

## TITLE VI—RURAL DEVELOPMENT

### Subtitle A—Consolidated Farm and Rural Development Act

#### SEC. 6001. WATER, WASTE DISPOSAL, AND WASTEWATER FACILITY GRANTS.

Section 306(a)(2)(B)(vii) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)(B)(vii)) is amended by striking “2002 through 2007” and inserting “2008 through 2012”.

#### SEC. 6002. SEARCH GRANTS.

(a) IN GENERAL.—Section 306(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)) is amended by adding at the end the following:

“(C) SPECIAL EVALUATION ASSISTANCE FOR RURAL COMMUNITIES AND HOUSEHOLDS PROGRAM.—

“(i) IN GENERAL.—The Secretary may establish the Special Evaluation Assistance for Rural Communities and Households (SEARCH) program, to make predevelopment planning grants for feasibility studies, design assistance, and technical assistance, to financially distressed communities in rural areas with populations of 2,500 or fewer inhabitants for water and waste disposal projects described in paragraph (1), this paragraph, and paragraph (24).

“(ii) TERMS.—

“(I) DOCUMENTATION.—With respect to grants made under this subparagraph, the Secretary shall require the lowest amount of documentation practicable.

“(II) MATCHING.—Notwithstanding any other provisions in this subsection, the Secretary may fund up to 100 percent of the eligible costs of grants provided under this subparagraph, as determined by the Secretary.

“(iii) FUNDING.—The Secretary may use not more than 4 percent of the total amount of funds made available for a fiscal year for water, waste disposal, and essential community facility activities under this title to carry out this subparagraph.

“(iv) RELATIONSHIP TO OTHER AUTHORITY.—The funds and authorities provided under this subparagraph are in addition to any other funds or authorities the Secretary may have to carry out activities described in clause (i).”.

(b) CONFORMING AMENDMENT.—Subtitle D of title VI of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 2009ee et seq.) is repealed.

#### SEC. 6003. RURAL BUSINESS OPPORTUNITY GRANTS.

Section 306(a)(11)(D) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is amended by striking “1996 through 2007” and inserting “2008 through 2012”.

**SEC. 6004. CHILD DAY CARE FACILITY GRANTS, LOANS, AND LOAN GUARANTEES.**

Section 306(a)(19)(C)(ii) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(19)(C)(ii)) is amended by striking “April” and inserting “June”.

**SEC. 6005. COMMUNITY FACILITY GRANTS TO ADVANCE BROADBAND.**

Section 306(a)(20)(E) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(20)(E)) is amended—

- (1) by striking “state” and inserting “State”; and
- (2) by striking “dial-up Internet access or”.

**SEC. 6006. RURAL WATER AND WASTEWATER CIRCUIT RIDER PROGRAM.**

Section 306(a)(22)(C) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(22)(C)) is amended by striking “\$15,000,000 for fiscal year 2003” and inserting “\$25,000,000 for fiscal year 2008”.

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

Section 306(a)(25) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(25)) is amended—

- (1) in subparagraph (A)—

(A) by striking “tribal colleges and universities” and inserting “an entity that is a Tribal College or University”; and

(B) by striking “tribal college or university” and inserting “Tribal College or University”;

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

“(B) FEDERAL SHARE.—The Secretary shall establish the maximum percentage of the cost of the facility that may be covered by a grant under this paragraph, except that the Secretary may not require non-Federal financial support in an amount that is greater than 5 percent of the total cost of the facility.”; and

- (3) in subparagraph (C), by striking “2003 through 2007” and inserting “2008 through 2012”.

**SEC. 6008. EMERGENCY AND IMMINENT COMMUNITY WATER ASSISTANCE GRANT PROGRAM.**

Section 306A(i)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a(i)(2)) is amended by striking “2003 through 2007” and inserting “2008 through 2012”.

**SEC. 6009. WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.**

(a) IN GENERAL.—Section 306D(d)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926d(d)(1)) is amended by striking “2001 through 2007” and inserting “2008 through 2012”.

(b) RURAL COMMUNITIES ASSISTANCE.—Section 4009 of the Solid Waste Disposal Act (42 U.S.C. 6949) is amended by adding at the end the following:

“(e) ADDITIONAL APPROPRIATIONS.—

“(1) IN GENERAL.—There are authorized to be appropriated to carry out this section for the Denali Commission to provide

assistance to municipalities in the State of Alaska \$1,500,000 for each of fiscal years 2008 through 2012.

“(2) ADMINISTRATION.—For the purpose of carrying out this subsection, the Denali Commission shall—

“(A) be considered a State; and

“(B) comply with all other requirements and limitations of this section.”.

**SEC. 6010. GRANTS TO NONPROFIT ORGANIZATIONS TO FINANCE THE CONSTRUCTION, REFURBISHING, AND SERVICING OF INDIVIDUALLY-OWNED HOUSEHOLD WATER WELL SYSTEMS IN RURAL AREAS FOR INDIVIDUALS WITH LOW OR MODERATE INCOMES.**

Section 306E of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926e) is amended—

(1) in subsection (b)(2)(C), by striking “\$8,000” and inserting “\$11,000”; and

(2) in subsection (d), by striking “2003 through 2007” and inserting “2008 through 2012”.

**SEC. 6011. INTEREST RATES FOR WATER AND WASTE DISPOSAL FACILITIES LOANS.**

Section 307(a)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(3)) is amended by adding at the end the following:

“(E) INTEREST RATES FOR WATER AND WASTE DISPOSAL FACILITIES LOANS.—

“(i) IN GENERAL.—Except as provided in clause (ii) and notwithstanding subparagraph (A), in the case of a direct loan for a water or waste disposal facility—

“(I) in the case of a loan that would be subject to the 5 percent interest rate limitation under subparagraph (A), the Secretary shall establish the interest rate at a rate that is equal to 60 percent of the current market yield for outstanding municipal obligations with remaining periods to maturity comparable to the average maturity of the loan, adjusted to the nearest  $\frac{1}{8}$  of 1 percent; and

“(II) in the case of a loan that would be subject to the 7 percent limitation under subparagraph (A), the Secretary shall establish the interest rate at a rate that is equal to 80 percent of the current market yield for outstanding municipal obligations with remaining periods to maturity comparable to the average maturity of the loan, adjusted to the nearest  $\frac{1}{8}$  of 1 percent.

“(ii) EXCEPTION.—Clause (i) does not apply to a loan for a specific project that is the subject of a loan that has been approved, but not closed, as of the date of enactment of this subparagraph.”.

**SEC. 6012. COOPERATIVE EQUITY SECURITY GUARANTEE.**

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

(1) by striking “SEC. 310B. (a)” and inserting the following:

**“SEC. 310B. ASSISTANCE FOR RURAL ENTITIES.**

“(a) **LOANS TO PRIVATE BUSINESS ENTERPRISES.—**

“(1) **DEFINITIONS.—**In this subsection:”;

(2) in subsection (a)—

(A) by moving the second and fourth sentences so as to appear as the second and first sentences, respectively;

(B) in the sentence beginning “As used in this subsection, the” (as moved by subparagraph (A)), by striking “As used in this subsection, the” and inserting the following:

“(A) **AQUACULTURE.—**The”;

(C) in the sentence beginning “For the purposes of this subsection, the”, by striking “For the purposes of this subsection, the” and inserting the following:

“(B) **SOLAR ENERGY.—**The”;

(D) in the sentence beginning “The Secretary may also”—

(i) by striking “The Secretary may also” and inserting the following:

“(2) **LOAN PURPOSES.—**The Secretary may”;

(ii) by inserting “and private investment funds that invest primarily in cooperative organizations” after “or nonprofit”;

(iii) by striking “of (1) improving” and inserting “of—

“(A) improving”;

(iv) by striking “control, (2) the” and inserting “control;

“(B) the”;

(v) by striking “areas, (3) reducing” and inserting “areas;

“(C) reducing”;

(vi) by striking “areas, and (4) to” and inserting “areas; and

“(D) to”;

(E) in the sentence beginning “Such loans,” by striking “Such loans,” and inserting the following:

“(3) **LOAN GUARANTEES.—**Loans described in paragraph (2),”;

(F) in the last sentence, by striking “No loan” and inserting the following:

“(4) **MAXIMUM AMOUNT OF PRINCIPAL.—**No loan”; and

(3) in subsection (g)—

(A) in paragraph (1), by inserting “, including guarantees described in paragraph (3)(A)(ii)” before the period at the end;

(B) in paragraph (3)(A)—

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

“(A) **ELIGIBILITY.—**

“(i) **IN GENERAL.—**The Secretary”; and

(ii) by adding at the end the following:

“(ii) **EQUITY.—**The Secretary may guarantee a loan made for the purchase of preferred stock or similar equity issued by a cooperative organization or a fund that invests primarily in cooperative organizations, if the guarantee significantly benefits 1 or more entities

eligible for assistance for the purposes described in subsection (a)(1), as determined by the Secretary.”; and

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

“(I)(aa) is in a rural area; and

“(bb) provides for the value-added processing of agricultural commodities; or

“(II) significantly benefits 1 or more entities eligible for assistance for the purposes described in subsection (a)(1), as determined by the Secretary.”.

(b) CONFORMING AMENDMENTS.—

(1) Section 307(a)(6)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(6)(B)) is amended by striking clause (ii) and inserting the following:

“(ii) section 310B(a)(2)(A); and”.

(2) Section 310B(g) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(g)) is amended by striking “subsection (a)(1)” each place it appears in paragraphs (1), (6)(A)(iii), and (8)(C) and inserting “subsection (a)(2)(A)”.

(3) Section 333A(g)(1)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983a(g)(1)(B)) is amended by striking “section 310B(a)(1)” and inserting “section 310B(a)(2)(A)”.

(4) Section 381E(d)(3)(B) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009d(d)(3)(B)) is amended by striking “section 310B(a)(1)” and inserting “section 310B(a)(2)(A)”.

**SEC. 6013. RURAL COOPERATIVE DEVELOPMENT GRANTS.**

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

(1) in subparagraph (A), by striking “administering a nationally coordinated, regionally or State-wide operated project” and inserting “carrying out activities to promote and assist the development of cooperatively and mutually owned businesses”;

(2) in subparagraph (B), by inserting “to promote and assist the development of cooperatively and mutually owned businesses” before the semicolon;

(3) by striking subparagraph (D);

(4) by redesignating subparagraph (E) as subparagraph (D);

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

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

“(E) demonstrate a commitment to—

“(i) networking with and sharing the results of the efforts of the center with other cooperative development centers and other organizations involved in rural economic development efforts; and

“(ii) developing multiorganization and multistate approaches to addressing the economic development and cooperative needs of rural areas; and”;

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

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

“(6) GRANT PERIOD.—

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

“(B) MULTIYEAR GRANTS.—If the Secretary determines it to be in the best interest of the program, the Secretary shall award grants for a period of more than 1 year, but not more than 3 years, to a center that has successfully met the parameters described in paragraph (5), as determined by the Secretary.”

(c) AUTHORITY TO EXTEND GRANT PERIOD.—Section 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)) is amended—

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

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

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

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

“(10) COOPERATIVE RESEARCH PROGRAM.—The Secretary shall enter into a cooperative research agreement with 1 or more qualified academic institutions in each fiscal year to conduct research on the effects of all types of cooperatives on the national economy.”

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

“(11) ADDRESSING NEEDS OF MINORITY COMMUNITIES.—

“(A) DEFINITION OF SOCIALLY DISADVANTAGED GROUP.—In this paragraph, the term ‘socially disadvantaged group’ has the meaning given the term in section 355(e).

“(B) RESERVATION OF FUNDS.—

“(i) IN GENERAL.—If the total amount appropriated under paragraph (12) for a fiscal year exceeds \$7,500,000, the Secretary shall reserve an amount equal to 20 percent of the total amount appropriated for grants for cooperative development centers, individual cooperatives, or groups of cooperatives—

“(I) that serve socially disadvantaged groups; and

“(II) a majority of the boards of directors or governing boards of which are comprised of individuals who are members of socially disadvantaged groups.

“(ii) INSUFFICIENT APPLICATIONS.—To the extent there are insufficient applications to carry out clause

(i), the Secretary shall use the funds as otherwise authorized by this subsection.”

