, technical assistance, or  
20 microcredit other than under this section, as  
21 determined by the Secretary.

22 “(B) DESCRIPTION.—An individual de-  
23 scribed in this subparagraph is—

24 “(i) a self-employed individual located  
25 in a rural area; or

1                   “(ii) an owner and operator, or pro-  
2                   spective owner and operator, of a business  
3                   entity located in a rural area with not  
4                   more than 10 full-time-equivalent employ-  
5                   ees.

6                   “(7) SECRETARY.—The term ‘Secretary’ means  
7                   the Secretary of Agriculture, acting through the  
8                   Rural Business-Cooperative Service.

9                   “(b) RURAL MICROENTERPRISE PROGRAM.—

10                   “(1) ESTABLISHMENT.—The Secretary shall es-  
11                   tablish a rural microenterprise program.

12                   “(2) PURPOSE.—The purpose of the rural  
13                   microenterprise program shall be to provide low- or  
14                   moderate-income individuals with—

15                   “(A) the skills necessary to establish new  
16                   rural microenterprises; and

17                   “(B) continuing technical and financial as-  
18                   sistance as individuals and business starting or  
19                   operating rural microenterprises.

20                   “(3) GRANTS.—

21                   “(A) IN GENERAL.—The Secretary may  
22                   make a grant under the rural microenterprise  
23                   program to microenterprise development organi-  
24                   zations—

1 “(i) to provide training, operational  
2 support, business planning assistance,  
3 market development assistance, and other  
4 related services to rural microenterprises,  
5 with an emphasis on rural microenterprises  
6 that —

7 “(I) are composed of low- or  
8 moderate-income individuals; or

9 “(II) are in areas that have lost  
10 population;

11 “(ii) to assist in researching and de-  
12 veloping the best practices in delivering  
13 training, technical assistance, and micro-  
14 credit to rural microenterprises; and

15 “(iii) to carry out such other projects  
16 and activities as the Secretary determines  
17 to be consistent with the purposes of this  
18 section.

19 “(B) DIVERSITY.—In making grants under  
20 this paragraph, the Secretary shall ensure, to  
21 the maximum extent practicable, that grant re-  
22 cipients include microenterprise development or-  
23 ganizations—

24 “(i) of varying sizes; and

1                   “(ii) that serve racially- and eth-  
2                   nically-diverse populations.

3                   “(C) COST SHARING.—

4                   “(i) FEDERAL SHARE.—The Federal  
5                   share of the cost of a project carried out  
6                   using funds from a grant made under this  
7                   paragraph shall be 75 percent.

8                   “(ii) FORM OF NON-FEDERAL  
9                   SHARE.—The non-Federal share of the  
10                  cost of a project described in clause (i)  
11                  may be provided—

12                   “(I) in cash (including through  
13                   fees, grants (including community de-  
14                   velopment block grants), and gifts); or

15                   “(II) as in-kind contributions.

16                  “(4) RURAL MICROLOAN PROGRAM.—

17                   “(A) ESTABLISHMENT.—In carrying out  
18                   the rural microenterprise program, the Sec-  
19                   retary may carry out a rural microloan pro-  
20                   gram.

21                   “(B) PURPOSE.—The purpose of the rural  
22                   microloan program shall be to provide technical  
23                   and financial assistance to rural microenter-  
24                   prises that—

1                   “(i) are composed of low- or mod-  
2                   erate-income individuals; or

3                   “(ii) are in areas that have lost popu-  
4                   lation.

5                   “(C) AUTHORITY OF SECRETARY.—In car-  
6                   rying out the rural microloan program, the Sec-  
7                   retary may—

8                   “(i) make direct loans to  
9                   microenterprise development organizations  
10                  for the purpose of making fixed interest  
11                  rate microloans to startup, newly estab-  
12                  lished, and growing rural microenterprises;  
13                  and

14                  “(ii) in conjunction with those loans,  
15                  provide technical assistance grants in ac-  
16                  cordance with subparagraph (E) to those  
17                  microenterprise development organiza-  
18                  tions.

19                  “(D) LOAN DURATION; INTEREST RATES;  
20                  CONDITIONS.—

21                  “(i) LOAN DURATION.—A direct loan  
22                  made by the Secretary under this para-  
23                  graph shall be for a term not to exceed 20  
24                  years.

1                   “(ii) APPLICABLE INTEREST RATE.—

2                   A direct loan made by the Secretary under  
3                   this paragraph shall bear an annual inter-  
4                   est rate of 1 percent.

5                   “(iii) LOAN LOSS RESERVE FUND.—

6                   The Secretary shall require each  
7                   microenterprise development organization  
8                   that receives a direct loan under this para-  
9                   graph to—

10                   “(I) establish a loan loss reserve  
11                   fund; and

12                   “(II) maintain the reserve fund  
13                   in an amount equal to at least 5 per-  
14                   cent of the outstanding balance of  
15                   such loans owed by the  
16                   microenterprise development organi-  
17                   zation, until all obligations owed to  
18                   the Secretary under this paragraph  
19                   are repaid.

20                   “(iv) DEFERRAL OF INTEREST AND  
21                   PRINCIPAL.—The Secretary shall permit  
22                   the deferral of payments on principal and  
23                   interest due on a loan made under this  
24                   paragraph during the 2-year period begin-

1                   ning on the date on which the loan is  
2                   made.

3                   “(E) TECHNICAL ASSISTANCE GRANT  
4                   AMOUNTS.—

5                   “(i) IN GENERAL.—Except as other-  
6                   wise provided in this section, each  
7                   microenterprise development organization  
8                   that receives a direct loan under this para-  
9                   graph shall be eligible to receive a technical  
10                  assistance grant to provide marketing,  
11                  management, and technical assistance to  
12                  rural microenterprises that are borrowers  
13                  or potential borrowers under this sub-  
14                  section.

15                  “(ii) MAXIMUM AMOUNT OF TECH-  
16                  NICAL ASSISTANCE GRANT FOR MICRO-  
17                  ENTERPRISE DEVELOPMENT ORGANIZA-  
18                  TIONS.—Each microenterprise development  
19                  organization that receives a direct loan  
20                  under this paragraph shall receive an an-  
21                  nual technical assistance grant in an  
22                  amount equal to not more than 25 percent  
23                  of the total outstanding balance of  
24                  microloans made by the microenterprise  
25                  development organization under this para-



1 graph, as of the date of provision of the  
2 technical assistance grant.

3 “(iii) MATCHING REQUIREMENT.—

4 “(I) IN GENERAL.—As a condi-  
5 tion of any grant made to a  
6 microentreprise development organi-  
7 zation under this subparagraph, the  
8 Secretary shall require the  
9 microentreprise development organi-  
10 zation to match not less than 15 per-  
11 cent of the total amount of the grant.

12 “(II) FORM OF NON-FEDERAL  
13 SHARE.—The non-Federal share of  
14 the cost of a project described in sub-  
15 clause (I) may be provided—

16 “(aa) in cash; or

17 “(bb) as indirect costs or in-  
18 kind contributions.

19 “(c) ADMINISTRATIVE EXPENSES.—Not more than  
20 10 percent of a grant received by a microentreprise devel-  
21 opment organization for a fiscal year under this section  
22 may be used to pay administrative expenses.

23 “(d) FUNDING.—

24 “(1) MANDATORY FUNDING.—

1           “(A) IN GENERAL.—Of the funds of the  
2           Commodity Credit Corporation, the Secretary  
3           shall use to carry out this section \$40,000,000  
4           for fiscal year 2008, to remain available until  
5           expended.

6           “(B) ALLOCATION OF FUNDS.—Of the  
7           amount made available by subparagraph (A) for  
8           fiscal year 2008—

9                   “(i) not less than \$25,000,000 shall  
10                  be available for use in carrying out sub-  
11                  section (b)(3); and

12                   “(ii) not less than \$15,000,000 shall  
13                  be available for use in carrying out sub-  
14                  section (b)(4), of which not more than  
15                  \$7,000,000 shall be used for the cost of di-  
16                  rect loans.

17           “(2) AUTHORIZATION OF APPROPRIATIONS.—In  
18           addition to amounts made available under paragraph  
19           (1), there are authorized to be appropriated such  
20           sums as are necessary to carry out this section for  
21           each of fiscal years 2009 through 2012.”.

22 **SEC. 6023. ARTISANAL CHEESE CENTERS.**

23           Subtitle D of the Consolidated Farm and Rural De-  
24           velopment Act is amended by inserting after section 366  
25           (as added by section 6022) the following:

1 **“SEC. 367. ARTISANAL CHEESE CENTERS.**

2 “(a) IN GENERAL.—The Secretary shall establish  
3 artisanal cheese centers to provide educational and tech-  
4 nical assistance relating to the manufacture and mar-  
5 keting of artisanal cheese by small- and medium-sized pro-  
6 ducers and businesses.

7 “(b) AUTHORIZATION OF APPROPRIATIONS.—There  
8 is authorized to be appropriated such sums as are nec-  
9 essary to carry out this section for each of fiscal years  
10 2008 through 2012.”.

11 **SEC. 6024. NATIONAL RURAL DEVELOPMENT PARTNER-**  
12 **SHIP.**

13 Section 378 of the Consolidated Farm and Rural De-  
14 velopment Act (7 U.S.C. 2008m) is amended—

15 (1) in subsection (g)(1), by striking “2007”  
16 and inserting “2012”; and

17 (2) in subsection (h), by striking “the date that  
18 is 5 years after the date of enactment of this sec-  
19 tion” and inserting “September 30, 2012”.

20 **SEC. 6025. HISTORIC BARN PRESERVATION.**

21 Section 379A(e) of the Consolidated Farm and Rural  
22 Development Act (7 U.S.C. 2008o(e)) is amended—

23 (1) by striking paragraph (2) and inserting the  
24 following:

25 “(2) ELIGIBLE PROJECTS.—

1           “(A) IN GENERAL.—A grant under this  
2 subsection may be made to an eligible applicant  
3 for a project—

4           “(i) to rehabilitate or repair a historic  
5 barn;

6           “(ii) to preserve a historic barn; and

7           “(iii) to identify, document, survey,  
8 and conduct research on a historic barn or  
9 historic farm structure to develop and  
10 evaluate appropriate techniques or best  
11 practices for protecting historic barns.

12           “(B) PRIORITY.—The Secretary shall give  
13 the highest funding priority to grants for  
14 projects described in subparagraph (A)(iii).”;  
15 and

16           (2) in paragraph (4), by striking “2007” and  
17 inserting “2012”.

18 **SEC. 6026. GRANTS FOR NOAA WEATHER RADIO TRANSMIT-**

19 **TERS.**

20           Section 379B(d) of the Consolidated Farm and Rural  
21 Development Act (7 U.S.C. 2008p(d)) is amended by  
22 striking “2007” and inserting “2012”.

1 **SEC. 6027. GRANTS TO TRAIN FARM WORKERS IN NEW**  
2 **TECHNOLOGIES AND TO TRAIN FARM WORK-**  
3 **ERS IN SPECIALIZED SKILLS NECESSARY FOR**  
4 **HIGHER VALUE CROPS.**

5 Section 379C(c) of the Consolidated Farm and Rural  
6 Development Act (7 U.S.C. 2008q(c)) is amended by  
7 striking “2007” and inserting “2012”.

8 **SEC. 6028. GRANTS FOR EXPANSION OF EMPLOYMENT OP-**  
9 **PORTUNITIES FOR INDIVIDUALS WITH DIS-**  
10 **ABILITIES IN RURAL AREAS.**

11 Subtitle D of the Consolidated Farm and Rural De-  
12 velopment Act (7 U.S.C. 1981 et seq.) is amended by add-  
13 ing at the end the following:

14 **“SEC. 379E. GRANTS FOR EXPANSION OF EMPLOYMENT OP-**  
15 **PORTUNITIES FOR INDIVIDUALS WITH DIS-**  
16 **ABILITIES IN RURAL AREAS.**

17 “(a) DEFINITIONS.—In this section:

18 “(1) INDIVIDUAL WITH A DISABILITY.—The  
19 term ‘individual with a disability’ means an indi-  
20 vidual with a disability (as defined in section 3 of  
21 the Americans with Disabilities Act of 1990 (42  
22 U.S.C. 12102)).

23 “(2) INDIVIDUALS WITH DISABILITIES.—The  
24 term ‘individuals with disabilities’ means more than  
25 1 individual with a disability.

1           “(b) GRANTS.—The Secretary shall make grants to  
2 nonprofit organizations, or to a consortium of nonprofit  
3 organizations, to expand and enhance employment oppor-  
4 tunities for individuals with disabilities in rural areas.

5           “(c) ELIGIBILITY.—To be eligible to receive a grant  
6 under this section, a nonprofit organization or consortium  
7 of nonprofit organizations shall have—

8                   “(1) a significant focus on serving the needs of  
9 individuals with disabilities;

10                   “(2) demonstrated knowledge and expertise  
11 in—

12                           “(A) employment of individuals with dis-  
13 abilities; and

14                           “(B) advising private entities on accessi-  
15 bility issues involving individuals with disabil-  
16 ities;

17                   “(3) expertise in removing barriers to employ-  
18 ment for individuals with disabilities, including ac-  
19 cess to transportation, assistive technology, and  
20 other accommodations;

21                   “(4) existing relationships with national organi-  
22 zations focused primarily on the needs of rural  
23 areas;

24                   “(5) affiliates in a majority of the States; and

1           “(6) a close working relationship with the De-  
2           partment of Agriculture.

3           “(d) USES.—A grant received under this section may  
4           be used only to expand or enhance—

5           “(1) employment opportunities for individuals  
6           with disabilities in rural areas by developing national  
7           technical assistance and education resources to as-  
8           sist small businesses in a rural area to recruit, hire,  
9           accommodate, and employ individuals with disabili-  
10          ties; and

11          “(2) self-employment and entrepreneurship op-  
12          portunities for individuals with disabilities in a rural  
13          area.

14          “(e) AUTHORIZATION OF APPROPRIATIONS.—There  
15          is authorized to be appropriated to carry out this section  
16          \$2,000,000 for each of fiscal years 2008 through 2012.”.

17       **SEC. 6029. DELTA REGIONAL AUTHORITY.**

18          (a) HEALTH CARE SERVICES.—Section 382C of the  
19          Consolidated Farm and Rural Development Act (7 U.S.C.  
20          2009aa–2) is amended by adding at the end the following:

21          “(c) HEALTH CARE SERVICES.—

22               “(1) IN GENERAL.—Subject to the availability  
23               of appropriated funds, the Secretary may award a  
24               grant to the Delta Health Alliance for the develop-  
25               ment of health care services, health education pro-

1       grams, and health care job training programs fields,  
2       and for the development and expansion of public  
3       health-related facilities, in the Mississippi Delta re-  
4       gion to address longstanding and unmet health  
5       needs in the Mississippi Delta region.

6               “(2) USE.—As a condition of the receipt of the  
7       grant, the Delta Health Alliance shall use the grant  
8       to fund projects and activities described in para-  
9       graph (1), based on input solicited from local gov-  
10      ernments, public health care providers, and other en-  
11      tities in the Mississippi Delta region.

