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**CONFERENCE COMMITTEE PRINT**

**Title II – Conservation**

**Comparing H.R. 2419, As Passed by the House  
And the Senate Amendment Thereto**

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# HOUSE BILL (H.R. 2419)

# SENATE AMENDMENT

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|  | <p><b>Subtitle A--Definitions</b></p>  |
|--|--|
|  | <p><b>SEC. 2001. DEFINITIONS.</b></p> <p>Section 1201(a) of the Food Security Act of 1985 (16 U.S.C. 3801(a)) is amended--</p> <ul style="list-style-type: none"><li>(1) by redesignating paragraphs (2) through (11), (12), (13) through (15), and (16), (17), and (18) as paragraphs (3) through (12), (14), (16) through (18), and (20), (22), and (23), respectively;</li><li>(2) by inserting after paragraph (1) the following:<ul style="list-style-type: none"><li>`(2) BEGINNING FARMER OR RANCHER- The term `beginning farmer or rancher' has, to the maximum extent practicable, the meaning given the term in section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)), except that the Secretary may include in the definition of the term--<ul style="list-style-type: none"><li>`(A) a fair and reasonable test of net worth; and</li><li>`(B) such other criteria as the Secretary determines to be appropriate.';</li></ul></li></ul></li><li>(3) by inserting after paragraph (12) (as redesignated by paragraph (1)) the following:<ul style="list-style-type: none"><li>`(13) 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).'</li></ul></li><li>(4) by inserting after paragraph (14) (as redesignated by paragraph (1)) the following:<ul style="list-style-type: none"><li>`(15) NONINDUSTRIAL PRIVATE FOREST LAND- The term `nonindustrial private forest land' means rural land, as determined by the Secretary, that--<ul style="list-style-type: none"><li>`(A) has existing tree cover or is suitable for growing trees; and</li><li>`(B) is owned by any nonindustrial private individual, group, association, corporation, Indian tribe, or other private legal entity that has definitive decisionmaking authority over the land.';</li></ul></li></ul></li><li>(5) by inserting after paragraph (18) (as redesignated by paragraph (1)) the following:</li></ul> |

`(19) 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)).'; and

(6) by inserting after paragraph (20) (as redesignated by paragraph (1)) the following:

`(21) TECHNICAL ASSISTANCE-

`(A) IN GENERAL- The term `technical assistance' means technical expertise, information, and tools necessary for the conservation of natural resources on land active in agricultural, forestry, or related uses.

`(B) INCLUSIONS- The term `technical assistance' includes--

`(i) technical services provided directly to farmers, ranchers, and other eligible entities, such as conservation planning, technical consultation, and assistance with design and implementation of conservation practices; and

`(ii) technical infrastructure, including activities, processes, tools, and agency functions needed to support delivery of technical services, such as technical standards, resource inventories, training, data, technology, monitoring, and effects analyses.'

**Subtitle B--Highly Erodible Land Conservation**

**SEC. 2101. REVIEW OF GOOD FAITH DETERMINATIONS; EXEMPTIONS.**

Section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812) is amended by striking subsection (f) and inserting the following:

`(f) Graduated Penalties-

`(1) INELIGIBILITY- No person shall become ineligible under section 1211 for program loans, payments, and benefits as a result of the failure of the person to actively apply a conservation plan, if the Secretary determines that the person has acted in good faith and without an intent to violate this subtitle.

`(2) ELIGIBLE REVIEWERS- A determination of the Secretary, or a designee of the Secretary, under paragraph (1) shall be reviewed by the applicable--

`(A) State Executive Director, with the technical concurrence of the State Conservationist; or

`(B) district director, with the technical concurrence of the area conservationist.

`(3) PERIOD FOR IMPLEMENTATION- A person who meets the requirements of paragraph (1) shall be allowed a reasonable period of time, as determined by the Secretary, but not to exceed 1 year, during which to implement the measures and practices necessary to be considered to be actively applying the conservation plan of the person.

`(4) PENALTIES-

`(A) APPLICATION- This paragraph applies if the Secretary determines that--

`(i) a person who has failed to comply with section 1211 with respect to highly erodible cropland, and has acted in good faith and without an intent to violate section 1211; or

`(ii) the violation--

`(I) is technical and minor in nature; and

`(II) has a minimal effect on the erosion control purposes of the conservation plan applicable to the land on which the violation has occurred.

`(B) REDUCTION- If this paragraph applies under subparagraph (A), the Secretary shall, in lieu of applying the ineligibility provisions of section 1211, reduce program benefits described in section 1211 that the producer would otherwise be eligible to receive in a crop year by an amount commensurate with the seriousness of the violation, as determined by the Secretary.

`(5) SUBSEQUENT CROP YEARS- Any person whose benefits are reduced for any crop year under this subsection shall continue to be eligible for all of the benefits described in section 1211 for any subsequent crop year if, prior to the beginning of the subsequent crop year, the Secretary determines that the person is actively applying a conservation plan according to the schedule specified in the plan.'.