(f) AUTHORIZATION OF APPROPRIATIONS.—Paragraph (12) of section 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)) (as redesignated by subsection (c)(1)) is amended by striking “1996 through 2007” and inserting “2008 through 2012”.

**SEC. 6014. GRANTS TO BROADCASTING SYSTEMS.**

Section 310B(f)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(f)(3)) is amended by striking “2002 through 2007” and inserting “2008 through 2012”.

**SEC. 6015. LOCALLY OR REGIONALLY PRODUCED AGRICULTURAL FOOD PRODUCTS.**

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

“(9) LOCALLY OR REGIONALLY PRODUCED AGRICULTURAL FOOD PRODUCTS.—

“(A) DEFINITIONS.—In this paragraph:

“(i) LOCALLY OR REGIONALLY PRODUCED AGRICULTURAL FOOD PRODUCT.—The term ‘locally or regionally produced agricultural food product’ means any agricultural food product that is raised, produced, and distributed in—

“(I) the locality or region in which the final product is marketed, so that the total distance that the product is transported is less than 400 miles from the origin of the product; or

“(II) the State in which the product is produced.

“(ii) UNDERSERVED COMMUNITY.—The term ‘underserved community’ means a community (including an urban or rural community and an Indian tribal community) that has, as determined by the Secretary—

“(I) limited access to affordable, healthy foods, including fresh fruits and vegetables, in grocery retail stores or farmer-to-consumer direct markets; and

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

“(B) LOAN AND LOAN GUARANTEE PROGRAM.—

“(i) IN GENERAL.—The Secretary shall make or guarantee loans to individuals, cooperatives, cooperative organizations, businesses, and other entities to establish and facilitate enterprises that process, distribute, aggregate, store, and market locally or regionally produced agricultural food products to support community development and farm and ranch income.

“(ii) REQUIREMENT.—The recipient of a loan or loan guarantee under clause (i) shall include in an appropriate agreement with retail and institutional facilities to which the recipient sells locally or regionally produced agricultural food products a requirement to inform consumers of the retail or institutional facilities that the consumers are purchasing or consuming

locally or regionally produced agricultural food products.

“(iii) PRIORITY.—In making or guaranteeing a loan under clause (i), the Secretary shall give priority to projects that have components benefitting underserved communities.

“(iv) REPORTS.—Not later than 2 years after the date of enactment of this paragraph and annually thereafter, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes projects carried out using loans or loan guarantees made under clause (i), including—

“(I) the characteristics of the communities served; and

“(II) resulting benefits.

“(v) RESERVATION OF FUNDS.—

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

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

**SEC. 6016. APPROPRIATE TECHNOLOGY TRANSFER FOR RURAL AREAS.**

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

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

“(1) DEFINITION OF NATIONAL NONPROFIT AGRICULTURAL ASSISTANCE INSTITUTION.—In this subsection, the term ‘national nonprofit agricultural assistance institution’ means an organization that—

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

“(B) has staff and offices in multiple regions of the United States;

“(C) has experience and expertise in operating national agriculture technical assistance programs;

“(D) expands markets for the agricultural commodities produced by producers through the use of practices that enhance the environment, natural resource base, and quality of life; and

“(E) improves the economic viability of agricultural operations.

“(2) ESTABLISHMENT.—The Secretary shall establish a national appropriate technology transfer for rural areas program to assist agricultural producers that are seeking information to—

“(A) reduce input costs;

“(B) conserve energy resources;

“(C) diversify operations through new energy crops and energy generation facilities; and



“(D) expand markets for agricultural commodities produced by the producers by using practices that enhance the environment, natural resource base, and quality of life.

“(3) IMPLEMENTATION.—

“(A) IN GENERAL.—The Secretary shall carry out the program under this subsection by making a grant to, or offering to enter into a cooperative agreement with, a national nonprofit agricultural assistance institution.

“(B) GRANT AMOUNT.—A grant made, or cooperative agreement entered into, under subparagraph (A) shall provide 100 percent of the cost of providing information described in paragraph (2).

“(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection \$5,000,000 for each of fiscal years 2008 through 2012.”.

**SEC. 6017. RURAL ECONOMIC AREA PARTNERSHIP ZONES.**

Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) (as amended by section 6016) is amended by adding at the end the following:

“(j) RURAL ECONOMIC AREA PARTNERSHIP ZONES.—Effective beginning on the date of enactment of this subsection through September 30, 2012, the Secretary shall carry out those rural economic area partnership zones administratively in effect on the date of enactment of this subsection in accordance with the terms and conditions contained in the memorandums of agreement entered into by the Secretary for the rural economic area partnership zones, except as otherwise provided in this subsection.”.

**SEC. 6018. DEFINITIONS.**

(a) RURAL AREA.—Section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)) is amended by striking paragraph (13) and inserting the following:

“(13) RURAL AND RURAL AREA.—

“(A) IN GENERAL.—Subject to subparagraphs (B) through (G), the terms ‘rural’ and ‘rural area’ mean any area other than—

“(i) a city or town that has a population of greater than 50,000 inhabitants; and

“(ii) any urbanized area contiguous and adjacent to a city or town described in clause (i).

“(B) WATER AND WASTE DISPOSAL GRANTS AND DIRECT AND GUARANTEED LOANS.—For the purpose of water and waste disposal grants and direct and guaranteed loans provided under paragraphs (1), (2), and (24) of section 306(a), the terms ‘rural’ and ‘rural area’ mean a city, town, or unincorporated area that has a population of no more than 10,000 inhabitants.

“(C) COMMUNITY FACILITY LOANS AND GRANTS.—For the purpose of community facility direct and guaranteed loans and grants under paragraphs (1), (19), (20), (21), and (24) of section 306(a), the terms ‘rural’ and ‘rural area’ mean any area other than a city, town, or unincorporated area that has a population of greater than 20,000 inhabitants.

“(D) AREAS RURAL IN CHARACTER.—

“(i) APPLICATION.—This subparagraph applies to—

“(I) an urbanized area described in subparagraphs (A)(ii) and (F) that—

“(aa) has 2 points on its boundary that are at least 40 miles apart; and

“(bb) is not contiguous or adjacent to a city or town that has a population of greater than 150,000 inhabitants or an urbanized area of such city or town; and

“(II) an area within an urbanized area described in subparagraphs (A)(ii) and (F) that is within  $\frac{1}{4}$ -mile of a rural area described in subparagraph (A).

“(ii) DETERMINATION.—Notwithstanding any other provision of this paragraph, on the petition of a unit of local government in an area described in clause (i) or on the initiative of the Under Secretary for Rural Development, the Under Secretary may determine that a part of an area described in clause (i) is a rural area for the purposes of this paragraph, if the Under Secretary finds that the part is rural in character, as determined by the Under Secretary.

“(iii) ADMINISTRATION.—In carrying out this subparagraph, the Under Secretary for Rural Development shall—

“(I) not delegate the authority to carry out this subparagraph;

“(II) consult with the applicable rural development State or regional director of the Department of Agriculture and the governor of the respective State;

“(III) provide to the petitioner an opportunity to appeal to the Under Secretary a determination made under this subparagraph;

“(IV) release to the public notice of a petition filed or initiative of the Under Secretary under this subparagraph not later than 30 days after receipt of the petition or the commencement of the initiative, as appropriate;

“(V) make a determination under this subparagraph not less than 15 days, and not more than 60 days, after the release of the notice under subclause (IV);

“(VI) submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report on actions taken to carry out this subparagraph; and

“(VII) terminate a determination under this subparagraph that part of an area is a rural area on the date that data is available for the next decennial census conducted under section 141(a) of title 13, United States Code.

“(E) EXCLUSIONS.—Notwithstanding any other provision of this paragraph, in determining which census blocks in an urbanized area are not in a rural area (as defined in this paragraph), the Secretary shall exclude any cluster of census blocks that would otherwise be considered not

in a rural area only because the cluster is adjacent to not more than 2 census blocks that are otherwise considered not in a rural area under this paragraph.

“(F) URBAN AREA GROWTH.—

“(i) APPLICATION.—This subparagraph applies to—  
“(I) any area that—

“(aa) is a collection of census blocks that are contiguous to each other;

“(bb) has a housing density that the Secretary estimates is greater than 200 housing units per square mile; and

“(cc) is contiguous or adjacent to an existing boundary of a rural area; and

“(II) any urbanized area contiguous and adjacent to a city or town described in subparagraph (A)(i).

“(ii) ADJUSTMENTS.—The Secretary may, by regulation only, consider—

“(I) an area described in clause (i)(I) not to be a rural area for purposes of subparagraphs (A) and (C); and

“(II) an area described in clause (i)(II) not to be a rural area for purposes of subparagraph (C).

“(iii) APPEALS.—A program applicant may appeal an estimate made under clause (i)(I) based on appropriate data for an area, as determined by the Secretary.

“(G) HAWAII AND PUERTO RICO.—Notwithstanding any other provision of this paragraph, within the areas of the County of Honolulu, Hawaii, and the Commonwealth of Puerto Rico, the Secretary may designate any part of the areas as a rural area if the Secretary determines that the part is not urban in character, other than any area included in the Honolulu Census Designated Place or the San Juan Census Designated Place.”.

(b) REPORT.—Not later than 2 years after the date of enactment of this Act, the Secretary shall prepare and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that—

(1) assesses the various definitions of the term “rural” and “rural area” that are used with respect to programs administered by the Secretary;

(2) describes the effects that the variations in those definitions have on those programs;

(3) make recommendations for ways to better target funds provided through rural development programs; and

(4) determines the effect of the amendment made by subsection (a) on the level of rural development funding and participation in those programs in each State.

**SEC. 6019. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.**

Section 378 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008m) is amended—

(1) in subsection (g)(1), by striking “2003 through 2007” and inserting “2008 through 2012”; and

(2) in subsection (h), by striking “the date that is 5 years after the date of enactment of this section” and inserting “September 30, 2012”.

**SEC. 6020. HISTORIC BARN PRESERVATION.**

(a) GRANT PRIORITY.—Section 379A(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008o(c)) is amended—

(1) in paragraph (2)—

(A) in subparagraphs (A) and (B), by striking “a historic barn” each place it appears and inserting “historic barns”; and

(B) in subparagraph (C), by striking “on a historic barn” and inserting “on historic barns (including surveys)”;

(2) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(3) by inserting after paragraph (2) the following:

“(3) PRIORITY.—In making grants under this subsection, the Secretary shall give the highest priority to funding projects described in paragraph (2)(C).”.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 379A(c)(5) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008o(c)(5)) (as redesignated by subsection (a)(2)) is amended by striking “2002 through 2007” and inserting “2008 through 2012”.

**SEC. 6021. GRANTS FOR NOAA WEATHER RADIO TRANSMITTERS.**

Section 379B(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008p(d)) is amended by striking “2002 through 2007” and inserting “2008 through 2012”.

**SEC. 6022. RURAL MICROENTREPRENEUR ASSISTANCE PROGRAM.**

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) is amended by adding at the end the following:

**“SEC. 379E. RURAL MICROENTREPRENEUR ASSISTANCE PROGRAM.**

“(a) DEFINITIONS.—In this section:

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

“(2) MICROENTREPRENEUR.—The term ‘microentrepreneur’ means an owner and operator, or prospective owner and operator, of a rural microenterprise who is unable to obtain sufficient training, technical assistance, or credit other than under this section, as determined by the Secretary.

“(3) MICROENTERPRISE DEVELOPMENT ORGANIZATION.—The term ‘microenterprise development organization’ means an organization that—

“(A) is—

“(i) a nonprofit entity;

“(ii) an Indian tribe, the tribal government of which certifies to the Secretary that—

“(I) no microenterprise development organization serves the Indian tribe; and

“(II) no rural microentrepreneur assistance program exists under the jurisdiction of the Indian tribe; or

“(iii) a public institution of higher education;

“(B) provides training and technical assistance to rural microentrepreneurs;

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

“(D) has a demonstrated record of delivering services to rural microentrepreneurs, or an effective plan to develop a program to deliver services to rural microentrepreneurs, as determined by the Secretary.

“(4) MICROLOAN.—The term ‘microloan’ means a business loan of not more than \$50,000 that is provided to a rural microenterprise.