12              “(3) FEDERAL INTEREST IN PROPERTY.—Not-  
13      withstanding any other provision of law, with respect  
14      to the use of grant funds provided under this sub-  
15      section for a project involving the construction or  
16      major alteration of property, the Federal interest in  
17      the property shall terminate on the earlier of—

18                      “(A) the date that is 1 year after the date  
19                      of the completion of the project; or

20                      “(B) the date on which the Federal Gov-  
21                      ernment is compensated for the proportionate  
22                      interest of the Federal Government in the prop-  
23                      erty, if the use of the property changes or the  
24                      property is transferred or sold.”.



1 (b) AUTHORIZATION OF APPROPRIATIONS.—Section  
2 382M(a) of the Consolidated Farm and Rural Develop-  
3 ment Act (7 U.S.C. 2009aa–12(a)) is amended by striking  
4 “2007” and inserting “2012”.

5 (c) TERMINATION OF AUTHORITY.—Section 382N of  
6 the Consolidated Farm and Rural Development Act (7  
7 U.S.C. 2009aa–13) is amended by striking “2007” and  
8 inserting “2012”.

9 (d) DELTA REGION AGRICULTURAL ECONOMIC DE-  
10 VELOPMENT.—Section 379D(b) of the Consolidated Farm  
11 and Rural Development Act (7 U.S.C. 2008r(b)) is  
12 amended by striking “2007” and inserting “2012”.

13 **SEC. 6030. NORTHERN GREAT PLAINS REGIONAL AUTHOR-**  
14 **ITY.**

15 (a) ESTABLISHMENT.—Section 383B of the Consoli-  
16 dated Farm and Rural Development Act (7 U.S.C.  
17 2009bb–1) is amended—

18 (1) in subsection (a), by adding at the end the  
19 following:

20 “(4) FAILURE TO CONFIRM.—

21 “(A) FEDERAL MEMBER.—Notwith-  
22 standing any other provision of this section, if  
23 a Federal member described in paragraph  
24 (2)(A) has not been confirmed by the Senate by  
25 not later than 180 days after the date of enact-

1           ment of this paragraph, the Authority may or-  
2           ganize and operate without the Federal mem-  
3           ber.

4           “(B) INDIAN CHAIRPERSON.—Notwith-  
5           standing any other provision of this section, if  
6           a chairperson of an Indian Tribe described in  
7           paragraph (2)(C) has not been confirmed by  
8           the Senate by not later than 180 days after the  
9           date of enactment of this paragraph, the lead-  
10          ers of the Indian tribes in the region may select  
11          that member.”;

12          (2) in subsection (d)—

13                (A) in paragraph (1), by striking “to es-  
14                tablish priorities and” and inserting “for  
15                multistate cooperation to advance the economic  
16                and social well-being of the region and to”

17                (B) in paragraph (3), by striking “local de-  
18                velopment districts,” and inserting “regional  
19                and local development districts or organizations,  
20                regional boards established under subtitle I,”;

21                (C) in paragraph (4), by striking “coopera-  
22                tion;” and inserting “cooperation for—

23                        “(i) renewable energy development  
24                        and transmission;

1 “(ii) transportation planning and eco-  
2 nomic development;

3 “(iii) information technology;

4 “(iv) movement of freight and individ-  
5 uals within the region;

6 “(v) federally-funded research at insti-  
7 tutions of higher education; and

8 “(vi) conservation land manage-  
9 ment;”;

10 (D) by striking paragraph (6) and insert-  
11 ing the following:

12 “(6) enhance the capacity of, and provide sup-  
13 port for, multistate development and research orga-  
14 nizations, local development organizations and dis-  
15 tricts, and resource conservation districts in the re-  
16 gion;” and

17 (E) in paragraph (7), by inserting “renew-  
18 able energy,” after “commercial,”.

19 (3) in subsection (f)(2), by striking “the Fed-  
20 eral cochairperson” and inserting “a cochairperson”;

21 (4) in subsection (g)(1), by striking subpara-  
22 graphs (A) through (C) and inserting the following:

23 “(A) for each of fiscal years 2008 and  
24 2009, 100 percent;

25 “(B) for fiscal year 2010, 75 percent; and

1                   “(C) for fiscal year 2011 and each fiscal  
2                   year thereafter, 50 percent.”.

3           (b) INTERSTATE COOPERATION FOR ECONOMIC OP-  
4   PORTUNITY AND EFFICIENCY.—

5           (1) IN GENERAL.—Subtitle G of the Consoli-  
6           dated Farm and Rural Development Act is amend-  
7           ed—

8                   (A) by redesignating sections 383C  
9                   through 383N (7 U.S.C. 2009bb–2 through  
10                   2009bb–13) as sections 383D through 383O,  
11                   respectively; and

12                   (B) by inserting after section 383B (7  
13                   U.S.C. 2009bb–1) the following:

14   **“SEC. 383C. INTERSTATE COOPERATION FOR ECONOMIC**  
15                   **OPPORTUNITY AND EFFICIENCY.**

16           “(a) IN GENERAL.—The Authority shall provide as-  
17           sistance to States in developing regional plans to address  
18           multistate economic issues, including plans—

19                   “(1) to develop a regional transmission system  
20                   for movement of renewable energy to markets out-  
21                   side the region,

22                   “(2) to assist in the harmonization of transpor-  
23                   tation policies and regulations that impact the inter-  
24                   state movement of goods and individuals, including

1 the establishment of a Northern Great Plains Re-  
2 gional Transportation Working Group;

3 “(3) to encourage and support interstate col-  
4 laboration on federally-funded research that is in the  
5 national interest; and

6 “(4) to establish a Regional Working Group on  
7 Agriculture Development and Transportation.

8 “(b) ECONOMIC ISSUES.—The multistate economic  
9 issues referred to in subsection (a) shall include—

10 “(1) renewable energy development and trans-  
11 mission;

12 “(2) transportation planning and economic de-  
13 velopment;

14 “(3) information technology;

15 “(4) movement of freight and individuals within  
16 the region;

17 “(5) federally-funded research at institutions of  
18 higher education; and

19 “(6) conservation land management.”.

20 (2) CONFORMING AMENDMENTS.—

21 (A) Section 383B(c)(3)(B) of the Consoli-  
22 dated Farm and Rural Development Act (7  
23 U.S.C. 2009bb–1(c)(3)(B)) is amended by  
24 striking “383I” and inserting “383J”.

1 (B) Section 383D(a) of the Consolidated  
2 Farm and Rural Development Act (as redesign-  
3 nated by paragraph (1)(A)) is amended by  
4 striking “383I” and inserting “383J”.

5 (C) Section 383E of the Consolidated  
6 Farm and Rural Development Act (as so redesi-  
7 gnated) is amended—

8 (i) in subsection (b)(1), by striking  
9 “383F(b)” and inserting “383G(b)”; and

10 (ii) in subsection (c)(2)(A), by strik-  
11 ing “383I” and inserting “383J”.

12 (D) Section 383G of the Consolidated  
13 Farm and Rural Development Act (as so redesi-  
14 gnated) is amended—

15 (i) in subsection (b)—

16 (I) in paragraph (1), by striking  
17 “383M” and inserting “383N”; and

18 (II) in paragraph (2), by striking  
19 “383D(b)” and inserting “383E(b)”;  
20

21 (ii) in subsection (c)(2)(A), by strik-  
22 ing “383E(b)” and inserting “383F(b)”;  
23

24 and

25 (iii) in subsection (d)—

(I) by striking “383M” and in-  
serting “383N”; and

1 (II) by striking “383C(a)” and  
2 inserting “383D(a)”.

3 (E) Section 383J(c)(2) of the Consolidated  
4 Farm and Rural Development Act (as so reded-  
5 igned) is amended by striking “383H” and  
6 inserting “383I”.

7 (c) ECONOMIC AND COMMUNITY DEVELOPMENT  
8 GRANTS.—Section 383D of the Consolidated Farm and  
9 Rural Development Act (as redesignated by subsection  
10 (b)(1)(A)) is amended—

11 (1) in subsection (a)—

12 (A) in paragraph (1), by striking “trans-  
13 portation and telecommunication” and inserting  
14 “transportation, renewable energy transmission,  
15 and telecommunication”; and

16 (B) by redesignating paragraphs (1) and  
17 (2) as paragraphs (2) and (1), respectively, and  
18 moving those paragraphs so as to appear in nu-  
19 merical order; and

20 (2) in subsection (b)(2), by striking “the activi-  
21 ties in the following order or priority” and inserting  
22 “the following activities”.

23 (d) SUPPLEMENTS TO FEDERAL GRANT PRO-  
24 GRAMS.—Section 383E(a) of the Consolidated Farm and  
25 Rural Development Act (as redesignated by subsection

1 (b)(1)(A)) is amended by striking “, including local devel-  
2 opment districts,”.

3 (e) **MULTISTATE AND LOCAL DEVELOPMENT DIS-**  
4 **TRICTS AND ORGANIZATIONS AND NORTHERN GREAT**  
5 **PLAINS INC.**—Section 383F of the Consolidated Farm  
6 and Rural Development Act (as redesignated by sub-  
7 section (b)(1)(A)) is amended—

8 (1) by striking the section heading and insert-  
9 ing “**MULTISTATE AND LOCAL DEVELOPMENT**  
10 **DISTRICTS AND ORGANIZATIONS AND NORTH-**  
11 **ERN GREAT PLAINS INC.**”;

12 (2) by striking subsections (a) and (b) and in-  
13 serting the following:

14 “(a) **DEFINITION OF MULTISTATE AND LOCAL DE-**  
15 **VELOPMENT DISTRICT OR ORGANIZATION.**—In this sec-  
16 tion, the term ‘multistate and local development district  
17 or organization’ means an entity—

18 “(1) that—

19 “(A) is a planning district in existence on  
20 the date of enactment of this subtitle that is  
21 recognized by the Economic Development Ad-  
22 ministration of the Department of Commerce;  
23 or

24 “(B) is—



1           “(i) organized and operated in a man-  
2           ner that ensures broad-based community  
3           participation and an effective opportunity  
4           for other nonprofit groups to contribute to  
5           the development and implementation of  
6           programs in the region;

7           “(ii) a nonprofit incorporated body or-  
8           ganized or chartered under the law of the  
9           State in which the entity is located;

10          “(iii) a nonprofit agency or instru-  
11          mentality of a State or local government;

12          “(iv) a public organization established  
13          before the date of enactment of this sub-  
14          title under State law for creation of multi-  
15          jurisdictional, area-wide planning organiza-  
16          tions;

17          “(v) a nonprofit agency or instrumen-  
18          tality of a State that was established for  
19          the purpose of assisting with multistate co-  
20          operation; or

21          “(vi) a nonprofit association or com-  
22          bination of bodies, agencies, and instru-  
23          mentalities described in clauses (ii)  
24          through (v); and

1           “(2) that has not, as certified by the Federal  
2           cochairperson—

3                   “(A) inappropriately used Federal grant  
4                   funds from any Federal source; or

5                   “(B) appointed an officer who, during the  
6                   period in which another entity inappropriately  
7                   used Federal grant funds from any Federal  
8                   source, was an officer of the other entity.

9           “(b) GRANTS TO MULTISTATE, LOCAL, OR REGIONAL  
10           DEVELOPMENT DISTRICTS AND ORGANIZATIONS.—

11                   “(1) IN GENERAL.—The Authority may make  
12                   grants for administrative expenses under this section  
13                   to multistate, local, and regional development dis-  
14                   tricts and organizations.

15                   “(2) CONDITIONS FOR GRANTS.—

16                           “(A) MAXIMUM AMOUNT.—The amount of  
17                           any grant awarded under paragraph (1) shall  
18                           not exceed 80 percent of the administrative ex-  
19                           penses of the regional or local development dis-  
20                           trict or organization receiving the grant.

21                           “(B) MAXIMUM PERIOD.—No grant de-  
22                           scribed in paragraph (1) shall be awarded for a  
23                           period greater than 3 years.

24                   “(3) LOCAL SHARE.—The contributions of a re-  
25                   gional or local development district or organization

1 for administrative expenses may be in cash or in  
2 kind, fairly evaluated, including space, equipment,  
3 and services.”; and

4 (3) in subsection (c)—

5 (A) by striking “DUTIES” and inserting  
6 “AUTHORITIES”; and

7 (B) in the matter preceding paragraph (1),  
8 by striking “shall” and inserting “may”.

9 (f) DISTRESSED COUNTIES AND AREAS AND NONDIS-  
10 TRESSED COUNTIES.—Section 383G of the Consolidated  
11 Farm and Rural Development Act (as redesignated by  
12 subsection (b)(1)(A)) is amended—

13 (1) in subsection (b)(1), by striking “75” and  
14 inserting “50”;

15 (2) by striking subsection (c);

16 (3) by redesignating subsection (d) as sub-  
17 section (c); and

18 (4) in subsection (c) (as so redesignated)—

19 (A) in the subsection heading, by inserting  
20 “, RENEWABLE ENERGY,” after “TELE-  
21 COMMUNICATION,”; and

22 (B) by inserting “, renewable energy,”  
23 after “telecommunication,”.

24 (g) DEVELOPMENT PLANNING PROCESS.—Section  
25 383H of the Consolidated Farm and Rural Development

1 Act (as redesignated by subsection (b)(1)(A)) is amend-  
2 ed—

3 (1) in subsection (c)(1), by striking subpara-  
4 graph (A) and inserting the following:

5 “(A) multistate, regional, and local devel-  
6 opment districts and organizations; and”; and

7 (2) in subsection (d)(1), by striking “State and  
8 local development districts” and inserting  
9 “multistate, regional, and local development districts  
10 and organizations”.

11 (h) PROGRAM DEVELOPMENT CRITERIA.—Section  
12 383I(a)(1) of the Consolidated Farm and Rural Develop-  
13 ment Act (as redesignated by subsection (b)(1)(A)) is  
14 amended by inserting “multistate or” before “regional”.

15 (i) AUTHORIZATION OF APPROPRIATIONS.—Section  
16 383N(a) of the Consolidated Farm and Rural Develop-  
17 ment Act (as redesignated by subsection (b)(1)(A)) is  
18 amended by striking “2002 through 2007” and inserting  
19 “2008 through 2012”.

20 (j) TERMINATION OF AUTHORITY.—Section 383O of  
21 the Consolidated Farm and Rural Development Act (as  
22 redesignated by subsection (b)(1)(A)) is amended by strik-  
23 ing “2007” and inserting “2012”.

1 **SEC. 6031. RURAL BUSINESS INVESTMENT PROGRAM.**

2 (a) ISSUANCE AND GUARANTEE OF TRUST CERTIFI-  
3 CATES.—Section 384F of the Consolidated Farm and  
4 Rural Development Act (7 U.S.C. 2009cc–5) is amend-  
5 ed—

6 (1) in subsection (a)(1), by inserting “, includ-  
7 ing an investment pool created entirely by such bank  
8 or savings association” before the period at the end;

9 (2) in subsection (b)(3)(A), by striking “In the  
10 event” and inserting the following:

11 “(i) AUTHORITY TO PREPAY.—A de-  
12 benture may be prepaid at any time with-  
13 out penalty.

14 “(ii) REDUCTION OF GUARANTEE.—  
15 Subject to clause (i), if”; and

16 (3) in subsection (e), by adding at the end the  
17 following:

18 “(6) DISTRIBUTIONS.—

19 “(A) IN GENERAL.—The Secretary shall  
20 authorize distributions to investors for unreal-  
21 ized income from a debenture.