“(5) PROGRAM.—The term ‘program’ means the rural microentrepreneur assistance program established under subsection (b).

“(6) RURAL MICROENTERPRISE.—The term ‘rural microenterprise’ means—

“(A) a sole proprietorship located in a rural area; or

“(B) a business entity with not more than 10 full-time-equivalent employees located in a rural area.

“(b) RURAL MICROENTREPRENEUR ASSISTANCE PROGRAM.—

“(1) ESTABLISHMENT.—The Secretary shall establish a rural microentrepreneur assistance program to provide loans and grants to support microentrepreneurs in the development and ongoing success of rural microenterprises.

“(2) PURPOSE.—The purpose of the program is to provide microentrepreneurs with—

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

“(B) continuing technical and financial assistance related to the successful operation of rural microenterprises.

“(3) LOANS.—

“(A) IN GENERAL.—The Secretary shall make loans to microenterprise development organizations for the purpose of providing fixed interest rate microloans to microentrepreneurs for startup and growing rural microenterprises.

“(B) LOAN TERMS.—A loan made by the Secretary to a microenterprise development organization under this paragraph shall—

“(i) be for a term not to exceed 20 years; and

“(ii) bear an annual interest rate of at least 1 percent.

“(C) LOAN LOSS RESERVE FUND.—The Secretary shall require each microenterprise development organization that receives a loan under this paragraph to—

“(i) establish a loan loss reserve fund; and

“(ii) maintain the reserve fund in an amount equal to at least 5 percent of the outstanding balance of such loans owed by the microenterprise development organization, until all obligations owed to the Secretary under this paragraph are repaid.

“(D) DEFERRAL OF INTEREST AND PRINCIPAL.—The Secretary may permit the deferral of payments on principal and interest due on a loan to a microenterprise development organization made under this paragraph for a 2-year period beginning on the date the loan is made.

“(4) GRANTS.—

“(A) GRANTS TO SUPPORT RURAL MICROENTERPRISE DEVELOPMENT.—

“(i) IN GENERAL.—The Secretary shall make grants to microenterprise development organizations to—

“(I) provide training, operational support, business planning, and market development assistance, and other related services to rural microentrepreneurs; and

“(II) carry out such other projects and activities as the Secretary determines appropriate to further the purposes of the program.

“(ii) SELECTION.—In making grants under clause (i), the Secretary shall—

“(I) place an emphasis on microenterprise development organizations that serve microentrepreneurs that are located in rural areas that have suffered significant outward migration, as determined by the Secretary; and

“(II) ensure, to the maximum extent practicable, that grant recipients include microenterprise development organizations—

“(aa) of varying sizes; and

“(bb) that serve racially and ethnically diverse populations.

“(B) GRANTS TO ASSIST MICROENTREPRENEURS.—

“(i) IN GENERAL.—The Secretary shall make grants to microenterprise development organizations to provide marketing, management, and other technical assistance to microentrepreneurs that—

“(I) received a loan from the microenterprise development organization under paragraph (3); or

“(II) are seeking a loan from the microenterprise development organization under paragraph (3).

“(ii) MAXIMUM AMOUNT OF GRANT.—A microenterprise development organization shall be eligible to receive an annual grant under this subparagraph in an amount equal to not more than 25 percent of the total outstanding balance of microloans made by the microenterprise development organization under paragraph (3), as of the date the grant is awarded.

“(C) ADMINISTRATIVE EXPENSES.—Not more than 10 percent of a grant received by a microenterprise development organization for a fiscal year under this paragraph may be used to pay administrative expenses.

“(c) ADMINISTRATION.—

“(1) COST SHARE.—

“(A) FEDERAL SHARE.—Subject to subparagraph (B), the Federal share of the cost of a project funded under this section shall not exceed 75 percent.

“(B) MATCHING REQUIREMENT.—As a condition of any grant made under this subparagraph, the Secretary shall require the microenterprise development organization to match not less than 15 percent of the total amount of the grant in the form of matching funds, indirect costs, or in-kind goods or services.

“(C) FORM OF NON-FEDERAL SHARE.—The non-Federal share of the cost of a project funded under this section may be provided—

“(i) in cash (including through fees, grants (including community development block grants), and gifts); or

“(ii) in the form of in-kind contributions.

“(2) OVERSIGHT.—At a minimum, not later than December 1 of each fiscal year, a microenterprise development organization that receives a loan or grant under this section shall provide to the Secretary such information as the Secretary may require to ensure that assistance provided under this section is used for the purposes for which the loan or grant was made.

“(d) FUNDING.—

“(1) MANDATORY FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section, to remain available until expended—

“(A) \$4,000,000 for each of fiscal years 2009 through 2011; and

“(B) \$3,000,000 for fiscal year 2012.

“(2) DISCRETIONARY FUNDING.—In addition to amounts made available under paragraph (1), there are authorized to be appropriated to carry out this section \$40,000,000 for each of fiscal years 2009 through 2012.”.

**SEC. 6023. GRANTS FOR EXPANSION OF EMPLOYMENT OPPORTUNITIES FOR INDIVIDUALS WITH DISABILITIES IN RURAL AREAS.**

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) (as amended by section 6022) is amended by adding at the end the following:

**“SEC. 379F. GRANTS FOR EXPANSION OF EMPLOYMENT OPPORTUNITIES FOR INDIVIDUALS WITH DISABILITIES IN RURAL AREAS.**

“(a) DEFINITIONS.—In this section:

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

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

“(b) GRANTS.—The Secretary shall make grants to nonprofit organizations, or to a consortium of nonprofit organizations, to expand and enhance employment opportunities for individuals with disabilities in rural areas.

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

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

“(2) demonstrated knowledge and expertise in—

“(A) employment of individuals with disabilities; and

“(B) advising private entities on accessibility issues involving individuals with disabilities;

“(3) expertise in removing barriers to employment for individuals with disabilities, including access to transportation, assistive technology, and other accommodations; and

“(4) existing relationships with national organizations focused primarily on the needs of rural areas.

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

“(1) employment opportunities for individuals with disabilities in rural areas by developing national technical assistance and education resources to assist small businesses in a rural area to recruit, hire, accommodate, and employ individuals with disabilities; and

“(2) self-employment and entrepreneurship opportunities for individuals with disabilities in a rural area.

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

**SEC. 6024. HEALTH CARE SERVICES.**

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) (as amended by section 6023) is amended by adding at the end the following:

**“SEC. 379G. HEALTH CARE SERVICES.**

“(a) PURPOSE.—The purpose of this section is to address the continued unmet health needs in the Delta region through cooperation among health care professionals, institutions of higher education, research institutions, and other individuals and entities in the region.

“(b) DEFINITION OF ELIGIBLE ENTITY.—In this section, the term ‘eligible entity’ means a consortium of regional institutions of higher education, academic health and research institutes, and economic development entities located in the Delta region that have experience in addressing the health care issues in the region.

“(c) GRANTS.—To carry out the purpose described in subsection (a), the Secretary may award a grant to an eligible entity for

—“(1) the development of —

“(A) health care services;

“(B) health education programs; and

“(C) health care job training programs; and

“(2) the development and expansion of public health-related facilities in the Delta region to address longstanding and unmet health needs of the region.

“(d) USE.—As a condition of the receipt of the grant, the eligible entity shall use the grant to fund projects and activities described in subsection (c), based on input solicited from local governments, public health care providers, and other entities in the Delta region.

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

**SEC. 6025. DELTA REGIONAL AUTHORITY.**

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 382M(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa–12(a)) is amended by striking “2001 through 2007” and inserting “2008 through 2012”.



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

(c) **EXPANSION.**—Section 4(2) of the Delta Development Act (42 U.S.C. 3121 note; Public Law 100–460) is amended—

(1) in subparagraph (D), by inserting “Beauregard, Bienville, Cameron, Claiborne, DeSoto, Jefferson Davis, Red River, St. Mary, Vermillion, Webster,” after “St. James,”; and

(2) in subparagraph (E)—

(A) by inserting “Jasper,” after “Copiah,”; and

(B) by inserting “Smith,” after “Simpson,”.

**SEC. 6026. NORTHERN GREAT PLAINS REGIONAL AUTHORITY.**

(a) **DEFINITION OF REGION.**—Section 383A(4) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009bb(4)) is amended by inserting “Missouri (other than counties included in the Delta Regional Authority),” after “Minnesota,”.

(b) **ESTABLISHMENT.**—Section 383B of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009bb–1) is amended—

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

“(4) **FAILURE TO CONFIRM.**—

“(A) **FEDERAL MEMBER.**—Notwithstanding any other provision of this section, if a Federal member described in paragraph (2)(A) has not been confirmed by the Senate by not later than 180 days after the date of enactment of this paragraph, the Authority may organize and operate without the Federal member.

“(B) **INDIAN CHAIRPERSON.**—In the case of the Indian Chairperson, if no Indian Chairperson is confirmed by the Senate, the regional authority shall consult and coordinate with the leaders of Indian tribes in the region concerning the activities of the Authority, as appropriate.”;

(2) in subsection (d)—

(A) in paragraph (1), by striking “to establish priorities and” and inserting “for multistate cooperation to advance the economic and social well-being of the region and to”;

(B) in paragraph (3), by striking “local development districts,” and inserting “regional and local development districts or organizations, regional boards established under subtitle I,”;

(C) in paragraph (4), by striking “cooperation,” and inserting “cooperation for—

“(i) renewable energy development and transmission;

“(ii) transportation planning and economic development;

“(iii) information technology;

“(iv) movement of freight and individuals within the region;

“(v) federally-funded research at institutions of higher education; and

“(vi) conservation land management.”;

(D) by striking paragraph (6) and inserting the following:

“(6) enhance the capacity of, and provide support for, multistate development and research organizations, local

development organizations and districts, and resource conservation districts in the region;” and

(E) in paragraph (7), by inserting “renewable energy,” after “commercial.”

(3) in subsection (f)(2), by striking “the Federal cochairperson” and inserting “a cochairperson”;

(4) in subsection (g)(1), by striking subparagraphs (A) through (C) and inserting the following:

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

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

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

(c) INTERSTATE COOPERATION FOR ECONOMIC OPPORTUNITY AND EFFICIENCY.—

(1) IN GENERAL.—Subtitle G of the Consolidated Farm and Rural Development Act is amended—

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

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

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

“(a) IN GENERAL.—The Authority shall provide assistance to States in developing regional plans to address multistate economic issues, including plans—

“(1) to develop a regional transmission system for movement of renewable energy to markets outside the region;

“(2) to address regional transportation concerns, including the establishment of a Northern Great Plains Regional Transportation Working Group;

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

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

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

“(1) renewable energy development and transmission;

“(2) transportation planning and economic development;

“(3) information technology;

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

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

“(6) conservation land management.”

(2) CONFORMING AMENDMENTS.—

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

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

(C) Section 383E of the Consolidated Farm and Rural Development Act (as so redesignated) is amended—

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

(ii) in subsection (c)(2)(A), by striking “383I” and inserting “383J”.

(D) Section 383G of the Consolidated Farm and Rural Development Act (as so redesignated) is amended—

(i) in subsection (b)—

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

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

(ii) in subsection (c)(2)(A), by striking “383E(b)” and inserting “383F(b)”;

(iii) in subsection (d)—

(I) by striking “383M” and inserting “383N”; and

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

(E) Section 383J(c)(2) of the Consolidated Farm and Rural Development Act (as so redesignated) is amended by striking “383H” and inserting “383I”.

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

(1) in subsection (a)—

(A) in paragraph (1), by striking “transportation and telecommunication” and inserting “transportation, renewable energy transmission, and telecommunication”; and

(B) by redesignating paragraphs (1) and (2) as paragraphs (2) and (1), respectively, and moving those paragraphs so as to appear in numerical order; and

(2) in subsection (b)(2), by striking “the activities in the following order or priority” and inserting “the following activities”.

(e) SUPPLEMENTS TO FEDERAL GRANT PROGRAMS.—Section 383E(a) of the Consolidated Farm and Rural Development Act (as redesignated by subsection (c)(1)(A)) is amended by striking “, including local development districts,”.

(f) MULTISTATE AND LOCAL DEVELOPMENT DISTRICTS AND ORGANIZATIONS AND NORTHERN GREAT PLAINS INC.—Section 383F of the Consolidated Farm and Rural Development Act (as redesignated by subsection (c)(1)(A)) is amended—

(1) by striking the section heading and inserting “**MULTISTATE AND LOCAL DEVELOPMENT DISTRICTS AND ORGANIZATIONS AND NORTHERN GREAT PLAINS INC.**”; and

(2) by striking subsections (a) through (c) and inserting the following:

“(a) DEFINITION OF MULTISTATE AND LOCAL DEVELOPMENT DISTRICT OR ORGANIZATION.—In this section, the term ‘multistate and local development district or organization’ means an entity—

“(1) that—

“(A) is a planning district in existence on the date of enactment of this subtitle that is recognized by the Economic Development Administration of the Department of Commerce; or

“(B) is—

“(i) organized and operated in a manner that ensures broad-based community participation and an

effective opportunity for other nonprofit groups to contribute to the development and implementation of programs in the region;

“(ii) a nonprofit incorporated body organized or chartered under the law of the State in which the entity is located;

“(iii) a nonprofit agency or instrumentality of a State or local government;

“(iv) a public organization established before the date of enactment of this subtitle under State law for creation of multijurisdictional, area-wide planning organizations;

“(v) a nonprofit agency or instrumentality of a State that was established for the purpose of assisting with multistate cooperation; or

“(vi) a nonprofit association or combination of bodies, agencies, and instrumentalities described in clauses (ii) through (v); and

“(2) that has not, as certified by the Authority (in consultation with the Federal cochairperson or Secretary, as appropriate)—

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

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

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

“(1) IN GENERAL.—The Authority may make grants for administrative expenses under this section to multistate, local, and regional development districts and organizations.

“(2) CONDITIONS FOR GRANTS.—

“(A) MAXIMUM AMOUNT.—The amount of any grant awarded under paragraph (1) shall not exceed 80 percent of the administrative expenses of the multistate, local, or regional development district or organization receiving the grant.

“(B) MAXIMUM PERIOD.—No grant described in paragraph (1) shall be awarded for a period greater than 3 years.

“(3) LOCAL SHARE.—The contributions of a multistate, local, or regional development district or organization for administrative expenses may be in cash or in kind, fairly evaluated, including space, equipment, and services.

“(c) DUTIES.—

“(1) IN GENERAL.—Except as provided in paragraph (2), a local development district shall operate as a lead organization serving multicounty areas in the region at the local level.

“(2) DESIGNATION.—The Federal cochairperson may designate an Indian tribe or multijurisdictional organization to serve as a lead organization in such cases as the Federal cochairperson or Secretary, as appropriate, determines appropriate.”

(g) DISTRESSED COUNTIES AND AREAS AND NONDISTRESSED COUNTIES.—Section 383G of the Consolidated Farm and Rural

Development Act (as redesignated by subsection (c)(1)(A)) is amended—

- (1) in subsection (b)(1), by striking “75” and inserting “50”;
- (2) by striking subsection (c);
- (3) by redesignating subsection (d) as subsection (c); and
- (4) in subsection (c) (as so redesignated)—
  - (A) in the subsection heading, by inserting “RENEWABLE ENERGY,” after “TELECOMMUNICATION”; and
  - (B) by inserting “, renewable energy,” after “telecommunication.”

(h) DEVELOPMENT PLANNING PROCESS.—Section 383H of the Consolidated Farm and Rural Development Act (as redesignated by subsection (c)(1)(A)) is amended—

- (1) in subsection (c)(1), by striking subparagraph (A) and inserting the following:

“(A) multistate, regional, and local development districts and organizations; and”;

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

(i) PROGRAM DEVELOPMENT CRITERIA.—Section 383I(a)(1) of the Consolidated Farm and Rural Development Act (as redesignated by subsection (c)(1)(A)) is amended by inserting “multistate or” before “regional”.

(j) AUTHORIZATION OF APPROPRIATIONS.—Section 383N(a) of the Consolidated Farm and Rural Development Act (as redesignated by subsection (c)(1)(A)) is amended by striking “2002 through 2007” and inserting “2008 through 2012”.

(k) TERMINATION OF AUTHORITY.—Section 383O of the Consolidated Farm and Rural Development Act (as redesignated by subsection (c)(1)(A)) is amended by striking “2007” and inserting “2012”.

**SEC. 6027. RURAL BUSINESS INVESTMENT PROGRAM.**

(a) ISSUANCE AND GUARANTEE OF TRUST CERTIFICATES.—Section 384F(b)(3)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009cc-5(b)(3)(A)) is amended by striking “In the event” and inserting the following:

“(i) AUTHORITY TO PREPAY.—A debenture may be prepaid at any time without penalty.

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

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

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

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

- (3) in subsection (c)—
  - (A) in paragraph (1), by striking “The” and inserting “Except as provided in paragraph (3), the”;
  - (B) in paragraph (2)—

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

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

(iii) by adding at the end the following:

“(C) shall not exceed \$500 for any fee collected under this subsection.”; and

(C) by adding at the end the following:

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

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

(1) by redesignating paragraph (3) as paragraph (4); and  
(2) by inserting after paragraph (2) the following:

“(3) TIME FRAME.—Each rural business investment company shall have a period of 2 years to meet the capital requirements of this subsection.”.

(d) FINANCIAL INSTITUTION INVESTMENTS.—Section 384J of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009cc–9) is amended—

(1) in subsection (a)(1), by inserting “, including an investment pool created entirely by such bank or savings association” before the period at the end; and

(2) in subsection (c), by striking “15” and inserting “25”.

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

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

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

“There is authorized to be appropriated to carry out this subtitle \$50,000,000 for the period of fiscal years 2008 through 2012.”.

**SEC. 6028. RURAL COLLABORATIVE INVESTMENT PROGRAM.**

Subtitle I of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009dd et seq.) is amended to read as follows:

## **“Subtitle I—Rural Collaborative Investment Program**

**“SEC. 385A. PURPOSE.**

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

“(1) to provide rural regions with a flexible investment vehicle, allowing for local control with Federal oversight, assistance, and accountability;

“(2) to provide rural regions with incentives and resources to develop and implement comprehensive strategies for achieving regional competitiveness, innovation, and prosperity;

“(3) to foster multisector community and economic development collaborations that will optimize the asset-based competitive advantages of rural regions with particular emphasis on innovation, entrepreneurship, and the creation of quality jobs;

“(4) to foster collaborations necessary to provide the professional technical expertise, institutional capacity, and economies

of scale that are essential for the long-term competitiveness of rural regions; and

“(5) to better use Department of Agriculture and other Federal, State, and local governmental resources, and to leverage those resources with private, nonprofit, and philanthropic investments, in order to achieve measurable community and economic prosperity, growth, and sustainability.

**“SEC. 385B. DEFINITIONS.**

“In this subtitle:

“(1) BENCHMARK.—The term ‘benchmark’ means an annual set of goals and performance measures established for the purpose of assessing performance in meeting a regional investment strategy of a Regional Board.

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

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

“(4) NATIONAL INSTITUTE.—The term ‘National Institute’ means the National Institute on Regional Rural Competitiveness and Entrepreneurship established under section 385C(b)(2).

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

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

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

“(8) RURAL HERITAGE.—

“(A) IN GENERAL.—The term ‘rural heritage’ means historic sites, structures, and districts.

“(B) INCLUSIONS.—The term ‘rural heritage’ includes historic rural downtown areas and main streets, neighborhoods, farmsteads, scenic and historic trails, heritage areas, and historic landscapes.

**“SEC. 385C. ESTABLISHMENT AND ADMINISTRATION OF RURAL COLLABORATIVE INVESTMENT PROGRAM.**

“(a) ESTABLISHMENT.—The Secretary shall establish a Rural Collaborative Investment Program to support comprehensive regional investment strategies for achieving rural competitiveness.

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

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

“(2) establish a national institute, to be known as the ‘National Institute on Regional Rural Competitiveness and Entrepreneurship’, to provide technical assistance to the Secretary and the National Board regarding regional competitiveness and rural entrepreneurship, including technical assistance for—

“(A) the development of rigorous analytic programs to assist Regional Boards in determining the challenges

and opportunities that need to be addressed to receive the greatest regional competitive advantage;

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

“(C) the establishment of programs to support the development of appropriate governance and leadership skills in the applicable regions; and

“(D) the evaluation of the progress and performance of the Regional Boards in achieving benchmarks established in a regional investment strategy;

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

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

“(B) establish a Rural Philanthropic Initiative, to work with rural communities to create and enhance the pool of permanent philanthropic resources committed to rural community and economic development;

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

“(D) encourage the organization of Regional Boards;

“(4) certify the eligibility of Regional Boards to receive regional investment strategy grants and regional innovation grants;

“(5) provide grants for Regional Boards to develop and implement regional investment strategies;

“(6) provide technical assistance to Regional Boards on issues, best practices, and emerging trends relating to rural development, in cooperation with the National Rural Investment Board; and

“(7) provide analytic and programmatic support for regional rural competitiveness through the National Institute, including—

“(A) programs to assist Regional Boards in determining the challenges and opportunities that must be addressed to receive the greatest regional competitive advantage;

“(B) support for best practices development by the regional investment boards;

“(C) programs to support the development of appropriate governance and leadership skills in the region; and

“(D) a review and evaluation of the performance of the Regional Boards (including progress in achieving benchmarks established in a regional investment strategy) in an annual report submitted to—

“(i) the Committee on Agriculture of the House of Representatives; and

“(ii) the Committee on Agriculture, Nutrition, and Forestry of the Senate.

“(c) NATIONAL RURAL INVESTMENT BOARD.—The Secretary shall establish within the Department of Agriculture a board to be known as the ‘National Rural Investment Board’.

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



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

“(2) provide advice to—

“(A) the Secretary and subsequently review the design, development, and execution of the National Rural Investment Plan;

“(B) Regional Boards on issues, best practices, and emerging trends relating to rural development; and

“(C) the Secretary and the National Institute on the development and execution of the program under this subtitle.

“(e) MEMBERSHIP.—

“(1) IN GENERAL.—The National Board shall consist of 14 members appointed by the Secretary not later than 180 days after the date of enactment of the Food, Conservation, and Energy Act of 2008.

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

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

“(A) nationally recognized entrepreneurship organizations;

“(B) regional strategy and development organizations;

“(C) community-based organizations;

“(D) elected members of local governments;

“(E) members of State legislatures;

“(F) primary, secondary, and higher education, job skills training, and workforce development institutions;

“(G) the rural philanthropic community;

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

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

“(J) Indian tribes; and

“(K) cooperative organizations.

“(4) SELECTION OF MEMBERS.—

“(A) IN GENERAL.—In selecting members of the National Board, the Secretary shall consider recommendations made by—

“(i) the chairman and ranking member of each of the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate;

“(ii) the Majority Leader and Minority Leader of the Senate; and

“(iii) the Speaker and Minority Leader of the House of Representatives.

“(B) EX-OFFICIO MEMBERS.—In consultation with the chairman and ranking member of each of the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, the Secretary may appoint not more than 3 other officers or employees of the Executive Branch to serve as ex-officio, nonvoting members of the National Board.

“(5) TERM OF OFFICE.—

“(A) IN GENERAL.—Subject to subparagraph (B), the term of office of a member of the National Board appointed under paragraph (1)(A) shall be for a period of not more than 4 years.

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

“(6) INITIAL APPOINTMENTS.—Not later than 1 year after the date of enactment of the Food, Conservation, and Energy Act of 2008, the Secretary shall appoint the initial members of the National Board.

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

“(8) COMPENSATION.—A member of the National Board shall receive no compensation for service on the National Board, but shall be reimbursed for related travel and other expenses incurred in carrying out the duties of the member of the National Board in accordance with section 5702 and 5703 of title 5, United States Code.

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

“(10) FEDERAL STATUS.—For purposes of Federal law, a member of the National Board shall be considered a special Government employee (as defined in section 202(a) of title 18, United States Code).

“(f) ADMINISTRATIVE SUPPORT.—The Secretary, on a reimbursable basis from funds made available under section 385H, may provide such administrative support to the National Board as the Secretary determines is necessary.