22 “(B) TREATMENT.—Distributions made by  
23 a rural business investment company to an in-  
24 vestor of private capital in the rural business  
25 investment company for the purpose of covering  
26 the tax liability of the investor resulting from

1 unrealized income of the rural business invest-  
2 ment company shall not require the repayment  
3 of a debenture.”.

4 (b) FEES.—Section 384G of the Consolidated Farm  
5 and Rural Development Act (7 U.S.C. 2009cc–6) is  
6 amended—

7 (1) in subsection (a), by striking “such fees as  
8 the Secretary considers appropriate” and inserting  
9 “a fee that does not exceed \$500”;

10 (2) in subsection (b), by striking “approved by  
11 the Secretary” and inserting “that does not exceed  
12 \$500”; and

13 (3) in subsection (c)—

14 (A) in paragraph (1), by striking “The”  
15 and inserting “Except as provided in paragraph  
16 (3), the”;

17 (B) in paragraph (2)—

18 (i) in subparagraph (A), by striking  
19 “and” at the end;

20 (ii) in subparagraph (B), by striking  
21 the period at the end and inserting “;  
22 and”; and

23 (iii) by adding at the end the fol-  
24 lowing:

1                   “(C) shall not exceed \$500 for any fee col-  
2                   lected under this subsection.”; and

3                   (C) by adding at the end the following:

4                   “(3) PROHIBITION ON COLLECTION OF CERTAIN  
5                   FEES.—In the case of a license described in para-  
6                   graph (1) that was approved before July 1, 2007,  
7                   the Secretary shall not collect any fees due on or  
8                   after the date of enactment of this paragraph.”.

9                   (c) RURAL BUSINESS INVESTMENT COMPANIES.—  
10                  Section 384I(c) of the Consolidated Farm and Rural De-  
11                  velopment Act (7 U.S.C. 2009cc–8(c)) is amended—

12                   (1) by redesignating paragraph (3) as para-  
13                   graph (4); and

14                   (2) by inserting after paragraph (2) the fol-  
15                   lowing:

16                   “(3) TIME FRAME.—Each rural business invest-  
17                   ment company shall have a period of 2 years to meet  
18                   the capital requirements of this subsection.”.

19                   (d) FINANCIAL INSTITUTION INVESTMENTS.—Sec-  
20                  tion 384J of the Consolidated Farm and Rural Develop-  
21                  ment Act (7 U.S.C. 2009cc–9) is amended by striking sub-  
22                  section (c).

23                   (e) CONTRACTING OF FUNCTIONS.—Section 384Q of  
24                  the Consolidated Farm and Rural Development Act (7  
25                  U.S.C. 2009cc–16) is repealed.

1 (f) FUNDING.—The Consolidated Farm and Rural  
2 Development Act is amended by striking section 384S (7  
3 U.S.C. 2009cc–18) and inserting the following:

4 **“SEC. 384S. AUTHORIZATION OF APPROPRIATIONS.**

5 “There are authorized to be appropriated such sums  
6 as are necessary to carry out this subtitle.”.

7 **SEC. 6032. RURAL COLLABORATIVE INVESTMENT PRO-**  
8 **GRAM.**

9 Subtitle I of the Consolidated Farm and Rural Devel-  
10 opment Act (7 U.S.C. 2009dd et seq.) is amended to read  
11 as follows:

12 **“Subtitle I—Rural Collaborative**  
13 **Investment Program**

14 **“SEC. 385A. PURPOSE.**

15 “The purpose of this subtitle is to establish a regional  
16 rural collaborative investment program—

17 “(1) to provide rural regions with a flexible in-  
18 vestment vehicle, allowing for local control with Fed-  
19 eral oversight, assistance, and accountability;

20 “(2) to provide rural regions with incentives  
21 and resources to develop and implement comprehen-  
22 sive strategies for achieving regional competitiveness,  
23 innovation, and prosperity;

24 “(3) to foster multisector community and eco-  
25 nomic development collaborations that will optimize



1 the asset-based competitive advantages of rural re-  
2 gions with particular emphasis on innovation, entre-  
3 preneurship, and the creation of quality jobs;

4 “(4) to foster collaborations necessary to pro-  
5 vide the professional technical expertise, institutional  
6 capacity, and economies of scale that are essential  
7 for the long-term competitiveness of rural regions;  
8 and

9 “(5) to better use Department of Agriculture  
10 and other Federal, State, and local governmental re-  
11 sources, and to leverage those resources with private,  
12 nonprofit, and philanthropic investments, to achieve  
13 measurable community and economic prosperity,  
14 growth, and sustainability.

15 **“SEC. 385B. DEFINITIONS.**

16 “In this subtitle:

17 “(1) BENCHMARK.—The term ‘benchmark’  
18 means an annual set of goals and performance  
19 measures established for the purpose of assessing  
20 performance in meeting a regional investment strat-  
21 egy of a Regional Board.

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

1           “(3) NATIONAL BOARD.—The term ‘National  
2 Board’ means the National Rural Investment Board  
3 established under section 385C(e).

4           “(4) NATIONAL INSTITUTE.—The term ‘Na-  
5 tional Institute’ means the National Institute on Re-  
6 gional Rural Competitiveness and Entrepreneurship  
7 established under section 385C(b)(2).

8           “(5) REGIONAL BOARD.—The term ‘Regional  
9 Board’ means a Regional Rural Investment Board  
10 described in section 385D(a).

11           “(6) REGIONAL INNOVATION GRANT.—The  
12 term ‘regional innovation grant’ means a grant made  
13 by the Secretary to a certified Regional Board under  
14 section 385F.

15           “(7) REGIONAL INVESTMENT STRATEGY  
16 GRANT.—The term ‘regional investment strategy  
17 grant’ means a grant made by the Secretary to a  
18 certified Regional Board under section 385E.

19 **“SEC. 385C. ESTABLISHMENT AND ADMINISTRATION OF**  
20 **RURAL COLLABORATIVE INVESTMENT PRO-**  
21 **GRAM.**

22           “(a) ESTABLISHMENT.—The Secretary shall estab-  
23 lish a Rural Collaborative Investment Program to support  
24 comprehensive regional investment strategies for achieving  
25 rural competitiveness.

1           “(b) DUTIES OF SECRETARY.—In carrying out this  
2 subtitle, the Secretary shall—

3           “(1) appoint and provide administrative and  
4 program support to the National Board;

5           “(2) establish a national institute, to be known  
6 as the ‘National Institute on Regional Rural Com-  
7 petitiveness and Entrepreneurship’, to provide tech-  
8 nical assistance to the Secretary and the National  
9 Board regarding regional competitiveness and rural  
10 entrepreneurship, including technical assistance  
11 for—

12           “(A) the development of rigorous analytic  
13 programs to assist Regional Boards in deter-  
14 mining the challenges and opportunities that  
15 need to be addressed to receive the greatest re-  
16 gional competitive advantage;

17           “(B) the provision of support for best  
18 practices developed by the Regional Boards;

19           “(C) the establishment of programs to sup-  
20 port the development of appropriate governance  
21 and leadership skills in the applicable regions;  
22 and

23           “(D) the evaluation of the progress and  
24 performance of the Regional Boards in achiev-

1           ing benchmarks established in a regional invest-  
2           ment strategy;

3           “(3) work with the National Board to develop  
4           a national rural investment plan, which shall—

5                   “(A) create a framework to encourage and  
6                   support a more collaborative and targeted rural  
7                   investment portfolio in the United States;

8                   “(B) establish the Rural Philanthropic Ini-  
9                   tiative, to work with rural communities to cre-  
10                  ate and enhance the pool of permanent philan-  
11                  thropic resources committed to rural community  
12                  and economic development;

13                  “(C) cooperate with the Regional Boards  
14                  and State and local governments, organizations,  
15                  and entities to ensure investment strategies are  
16                  developed that take into consideration existing  
17                  rural assets; and

18                  “(D) encourage the organization of Re-  
19                  gional Boards;

20           “(4) certify the eligibility of Regional Boards to  
21           receive regional investment strategy grants and re-  
22           gional innovation grants;

23           “(5) provide grants for Regional Boards to de-  
24           velop and implement regional investment strategies;



1           “(c) NATIONAL RURAL INVESTMENT BOARD.—The  
2 Secretary shall establish within the Department of Agri-  
3 culture a board to be known as the ‘National Rural Invest-  
4 ment Board’.

5           “(d) DUTIES OF NATIONAL BOARD.—The National  
6 Board shall—

7                 “(1) not later than 180 days after the date of  
8 establishment of the National Board, develop rules  
9 relating to the operation of the National Board;

10                “(2) provide advice to the Secretary and subse-  
11 quently review the design, development, and execu-  
12 tion of the National Rural Investment Plan;

13                “(3) provide advice to Regional Boards on  
14 issues, best practices, and emerging trends relating  
15 to rural development; and

16                “(4) provide advice to the Secretary and the  
17 National Institute on the development and execution  
18 of the program under this subtitle.

19           “(e) MEMBERSHIP.—

20                “(1) IN GENERAL.—The National Board shall  
21 consist of 14 members appointed by the Secretary  
22 not later than 180 days after the date of enactment  
23 of the Food and Energy Security Act of 2007.

1           “(2) SUPERVISION.—The National Board shall  
2           be subject to the general supervision and direction of  
3           the Secretary.

4           “(3) SECTORS REPRESENTED.—The National  
5           Board shall consist of representatives from each  
6           of—

7                   “(A) nationally recognized entrepreneur-  
8                   ship organizations;

9                   “(B) regional strategy and development or-  
10                  ganizations;

11                  “(C) community-based organizations;

12                  “(D) elected members of county and mu-  
13                  nicipal governments;

14                  “(E) elected members of State legislatures;

15                  “(F) primary, secondary, and higher edu-  
16                  cation, job skills training, and workforce devel-  
17                  opment institutions;

18                  “(G) the rural philanthropic community;

19                  “(H) financial, lending, venture capital,  
20                  entrepreneurship, and other related institutions;

21                  “(I) private sector business organizations,  
22                  including chambers of commerce and other for-  
23                  profit business interests;

24                  “(J) Indian tribes; and

25                  “(K) cooperative organizations.

1 “(4) SELECTION OF MEMBERS.—

2 “(A) IN GENERAL.—In selecting members  
3 of the National Board, the Secretary shall con-  
4 sider recommendations made by—

5 “(i) the chairman and ranking mem-  
6 ber of each of the Committee on Agri-  
7 culture of the House of Representatives  
8 and the Committee on Agriculture, Nutri-  
9 tion, and Forestry of the Senate;

10 “(ii) the Majority Leader and Minor-  
11 ity Leader of the Senate; and

12 “(iii) the Speaker and Minority Lead-  
13 er of the House of Representatives.

14 “(B) EX-OFFICIO MEMBERS.—In consulta-  
15 tion with the chairman and ranking member of  
16 each of the Committee on Agriculture of the  
17 House of Representatives and the Committee  
18 on Agriculture, Nutrition, and Forestry of the  
19 Senate, the Secretary may appoint not more  
20 than 3 other officers or employees of the Execu-  
21 tive Branch to serve as ex-officio, non-voting  
22 members of the National Board.

23 “(5) TERM OF OFFICE.—

24 “(A) IN GENERAL.—Subject to subpara-  
25 graph (B), the term of office of a member of



1 the National Board appointed under paragraph  
2 (1)(A) shall be for a period of not more than  
3 4 years.

4 “(B) STAGGERED TERMS.—The members  
5 of the National Board shall be appointed to  
6 serve staggered terms.

7 “(6) INITIAL APPOINTMENTS.—Not later than  
8 120 days after the date of enactment of the Food  
9 and Energy Security Act of 2007, the Secretary  
10 shall appoint the initial members of the National  
11 Board.

12 “(7) VACANCIES.—A vacancy on the National  
13 Board shall be filled in the same manner as the  
14 original appointment.

15 “(8) COMPENSATION.—A member of the Na-  
16 tional Board shall receive no compensation for serv-  
17 ice on the National Board, but shall be reimbursed  
18 for related travel and other expenses incurred in car-  
19 rying out the duties of the member of the National  
20 Board in accordance with section 5702 and 5703 of  
21 title 5, United States Code.

22 “(9) CHAIRPERSON.—The National Board shall  
23 select a chairperson from among the members of the  
24 National Board.

1           “(10) FEDERAL STATUS.—For purposes of  
2 Federal law, a member of the National Board shall  
3 be considered a special Government employee (as de-  
4 fined in section 202(a) of title 18, United States  
5 Code).

6           “(f) ADMINISTRATIVE SUPPORT.—The Secretary, on  
7 a reimbursable basis from funds made available under sec-  
8 tion 385H(b)(3), may provide such administrative support  
9 to the National Board as the Secretary determines is nec-  
10 essary to carry out the duties of the National Board.

11 **“SEC. 385D. REGIONAL RURAL INVESTMENT BOARDS.**

12           “(a) IN GENERAL.—A Regional Rural Investment  
13 Board shall be a multijurisdictional and multisectoral  
14 group that—

15           “(1) represents the long-term economic, com-  
16 munity, and cultural interests of a region;

17           “(2) is certified by the Secretary to establish a  
18 rural investment strategy and compete for regional  
19 innovation grants;

20           “(3) is composed of residents of a region that  
21 are broadly representative of diverse public, non-  
22 profit, and private sector interests in investment in  
23 the region, including (to the maximum extent prac-  
24 ticable) representatives of—

1           “(A) units of local government (including  
2 multijurisdictional units of local government);

3           “(B) nonprofit community-based develop-  
4 ment organizations, including community devel-  
5 opment financial institutions and community  
6 development corporations;

7           “(C) agricultural, natural resource, and  
8 other asset-based related industries;

9           “(D) in the case of regions with federally  
10 recognized Indian tribes, Indian tribes;

11           “(E) regional development organizations;

12           “(F) private business organizations, in-  
13 cluding chambers of commerce;

14           “(G)(i) institutions of higher education (as  
15 defined in section 101(a) of the Higher Edu-  
16 cation Act of 1965 (20 U.S.C. 1001(a)));

17           “(ii) tribally controlled colleges or univer-  
18 sities (as defined in section 2(a) of Tribally  
19 Controlled College or University Assistance Act  
20 of 1978 (25 U.S.C. 1801(a))); and

21           “(iii) tribal technical institutions;

22           “(H) workforce and job training organiza-  
23 tions;

24           “(I) other entities and organizations, as  
25 determined by the Regional Board;

1 “(J) cooperatives; and

2 “(K) consortia of entities and organiza-  
3 tions described in subparagraphs (A) through  
4 (J);

5 “(4) represents a region inhabited by—

6 “(A) more than 25,000 individuals, as de-  
7 termined in the latest available decennial census  
8 conducted under section 141(a) of title 13,  
9 United States Code; or

10 “(B) in the case of a region with a popu-  
11 lation density of less than 2 individuals per  
12 square mile, at least 10,000 individuals, as de-  
13 termined in that latest available decennial cen-  
14 sus;

15 “(5) has a membership of which not less than  
16 25 percent, nor more than 40 percent, represents—

17 “(A) units of local government and Indian  
18 tribes described in subparagraphs (A) and (D)  
19 of paragraph (3);

20 “(B) nonprofit community and economic  
21 development organizations and institutions of  
22 higher education described in subparagraphs  
23 (B) and (G) of paragraph (3); or

24 “(C) private business (including chambers  
25 of commerce and cooperatives) and agricultural,

1 natural resource, and other asset-based related  
2 industries described in subparagraphs (C) and  
3 (F) of paragraph (3);

4 “(6) has a membership that may include an of-  
5 ficer or employee of a Federal or State agency, serv-  
6 ing as an ex-officio, nonvoting member of the Re-  
7 gional Board to represent the agency; and

8 “(7) has organizational documents that dem-  
9 onstrate that the Regional Board shall—

10 “(A) create a collaborative, inclusive pub-  
11 lic-private strategy process;

12 “(B) develop, and submit to the Secretary  
13 for approval, a regional investment strategy  
14 that meets the requirements of section 385E,  
15 with benchmarks—

16 “(i) to promote investment in rural  
17 areas through the use of grants made  
18 available under this subtitle; and

19 “(ii) to provide financial and technical  
20 assistance to promote a broad-based re-  
21 gional development program aimed at in-  
22 creasing and diversifying economic growth,  
23 improved community facilities, and im-  
24 proved quality of life;

1           “(C) implement the approved regional in-  
2           vestment strategy;

3           “(D) provide annual reports to the Sec-  
4           retary and the National Board on progress  
5           made in achieving the benchmarks of the re-  
6           gional investment strategy, including an annual  
7           financial statement; and

8           “(E) select a non-Federal organization  
9           (such as a regional development organization)  
10          in the local area served by the Regional Board  
11          that has previous experience in the management  
12          of Federal funds to serve as fiscal manager of  
13          any funds of the Regional Board.