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

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

“(1) represents the long-term economic, community, and cultural interests of a region;

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

“(3) is composed of residents of a region that are broadly representative of diverse public, nonprofit, and private sector interests in investment in the region, including (to the maximum extent practicable) representatives of—

“(A) units of local, multijurisdictional, or State government, including not more than 1 representative from each State in the region;

“(B) nonprofit community-based development organizations, including community development financial institutions and community development corporations;

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

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

“(E) regional development organizations;

“(F) private business organizations, including chambers of commerce;

“(G)(i) institutions of higher education (as defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)));

“(ii) tribally controlled colleges or universities (as defined in section 2(a) of Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1801(a))); and

“(iii) tribal technical institutions;

“(H) workforce and job training organizations;

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

“(J) cooperatives; and

“(K) consortia of entities and organizations described in subparagraphs (A) through (J);

“(4) represents a region inhabited by—

“(A) more than 25,000 individuals, as determined in the latest available decennial census conducted under section 141(a) of title 13, United States Code; or

“(B) in the case of a region with a population density of less than 2 individuals per square mile, at least 10,000 individuals, as determined in that latest available decennial census;

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

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

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

“(C) private business (including chambers of commerce and cooperatives) and agricultural, natural resource, and other asset-based related industries described in subparagraphs (C) and (F) of paragraph (3);

“(6) has a membership that may include an officer or employee of a Federal agency, serving as an ex-officio, nonvoting member of the Regional Board to represent the agency; and

“(7) has organizational documents that demonstrate that the Regional Board will—

“(A) create a collaborative public-private strategy process;

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

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

“(ii) to provide financial and technical assistance to promote a broad-based regional development program aimed at increasing and diversifying economic growth, improved community facilities, and improved quality of life;

“(C) implement the approved regional investment strategy;

“(D) provide annual reports to the Secretary and the National Board on progress made in achieving the benchmarks of the regional investment strategy, including an annual financial statement; and

“(E) select a non-Federal organization (such as a regional development organization) in the local area served by the Regional Board that has previous experience in

the management of Federal funds to serve as fiscal manager of any funds of the Regional Board.

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

“(c) DUTIES.—A Regional Board shall—

“(1) create a collaborative planning process for public-private investment within a region;

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

“(3) develop approaches that will create permanent resources for philanthropic giving in the region, to the maximum extent practicable;

“(4) implement an approved strategy; and

“(5) provide annual reports to the Secretary and the National Board on progress made in achieving the strategy, including an annual financial statement.

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

“(a) IN GENERAL.—The Secretary shall make regional investment strategy grants available to Regional Boards for use in developing, implementing, and maintaining regional investment strategies.

“(b) REGIONAL INVESTMENT STRATEGY.—A regional investment strategy shall provide—

“(1) an assessment of the competitive advantage of a region, including—

“(A) an analysis of the economic conditions of the region;

“(B) an assessment of the current economic performance of the region;

“(C) an overview of the population, geography, workforce, transportation system, resources, environment, and infrastructure needs of the region; and

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

“(2) an analysis of regional economic and community development challenges and opportunities, including—

“(A) incorporation of relevant material from other government-sponsored or supported plans and consistency with applicable State, regional, and local workforce investment strategies or comprehensive economic development plans; and

“(B) an identification of past, present, and projected Federal and State economic and community development investments in the region;

“(3) a section describing goals and objectives necessary to solve regional competitiveness challenges and meet the potential of the region;

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

“(A) establishing regional goals and objectives;

“(B) developing and implementing a regional action strategy;

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

“(D) identifying lead organizations to execute portions of the strategy;

“(5) an analysis of the current state of collaborative public, private, and nonprofit participation and investment, and of the strategic roles of public, private, and nonprofit entities in the development and implementation of the regional investment strategy;

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

“(A) other potential funding sources; and

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

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

“(8) a list of performance measures to be used to evaluate implementation of the regional investment strategy, including—

“(A) the number and quality of jobs, including self-employment, created during implementation of the regional rural investment strategy;

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

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

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

“(E) other changes in the economic environment of the region;

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

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

“(c) **MAXIMUM AMOUNT OF GRANT.**—A regional investment strategy grant shall not exceed \$150,000.

“(d) **COST SHARING.**—

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

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

“(B) the remaining share shall be provided by the applicable Regional Board or other eligible grantee.

“(2) **FORM.**—A Regional Board or other eligible grantee shall pay the share described in paragraph (1)(B) in the form of cash, services, materials, or other in-kind contributions, on the condition that not more than 50 percent of that share is provided in the form of services, materials, and other in-kind contributions.

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

“(a) **GRANTS.**—

“(1) **IN GENERAL.**—The Secretary shall provide, on a competitive basis, regional innovation grants to Regional Boards for use in implementing projects and initiatives that are identified in a regional rural investment strategy approved under section 385E.

“(2) TIMING.—After October 1, 2008, the Secretary shall provide awards under this section on a quarterly funding cycle.

“(b) ELIGIBILITY.—To be eligible to receive a regional innovation grant, a Regional Board shall demonstrate to the Secretary that—

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

“(2) the management and organizational structure of the Regional Board is sufficient to oversee grant projects, including management of Federal funds; and

“(3) the Regional Board has a plan to achieve, to the maximum extent practicable, the performance-based benchmarks of the project in the regional rural investment strategy.

“(c) LIMITATIONS.—

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

“(2) DETERMINATION OF AMOUNT.—The Secretary shall determine the amount of a regional innovation grant based on—

“(A) the needs of the region being addressed by the applicable regional rural investment strategy consistent with the purposes described in subsection (f)(2); and

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

“(3) GEOGRAPHIC DIVERSITY.—The Secretary shall ensure that not more than 10 percent of funding made available under this section is provided to Regional Boards in any State.

“(d) COST-SHARING.—

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

“(2) WAIVER OF GRANTEE SHARE.—The Secretary may waive the limitation in paragraph (1) under special circumstances, as determined by the Secretary, including—

“(A) a sudden or severe economic dislocation;

“(B) significant chronic unemployment or poverty;

“(C) a natural disaster; or

“(D) other severe economic, social, or cultural duress.

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

“(e) PREFERENCES.—In providing regional innovation grants under this section, the Secretary shall give—

“(1) a high priority to strategies that demonstrate significant leverage of capital and quality job creation; and

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

“(A) advance the overall regional competitiveness of a region;

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

“(i) promote cross-sector collaboration, public-private partnerships, or the provision of interim financing or seed capital for program implementation;

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

“(iii) represent a broad coalition of interests described in section 385D(a);

“(C) include a strategy to leverage public non-Federal and private funds and existing assets, including agricultural, natural resource, and public infrastructure assets, with substantial emphasis placed on the existence of real financial commitments to leverage available funds;

“(D) create quality jobs;

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

“(F) demonstrate a history, or involve organizations with a history, of successful leveraging of capital for economic development and public purposes;

“(G) address gaps in existing basic services, including technology, within a region;

“(H) address economic diversification, including agricultural and non-agriculturally based economies, within a regional framework;

“(I) improve the overall quality of life in the region;

“(J) enhance the potential to expand economic development successes across diverse stakeholder groups within the region;

“(K) include an effective working relationship with 1 or more institutions of higher education, tribally controlled colleges or universities, or tribal technical institutions;

“(L) help to meet the other regional competitiveness needs identified by a Regional Board; or

“(M) protect and promote rural heritage.

“(f) USES.—

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

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

“(A) to support the development of critical infrastructure (including technology deployment and services) necessary to facilitate the competitiveness of a region;

“(B) to provide assistance to entities within the region that provide essential public and community services;

“(C) to enhance the value-added production, marketing, and use of agricultural and natural resources within the region, including activities relating to renewable and alternative energy production and usage;

“(D) to assist with entrepreneurship, job training, workforce development, housing, educational, or other quality of life services or needs, relating to the development and maintenance of strong local and regional economies;

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

“(F) to provide support for business and entrepreneurial investment, strategy, expansion, and development, including feasibility strategies, technical assistance, peer networks, business development funds, and other activities to strengthen the economic competitiveness of the region;

“(G) to provide matching funds to enable community foundations located within the region to build endowments which provide permanent philanthropic resources to implement a regional investment strategy; and

“(H) to preserve and promote rural heritage.

“(3) AVAILABILITY OF FUNDS.—The funds made available to a Regional Board or any other eligible grantee through a regional innovation grant shall remain available for the 7-year period beginning on the date on which the award is provided, on the condition that the Regional Board or other grantee continues to be certified by the Secretary as making adequate progress toward achieving established benchmarks.

“(g) COST SHARING.—

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

“(A) a sudden or severe economic dislocation;

“(B) significant chronic unemployment or poverty;

“(C) a natural disaster; or

“(D) other severe economic, social, or cultural duress.

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

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

“(1) take such actions as are necessary to obtain reimbursement of unused grant funds; and

“(2) reprogram the recaptured funds for purposes relating to implementation of this subtitle.

“(i) PRIORITY TO AREAS WITH AWARDS AND APPROVED STRATEGIES.—

“(1) IN GENERAL.—Subject to paragraph (3), in providing rural development assistance under other programs, the Secretary shall give a high priority to areas that receive innovation grants under this section.

“(2) CONSULTATION.—The Secretary shall consult with the heads of other Federal agencies to promote the development of priorities similar to those described in paragraph (1).

“(3) EXCLUSION OF CERTAIN PROGRAMS.—Paragraph (1) shall not apply to the provision of rural development assistance under any program relating to basic health, safety, or infrastructure, including broadband deployment or minimum environmental needs.



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

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

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

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

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

“(3) use the loan and the matching amount to carry out the regional investment strategy in a manner that is targeted to community and economic development, including through the development of community foundation endowments.

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

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

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

“(3) be subject to such other terms and conditions as are determined appropriate by the Secretary.

**“SEC. 385H. AUTHORIZATION OF APPROPRIATIONS.**

“There are authorized to be appropriated to carry out this subtitle \$135,000,000 for the period of fiscal years 2009 through 2012.”.

**SEC. 6029. FUNDING OF PENDING RURAL DEVELOPMENT LOAN AND GRANT APPLICATIONS.**

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

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

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

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

(c) LIMITATIONS.—

(1) APPROPRIATED AMOUNTS.—Funds made available under this section shall be available to the Secretary to provide funds for applications for loans and grants described in subsection (b) that are pending on the date of enactment of this Act only to the extent that funds for the loans and grants appropriated in the annual appropriations Act for fiscal year 2007 have been exhausted.

(2) PROGRAM REQUIREMENTS.—The Secretary may use funds made available under this section to provide funds for a pending application for a loan or grant described in subsection (b) only if the Secretary processes, reviews, and approves the application in accordance with regulations in effect on the date of enactment of this Act.

(3) PRIORITY.—In providing funding under this section for pending applications for loans or grants described in subsection (b), the Secretary shall provide funding in the following order of priority (until funds made available under this section are exhausted):

(A) Pending applications for water systems.

(B) Pending applications for waste disposal systems.

(d) FUNDING.—Notwithstanding any other provision of law, of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section \$120,000,000, to remain available until expended.

## Subtitle B—Rural Electrification Act of 1936

### SEC. 6101. ENERGY EFFICIENCY PROGRAMS.

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

### SEC. 6102. REINSTATEMENT OF RURAL UTILITY SERVICES DIRECT LENDING.

(a) IN GENERAL.—Section 4 of the Rural Electrification Act of 1936 (7 U.S.C. 904) is amended—

(1) by designating the first, second, and third sentences as subsections (a), (b), and (d), respectively; and

(2) by inserting after subsection (b) (as so designated) the following:

“(c) DIRECT LOANS.—

“(1) DIRECT HARDSHIP LOANS.—Direct hardship loans under this section shall be for the same purposes and on the same terms and conditions as hardship loans made under section 305(c)(1).

“(2) OTHER DIRECT LOANS.—All other direct loans under this section shall bear interest at a rate equal to the then current cost of money to the Government of the United States for loans of similar maturity, plus  $\frac{1}{8}$  of 1 percent.”