14          “(b) URBAN AREAS.—A resident of an urban area  
15          may serve as an ex-officio member of a Regional Board.

16          “(c) DUTIES.—A Regional Board shall—

17                 “(1) create a collaborative and inclusive plan-  
18                 ning process for public-private investment within a  
19                 region;

20                 “(2) develop, and submit to the Secretary for  
21                 approval, a regional investment strategy;

22                 “(3) develop approaches that will create perma-  
23                 nent resources for philanthropic giving in the region,  
24                 to the maximum extent practicable;

25                 “(4) implement an approved strategy; and

1           “(5) provide annual reports to the Secretary  
2           and the National Board on progress made in achiev-  
3           ing the strategy, including an annual financial state-  
4           ment.

5   **“SEC. 385E. REGIONAL INVESTMENT STRATEGY GRANTS.**

6           “(a) IN GENERAL.—The Secretary shall make re-  
7           gional investment strategy grants available to Regional  
8           Boards for use in developing, implementing, and maintain-  
9           ing regional investment strategies.

10          “(b) REGIONAL INVESTMENT STRATEGY.—A re-  
11          gional investment strategy shall provide—

12                  “(1) an assessment of the competitive advan-  
13          tage of a region, including—

14                          “(A) an analysis of the economic condi-  
15                          tions of the region;

16                          “(B) an assessment of the current eco-  
17                          nomic performance of the region;

18                          “(C) a background overview of the popu-  
19                          lation, geography, workforce, transportation  
20                          system, resources, environment, and infrastruc-  
21                          ture needs of the region; and

22                          “(D) such other pertinent information as  
23                          the Secretary may request;

1           “(2) an analysis of regional economic and com-  
2           munity development challenges and opportunities,  
3           including—

4                   “(A) incorporation of relevant material  
5                   from other government-sponsored or supported  
6                   plans and consistency with applicable State, re-  
7                   gional, and local workforce investment strate-  
8                   gies or comprehensive economic development  
9                   plans; and

10                   “(B) an identification of past, present, and  
11                   projected Federal and State economic and com-  
12                   munity development investments in the region;

13           “(3) a section describing goals and objectives  
14           necessary to solve regional competitiveness chal-  
15           lenges and meet the potential of the region;

16           “(4) an overview of resources available in the  
17           region for use in—

18                   “(A) establishing regional goals and objec-  
19                   tives;

20                   “(B) developing and implementing a re-  
21                   gional action strategy;

22                   “(C) identifying investment priorities and  
23                   funding sources; and

24                   “(D) identifying lead organizations to exe-  
25                   cute portions of the strategy;



1           “(5) an analysis of the current state of collabo-  
2           rative public, private, and nonprofit participation  
3           and investment, and of the strategic roles of public,  
4           private, and nonprofit entities in the development  
5           and implementation of the regional investment strat-  
6           egy;

7           “(6) a section identifying and prioritizing vital  
8           projects, programs, and activities for consideration  
9           by the Secretary, including—

10                   “(A) other potential funding sources; and

11                   “(B) recommendations for leveraging past  
12                   and potential investments;

13           “(7) a plan of action to implement the goals  
14           and objectives of the regional investment strategy;

15           “(8) a list of performance measures to be used  
16           to evaluate the implementation of the regional in-  
17           vestment strategy, including—

18                   “(A) the number and quality of jobs, in-  
19                   cluding self-employment, created during imple-  
20                   mentation of the regional rural investment  
21                   strategy;

22                   “(B) the number and types of investments  
23                   made in the region;

1           “(C) the growth in public, private, and  
2           nonprofit investment in the human, community,  
3           and economic assets of the region;

4           “(D) changes in per capita income and the  
5           rate of unemployment; and

6           “(E) other changes in the economic envi-  
7           ronment of the region;

8           “(9) a section outlining the methodology for use  
9           in integrating the regional investment strategy with  
10          the economic priorities of the State; and

11          “(10) such other information as the Secretary  
12          determines to be appropriate.

13          “(c) MAXIMUM AMOUNT OF GRANT.—A regional in-  
14          vestment strategy grant shall not exceed \$150,000.

15          “(d) COST SHARING.—

16                 “(1) IN GENERAL.—Subject to paragraph (2),  
17                 of the share of the costs of developing, maintaining,  
18                 evaluating, implementing, and reporting with respect  
19                 to a regional investment strategy funded by a grant  
20                 under this section—

21                         “(A) not more than 40 percent may be  
22                         paid using funds from the grant; and

23                         “(B) the remaining share shall be provided  
24                         by the applicable Regional Board or other eligi-  
25                         ble grantee.

1           “(2) FORM.—A Regional Board or other eligi-  
2           ble grantee shall pay the share described in para-  
3           graph (1)(B) in the form of cash, services, materials,  
4           or other in-kind contributions, on the condition that  
5           not more than 50 percent of that share is provided  
6           in the form of services, materials, and other in-kind  
7           contributions.

8   **“SEC. 385F. REGIONAL INNOVATION GRANTS PROGRAM.**

9           “(a) GRANTS.—

10           “(1) IN GENERAL.—The Secretary shall pro-  
11           vide, on a competitive basis, regional innovation  
12           grants to Regional Boards for use in implementing  
13           projects and initiatives that are identified in a re-  
14           gional rural investment strategy approved under sec-  
15           tion 385E.

16           “(2) TIMING.—After October 1, 2008, the Sec-  
17           retary shall provide awards under this section on a  
18           quarterly funding cycle.

19           “(b) ELIGIBILITY.—For a Regional Board to receive  
20           a regional innovation grant, the Secretary shall determine  
21           that—

22           “(1) the regional rural investment strategy of a  
23           Regional Board has been reviewed by the National  
24           Board prior to approval by the Secretary;

1           “(2) the management and organizational struc-  
2           ture of the Regional Board is sufficient to oversee  
3           grant projects, including management of Federal  
4           funds; and

5           “(3) the Regional Board has a plan to achieve,  
6           to the maximum extent practicable, the perform-  
7           ance-based benchmarks of the project in the regional  
8           rural investment strategy of the Regional Board.

9           “(c) LIMITATIONS.—

10           “(1) AMOUNT RECEIVED.—A Regional Board  
11           may not receive more than \$6,000,000 in regional  
12           innovation grants under this section during any 5-  
13           year period.

14           “(2) DETERMINATION OF AMOUNT.—The Sec-  
15           retary shall determine the amount of a regional in-  
16           novation grant based on—

17           “(A) the needs of the region being ad-  
18           dressed by the applicable regional rural invest-  
19           ment strategy consistent with the purposes de-  
20           scribed in subsection (f)(2); and

21           “(B) the size of the geographical area of  
22           the region.

23           “(3) GEOGRAPHIC DIVERSITY.—The Secretary  
24           shall ensure that not more than 10 percent of fund-

1 ing made available under this section is provided to  
2 Regional Boards in any State.

3 “(d) COST-SHARING.—

4 “(1) LIMITATION.—Subject to paragraph (2),  
5 the amount of a grant made under this section shall  
6 not exceed 50 percent of the cost of the project.

7 “(2) WAIVER OF GRANTEE SHARE.—The Sec-  
8 retary may waive the limitation in paragraph (1)  
9 under special circumstances, as determined by the  
10 Secretary, including—

11 “(A) a sudden or severe economic disloca-  
12 tion;

13 “(B) significant chronic unemployment or  
14 poverty;

15 “(C) a natural disaster; or

16 “(D) other severe economic, social, or cul-  
17 tural duress.

18 “(3) OTHER FEDERAL ASSISTANCE.—For the  
19 purpose of determining cost-share limitations for any  
20 other Federal program, funds provided under this  
21 section shall be considered to be non-Federal funds.

22 “(e) PREFERENCES.—In providing regional innova-  
23 tion grants under this section, the Secretary shall give—

1           “(1) a high priority to strategies that dem-  
2           onstrate significant leverage of capital and quality  
3           job creation; and

4           “(2) a preference to an application proposing  
5           projects and initiatives that would—

6                   “(A) advance the overall regional competi-  
7                   tiveness of a region;

8                   “(B) address the priorities of a regional  
9                   rural investment strategy, including priorities  
10                  that—

11                           “(i) promote cross-sector collabora-  
12                           tion, public-private partnerships, or the  
13                           provision of collaborative gap financing or  
14                           seed capital for program implementation;

15                           “(ii) exhibit collaborative innovation  
16                           and entrepreneurship, particularly within a  
17                           public-private partnership; and

18                           “(iii) represent a broad coalition of in-  
19                           terests described in section 385D(a);

20                   “(C) include a strategy to leverage public  
21                   non-Federal and private funds and existing as-  
22                   sets, including agricultural assets, natural as-  
23                   sets, and public infrastructure, with substantial  
24                   emphasis placed on the existence of real finan-

1           cial commitments to leverage the available  
2           funds;

3           “(D) create quality jobs;

4           “(E) enhance the role, relevance, and  
5           leveraging potential of community and regional  
6           foundations in support of regional investment  
7           strategies;

8           “(F) demonstrate a history, or involve or-  
9           ganizations with a history, of successful  
10          leveraging of capital for economic development  
11          and public purposes;

12          “(G) address gaps in existing basic serv-  
13          ices, including technology, within a region;

14          “(H) address economic diversification, in-  
15          cluding agricultural and non-agriculturally  
16          based economies, within a regional framework;

17          “(I) improve the overall quality of life in  
18          the region (including with respect to education,  
19          health care, housing, recreation, and arts and  
20          culture);

21          “(J) enhance the potential to expand eco-  
22          nomic development successes across diverse  
23          stakeholder groups within the region;

24          “(K) include an effective working relation-  
25          ship with 1 or more institutions of higher edu-

1 cation, tribally controlled colleges or univer-  
2 sities, or tribal technical institutions; or

3 “(L) help to meet the other regional com-  
4 petitiveness needs identified by a Regional  
5 Board.

6 “(f) USES.—

7 “(1) LEVERAGE.—A Regional Board shall  
8 prioritize projects and initiatives carried out using  
9 funds from a regional innovation grant provided  
10 under this section, based in part on the degree to  
11 which members of the Regional Board are able to le-  
12 verage additional funds for the implementation of  
13 the projects.

14 “(2) PURPOSES.—A Regional Board may use a  
15 regional innovation grant—

16 “(A) to support the development of critical  
17 infrastructure (including technology deployment  
18 and services) necessary to facilitate the com-  
19 petitiveness of a region;

20 “(B) to provide assistance to entities with-  
21 in the region that provide essential public and  
22 community services;

23 “(C) to enhance the value-added produc-  
24 tion, marketing, and use of agricultural and  
25 natural resources within the region, including



1 activities relating to renewable and alternative  
2 energy production and usage;

3 “(D) to assist with entrepreneurship, job  
4 training, workforce development, housing, edu-  
5 cational, or other quality of life services or  
6 needs, relating to the development and mainte-  
7 nance of strong local and regional economies;

8 “(E) to assist in the development of unique  
9 new collaborations that link public, private, and  
10 philanthropic resources, including community  
11 foundations;

12 “(F) to provide support for business and  
13 entrepreneurial investment, strategy, expansion,  
14 and development, including feasibility strate-  
15 gies, technical assistance, peer networks, and  
16 business development funds;

17 “(G) to carry out other broad activities re-  
18 lating to strengthening the economic competi-  
19 tiveness of the region; and

20 “(H) to provide matching funds to enable  
21 community foundations located within the re-  
22 gion to build endowments which provide perma-  
23 nent philanthropic resources to implement a re-  
24 gional investment strategy.

1           “(3) AVAILABILITY OF FUNDS.—The funds  
2           made available to a Regional Board or any other eli-  
3           gible grantee through a regional innovation grant  
4           shall remain available for the 7-year period begin-  
5           ning on the date on which the award is provided, on  
6           the condition that the Regional Board or other  
7           grantee continues to be certified by the Secretary as  
8           making adequate progress toward achieving estab-  
9           lished benchmarks.

10          “(g) COST SHARING.—

11                 “(1) WAIVER OF GRANTEE SHARE.—The Sec-  
12                 retary may waive the share of a grantee of the costs  
13                 of a project funded by a regional innovation grant  
14                 under this section if the Secretary determines that  
15                 such a waiver is appropriate, including with respect  
16                 to special circumstances within tribal regions, in the  
17                 event an area experiences—

18                         “(A) a sudden or severe economic disloca-  
19                         tion;

20                         “(B) significant chronic unemployment or  
21                         poverty;

22                         “(C) a natural disaster; or

23                         “(D) other severe economic, social, or cul-  
24                         tural duress.

1           “(2) OTHER FEDERAL PROGRAMS.—For the  
2           purpose of determining cost-sharing requirements  
3           for any other Federal program, funds provided as a  
4           regional innovation grant under this section shall be  
5           considered to be non-Federal funds.

6           “(h) NONCOMPLIANCE.—If a Regional Board or  
7           other eligible grantee fails to comply with any requirement  
8           relating to the use of funds provided under this section,  
9           the Secretary may—

10           “(1) take such actions as are necessary to ob-  
11           tain reimbursement of unused grant funds; and

12           “(2) reprogram the recaptured funds for pur-  
13           poses relating to implementation of this subtitle.

14           “(i) PRIORITY TO AREAS WITH AWARDS AND AP-  
15           PROVED STRATEGIES.—

16           “(1) IN GENERAL.—Subject to paragraph (3),  
17           in providing rural development assistance under  
18           other programs, the Secretary shall give a high pri-  
19           ority to areas that receive innovation grants under  
20           this section.

21           “(2) CONSULTATION.—The Secretary shall con-  
22           sult with the heads of other Federal agencies to pro-  
23           mote the development of priorities similar to those  
24           described in paragraph (1).