(b) ELIMINATION OF FEDERAL FINANCING BANK GUARANTEED LOANS.—Section 306 of the Rural Electrification Act of 1936 (7 U.S.C. 936) is amended—

(1) in the third sentence, by striking “guarantee, accommodation, or subordination” and inserting “accommodation or subordination”; and

(2) by striking the fourth sentence.

### SEC. 6103. DEFERMENT OF PAYMENTS TO ALLOWS LOANS FOR IMPROVED ENERGY EFFICIENCY AND DEMAND REDUCTION AND FOR ENERGY EFFICIENCY AND USE AUDITS.

Section 12 of the Rural Electrification Act of 1936 (7 U.S.C. 912) is amended by adding at the end the following:

“(c) DEFERMENT OF PAYMENTS ON LOANS.—

“(1) IN GENERAL.—The Secretary shall allow borrowers to defer payment of principal and interest on any direct loan made under this Act to enable the borrower to make loans to residential, commercial, and industrial consumers—

“(A) to conduct energy efficiency and use audits; and

“(B) to install energy efficient measures or devices that reduce the demand on electric systems.

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

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

**SEC. 6104. RURAL ELECTRIFICATION ASSISTANCE.**

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

**“SEC. 13. DEFINITIONS.**

“In this Act:

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

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

“(3) RURAL AREA.—Except as provided otherwise in this Act, the term ‘rural area’ means the farm and nonfarm population of—

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

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

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

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

**SEC. 6105. SUBSTANTIALLY UNDERSERVED TRUST AREAS.**

The Rural Electrification Act of 1936 is amended by inserting after section 306E (7 U.S.C. 936e) the following:

**“SEC. 306F. SUBSTANTIALLY UNDERSERVED TRUST AREAS.**

“(a) DEFINITIONS.—In this section:

“(1) ELIGIBLE PROGRAM.—The term ‘eligible program’ means a program administered by the Rural Utilities Service and authorized in—

“(A) this Act; or

“(B) paragraph (1), (2), (14), (22), or (24) of section 306(a) or section 306A, 306C, 306D, or 306E of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a), 1926a, 1926c, 1926d, 1926e).

“(2) SUBSTANTIALLY UNDERSERVED TRUST AREA.—The term ‘substantially underserved trust area’ means a community in ‘trust land’ (as defined in section 3765 of title 38, United States Code) with respect to which the Secretary determines has a high need for the benefits of an eligible program.

“(b) INITIATIVE.—The Secretary, in consultation with local governments and Federal agencies, may implement an initiative to identify and improve the availability of eligible programs in communities in substantially underserved trust areas.

“(c) **AUTHORITY OF SECRETARY.**—In carrying out subsection (b), the Secretary—

“(1) may make available from loan or loan guarantee programs administered by the Rural Utilities Service to qualified utilities or applicants financing with an interest rate as low as 2 percent, and with extended repayment terms;

“(2) may waive nonduplication restrictions, matching fund requirements, or credit support requirements from any loan or grant program administered by the Rural Utilities Service to facilitate the construction, acquisition, or improvement of infrastructure;

“(3) may give the highest funding priority to designated projects in substantially underserved trust areas; and

“(4) shall only make loans or loan guarantees that are found to be financially feasible and that provide eligible program benefits to substantially underserved trust areas.

“(d) **REPORT.**—Not later than 1 year after the date of enactment of this section and annually thereafter, the Secretary shall submit to Congress a report that describes—

“(1) the progress of the initiative implemented under subsection (b); and

“(2) recommendations for any regulatory or legislative changes that would be appropriate to improve services to substantially underserved trust areas.”.

**SEC. 6106. GUARANTEES FOR BONDS AND NOTES ISSUED FOR ELECTRIFICATION OR TELEPHONE PURPOSES.**

(a) **IN GENERAL.**—Section 313A of the Rural Electrification Act of 1936 (7 U.S.C. 940c–1) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking “for electrification” and all that follows through the end and inserting “for eligible electrification or telephone purposes consistent with this Act.”; and

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

“(4) **ANNUAL AMOUNT.**—The total amount of guarantees provided by the Secretary under this section during a fiscal year shall not exceed \$1,000,000,000, subject to the availability of funds under subsection (e).”;

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

“(2) **AMOUNT.**—

“(A) **IN GENERAL.**—The amount of the annual fee paid for the guarantee of a bond or note under this section shall be equal to 30 basis points of the amount of the unpaid principal of the bond or note guaranteed under this section.

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

“(3) **PAYMENT.**—

“(A) **IN GENERAL.**—A lender shall pay the fees required under this subsection on a semiannual basis.

“(B) **STRUCTURED SCHEDULE.**—The Secretary shall, with the consent of the lender, structure the schedule for payment of the fee to ensure that sufficient funds are

available to pay the subsidy costs for note or bond guarantees as provided for in subsection (e)(2).”; and

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

(b) **ADMINISTRATION.**—The Secretary shall continue to carry out section 313A of the Rural Electrification Act of 1936 (7 U.S.C. 940c–1) in the same manner as on the day before the date of enactment of this Act, except without regard to the limitations prescribed in subsection (b)(1) of that section, until such time as any regulations necessary to carry out the amendments made by this section are fully implemented.

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

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

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

“(a) **IN GENERAL.**—Subject to subsection (c) and such terms and conditions as the Secretary may prescribe, the Secretary may make loans under this title to entities eligible to borrow from the Rural Utilities Service, State or local governments, Indian tribes (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), or other public entities for facilities and equipment to expand or improve in rural areas—

“(1) 911 access;

“(2) integrated interoperable emergency communications, including multiuse networks that provide commercial or transportation information services in addition to emergency communications services;

“(3) homeland security communications;

“(4) transportation safety communications; or

“(5) location technologies used outside an urbanized area.

“(b) **LOAN SECURITY.**—Government-imposed fees related to emergency communications (including State or local 911 fees) may be considered to be security for a loan under this section.

“(c) **EMERGENCY COMMUNICATIONS EQUIPMENT PROVIDERS.**—The Secretary may make a loan under this section to an emergency communication equipment provider to expand or improve 911 access or other communications or technologies described in subsection (a) if the local government that has jurisdiction over the project is not allowed to acquire the debt resulting from the loan.

“(d) **AUTHORIZATION OF APPROPRIATIONS.**—The Secretary shall use to make loans under this section any funds otherwise made available for telephone loans for each of fiscal years 2008 through 2012.”.

**SEC. 6108. ELECTRIC LOANS FOR RENEWABLE ENERGY.**

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

**“SEC. 317. ELECTRIC LOANS FOR RENEWABLE ENERGY.**

“(a) **DEFINITION OF RENEWABLE ENERGY SOURCE.**—In this section, the term ‘renewable energy source’ means an energy conversion system fueled from a solar, wind, hydropower, biomass, or geothermal source of energy.

“(b) **LOANS.**—In addition to any other funds or authorities otherwise made available under this Act, the Secretary may make electric loans under this title for electric generation from renewable energy resources for resale to rural and nonrural residents.

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

**SEC. 6109. BONDING REQUIREMENTS.**

Title III of the Rural Electrification Act of 1936 is amended by inserting after section 317 (as added by section 6108) the following:

**“SEC. 318. BONDING REQUIREMENTS.**

“The Secretary shall review the bonding requirements for all programs administered by the Rural Utilities Service under this Act to ensure that bonds are not required if—

“(1) the interests of the Secretary are adequately protected by product warranties; or

“(2) the costs or conditions associated with a bond exceed the benefit of the bond.”.

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

(a) IN GENERAL.—Section 601 of the Rural Electrification Act of 1936 (7 U.S.C. 950bb) is amended to read as follows:

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

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

“(b) DEFINITIONS.—In this section:

“(1) BROADBAND SERVICE.—The term ‘broadband service’ means any technology identified by the Secretary as having the capacity to transmit data to enable a subscriber to the service to originate and receive high-quality voice, data, graphics, and video.

“(2) INCUMBENT SERVICE PROVIDER.—The term ‘incumbent service provider’, with respect to an application submitted under this section, means an entity that, as of the date of submission of the application, is providing broadband service to not less than 5 percent of the households in the service territory proposed in the application.

“(3) RURAL AREA.—

“(A) IN GENERAL.—The term ‘rural area’ means any area other than—

“(i) an area described in clause (i) or (ii) of section 343(a)(13)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(13)(A)); and

“(ii) a city, town, or incorporated area that has a population of greater than 20,000 inhabitants.

“(B) URBAN AREA GROWTH.—The Secretary may, by regulation only, consider an area described in section 343(a)(13)(F)(i)(I) of that Act to not be a rural area for purposes of this section.

“(c) LOANS AND LOAN GUARANTEES.—

“(1) IN GENERAL.—The Secretary shall make or guarantee loans to eligible entities described in subsection (d) to provide

funds for the construction, improvement, or acquisition of facilities and equipment for the provision of broadband service in rural areas.

“(2) PRIORITY.—In making or guaranteeing loans under paragraph (1), the Secretary shall give the highest priority to applicants that offer to provide broadband service to the greatest proportion of households that, prior to the provision of the broadband service, had no incumbent service provider.

“(d) ELIGIBILITY.—

“(1) ELIGIBLE ENTITIES.—

“(A) IN GENERAL.—To be eligible to obtain a loan or loan guarantee under this section, an entity shall—

“(i) demonstrate the ability to furnish, improve, or extend a broadband service to a rural area;

“(ii) submit to the Secretary a loan application at such time, in such manner, and containing such information as the Secretary may require; and

“(iii) agree to complete buildout of the broadband service described in the loan application by not later than 3 years after the initial date on which proceeds from the loan made or guaranteed under this section are made available.

“(B) LIMITATION.—An eligible entity that provides telecommunications or broadband service to at least 20 percent of the households in the United States may not receive an amount of funds under this section for a fiscal year in excess of 15 percent of the funds authorized and appropriated under subsection (k) for the fiscal year.

“(2) ELIGIBLE PROJECTS.—

“(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), the proceeds of a loan made or guaranteed under this section may be used to carry out a project in a proposed service territory only if, as of the date on which the application for the loan or loan guarantee is submitted—

“(i) not less than 25 percent of the households in the proposed service territory is offered broadband service by not more than 1 incumbent service provider; and

“(ii) broadband service is not provided in any part of the proposed service territory by 3 or more incumbent service providers.

“(B) EXCEPTION TO 25 PERCENT REQUIREMENT.—Subparagraph (A)(i) shall not apply to the proposed service territory of a project if a loan or loan guarantee has been made under this section to the applicant to provide broadband service in the proposed service territory.

“(C) EXCEPTION TO 3 OR MORE INCUMBENT SERVICE PROVIDER REQUIREMENT.—

“(i) IN GENERAL.—Except as provided in clause (ii), subparagraph (A)(i) shall not apply to an incumbent service provider that is upgrading broadband service to the existing territory of the incumbent service provider.

“(ii) EXCEPTION.—Clause (i) shall not apply if the applicant is eligible for funding under another title of this Act.

“(3) EQUITY AND MARKET SURVEY REQUIREMENTS.—

“(A) IN GENERAL.—The Secretary may require an entity to provide a cost share in an amount not to exceed 10 percent of the amount of the loan or loan guarantee requested in the application of the entity, unless the Secretary determines that a higher percentage is required for financial feasibility.

“(B) MARKET SURVEY.—

“(i) IN GENERAL.—The Secretary may require an entity that proposes to have a subscriber projection of more than 20 percent of the broadband service market in a rural area to submit to the Secretary a market survey.

“(ii) LESS THAN 20 PERCENT.—The Secretary may not require an entity that proposes to have a subscriber projection of less than 20 percent of the broadband service market in a rural area to submit to the Secretary a market survey.

“(4) STATE AND LOCAL GOVERNMENTS AND INDIAN TRIBES.—Subject to paragraph (1), a State or local government (including any agency, subdivision, or instrumentality thereof (including consortia thereof)) and an Indian tribe shall be eligible for a loan or loan guarantee under this section to provide broadband services to a rural area.

“(5) NOTICE REQUIREMENT.—The Secretary shall publish a notice of each application for a loan or loan guarantee under this section describing the application, including—

“(A) the identity of the applicant;

“(B) each area proposed to be served by the applicant;

and

“(C) the estimated number of households without terrestrial-based broadband service in those areas.