1           “(3) EXCLUSION OF CERTAIN PROGRAMS.—  
2           Paragraph (1) shall not apply to the provision of  
3           rural development assistance under any program re-  
4           lating to basic health, safety, or infrastructure, in-  
5           cluding broadband deployment or minimum environ-  
6           mental needs.

7   **“SEC. 385G. RURAL ENDOWMENT LOANS PROGRAM.**

8           “(a) IN GENERAL.—The Secretary may provide long-  
9           term loans to eligible community foundations to assist in  
10          the implementation of regional investment strategies.

11          “(b) ELIGIBLE COMMUNITY FOUNDATIONS.—To be  
12          eligible to receive a loan under this section, a community  
13          foundation shall—

14                 “(1) be located in an area that is covered by a  
15                 regional investment strategy;

16                 “(2) match the amount of the loan with an  
17                 amount that is at least 250 percent of the amount  
18                 of the loan; and

19                 “(3) use the loan and the matching amount to  
20                 carry out the regional investment strategy targeted  
21                 to community and economic development, including  
22                 through the development of community foundation  
23                 endowments.

24          “(c) TERMS.—A loan made under this section shall—

1           “(1) have a term of not less than 10, nor more  
2 than 20, years;

3           “(2) bear an interest rate of 1 percent per  
4 annum; and

5           “(3) be subject to such other terms and condi-  
6 tions as are determined appropriate by the Sec-  
7 retary.

8 **“SEC. 385H. FUNDING.**

9           “(a) IN GENERAL.—Of the funds of the Commodity  
10 Credit Corporation, the Secretary shall use \$135,000,000  
11 to carry out this subtitle, to remain available until ex-  
12 pended.

13           “(b) USE BY SECRETARY.—Of the amounts made  
14 available to the Secretary under subsection (a), the Sec-  
15 retary shall use—

16           “(1) \$15,000,000 to be provided for regional in-  
17 vestment strategy grants to Regional Boards under  
18 section 385E;

19           “(2) \$110,000,000 to provide innovation grants  
20 to Regional Boards under section 385F and for the  
21 cost of rural endowment loans under section 385G;

22           “(3) \$5,000,000 for fiscal year 2008 to admin-  
23 ister the duties of the National Board, to remain  
24 available until expended; and

1           “(4) \$5,000,000 for fiscal year 2008 to admin-  
2           ister the National Institute, to remain available until  
3           expended.

4           “(c) AUTHORIZATION OF APPROPRIATIONS.—In ad-  
5           dition to funds otherwise made available to carry out this  
6           subtitle, there are authorized to be appropriated to the  
7           Secretary such sums as are necessary to carry out this  
8           subtitle.”.

9           **SEC. 6033. FUNDING OF PENDING RURAL DEVELOPMENT**

10   **LOAN AND GRANT APPLICATIONS.**

11           (a) DEFINITION OF APPLICATION.—In this section,  
12           the term “application” does not include an application for  
13           a loan or grant that, as of the date of enactment of this  
14           Act, is in the preapplication phase of consideration under  
15           regulations of the Secretary in effect on the date of enact-  
16           ment of this Act.

17           (b) USE OF FUNDS.—Subject to subsection (c), the  
18           Secretary shall use funds made available under subsection  
19           (d) to provide funds for applications that are pending on  
20           the date of enactment of this Act for—

21                           (1) water or waste disposal grants or direct  
22                           loans under paragraph (1) or (2) of section 306(a)  
23                           of the Consolidated Farm and Rural Development  
24                           Act (7 U.S.C. 1926(a)); and

1           (2) emergency community water assistance  
2 grants under section 306A of that Act (7 U.S.C.  
3 1926a).

4 (c) LIMITATIONS.—

5           (1) APPROPRIATED AMOUNTS.—Funds made  
6 available under this section shall be available to the  
7 Secretary to provide funds for applications for loans  
8 and grants described in subsection (b) that are  
9 pending on the date of enactment of this Act only  
10 to the extent that funds for the loans and grants ap-  
11 propriated in the annual appropriations Act for fis-  
12 cal year 2007 have been exhausted.

13           (2) PROGRAM REQUIREMENTS.—The Secretary  
14 may use funds made available under this section to  
15 provide funds for a pending application for a loan or  
16 grant described in subsection (b) only if the Sec-  
17 retary processes, reviews, and approves the applica-  
18 tion in accordance with regulations in effect on the  
19 date of enactment of this Act.

20           (3) PRIORITY.—In providing funding under this  
21 section for pending applications for loans or grants  
22 described in subsection (b), the Secretary shall pro-  
23 vide funding in the following order of priority (until  
24 funds made available under this section are ex-  
25 hausted):

1 (A) Pending applications for water sys-  
2 tems.

3 (B) Pending applications for waste dis-  
4 posal systems.

5 (4) INDIVIDUAL STATES.—In allocating funds  
6 made available under subsection (d), the Secretary  
7 shall use not more 5 percent of the funds for pend-  
8 ing applications for loans or grants described in sub-  
9 section (b) that are made in any individual State.

10 (d) FUNDING.—Notwithstanding any other provision  
11 of law, of the funds of the Commodity Credit Corporation,  
12 the Secretary shall use to carry out this section  
13 \$135,000,000, to remain available until expended.

14 **Subtitle B—Rural Electrification**  
15 **Act of 1936**

16 **SEC. 6101. ENERGY EFFICIENCY PROGRAMS.**

17 Sections 2(a) and 4 of the Rural Electrification Act  
18 of 1936 (7 U.S.C. 902(a), 904) are amended by inserting  
19 “efficiency and” before “conservation” each place it ap-  
20 pears.

21 **SEC. 6102. LOANS AND GRANTS FOR ELECTRIC GENERA-**  
22 **TION AND TRANSMISSION.**

23 (a) IN GENERAL.—Section 4 of the Rural Electrifica-  
24 tion Act of 1936 (7 U.S.C. 904) is amended in the first



1 sentence by striking “authorized and empowered, from the  
2 sums hereinbefore authorized, to” and inserting “shall”.

3 (b) RURAL COMMUNITIES WITH EXTREMELY HIGH  
4 ENERGY COSTS.—Section 19(a) of the Rural Electrifica-  
5 tion Act of 1936 (7 U.S.C. 918a(a)) is amended in the  
6 matter preceding paragraph (1) by striking “may” and in-  
7 serting “shall”.

8 **SEC. 6103. FEES FOR ELECTRIFICATION BASELOAD GEN-**  
9 **ERATION LOAN GUARANTEES.**

10 The Rural Electrification Act of 1936 is amended by  
11 inserting after section 4 (7 U.S.C. 904) the following:

12 **“SEC. 5. FEES FOR ELECTRIFICATION BASELOAD GENERA-**  
13 **TION LOAN GUARANTEES.**

14 “(a) IN GENERAL.—For electrification baseload gen-  
15 eration loan guarantees made under this section, the Sec-  
16 retary shall, at the request of the borrower, charge an up-  
17 front fee to cover the costs of the loan guarantee.

18 “(b) FEE.—

19 “(1) IN GENERAL.—The fee described in sub-  
20 section (a) for a loan guarantee shall be at least  
21 equal to the costs of the loan guarantee (within the  
22 meaning of section 502(5)(C) of the Federal Credit  
23 Reform Act of 1990 (2 U.S.C. 661a(5)(C)).

24 “(2) SEPARATE FEE.—The Secretary may es-  
25 tablish a separate fee for each loan.

1           “(c) ELIGIBILITY.—To be eligible for an electrifica-  
2 tion baseload generation loan guarantee under this sec-  
3 tion, a borrower shall—

4           “(1) provide a rating of the loan, exclusive of  
5 the Federal guarantee, by an organization identified  
6 by the Securities and Exchange Commission as a na-  
7 tionally recognized statistical rating organization  
8 that determines that the loan has at least a AA rat-  
9 ing, or equivalent rating, as determined by the Sec-  
10 retary; or

11           “(2) obtain insurance or a guarantee for the  
12 full and timely repayment of principal and interest  
13 on the loan from an entity that has at least an AA  
14 or equivalent rating by a nationally recognized sta-  
15 tistical rating organization.

16           “(d) LIMITATION.—Funds received from a borrower  
17 to pay for the fees described in this section shall not be  
18 derived from a loan or other debt obligation that is made  
19 or guaranteed by the Federal Government.”.

20 **SEC. 6104. DEFERMENT OF PAYMENTS TO ALLOWS LOANS**  
21 **FOR IMPROVED ENERGY EFFICIENCY AND**  
22 **DEMAND REDUCTION.**

23           Section 12 of the Rural Electrification Act of 1936  
24 (7 U.S.C. 912) is amended by adding at the end the fol-  
25 lowing:

1           “(c) DEFERMENT OF PAYMENTS TO ALLOWS LOANS  
2 FOR IMPROVED ENERGY EFFICIENCY AND DEMAND RE-  
3 Duction.—

4           “(1) IN GENERAL.—The Secretary shall allow  
5 borrowers to defer payment of principal and interest  
6 on any direct loan made under this Act to enable the  
7 borrower to make loans to residential, commercial,  
8 and industrial consumers to install energy efficient  
9 measures or devices that reduce the demand on elec-  
10 tric systems.

11           “(2) AMOUNT.—The total amount of a  
12 deferment under this subsection shall not exceed the  
13 sum of the principal and interest on the loans made  
14 to a customer of the borrower, as determined by the  
15 Secretary.

16           “(3) TERM.—The term of a deferment under  
17 this subsection shall not exceed 60 months.”.

18 **SEC. 6105. RURAL ELECTRIFICATION ASSISTANCE.**

19           Section 13 of the Rural Electrification Act of 1936  
20 (7 U.S.C. 913) is amended to read as follows:

21 **“SEC. 13. DEFINITIONS.**

22           “In this Act:

23           “(1) FARM.—The term ‘farm’ means a farm, as  
24 defined by the Bureau of the Census.

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

5           “(3) RURAL AREA.—

6                   “(A) IN GENERAL.—Except as provided  
7                   otherwise in this Act, the term ‘rural area’  
8                   means the farm and nonfarm population of—

9                           “(i) any area described in section  
10                           343(a)(13)(A) of the Consolidated Farm  
11                           and Rural Development Act (7 U.S.C.  
12                           1991(a)(13)(A)); and

13                           “(ii) any area within a service area of  
14                           a borrower for which a borrower has an  
15                           outstanding loan made under titles I  
16                           through V as of the date of enactment of  
17                           this paragraph.

18                   “(B) RURAL BROADBAND ACCESS.—For  
19                   the purpose of loans and loan guarantees made  
20                   under section 601, the term ‘rural area’ has the  
21                   meaning given the term in section  
22                   343(a)(13)(C) of the Consolidated Farm and  
23                   Rural Development Act (7 U.S.C.  
24                   1991(a)(13)(C)).

1           “(4) TERRITORY.—The term ‘territory’ includes  
2 any insular possession of the United States.

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

5 **SEC. 6106. GUARANTEES FOR BONDS AND NOTES ISSUED**  
6 **FOR ELECTRIFICATION OR TELEPHONE PUR-**  
7 **POSES.**

8           Section 313A of the Rural Electrification Act of 1936  
9 (7 U.S.C. 940c–1) is amended—

10           (1) in subsection (b)—

11                   (A) in paragraph (1), by striking “for elec-  
12 trification” and all that follows through the end  
13 and inserting “for eligible electrification or tele-  
14 phone purposes consistent with this Act.”; and

15                   (B) by striking paragraph (4) and insert-  
16 ing the following:

17           “(4) ANNUAL AMOUNT.—The total amount of  
18 guarantees provided by the Secretary under this sec-  
19 tion during a fiscal year shall not exceed  
20 \$1,000,000,000, subject to the availability of funds  
21 under subsection (e).”;

22           (2) in subsection (c), by striking paragraphs (2)  
23 and (3) and inserting the following:

24           “(2) AMOUNT.—

1           “(A) IN GENERAL.—The amount of the  
2           annual fee paid for the guarantee of a bond or  
3           note under this section shall be equal to 30  
4           basis points of the amount of the unpaid prin-  
5           cipal of the bond or note guaranteed under this  
6           section.

7           “(B) PROHIBITION.—Except as otherwise  
8           provided in this subsection and subsection  
9           (e)(2), no other fees shall be assessed.

10          “(3) PAYMENT.—

11           “(A) IN GENERAL.—A lender shall pay the  
12           fees required under this subsection on a semi-  
13           annual basis.

14           “(B) STRUCTURED SCHEDULE.—The Sec-  
15           retary shall, with the consent of the lender,  
16           structure the schedule for payment of the fee to  
17           ensure that sufficient funds are available to pay  
18           the subsidy costs for note or bond guarantees  
19           as provided for in subsection (e)(2).”; and

20           (3) in subsection (f), by striking “2007” and  
21           inserting “2012”.

22   **SEC. 6107. EXPANSION OF 911 ACCESS.**

23           Section 315 of the Rural Electrification Act of 1936  
24   (7 U.S.C. 940e) is amended to read as follows:

1 **“SEC. 315. EXPANSION OF 911 ACCESS.**

2       “(a) IN GENERAL.—Subject to such terms and condi-  
3 tions as the Secretary may prescribe, the Secretary may  
4 make loans under this title to entities eligible to borrow  
5 from the Rural Utilities Service, emergency communica-  
6 tions equipment providers, State or local governments, In-  
7 dian tribes (as defined in section 4 of the Indian Self-De-  
8 termination and Education Assistance Act (25 U.S.C.  
9 450b)), or other public entities for facilities and equipment  
10 to expand or improve—

11               “(1) 911 access;

12               “(2) integrated interoperable emergency com-  
13 munications, including multiuse networks that—

14                       “(A) serve rural areas; and

15                       “(B) provide commercial services or trans-  
16 portation information services in addition to  
17 emergency communications services;

18               “(3) homeland security communications;

19               “(4) transportation safety communications; or

20               “(5) location technologies used outside an ur-  
21 banized area.

22       “(b) LOAN SECURITY.—Government-imposed fees re-  
23 lated to emergency communications (including State or  
24 local 911 fees) may be considered to be security for a loan  
25 under this section.

26       “(c) REGULATIONS.—The Secretary shall—

1           “(1) not later than 90 days after the date of  
2           enactment of this subsection, promulgate proposed  
3           regulations to carry out this section; and

4           “(2) not later than 90 days after the publica-  
5           tion of proposed rules to carry out this section,  
6           adopt final rules.

7           “(d) AUTHORIZATION OF APPROPRIATIONS.—The  
8           Secretary shall use to make loans under this section any  
9           funds otherwise made available for telephone or broadband  
10          loans for each of fiscal years 2007 through 2012.”.

11   **SEC. 6108. ELECTRIC LOANS TO RURAL ELECTRIC CO-**  
12                           **OPERATIVES.**

13          Title III of the Rural Electrification Act of 1936 is  
14          amended by inserting after section 316 (7 U.S.C. 940f)  
15          the following:

16   **“SEC. 317. ELECTRIC LOANS TO RURAL ELECTRIC CO-**  
17                           **OPERATIVES.**

18          “(a) DEFINITION OF RENEWABLE ENERGY  
19          SOURCE.—In this section, the term ‘renewable energy  
20          source’ has the meaning given the term ‘qualified energy  
21          resources’ in section 45(c)(1) of the Internal Revenue  
22          Code of 1986.

23          “(b) LOANS.—In addition to any other funds or au-  
24          thorities otherwise made available under this Act, the Sec-  
25          retary may make electric loans under this title for—



1           “(1) electric generation from renewable energy  
2           resources for resale to rural and nonrural residents;  
3           and

4           “(2) transmission lines principally for the pur-  
5           pose of wheeling power from 1 or more renewable  
6           energy sources.

7           “(c) RATE.—The rate of a loan under this section  
8           shall be equal to the average tax-exempt municipal bond  
9           rate of similar maturities.”.

10 **SEC. 6109. AGENCY PROCEDURES.**

11           Title III of the Rural Electrification Act of 1936 is  
12           amended by inserting after section 317 (as added by sec-  
13           tion 6108) the following:

14 **“SEC. 318. AGENCY PROCEDURES.**

15           “(a) CUSTOMER SERVICE.—The Secretary shall en-  
16           sure that loan applicants under this Act are contacted at  
17           least once each month by the Rural Utilities Service re-  
18           garding the status of any pending loan applications.

19           “(b) FINANCIAL NEED.—The Secretary shall ensure  
20           that—

21           “(1) an applicant for any grant program ad-  
22           ministered by the Rural Utilities Service has an op-  
23           portunity to present special economic circumstances  
24           in support of the grant, such as the high cost of liv-

1 ing, out migration, low levels of employment, weath-  
2 er damage, or environmental loss; and

3 “(2) the special economic circumstances pre-  
4 sented by the applicant are considered in deter-  
5 mining the financial need of the applicant.

6 “(c) MOBILE DIGITAL WIRELESS.—To facilitate the  
7 transition from analog wireless service to digital mobile  
8 wireless service, the Secretary may adjust population limi-  
9 tations under this Act related to digital mobile wireless  
10 service up to the level permitted under section 601.

11 “(d) BONDING REQUIREMENTS.—The Secretary  
12 shall review the bonding requirements for all programs ad-  
13 ministered by the Rural Utilities Service under this Act  
14 to ensure that bonds are not required if—

15 “(1) the interests of the Secretary are ade-  
16 quately protected by product warranties; or

17 “(2) the costs or conditions associated with a  
18 bond exceed the benefit of the bond to the Sec-  
19 retary.”.

20 **SEC. 6110. ACCESS TO BROADBAND TELECOMMUNICATIONS**  
21 **SERVICES IN RURAL AREAS.**

22 (a) IN GENERAL.—Section 601 of the Rural Elec-  
23 trification Act of 1936 (7 U.S.C. 950bb) is amended to  
24 read as follows:

1 **“SEC. 601. ACCESS TO BROADBAND TELECOMMUNICATIONS**  
2 **SERVICES IN RURAL AREAS.**

3 “(a) PURPOSE.—The purpose of this section is to  
4 provide loans and loan guarantees to provide funds for the  
5 costs of the construction, improvement, and acquisition of  
6 facilities and equipment for broadband service in rural  
7 areas.

8 “(b) DEFINITION OF BROADBAND SERVICE.—In this  
9 section:

10 “(1) IN GENERAL.—The term ‘broadband serv-  
11 ice’ means any technology identified by the Secretary  
12 as having the capacity to transmit data to enable a  
13 subscriber to the service to originate and receive  
14 high-quality voice, data, graphics, and video.

15 “(2) MOBILE BROADBAND.—The term  
16 ‘broadband service’ includes any service described in  
17 paragraph (1) that is provided over a licensed spec-  
18 trum through the use of a mobile station or receiver  
19 communicating with a land station or other mobile  
20 stations communicating among themselves.

21 “(c) LOANS AND LOAN GUARANTEES.—

22 “(1) IN GENERAL.—The Secretary shall make  
23 or guarantee loans to eligible entities described in  
24 subsection (d) to provide funds for the construction,  
25 improvement, or acquisition of facilities and equip-

1       ment for the provision of broadband service in rural  
2       areas.

3           “(2) PRIORITY.—In making or guaranteeing  
4       loans under paragraph (1), the Secretary shall give  
5       the highest priority to applicants that offer to pro-  
6       vide broadband service to the greatest proportion of  
7       households that, prior to the provision of the service,  
8       had no terrestrial broadband service provider.

9           “(3) OFFER OF SERVICE.—For purposes of this  
10       section, a provider shall be considered to offer  
11       broadband service in a rural area if the provider  
12       makes the broadband service available to households  
13       in the rural area at not more than average prices as  
14       compared to the prices at which similar services are  
15       made available in the nearest urban area, as deter-  
16       mined by the Secretary.

17       “(d) ELIGIBLE ENTITIES.—

18           “(1) REQUIREMENTS.—

19           “(A) IN GENERAL.—To be eligible to ob-  
20       tain a loan or loan guarantee under this sec-  
21       tion, an entity shall—

22           “(i) have the ability to furnish, im-  
23       prove, or extend a broadband service to a  
24       rural area;

1           “(ii) submit to the Secretary a pro-  
2           posal that meets the requirements of this  
3           section for a project to offer to provide  
4           service to at least 25 percent of households  
5           in a specified rural area that, as of the  
6           date on which the proposal is submitted,  
7           are not offered broadband service by a ter-  
8           restrial broadband service provider; and

9           “(iii) agree to complete buildout of  
10          the broadband service described in the pro-  
11          posal not later than 3 years after the date  
12          on which a loan or loan guarantee under  
13          this section is received.

14          “(B) PROHIBITION.—In carrying out this  
15          section, the Secretary may not make a loan or  
16          loan guarantee for a project in any specific area  
17          in which broadband service is offered by 3 or  
18          more terrestrial service providers that offer  
19          services that are comparable to the services pro-  
20          posed by the applicant.

21          “(C) EQUITY AND MARKET SURVEY RE-  
22          QUIREMENTS.—

23          “(i) IN GENERAL.—The Secretary  
24          may require an entity to provide a cost  
25          share in an amount not to exceed 10 per-

1 cent of the amount of the loan or loan  
2 guarantee requested in the application of  
3 the entity.

4 “(ii) CREDIT.—Recurring revenues of  
5 an entity, including broadband service cli-  
6 ent revenues, may be credited toward the  
7 cost share required under clause (i).

8 “(iii) MARKET SURVEY.—

9 “(I) IN GENERAL.—The Sec-  
10 retary may require an entity that pro-  
11 poses to have a subscriber projection  
12 of more than 20 percent of the  
13 broadband service market in a rural  
14 area to submit to the Secretary a  
15 market survey.

16 “(II) LESS THAN 20 PERCENT.—  
17 The Secretary may not require an en-  
18 tity that proposes to have a subscriber  
19 projection of less than 20 percent of  
20 the broadband service market in a  
21 rural area to submit to the Secretary  
22 a market survey.

23 “(2) STATE AND LOCAL GOVERNMENTS AND IN-  
24 DIAN TRIBES.—Subject to paragraph (1), a State or  
25 local government (including any agency, subdivision,

1 or instrumentality thereof (including consortia there-  
2 of)) and an Indian tribe shall be eligible for a loan  
3 or loan guarantee under this section to provide  
4 broadband services to a rural area.

5 “(3) ADEQUACY OF SECURITY.—The Secretary  
6 shall ensure that the type, amount, and method of  
7 security used to secure any loan or loan guarantee  
8 provided under this section is commensurate to the  
9 risk involved with the loan or loan guarantee, par-  
10 ticularly if the loan or loan guarantee is issued to  
11 a financially-healthy, strong, and stable entity.

12 “(4) LIMITATION.—No entity (including sub-  
13 sidiaries of an entity) may acquire more than 20  
14 percent of the resources of the program under this  
15 section in any fiscal year, as determined by the Sec-  
16 retary.

17 “(5) NOTICE REQUIREMENT.—The Secretary  
18 shall include a notice of applications under this sec-  
19 tion on the website of the Secretary for a period of  
20 not less than 90 days.

21 “(6) PROPOSAL INFORMATION.—

22 “(A) PUBLIC ACCESS.—The Secretary  
23 shall make available on the website of the Sec-  
24 retary during the consideration of a loan by the  
25 Secretary—

1 “(i) the name of the applicant;

2 “(ii) a description and geographical  
3 representation of the proposed area of  
4 broadband service;

5 “(iii) a geographical representation  
6 and numerical estimate of the households  
7 that have no terrestrial broadband service  
8 offered in the proposed service area of the  
9 project; and

10 “(iv) such other relevant information  
11 that the Secretary determines to be appro-  
12 priate.

13 “(B) PROPRIETARY INFORMATION.—In  
14 making information available relating to a loan  
15 proposal as described in subparagraph (A), the  
16 Secretary shall not make available information  
17 that is proprietary (within the meaning of sec-  
18 tion 552(b)(4) of title 5, United States Code) to  
19 the business interests of the loan applicant.

20 “(7) TIMELINE.—The Secretary shall establish  
21 a timeline on the website for the Secretary for track-  
22 ing applications received under this section.

23 “(8) ADDITIONAL INFORMATION AND DETER-  
24 MINATION.—



1                   “(A) PROMPT PROCESSING OF APPLICA-  
2                   TIONS.—

3                   “(i) IN GENERAL.—The Secretary  
4                   shall establish, by regulation, procedures to  
5                   ensure prompt processing of loan and loan  
6                   guarantee applications under this section.

7                   “(ii) TIME LIMITS.—Subject to clause  
8                   (iii), the regulations shall establish general  
9                   time limits for action by the Secretary and  
10                  applicant response.

11                  “(iii) EXTENSIONS.—The Secretary  
12                  may grant an extension for a time limit es-  
13                  tablished under clause (ii).

14                  “(iv) ANNUAL REPORTS.—The Sec-  
15                  retary shall publish an annual report  
16                  that—

17                         “(I) describes processing times  
18                         for loan and loan guarantee applica-  
19                         tions under this section; and

20                         “(II) provides an explanation for  
21                         any processing time extensions re-  
22                         quired by the Secretary.

23                  “(B) ADDITIONAL INFORMATION.—Not  
24                  later than 60 days after the date on which an  
25                  applicant submits an application, the Secretary

1           shall request any additional information re-  
2           quired for the application to be complete.

3           “(C) DETERMINATION.—Not later than  
4           180 days after the date on which an applicant  
5           submits a completed application, the Secretary  
6           shall make a determination of whether to ap-  
7           prove the application.

8           “(9) LOAN CLOSING.—Not later than 45 days  
9           after the date on which the Secretary approves an  
10          application, documents necessary for the closing of  
11          the loan or loan guarantee shall be provided to appli-  
12          cant.

13          “(10) FUND DISBURSEMENT.—Not later than  
14          10 business days after the date of the receipt of  
15          valid documentation requesting disbursement of the  
16          approved, closed loan, the disbursement of loan  
17          funds shall occur.

18          “(11) PREAPPLICATION PROCESS.—The Sec-  
19          retary shall establish an optional preapplication  
20          process under which an applicant may apply to the  
21          Rural Utilities Service for a binding determination  
22          of area eligibility prior to preparing a full loan appli-  
23          cation.

24          “(12) PENDING APPLICATIONS.—An application  
25          for a loan or loan guarantee under this section, or

1 a petition for reconsideration of a decision on such  
2 an application, that is pending on the date of enact-  
3 ment of this paragraph shall be considered under eli-  
4 gibility and feasibility criteria that are no less favor-  
5 able to the applicant than the criteria in effect on  
6 the original date of submission of the application.

7 “(e) BROADBAND SERVICE.—

8 “(1) IN GENERAL.—The Secretary shall, from  
9 time to time as advances in technology warrant, re-  
10 view and recommend modifications of rate-of-data  
11 transmission criteria for purposes of the identifica-  
12 tion of broadband service technologies under sub-  
13 section (b).

14 “(2) PROHIBITION.—The Secretary shall not  
15 establish requirements for bandwidth or speed that  
16 have the effect of precluding the use of evolving  
17 technologies appropriate for rural areas outside rural  
18 communities.

19 “(f) TECHNOLOGICAL NEUTRALITY.—For purposes  
20 of determining whether to make a loan or loan guarantee  
21 for a project under this section, the Secretary shall use  
22 criteria that are technologically neutral.

23 “(g) TERMS AND CONDITIONS FOR LOANS AND LOAN  
24 GUARANTEES.—

1           “(1) IN GENERAL.—Notwithstanding any other  
2 provision of law, a loan or loan guarantee under sub-  
3 section (c) shall—

4           “(A) bear interest at an annual rate of, as  
5 determined by the Secretary—

6           “(i) in the case of a direct loan, the  
7 lower of—

8           “(I) the cost of borrowing to the  
9 Department of the Treasury for obli-  
10 gations of comparable maturity; or

11           “(II) 4 percent; and

12           “(ii) in the case of a guaranteed loan,  
13 the current applicable market rate for a  
14 loan of comparable maturity; and

15           “(B) except as provided in paragraph (2),  
16 have a term not to exceed the useful life of the  
17 assets constructed, improved, or acquired with  
18 the proceeds of the loan or extension of credit.

19           “(2) TERM OF LOAN EXCEPTION.—A loan or  
20 loan guarantee under subsection (c) may have a  
21 term not to exceed 30 years if the Secretary deter-  
22 mines that the loan security is sufficient.

23           “(3) RECURRING REVENUE.—The Secretary  
24 shall consider the recurring revenues of the entity at

1 the time of application in determining an adequate  
2 level of credit support.

3 “(h) USE OF LOAN PROCEEDS TO REFINANCE  
4 LOANS FOR DEPLOYMENT OF BROADBAND SERVICE.—  
5 Notwithstanding any other provision of this Act, the pro-  
6 ceeds of any loan made or guaranteed by the Secretary  
7 under this Act may be used by the recipient of the loan  
8 for the purpose of refinancing an outstanding obligation  
9 of the recipient on another telecommunications-related  
10 loan made under this Act if the use of the proceeds for  
11 that purpose will further the construction, improvement,  
12 or acquisition of facilities and equipment for the provision  
13 of broadband service in rural areas.

14 “(i) REPORTS.—Not later than 1 year after the date  
15 of enactment of the Food and Energy Security Act of  
16 2007, and biennially thereafter, the Administrator shall  
17 submit to Congress a report that—

18 “(1) describes the ways in which the Adminis-  
19 trator determines under subsection (b)(1) that a  
20 service enables a subscriber to originate and receive  
21 high-quality voice, data, graphics, and video; and

22 “(2) provides a detailed list of services that  
23 have been granted assistance under this section.

24 “(j) FUNDING.—

1           “(1) AUTHORIZATION OF APPROPRIATIONS.—

2           There is authorized to be appropriated to the Sec-  
3           retary to carry out this section \$25,000,000 for each  
4           of fiscal years 2008 through 2012.

5           “(2) ALLOCATION OF FUNDS.—

6           “(A) IN GENERAL.—From amounts made  
7           available for each fiscal year under this sub-  
8           section, the Secretary shall—

9                   “(i) establish a national reserve for  
10                  loans and loan guarantees to eligible enti-  
11                  ties in States under this section; and

12                   “(ii) allocate amounts in the reserve  
13                  to each State for each fiscal year for loans  
14                  and loan guarantees to eligible entities in  
15                  the State.