“(6) PAPERWORK REDUCTION.—The Secretary shall take steps to reduce, to the maximum extent practicable, the cost and paperwork associated with applying for a loan or loan guarantee under this section by first-time applicants (particularly first-time applicants who are small and start-up broadband service providers), including by providing for a new application that maintains the ability of the Secretary to make an analysis of the risk associated with the loan involved.

“(7) PREAPPLICATION PROCESS.—The Secretary shall establish a process under which a prospective applicant may seek a determination of area eligibility prior to preparing a loan application under this section.

“(e) BROADBAND SERVICE.—

“(1) IN GENERAL.—The Secretary shall, from time to time as advances in technology warrant, review and recommend modifications of rate-of-data transmission criteria for purposes of the identification of broadband service technologies under subsection (b)(1).

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

“(f) TECHNOLOGICAL NEUTRALITY.—For purposes of determining whether to make a loan or loan guarantee for a project under



this section, the Secretary shall use criteria that are technologically neutral.

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

“(1) IN GENERAL.—Notwithstanding any other provision of law, a loan or loan guarantee under this section shall—

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

“(i) in the case of a direct loan, a rate equivalent to—

“(I) the cost of borrowing to the Department of the Treasury for obligations of comparable maturity; or

“(II) 4 percent; and

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

“(B) have a term of such length, not exceeding 35 years, as the borrower may request, if the Secretary determines that the loan is adequately secured.

“(2) TERM.—In determining the term of a loan or loan guarantee, the Secretary shall consider whether the recipient is or would be serving an area that is not receiving broadband services.

“(3) RECURRING REVENUE.—The Secretary shall consider the existing recurring revenues of the entity at the time of application in determining an adequate level of credit support.

“(h) ADEQUACY OF SECURITY.—

“(1) IN GENERAL.—The Secretary shall ensure that the type and amount of, and method of security used to secure, any loan or loan guarantee under this section is commensurate to the risk involved with the loan or loan guarantee, particularly in any case in which the loan or loan guarantee is issued to a financially strong and stable entity, as determined by the Secretary.

“(2) DETERMINATION OF AMOUNT AND METHOD OF SECURITY.—In determining the amount of, and method of security used to secure, a loan or loan guarantee under this section, the Secretary shall consider reducing the security in a rural area that does not have broadband service.

“(i) USE OF LOAN PROCEEDS TO REFINANCE LOANS FOR DEPLOYMENT OF BROADBAND SERVICE.—Notwithstanding any other provision of this Act, the proceeds of any loan made or guaranteed by the Secretary under this Act may be used by the recipient of the loan for the purpose of refinancing an outstanding obligation of the recipient on another telecommunications loan made under this Act if the use of the proceeds for that purpose will support the construction, improvement, or acquisition of facilities and equipment for the provision of broadband service in rural areas.

“(j) REPORTS.—Not later than 1 year after the date of enactment of the Food, Conservation, and Energy Act of 2008, and annually thereafter, the Administrator shall submit to Congress a report that describes the extent of participation in the loan and loan guarantee program under this section for the preceding fiscal year, including a description of—

“(1) the number of loans applied for and provided under this section;

“(2)(A) the communities proposed to be served in each loan application submitted for the fiscal year; and

“(B) the communities served by projects funded by loans and loan guarantees provided under this section;

“(3) the period of time required to approve each loan application under this section;

“(4) any outreach activities carried out by the Secretary to encourage entities in rural areas without broadband service to submit applications under this section;

“(5) the method by which the Secretary determines that a service enables a subscriber to originate and receive high-quality voice, data, graphics, and video for purposes of subsection (b)(1); and

“(6) each broadband service, including the type and speed of broadband service, for which assistance was sought, and each broadband service for which assistance was provided, under this section.

“(k) FUNDING.—

“(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section \$25,000,000 for each of fiscal years 2008 through 2012, to remain available until expended.

“(2) ALLOCATION OF FUNDS.—

“(A) IN GENERAL.—From amounts made available for each fiscal year under this subsection, the Secretary shall—

“(i) establish a national reserve for loans and loan guarantees to eligible entities in States under this section; and

“(ii) allocate amounts in the reserve to each State for each fiscal year for loans and loan guarantees to eligible entities in the State.

“(B) AMOUNT.—The amount of an allocation made to a State for a fiscal year under subparagraph (A) shall bear the same ratio to the amount of allocations made for all States for the fiscal year as—

“(i) the number of communities with a population of 2,500 inhabitants or less in the State; bears to

“(ii) the number of communities with a population of 2,500 inhabitants or less in all States.

“(C) UNOBLIGATED AMOUNTS.—Any amounts in the reserve established for a State for a fiscal year under subparagraph (B) that are not obligated by April 1 of the fiscal year shall be available to the Secretary to make loans and loan guarantees under this section to eligible entities in any State, as determined by the Secretary.

“(l) TERMINATION OF AUTHORITY.—No loan or loan guarantee may be made under this section after September 30, 2012.”.

(b) REGULATIONS.—The Secretary may implement the amendment made by subsection (a) through the promulgation of an interim regulation.

(c) APPLICATION.—The amendment made by subsection (a) shall not apply to—

(1) an application submitted under section 601 of the Rural Electrification Act of 1936 (7 U.S.C. 950bb) (as it existed before the amendment made by subsection (a)) that—

(A) was pending on the date that is 45 days prior to the date of enactment of this Act; and

- (B) is pending on the date of enactment of this Act;  
or  
(2) a petition for reconsideration of a decision on an application described in paragraph (1).

**SEC. 6111. NATIONAL CENTER FOR RURAL TELECOMMUNICATIONS ASSESSMENT.**

Title VI of the Rural Electrification Act of 1936 (7 U.S.C. 950bb et seq.) is amended by adding at the end the following:

**“SEC. 602. NATIONAL CENTER FOR RURAL TELECOMMUNICATIONS ASSESSMENT.**

“(a) DESIGNATION OF CENTER.—The Secretary shall designate an entity to serve as the National Center for Rural Telecommunications Assessment (referred to in this section as the ‘Center’).

“(b) CRITERIA.—In designating the Center under subsection (a), the Secretary shall take into consideration the following criteria:

“(1) The Center shall be an entity that demonstrates to the Secretary—

“(A) a focus on rural policy research; and

“(B) a minimum of 5 years of experience relating to rural telecommunications research and assessment.

“(2) The Center shall be capable of assessing broadband services in rural areas.

“(3) The Center shall have significant experience involving other rural economic development centers and organizations with respect to the assessment of rural policies and the formulation of policy solutions at the Federal, State, and local levels.

“(c) BOARD OF DIRECTORS.—The Center shall be managed by a board of directors, which shall be responsible for the duties of the Center described in subsection (d).

“(d) DUTIES.—The Center shall—

“(1) assess the effectiveness of programs carried out under this title in increasing broadband penetration and purchase in rural areas, especially in rural communities identified by the Secretary as having no broadband service before the provision of a loan or loan guarantee under this title;

“(2) work with existing rural development centers selected by the Center to identify policies and initiatives at the Federal, State, and local levels that have increased broadband penetration and purchase in rural areas and provide recommendations to Federal, State, and local policymakers on effective strategies to bring affordable broadband services to residents of rural areas, particularly residents located outside of the municipal boundaries of a rural city or town; and

“(3) develop and publish reports describing the activities carried out by the Center under this section.

“(e) REPORTING REQUIREMENTS.—Not later than December 1 of each applicable fiscal year, the board of directors of the Center shall submit to Congress and the Secretary a report describing the activities carried out by the Center during the preceding fiscal year and the results of any research conducted by the Center during that fiscal year, including—

“(1) an assessment of each program carried out under this title; and

“(2) an assessment of the effects of the policy initiatives identified under subsection (d)(2).

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

**SEC. 6112. COMPREHENSIVE RURAL BROADBAND STRATEGY.**

(a) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Chairman of the Federal Communications Commission, in coordination with the Secretary, shall submit to Congress a report describing a comprehensive rural broadband strategy that includes—

(1) recommendations—

(A) to promote interagency coordination of Federal agencies in regards to policies, procedures, and targeted resources, and to streamline or otherwise improve and streamline the policies, programs, and services;

(B) to coordinate existing Federal rural broadband or rural initiatives;

(C) to address both short- and long-term needs assessments and solutions for a rapid build-out of rural broadband solutions and application of the recommendations for Federal, State, regional, and local government policymakers; and

(D) to identify how specific Federal agency programs and resources can best respond to rural broadband requirements and overcome obstacles that currently impede rural broadband deployment; and

(2) a description of goals and timeframes to achieve the purposes of the report.

(b) UPDATES.—The Chairman of the Federal Communications Commission, in coordination with the Secretary, shall update and evaluate the report described in subsection (a) during the third year after the date of enactment of this Act.

**SEC. 6113. STUDY ON RURAL ELECTRIC POWER GENERATION.**

(a) IN GENERAL.—The Secretary shall conduct a study on the electric power generation needs in rural areas of the United States.

(b) COMPONENTS.—The study shall include an examination of—

(1) generation in various areas in rural areas of the United States, particularly by rural electric cooperatives;;

(2) financing available for capacity, including financing available through programs authorized under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.);

(3) the impact of electricity costs on consumers and local economic development;

(4) the ability of fuel feedstock technology to meet regulatory requirements, such as carbon capture and sequestration; and

(5) any other factors that the Secretary considers appropriate.

(c) REPORT.—Not later than 60 days after the date of enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the findings of the study under this section.

## Subtitle C—Miscellaneous

### SEC. 6201. DISTANCE LEARNING AND TELEMEDICINE.

(a) IN GENERAL.—Section 2333(c)(1) of the Food, Agriculture, Conservation and Trade Act of 1990 (7 U.S.C. Sec. 950aaa–2(a)(1)) is amended—

- (1) in subparagraph (A), by striking “and” at the end;
- (2) in subparagraph (B), by striking the period at the end and inserting a semicolon; and
- (3) by adding at the end the following:  
“(C) libraries.”.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 2335A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa–5) is amended by striking “2007” and inserting “2012”.

(c) CONFORMING AMENDMENT.—Section 1(b) of Public Law 102–551 (7 U.S.C. 950aaa note; Public Law 102–551) is amended by striking “2007” and inserting “2012”.

### SEC. 6202. VALUE-ADDED AGRICULTURAL MARKET DEVELOPMENT PROGRAM GRANTS.

(a) DEFINITIONS.—Section 231 of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note; Public Law 106–224) is amended by striking subsection (a) and inserting the following:

“(a) DEFINITIONS.—In this section:

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

“(2) FAMILY FARM.—The term ‘family farm’ has the meaning given the term in section 761.2 of title 7, Code of Federal Regulations (as in effect on December 30, 2007).

“(3) MID-TIER VALUE CHAIN.—The term ‘mid-tier value chain’ means local and regional supply networks that link independent producers with businesses and cooperatives that market value-added agricultural products in a manner that—

“(A) targets and strengthens the profitability and competitiveness of small and medium-sized farms and ranches that are structured as a family farm; and

“(B) obtains agreement from an eligible agricultural producer group, farmer or rancher cooperative, or majority-controlled producer-based business venture that is engaged in the value chain on a marketing strategy.

“(4) SOCIALLY DISADVANTAGED FARMER OR RANCHER.—The term ‘socially disadvantaged farmer or rancher’ has the meaning given the term in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)).

“(5) VALUE-ADDED AGRICULTURAL PRODUCT.—The term ‘value-added agricultural product’ means any agricultural commodity or product that—

“(A)(i) has undergone a change in physical state;

“(ii) was produced in a manner that enhances the value of the agricultural commodity or product, as demonstrated through a business plan that shows the enhanced value, as determined by the Secretary;

“(iii) is physically segregated in a manner that results in the enhancement of the value of the agricultural commodity or product;

“(iv) is a source of farm- or ranch-based renewable energy, including E-85 fuel; or

“(v) is aggregated and marketed as a locally-produced agricultural food product; and

“(B) as a result of the change in physical state or the manner in which the agricultural commodity or product was produced, marketed, or segregated—

“(i) the customer base for the agricultural commodity or product is expanded; and

“(ii) a greater portion of the revenue derived from the marketing, processing, or physical segregation of the agricultural commodity or product is available to the producer of the commodity or product.”.

(b) GRANT PROGRAM.—Section 231(b) of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note; Public Law 106-224) is amended—

(1) in paragraph (1), by striking “paragraph (4)” and inserting “paragraph (7)”; and

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

“(4) TERM.—A grant under this subsection shall have a term that does not exceed 3 years.

“(5) SIMPLIFIED APPLICATION.—The Secretary shall offer a simplified application form and process for project proposals requesting less than \$50,000.

“(6) PRIORITY.—In awarding grants under this subsection, the Secretary shall give priority to projects that contribute to increasing opportunities for—

“(A) beginning farmers or ranchers;

“(B) socially disadvantaged farmers or ranchers; and

“(C) operators of small- and medium-sized farms and ranches that are structured as a family farm.

“(7) FUNDING.—

“(A) MANDATORY FUNDING.—On October 1, 2008, of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this subsection \$15,000,000, to remain available until expended.

“(B) DISCRETIONARY FUNDING.—There is authorized to be appropriated to carry out this subsection \$40,000,000 for each of fiscal years 2008 through 2012.

“(C) RESERVATION OF FUNDS FOR PROJECTS TO BENEFIT BEGINNING FARMERS OR RANCHERS, SOCIALLY DISADVANTAGED FARMERS OR RANCHERS, AND MID-TIER VALUE CHAINS.—

“(i) IN GENERAL.—The Secretary shall reserve 10 percent of the amounts made available for each fiscal year under this paragraph to fund projects that benefit beginning farmers or ranchers or socially disadvantaged farmers or ranchers.

“(ii) MID-TIER VALUE CHAINS.—The Secretary shall reserve 10 percent of the amounts made available for each fiscal year under this paragraph to fund applications of eligible entities described in paragraph (1) that propose to develop mid-tier value chains.

“(iii) UNOBLIGATED AMOUNTS.—Any amounts in the reserves for a fiscal year established under clauses (i) and (ii) that are not obligated by June 30 of the fiscal year shall be available to the Secretary to make grants under this subsection to eligible entities in any State, as determined by the Secretary.”

**SEC. 6203. AGRICULTURE INNOVATION CENTER DEMONSTRATION PROGRAM.**

Section 6402 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1621 note; Public Law 107–171) is amended by striking subsection (i) and inserting the following:

“(i) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section \$6,000,000 for each of fiscal years 2008 through 2012.”

**SEC. 6204. RURAL FIREFIGHTERS AND EMERGENCY MEDICAL SERVICE ASSISTANCE PROGRAM.**

Section 6405 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 2655) is amended to read as follows:

**“SEC. 6405. RURAL FIREFIGHTERS AND EMERGENCY MEDICAL SERVICE ASSISTANCE PROGRAM.**

“(a) DEFINITION OF EMERGENCY MEDICAL SERVICES.—In this section:

“(1) IN GENERAL.—The term ‘emergency medical services’ means resources used by a public or nonprofit entity to deliver medical care outside of a medical facility under emergency conditions that occur as a result of—

“(A) the condition of a patient; or

“(B) a natural disaster or related condition.

“(2) INCLUSION.—The term ‘emergency medical services’ includes services (whether compensated or volunteer) delivered by an emergency medical services provider or other provider recognized by the State involved that is licensed or certified by the State as—

“(A) an emergency medical technician or the equivalent (as determined by the State);

“(B) a registered nurse;

“(C) a physician assistant; or

“(D) a physician that provides services similar to services provided by such an emergency medical services provider.

“(b) GRANTS.—The Secretary shall award grants to eligible entities—

“(1) to enable the entities to provide for improved emergency medical services in rural areas; and

“(2) to pay the cost of training firefighters and emergency medical personnel in firefighting, emergency medical practices, and responding to hazardous materials and bioagents in rural areas.

“(c) ELIGIBILITY.—To be eligible to receive a grant under this section, an entity shall—

“(1) be—

“(A) a State emergency medical services office;

“(B) a State emergency medical services association;

“(C) a State office of rural health or an equivalent agency;

“(D) a local government entity;

“(E) an Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b));

“(F) a State or local ambulance provider; or

“(G) any other public or nonprofit entity determined appropriate by the Secretary; and

“(2) prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, that includes—

“(A) a description of the activities to be carried out under the grant; and

“(B) an assurance that the applicant will comply with the matching requirement of subsection (f).

“(d) USE OF FUNDS.—An entity shall use amounts received under a grant made under subsection (b) only in a rural area—

“(1) to hire or recruit emergency medical service personnel;

“(2) to recruit or retain volunteer emergency medical service personnel;

“(3) to train emergency medical service personnel in emergency response, injury prevention, safety awareness, or other topics relevant to the delivery of emergency medical services;

“(4) to fund training to meet State or Federal certification requirements;

“(5) to provide training for firefighters or emergency medical personnel for improvements to the training facility, equipment, curricula, or personnel;

“(6) to develop new ways to educate emergency health care providers through the use of technology-enhanced educational methods (such as distance learning);

“(7) to acquire emergency medical services vehicles, including ambulances;

“(8) to acquire emergency medical services equipment, including cardiac defibrillators;

“(9) to acquire personal protective equipment for emergency medical services personnel as required by the Occupational Safety and Health Administration; or

“(10) to educate the public concerning cardiopulmonary resuscitation (CPR), first aid, injury prevention, safety awareness, illness prevention, or other related emergency preparedness topics.

“(e) PREFERENCE.—In awarding grants under this section, the Secretary shall give preference to—

“(1) applications that reflect a collaborative effort by 2 or more of the entities described in subparagraphs (A) through (G) of subsection (c)(1); and

“(2) applications submitted by entities that intend to use amounts provided under the grant to fund activities described in any of paragraphs (1) through (5) of subsection (d).

“(f) MATCHING REQUIREMENT.—The Secretary may not make a grant under this section to an entity unless the entity makes available (directly or through contributions from other public or private entities) non-Federal contributions toward the activities to be carried out under the grant in an amount equal to at least 5 percent of the amount received under the grant.

“(g) AUTHORIZATION OF APPROPRIATIONS.—



“(1) IN GENERAL.—There is authorized to be appropriated to the Secretary to carry out this section not more than \$30,000,000 for each of fiscal years 2008 through 2012.

“(2) ADMINISTRATIVE COSTS.—Not more than 5 percent of the amount appropriated under paragraph (1) for a fiscal year may be used for administrative expenses incurred in carrying out this section.”.

**SEC. 6205. INSURANCE OF LOANS FOR HOUSING AND RELATED FACILITIES FOR DOMESTIC FARM LABOR.**

Section 514(f)(3) of the Housing Act of 1949 (42 U.S.C. 1484(f)(3)) is amended by striking “or the handling of such commodities in the unprocessed stage” and inserting “, the handling of agricultural or aquacultural commodities in the unprocessed stage, or the processing of agricultural or aquacultural commodities”.

**SEC. 6206. STUDY OF RURAL TRANSPORTATION ISSUES.**

(a) IN GENERAL.—The Secretary of Agriculture and the Secretary of Transportation shall jointly conduct a study of transportation issues regarding the movement of agricultural products, domestically produced renewable fuels, and domestically produced resources for the production of electricity for rural areas of the United States, and economic development in those areas.

(b) INCLUSIONS.—The study shall include an examination of—

(1) the importance of freight transportation, including rail, truck, and barge, to—

(A) the delivery of equipment, seed, fertilizer, and other such products important to the development of agricultural commodities and products;

(B) the movement of agricultural commodities and products to market;

(C) the delivery of ethanol and other renewable fuels;

(D) the delivery of domestically produced resources for use in the generation of electricity for rural areas;

(E) the location of grain elevators, ethanol plants, and other facilities;

(F) the development of manufacturing facilities in rural areas; and

(G) the vitality and economic development of rural communities;

(2) the sufficiency in rural areas of transportation capacity, the sufficiency of competition in the transportation system, the reliability of transportation services, and the reasonableness of transportation rates;

(3) the sufficiency of facility investment in rural areas necessary for efficient and cost-effective transportation; and

(4) the accessibility to shippers in rural areas of Federal processes for the resolution of grievances arising within various transportation modes.

(c) REPORT TO CONGRESS.—Not later than 1 year after the date of enactment of this Act, the Secretary and the Secretary of Transportation shall submit to Congress a report that contains the results of the study required by subsection (a).

## Subtitle D—Housing Assistance Council

### SEC. 6301. SHORT TITLE.

This subtitle may be cited as the “Housing Assistance Council Authorization Act of 2008”.

### SEC. 6302. ASSISTANCE TO HOUSING ASSISTANCE COUNCIL.

(a) USE.—The Secretary of Housing and Urban Development may provide financial assistance to the Housing Assistance Council for use by the Council to develop the ability and capacity of community-based housing development organizations to undertake community development and affordable housing projects and programs in rural areas. Assistance provided by the Secretary under this section may be used by the Housing Assistance Council for—

(1) technical assistance, training, support, research, and advice to develop the business and administrative capabilities of rural community-based housing development organizations;

(2) loans, grants, or other financial assistance to rural community-based housing development organizations to carry out community development and affordable housing activities for low- and moderate-income families; and

(3) such other activities as may be determined by the Secretary of Housing and Urban Development and the Housing Assistance Council.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for financial assistance under this section for the Housing Assistance Council \$10,000,000 for each of fiscal years 2009 through 2011.

### SEC. 6303. AUDITS AND REPORTS.

(a) AUDIT.—

(1) IN GENERAL.—The financial transactions and activities of the Housing Assistance Council shall be audited annually by an independent certified public accountant or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the United States.

(2) REQUIREMENTS OF AUDITS.—The Comptroller General of the United States may rely on any audit completed under paragraph (1), if the audit complies with—

(A) the annual programmatic and financial examination requirements established in OMB Circular A-133; and

(B) generally accepted government auditing standards.

(3) REPORT TO CONGRESS.—The Comptroller General shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representative a report detailing each audit completed under paragraph (1).

(b) GAO REPORT.—The Comptroller General of the United States shall conduct a study and submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representative on the use of any funds appropriated to the Housing Assistance Council over the past 7 years.

**SEC. 6304. PERSONS NOT LAWFULLY PRESENT IN THE UNITED STATES.**

Aliens who are not lawfully present in the United States shall be ineligible for financial assistance under this subtitle, as provided and defined by section 214 of the Housing and Community Development Act of 1980 (42 U.S.C. 1436a). Nothing in this subtitle shall be construed to alter the restrictions or definitions in such section 214.

**SEC. 6305. LIMITATION ON USE OF AUTHORIZED AMOUNTS.**

None of the amounts authorized by this subtitle may be used to lobby or retain a lobbyist for the purpose of influencing a Federal, State, or local governmental entity or officer.

**TITLE VII—RESEARCH AND RELATED MATTERS**

**Subtitle A—National Agricultural Research, Extension, and Teaching Policy Act of 1977**

**SEC. 7101. DEFINITIONS.**

(a) IN GENERAL.—Section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) is amended—

(1) in paragraph (4)—

(A) by redesignating subparagraphs (A) through (E) as clauses (i) through (v), respectively;

(B) by striking “(4) The terms” and inserting the following:

“(4) COLLEGE AND UNIVERSITY.—

“(A) IN GENERAL.—The terms”; and

(C) by adding at the end the following:

“(B) INCLUSIONS.—The terms ‘college’ and ‘university’ include a research foundation maintained by a college or university described in subparagraph (A).”;

(2) by redesignating paragraphs (5) through (8), (9) through (11), (12) through (14), (15), (16), (17), and (18) as paragraphs (6) through (9), (11) through (13), (15) through (17), (20), (5), (18), and (19), respectively, and moving the paragraphs so as to appear in alphabetical and numerical order;

(3) in paragraph (9) (as redesignated by paragraph (2))—

(A) by striking “renewable natural resources” and inserting “renewable energy and natural resources”; and

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

“(F) Soil, water, and related resource conservation and improvement.”;

(4) by inserting after paragraph (9) (as so redesignated) the following:

“(10) HISPANIC-SERVING AGRICULTURAL COLLEGES AND UNIVERSITIES.—

“(A) IN GENERAL.—The term ‘Hispanic-serving agricultural colleges and universities’ means colleges or universities that—