16           “(B) AMOUNT.—Based on information  
17           available from the most recent decennial census,  
18           the amount of an allocation made to a State for  
19           a fiscal year under subparagraph (A) shall bear  
20           the same ratio to the amount of allocations  
21           made for all States for the fiscal year as—

22                   “(i) the number of communities with  
23                  a population of 2,500 inhabitants or less in  
24                  the State; bears to

1                   “(ii) the number of communities with  
2                   a population of 2,500 inhabitants or less in  
3                   all States.

4                   “(C) UNOBLIGATED AMOUNTS.—Any  
5                   amounts in the reserve established for a State  
6                   for a fiscal year under subparagraph (B) that  
7                   are not obligated by April 1 of the fiscal year  
8                   shall be available to the Secretary to make  
9                   loans and loan guarantees under this section to  
10                  eligible entities in any State, as determined by  
11                  the Secretary.

12                  “(k) TERMINATION OF AUTHORITY.—No loan or loan  
13                  guarantee may be made under this section after Sep-  
14                  tember 30, 2012.”.

15                  (b) NATIONAL CENTER FOR RURAL TELECOMMUNI-  
16                  CATIONS ASSESSMENT.—Title VI of Rural Electrification  
17                  Act of 1936 (7 U.S.C. 950bb et seq.) is amended by add-  
18                  ing at the end the following:

19                  “**SEC. 602. NATIONAL CENTER FOR RURAL TELECOMMUNI-**  
20                  **CATIONS ASSESSMENT.**

21                  “(a) ESTABLISHMENT OF CENTER.—The Secretary  
22                  shall designate a National Center for Rural Telecommuni-  
23                  cations Assessment (referred to in this section as the ‘Cen-  
24                  ter’).

1           “(b) CRITERIA.—In designating the Center, the Sec-  
2 retary shall ensure that—

3                   “(1) the Center is an entity with a focus on  
4 rural policy research and a minimum of 5 years ex-  
5 perience in rural telecommunications research and  
6 assessment;

7                   “(2) the Center is capable of assessing  
8 broadband services in rural areas; and

9                   “(3) the Center has significant experience with  
10 other rural economic development centers and orga-  
11 nizations in the assessment of rural policies and for-  
12 mulation of policy solutions at the local, State, and  
13 Federal levels.

14           “(c) DUTIES.—The Center shall—

15                   “(1) assess the effectiveness of programs under  
16 this section in increasing broadband availability and  
17 use in rural areas, especially in those rural commu-  
18 nities identified by the Secretary as having no serv-  
19 ice before award of a broadband loan or loan guar-  
20 antee under section 601(c);

21                   “(2) develop assessments of broadband avail-  
22 ability in rural areas, working with existing rural de-  
23 velopment centers selected by the Center;



1           “(3) identify policies and initiatives at the local,  
2           State, and Federal level that have increased  
3           broadband availability and use in rural areas;

4           “(4) conduct national studies of rural house-  
5           holds and businesses focusing on the adoption of,  
6           barriers to, and use of broadband services, with spe-  
7           cific attention addressing the economic, social and  
8           educational consequences of inaccessibility to afford-  
9           able broadband services;

10           “(5) provide reports to the public on the activi-  
11           ties carried out and funded under this section; and

12           “(6) conduct studies and provide recommenda-  
13           tions to local, State, and Federal policymakers on ef-  
14           fective strategies to bring affordable broadband serv-  
15           ices to rural citizens residing outside of the munic-  
16           ipal boundaries of rural cities and towns.

17           “(d) REPORTING REQUIREMENTS.—Not later than  
18           December 1, 2008, and each year thereafter through De-  
19           cember 1, 2012, the Center shall submit to the Secretary  
20           a report that—

21           “(1) describes the activities of the Center, the  
22           results of research carried out by the Center, and  
23           any additional information for the preceding fiscal  
24           year that the Secretary may request; and

25           “(2) includes—

1           “(A) assessments of the programs carried  
2 out under this section and section 601;

3           “(B) annual assessments on the effects of  
4 the policy initiatives identified under subsection  
5 (c)(3); and

6           “(C) results from the national studies of  
7 rural households and businesses conducted  
8 under subsection (c)(4).

9           “(e) AUTHORIZATION OF APPROPRIATIONS.—There  
10 is authorized to be appropriated to the Secretary to carry  
11 out this section \$1,000,000 for each of fiscal years 2008  
12 through 2012.”.

13           (c) REGULATIONS.—The Secretary may promulgate  
14 such regulations as are necessary to implement the  
15 amendments made by this section.

16 **SEC. 6111. SUBSTANTIALLY UNDERSERVED TRUST AREAS.**

17           The Rural Electrification Act of 1936 is amended by  
18 inserting after section 306E (7 U.S.C. 936e) the following:

19 **“SEC. 306F. SUBSTANTIALLY UNDERSERVED TRUST AREAS.**

20           “(a) DEFINITIONS.—In this section:

21           “(1) SUBSTANTIALLY UNDERSERVED TRUST  
22 AREA.—The term ‘substantially underserved trust  
23 area’ means a community in ‘trust land’ (as defined  
24 in section 3765 of title 38, United States Code) in  
25 which more than 20 percent of the residents do not

1 have modern, affordable, or reliable utility services,  
2 as determined by the Secretary.

3 “(2) UTILITY SERVICE.—The term ‘utility serv-  
4 ice’ means electric, telecommunications, broadband,  
5 or water service.

6 “(b) INITIATIVE.—The Secretary, in consultation  
7 with local governments and Federal agencies, may imple-  
8 ment an initiative to identify and improve the availability  
9 and quality of utility services in communities in substan-  
10 tially underserved trust areas.

11 “(c) AUTHORITY OF SECRETARY.—In carrying out  
12 subsection (b), the Secretary—

13 “(1) may make available from loan or loan  
14 guarantee programs administered by the Rural Utili-  
15 ties Service to qualified utilities or applicants financ-  
16 ing with an interest rate as low as 2 percent, and  
17 extended repayment terms, for use in facilitating im-  
18 proved utility service in substantially underserved  
19 trust areas;

20 “(2) may waive nonduplication restrictions,  
21 matching fund requirements, credit support require-  
22 ments, or other regulations from any loan or grant  
23 program administered by the Rural Utilities Service  
24 to facilitate the construction, acquisition, or im-  
25 provement of infrastructure used to deliver afford-

1       able utility services to substantially underserved  
2       trust areas;

3               “(3) may assign the highest funding priority to  
4       projects in substantially underserved trust areas;

5               “(4) shall make any loan or loan guarantee  
6       found to be financially feasible to provide service to  
7       substantially underserved trust areas; and

8               “(5) may conduct research and participate in  
9       regulatory proceedings to recommend policy changes  
10       to enhance utility service in substantially under-  
11       served trust areas.

12       “(d) REPORT.—Not later than 1 year after the date  
13       of enactment of this section and annually thereafter, the  
14       Secretary shall submit to Congress a report that de-  
15       scribes—

16               “(1) the progress of the initiative implemented  
17       under subsection (b); and

18               “(2) recommendations for any regulatory or  
19       legislative changes that would be appropriate to im-  
20       prove services to substantially underserved trust  
21       areas.”.

22       **SEC. 6112. STUDY OF FEDERAL ASSISTANCE FOR**  
23               **BROADBAND INFRASTRUCTURE.**

24       “(a) IN GENERAL.—The Comptroller General of the  
25       United States shall conduct a study of—

1           (1) how the Rural Utilities Service takes into  
2           account economic factors in the decisionmaking  
3           process of the Service in allocating Federal  
4           broadband benefits;

5           (2) what other considerations the Rural Utili-  
6           ties Service takes into account in making benefit  
7           awards;

8           (3) what economic forces prompt Rural Utilities  
9           Service broadband loan applicants to seek Federal  
10          funding rather than relying on the private market  
11          alone;

12          (4) how awards made by the Rural Utilities  
13          Service of Federal benefits impact the expansion of  
14          broadband infrastructure by the private sector; and

15          (5) what changes to Federal policy are needed  
16          to further encourage technology expansion by private  
17          broadband service providers.

18          (b) REPORT.—Not later than 30 months after the  
19          date of enactment of this Act, the Comptroller General  
20          of the United States shall submit to the Committee on  
21          Agriculture of the House of Representatives and the Com-  
22          mittee on Agriculture, Nutrition, and Forestry of the Sen-  
23          ate a report that describes the results of the study con-  
24          ducted under subsection (a), including any findings and  
25          recommendations.

# 1 **Subtitle C—Connect the Nation Act**

## 2 **SEC. 6201. SHORT TITLE.**

3 This subtitle may be cited as the “Connect the Nation  
4 Act”.

## 5 **SEC. 6202. GRANTS TO ENCOURAGE STATE INITIATIVES TO** 6 **IMPROVE BROADBAND SERVICE.**

7 (a) DEFINITIONS.—In this section:

8 (1) BROADBAND SERVICE.—The term  
9 “broadband service” means any service that con-  
10 nects the public to the Internet with a data trans-  
11 mission-rate equivalent that is at least 200 kilobits  
12 per second or 200,000 bits per second, or any suc-  
13 cessor transmission-rate established by the Federal  
14 Communications Commission for broadband, in at  
15 least 1 direction.

16 (2) ELIGIBLE ENTITY.—The term “eligible enti-  
17 ty” means a nonprofit organization that, in conjunc-  
18 tion with State agencies and private sector partners,  
19 carries out an initiative under the section to identify  
20 and track the availability and adoption of broadband  
21 services within States.

22 (3) NONPROFIT ORGANIZATION.—The term  
23 “nonprofit organization” means an organization  
24 that—

1 (A) is described in section 501(c)(3) of the  
2 Internal Revenue Code of 1986 and exempt  
3 from tax under section 501(a) of that Code;

4 (B) has net earnings that do not inure to  
5 the benefit of any member, founder, contrib-  
6 utor, or individual associated with the organiza-  
7 tion;

8 (C) has an established record of com-  
9 petence and working with public and private  
10 sectors to accomplish widescale deployment and  
11 adoption of broadband services and information  
12 technology; and

13 (D) has a board of directors that does not  
14 have a majority of individuals who are employed  
15 by, or otherwise associated with, any Federal,  
16 State, or local government or agency.

17 (4) SECRETARY.—The term “Secretary” means  
18 the Secretary of Commerce.

19 (b) PROGRAM.—The Secretary shall award grants to  
20 eligible entities to pay the Federal share of the cost of  
21 the development and implementation of statewide initia-  
22 tives to identify and track the availability and adoption  
23 of broadband services within States.

24 (c) PURPOSES.—The purpose of a grant made this  
25 section shall be—

1           (1) to ensure, to the maximum extent prac-  
2           ticable, that all citizens and businesses in States  
3           have access to affordable and reliable broadband  
4           service;

5           (2) to promote improved technology literacy, in-  
6           creased computer ownership, and home broadband  
7           use among those citizens and businesses;

8           (3) to establish and empower local grassroots  
9           technology teams in States to plan for improved  
10          technology use across multiple community sectors;  
11          and

12          (4) to establish and sustain an environment  
13          that supports broadband services and information  
14          technology investment.

15          (d) **ELIGIBILITY.**—To be eligible to receive a grant  
16          for an initiative under this section, an eligible entity  
17          shall—

18                (1) submit an application to the Secretary at  
19                such time, in such manner, and containing such in-  
20                formation as the Secretary may require; and

21                (2) provide matching non-Federal funds in an  
22                amount that is equal to not less than 20 percent of  
23                the total cost of the initiative.

24          (e) **COMPETITIVE BASIS.**—Grants under this section  
25          shall be awarded on a competitive basis.



1 (f) PEER REVIEW.—

2 (1) IN GENERAL.—The Secretary shall require  
3 technical and scientific peer review of applications  
4 for grants under this section.

5 (2) REVIEW PROCEDURES.—The Secretary shall  
6 require that any technical and scientific peer review  
7 group—

8 (A) be provided a written description of  
9 the grant to be reviewed;

10 (B) provide the results of any review by  
11 the group to the Secretary; and

12 (C) certify that the group will enter into  
13 such voluntary nondisclosure agreements as are  
14 necessary to prevent the unauthorized disclo-  
15 sure of confidential and propriety information  
16 provided by broadband service providers in con-  
17 nection with projects funded by a grant under  
18 this section.

19 (g) USE OF FUNDS.—A grant awarded to an eligible  
20 entity under this section shall be used—

21 (1) to provide a baseline assessment of  
22 broadband service deployment in 1 or more partici-  
23 pating States;

24 (2) to identify and track—

1 (A) areas in the participating States that  
2 have low levels of broadband service deploy-  
3 ment;

4 (B) the rate at which individuals and busi-  
5 nesses adopt broadband service and other re-  
6 lated information technology services; and

7 (C) possible suppliers of the services;

8 (3) to identify barriers to the adoption by indi-  
9 viduals and businesses of broadband service and re-  
10 lated information technology services, including  
11 whether—

12 (A) the demand for the services is absent;  
13 and

14 (B) the supply for the services is capable  
15 of meeting the demand for the services;

16 (4) to create and facilitate in each county or  
17 designated region in the participating States a local  
18 technology planning team—

19 (A) with members representing a cross sec-  
20 tion of communities, including representatives  
21 of business, telecommunications labor organiza-  
22 tions, K-12 education, health care, libraries,  
23 higher education, community-based organiza-  
24 tions, local government, tourism, parks and  
25 recreation, and agriculture; and

1 (B) that shall—

2 (i) benchmark technology use across  
3 relevant community sectors;

4 (ii) set goals for improved technology  
5 use within each sector; and

6 (iii) develop a tactical business plan  
7 for achieving the goals of the team, with  
8 specific recommendations for online appli-  
9 cation development and demand creation;

10 (5) to work collaboratively with broadband serv-  
11 ice providers and information technology companies  
12 to encourage deployment and use, especially in  
13 unserved, underserved, and rural areas, through the  
14 use of local demand aggregation, mapping analysis,  
15 and the creation of market intelligence to improve  
16 the business case for providers to deploy;

17 (6) to establish programs to improve computer  
18 ownership and Internet access for unserved, under-  
19 served, and rural populations;

20 (7) to collect and analyze detailed market data  
21 concerning the use and demand for broadband serv-  
22 ice and related information technology services;

23 (8) to facilitate information exchange regarding  
24 the use and demand for broadband services between  
25 public and private sectors; and

1           (9) to create within the participating States a  
2           geographic inventory map of broadband service that  
3           shall—

4                   (A) identify gaps in the service through a  
5                   method of geographic information system map-  
6                   ping of service availability at the census block  
7                   level; and

8                   (B) provide a baseline assessment of state-  
9                   wide broadband deployment in terms of house-  
10                  holds with high-speed availability.

11          (h) PARTICIPATION LIMITATION.—For each partici-  
12          pating State, an eligible entity may not receive a new  
13          grant under this section to carry out the activities de-  
14          scribed in subsection (g) within the participating State if  
15          the eligible entity obtained prior grant awards under this  
16          section to carry out the same activities in the participating  
17          State for each of the previous 4 fiscal years.

18          (i) REPORT.—Each recipient of a grant under this  
19          section shall submit to the Secretary a report describing  
20          the use of the funds provided by the grant.

21          (j) NO REGULATORY AUTHORITY.—Nothing in this  
22          section provides any public or private entity with any regu-  
23          latory jurisdiction or oversight authority over providers of  
24          broadband services or information technology.

1 (k) AUTHORIZATION OF APPROPRIATIONS.—There is  
2 authorized to be appropriated to carry out this section  
3 \$40,000,000 for each of fiscal years 2008 through 2012.

4 **Subtitle D—Food, Agriculture, Con-**  
5 **servation, and Trade Act of 1990**

6 **SEC. 6301. RURAL ELECTRONIC COMMERCE EXTENSION**  
7 **PROGRAM.**

8 Section 1670(e) of the Food, Agriculture, Conserva-  
9 tion, and Trade Act of 1990 (7 U.S.C. 5923(e)) is amend-  
10 ed by striking “2007” and inserting “2012”.

11 **SEC. 6302. TELEMEDICINE, LIBRARY CONNECTIVITY, PUB-**  
12 **LIC TELEVISION, AND DISTANCE LEARNING**  
13 **SERVICES IN RURAL AREAS.**

14 (a) IN GENERAL.—Chapter 1 of subtitle D of title  
15 XXII of the Food, Agriculture, Conservation, and Trade  
16 Act of 1990 (7 U.S.C. 950aaa et seq.) is amended in the  
17 chapter heading by striking “**AND DISTANCE**  
18 **LEARNING**” and inserting “, **LIBRARY**  
19 **CONNECTIVITY, PUBLIC TELEVISION, AND**  
20 **DISTANCE LEARNING**”.

21 (b) PURPOSE.—Section 2331 of the Food, Agri-  
22 culture, Conservation, and Trade Act of 1990 (7 U.S.C.  
23 950aaa) is amended by striking “telemedicine services and  
24 distance learning” and inserting “telemedicine services, li-  
25 brary connectivity, and distance learning”.

1 (c) DEFINITIONS.—Section 2332 of the Food, Agri-  
2 culture, Conservation, and Trade Act of 1990 (7 U.S.C.  
3 950aaa-1) is amended—

4 (1) by redesignating paragraphs (1) through  
5 (3) as paragraphs (2) through (4), respectively; and

6 (2) by inserting before paragraph (2) (as so re-  
7 designated) the following:

8 “(1) CONNECTIVITY.—The term ‘connectivity’  
9 means the ability to use a range of high-speed dig-  
10 ital services or networks.”.

11 (d) TELEMEDICINE, LIBRARY CONNECTIVITY, AND  
12 DISTANCE LEARNING SERVICES IN RURAL AREAS.—Sec-  
13 tion 2333 of the Food, Agriculture, Conservation, and  
14 Trade Act of 1990 (7 U.S.C. 950aaa-2) is amended—

15 (1) in the section heading, by striking “**AND**  
16 **DISTANCE LEARNING**” and inserting “**, LIBRARY**  
17 **CONNECTIVITY, PUBLIC TELEVISION, AND DIS-**  
18 **TANCE LEARNING**”;

19 (2) in subsection (a), by striking “construction  
20 of facilities and systems to provide telemedicine serv-  
21 ices and distance learning services” and inserting  
22 “construction and use of facilities and systems to  
23 provide telemedicine services, library connectivity,  
24 distance learning services, and public television sta-  
25 tion digital conversion”;

1           (3) in subsection (b), by striking paragraph (2)  
2           and inserting the following:

3           “(2) FORM.—The Secretary shall establish by  
4           notice the amount of the financial assistance avail-  
5           able to applicants in the form of grants, costs of  
6           money loans, combinations of grants and loans, or  
7           other financial assistance so as to—

8                   “(A)(i) further the purposes of this chap-  
9                   ter; and

10                   “(ii) in the case of loans, result in the  
11                   maximum feasible repayment to the Federal  
12                   Government of the loan; and

13                   “(B) to ensure that funds made available  
14                   to carry out this chapter are used to the max-  
15                   imum extent practicable to assist useful and  
16                   needed projects.”;

17           (4) in subsection (c)—

18                   (A) in paragraph (1)—

19                           (i) in the matter preceding subpara-  
20                           graph (A), by striking “financial assist-  
21                           ance” and inserting “assistance in the  
22                           form of grants”;

23                           (ii) in subparagraph (A), by striking  
24                           “and” at the end;

25                           (iii) in subparagraph (B)—

1 (I) by striking “service or dis-  
2 tance” and inserting “services, library  
3 connectivity services, public television  
4 station digital conversion, or dis-  
5 tance”;

6 (II) by striking the period at the  
7 end and inserting a semicolon; and

8 (III) by adding at the end the  
9 following:

10 “(C) libraries or library support organiza-  
11 tions;

12 “(D) public television stations and the par-  
13 ent organizations of public television stations;  
14 and

15 “(E) schools, libraries, and other facilities  
16 operated by the Bureau of Indian Affairs or the  
17 Indian Health Service.”;

18 (B) in paragraph (4), by striking “services  
19 or distance” and inserting “service, library  
20 connectivity, public television station digital  
21 conversion, or distance”; and

22 (C) by adding at the end the following:

23 “(5) PUBLIC TELEVISION GRANTS.—The Sec-  
24 retary shall establish a separate competitive process



1 to determine the allocation of grants under this  
2 chapter to public television stations.”;

3 (5) in subsection (d)—

4 (A) in the matter preceding paragraph (1),  
5 by inserting “1 or more of” after “considering”;

6 (B) in paragraph (12), by striking “and”  
7 at the end;

8 (C) by redesignating paragraph (13) as  
9 paragraph (14); and

10 (D) by inserting after paragraph (12) the  
11 following:

12 “(13) the cost and availability of high-speed  
13 network access; and”;

14 (6) by striking subsection (f) and inserting the  
15 following:

16 “(f) USE OF FUNDS.—Financial assistance provided  
17 under this chapter shall be used for—

18 “(1) the development, acquisition, and digital  
19 distribution of instructional programming to rural  
20 users;

21 “(2) the development and acquisition, through  
22 lease or purchase, of computer hardware and soft-  
23 ware, audio and visual equipment, computer network  
24 components, telecommunications terminal equip-  
25 ment, telecommunications transmission facilities,

1 data terminal equipment, or interactive video equip-  
2 ment, teleconferencing equipment, or other facilities  
3 that would further telemedicine services, library  
4 connectivity, or distance learning services;

5 “(3) the provision of technical assistance and  
6 instruction for the development or use of the pro-  
7 gramming, equipment, or facilities referred to in  
8 paragraphs (1) and (2);

9 “(4) the acquisition of high-speed network  
10 transmission equipment or services that would not  
11 otherwise be available or affordable to the applicant;

12 “(5) costs relating to the coordination and col-  
13 laboration among and between libraries on  
14 connectivity and universal service initiatives, or the  
15 development of multi-library connectivity plans that  
16 benefit rural users; or

17 “(6) other uses that are consistent with this  
18 chapter, as determined by the Secretary.”; and

19 (7) in subsection (i)—

20 (A) in paragraph (1), by striking “tele-  
21 medicine or distance” and inserting “telemedi-  
22 cine, library connectivity, public television sta-  
23 tion digital conversion, or distance”; and

24 (B) in paragraph (2)—

1 (i) in subparagraph (A), by striking  
2 “telemedicine or distance” and inserting  
3 “telemedicine, library connectivity, or dis-  
4 tance”; and

5 (ii) in subparagraph (B), by inserting  
6 “nonproprietary information contained in”  
7 before “the applications”.

8 (e) ADMINISTRATION.—Section 2334 of the Food,  
9 Agriculture, Conservation, and Trade Act of 1990 (7  
10 U.S.C. 950aaa-3) is amended—

11 (1) in subsection (a), by striking “services or  
12 distance” and inserting “services, library  
13 connectivity, or distance”; and

14 (2) in subsection (d), by striking “or distance  
15 learning” and all that follows through the end of the  
16 subsection and inserting “, library connectivity, or  
17 distance learning services through telecommuni-  
18 cations in rural areas.”.

19 (f) AUTHORIZATION OF APPROPRIATIONS.—Section  
20 2335A of the Food, Agriculture, Conservation, and Trade  
21 Act of 1990 (7 U.S.C. 950aaa-5) is amended by striking  
22 “2007” and inserting “2012”.

23 (g) CONFORMING AMENDMENT.—Section 1(b) of  
24 Public Law 102–551 (7 U.S.C. 950aaa note; Public Law

1 102–551) is amended by striking “2007” and inserting  
2 “2012”.

3 **Subtitle E—Miscellaneous**

4 **SEC. 6401. VALUE-ADDED AGRICULTURAL PRODUCT MAR-**  
5 **KET DEVELOPMENT GRANTS.**

6 (a) DEFINITIONS.—Section 231 of the Agricultural  
7 Risk Protection Act of 2000 (7 U.S.C. 1621 note; Public  
8 Law 106–224) is amended by striking subsection (a) and  
9 inserting the following:

10 “(a) DEFINITIONS.—In this section:

11 “(1) ASSISTING ORGANIZATION.—The term ‘as-

12 sisting organization’ means a nonprofit organization,  
13 institution of higher education, or units of govern-  
14 ment with expertise, as determined by the Secretary,  
15 to assist eligible producers and entities described in  
16 subsection (b)(1) through—

17 “(A) the provision of market research,  
18 training, or technical assistance; or

19 “(B) the development of supply networks  
20 for value-added products that strengthen the  
21 profitability of small and mid-sized family  
22 farms.

23 “(2) TECHNICAL ASSISTANCE.—The term ‘tech-

24 nical assistance’ means managerial, financial, oper-

25 ational, and scientific analysis and consultation to

1 assist an individual or entity (including a recipient  
2 or potential recipient of a grant under this sec-  
3 tion)—

4 “(A) to identify and evaluate practices, ap-  
5 proaches, problems, opportunities, or solutions;  
6 and

7 “(B) to assist in the planning, implementa-  
8 tion, management, operation, marketing, or  
9 maintenance of projects authorized under this  
10 section.

11 “(3) VALUE-ADDED AGRICULTURAL PROD-  
12 UCT.—

13 “(A) IN GENERAL.—The term ‘value-added  
14 agricultural product’ means any agricultural  
15 commodity or product that—

16 “(i)(I) has undergone a change in  
17 physical state;

18 “(II) was produced in a manner that  
19 enhances the value of the agricultural com-  
20 modity or product, as demonstrated  
21 through a business plan that shows the en-  
22 hanced value, as determined by the Sec-  
23 retary; or

24 “(III) is physically segregated in a  
25 manner that results in the enhancement of

1 the value of the agricultural commodity or  
2 product; and

3 “(ii) as a result of the change in phys-  
4 ical state or the manner in which the agri-  
5 cultural commodity or product was pro-  
6 duced, marketed, or segregated—

7 “(I) the customer base for the  
8 agricultural commodity or product has  
9 been expanded; and

10 “(II) a greater portion of the rev-  
11 enue derived from the marketing,  
12 processing, or physical segregation of  
13 the agricultural commodity or product  
14 is available to the producer of the  
15 commodity or product.

16 “(B) INCLUSION.—The term ‘value-added  
17 agricultural products’ includes—

18 “(i) farm- or ranch-based renewable  
19 energy, including the sale of E-85 fuel; and

20 “(ii) the aggregation and marketing of  
21 locally-produced agricultural food prod-  
22 ucts.”.

23 (b) GRANT PROGRAM.—Section 231(b) of the Agri-  
24 cultural Risk Protection Act of 2000 (7 U.S.C. 1621 note;  
25 Public Law 106–224) is amended—

1 (1) in paragraph (2)—

2 (A) in subparagraph (A), by striking “ex-  
3 ceed \$500,000” and inserting “exceed—

4 “(i) \$300,000 in the case of grants in-  
5 cluding working capital; and

6 “(ii) \$100,000 in the case of all other  
7 grants.”; and

8 (B) by adding at the end the following:

9 “(C) RESEARCH, TRAINING, TECHNICAL  
10 ASSISTANCE, AND OUTREACH.—The amount of  
11 grant funds provided to an assisting organiza-  
12 tion for a fiscal year may not exceed 10 percent  
13 of the total amount of funds that are used to  
14 make grants for the fiscal year under this sub-  
15 section.”;

16 (2) in paragraph (3)—

17 (A) in subparagraph (A), by striking “or”  
18 at the end;

19 (B) in subparagraph (B), by striking the  
20 period at the end and inserting “; or”; and

21 (C) by adding at the end the following:

22 “(C) to conduct market research, provide  
23 training and technical assistance, develop sup-  
24 ply networks, or provide program outreach.”;  
25 and

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

3           “(4) TERM.—A grant under this section shall  
4 have a term that does not exceed 3 years.

5           “(5) SIMPLIFIED APPLICATION.—The Secretary  
6 shall offer a simplified application form and process  
7 for project proposals requesting less than \$50,000.

8           “(6) PRIORITY.—

9           “(A) IN GENERAL.—In awarding grants,  
10 the Secretary shall give the priority to projects  
11 that—

12                   “(i) contribute to increasing opportu-  
13 nities for beginning farmers or ranchers,  
14 socially disadvantaged farmers or ranchers,  
15 and operators of small- and medium-sized  
16 farms and ranches that are not larger than  
17 family farms; and

18                   “(ii) support new ventures that do not  
19 have well-established markets or product  
20 development staffs and budgets, including  
21 the development of local food systems and  
22 the development of infrastructure to sup-  
23 port local food systems.

24           “(B) PARTICIPATION.—To the maximum  
25 extent practicable, the Secretary shall provide



1 grants to projects that provide training and  
2 outreach activities in areas that have, as deter-  
3 mined by the Secretary, received relatively  
4 fewer grants than other areas.

5 “(7) AUTHORIZATION OF APPROPRIATIONS.—

6 There are authorized to be appropriated such sums  
7 as are necessary to carry out this subsection for  
8 each of fiscal years 2008 through 2012.”.

9 **SEC. 6402. STUDY OF RAILROAD ISSUES.**

10 (a) IN GENERAL.—The Secretary, in coordination  
11 with the Secretary of Transportation, shall conduct a  
12 study of railroad issues regarding the movement of agri-  
13 cultural products, domestically-produced renewable fuels,  
14 and domestically-produced resources for the production of  
15 electricity in rural areas of the United States and for eco-  
16 nomic development in rural areas of the United States.

17 (b) ISSUE.—In conducting the study, the Secretary  
18 shall include an examination of—

19 (1) the importance of freight railroads to—

20 (A) the delivery of equipment, seed, fer-  
21 tilizer, and other products that are important to  
22 the development of agricultural commodities  
23 and products;

24 (B) the movement of agricultural commod-  
25 ities and products to market; and

1 (C) the delivery of ethanol and other re-  
2 newable fuels;

3 (2) the sufficiency in rural areas of the United  
4 States of—

5 (A) railroad capacity;

6 (B) competition in the railroad system;

7 and

8 (C) the reliability of rail service; and

9 (3) the accessibility to rail customers in rural  
10 areas of the United States to Federal processes for  
11 the resolution of rail customer grievances with the  
12 railroads.

13 (c) REPORT.—Not later than 270 days after the date  
14 of enactment of this Act, the Secretary shall submit to  
15 Congress a report that describes—

16 (1) the results of the study conducted under  
17 this section; and

18 (2) the recommendations of the Secretary for  
19 new Federal policies to address any problems identi-  
20 fied by the study.