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|  | <b>Subtitle C--Wetland Conservation</b>   |
|  | <p><b>SEC. 2201. REVIEW OF GOOD FAITH DETERMINATIONS.</b></p> <p>Section 1222(h) of the Food Security Act of 1985 (16 U.S.C. 3822(h)) is amended--</p> <ul style="list-style-type: none"><li>(1) by redesignating paragraph (2) as paragraph (3);</li><li>(2) by inserting after paragraph (1) the following:<ul style="list-style-type: none"><li>`(2) ELIGIBLE REVIEWERS- A determination of the Secretary, or a designee of the Secretary, under paragraph (1) shall be reviewed by the applicable--<ul style="list-style-type: none"><li>`(A) State Executive Director, with the technical concurrence of the State Conservationist; or</li><li>`(B) district director, with the technical concurrence of the area conservationist.'; and</li></ul></li></ul></li><li>(3) in paragraph (3) (as redesignated by paragraph (1)), by inserting `be' before `actively'.</li></ul> |
|  | <b>Subtitle D--Agricultural Resources Conservation Program</b>  |
|  | <p><b>CHAPTER 1--COMPREHENSIVE CONSERVATION ENHANCEMENT</b></p> <p><b>Subchapter A--Comprehensive Conservation Enhancement Program</b></p> <p><b>SEC. 2301. REAUTHORIZATION AND EXPANSION OF PROGRAMS COVERED.</b></p> <p>(a) In General- Section 1230 of the Food Security Act of 1985 (16 U.S.C. 3830) is amended to read as follows:</p> <p><b>`SEC. 1230. COMPREHENSIVE CONSERVATION ENHANCEMENT PROGRAM.</b></p> <p>`(a) Establishment-</p> <p>`(1) IN GENERAL- During the 1996 through 2012 fiscal years, the Secretary shall establish a comprehensive conservation enhancement program (referred to in this section as `CCEP') to be implemented through contracts and the acquisition of</p>   |

easements to assist owners and operators of farms, ranches, and nonindustrial private forestland to conserve and enhance soil, water, and related natural resources, including grazing land, wetland, and wildlife habitat.

`(2) MEANS- The Secretary shall carry out the CCEP by--

`(A) providing for the long-term protection of environmentally-sensitive land; and

`(B) providing technical and financial assistance to farmers, ranchers, and nonindustrial private forest landowners--

    `(i) to improve the management and operation of the farms, ranches, and private nonindustrial forest land; and

    `(ii) to reconcile productivity and profitability with protection and enhancement of the environment;

`(C) reducing administrative burdens and streamlining application and planning procedures to encourage producer participation; and

`(D) providing opportunities to leverage Federal conservation investments through innovative partnerships with governmental agencies, education institutions, producer groups, and other nongovernmental organizations.

`(3) PROGRAMS- The CCEP shall consist of--

`(A) the conservation reserve program established under subchapter B;

`(B) the wetlands reserve program established under subchapter C; and

`(C) the healthy forests reserve program established under subchapter D.

`(b) Contracts and Enrollments-

`(1) IN GENERAL- In carrying out the CCEP, the Secretary shall enter into contracts with owners and operators and acquire interests in land through easements from owners, as provided in this chapter.

`(2) PRIOR ENROLLMENTS- Acreage enrolled in the conservation reserve program, wetlands reserve program, or healthy forests reserve program prior to the date of enactment of the Food and Energy Security Act of 2007 shall be considered to be placed into the CCEP.

`(c) Administration-

**`(1) LIMITATIONS-**

**`(A) IN GENERAL-** The Secretary shall not enroll more than 25 percent of the cropland in any county in the programs administered under subchapters B and C of this chapter.

**`(B) EASEMENTS-** Within the limit described in subparagraph (A), not more than 10 percent of the land described in that subparagraph may be subject to an easement acquired under subchapter C of this chapter.

**`(C) EXCLUSION-** Subparagraphs (A) and (B) shall not apply to acres enrolled in the special conservation reserve enhancement program described in section 1234(f)(3).

**`(D) EXCEPTIONS-** The Secretary may exceed the limitation in subparagraph (A) if the Secretary determines that--

**`(i)(I)** the action would not adversely affect the local economy of a county; and

**`(ii)(I)** operators in the county are having difficulties complying with conservation plans implemented under section 1212;

**`(iii)(I)** the acreage to be enrolled could not be used for an agricultural purpose or is precluded from planting as a result of a State or local law, order, or regulation prohibiting water use for agricultural production; and

**`(ii)(II)** enrollment in the program would benefit the acreage enrolled or land adjacent to the acreage enrolled; or

**`(iii)(II)** with respect to cropland in counties in the State of Washington that exceed the limitation described in subparagraph (A) as of the date of enrollment in the program--

**`(I)** the acreage to be enrolled is considered to be essential by Federal or State plans for a sustainable wildlife habitat; and

**`(II)** enrollment in the program would assist the producer in meeting environmental goals in the Federal or State plans.'

**`(E) SHELTERBELTS AND WINDBREAKS-** The limitations established under this paragraph shall not apply to cropland that is subject to an easement under chapter 1 or 3 that is used for the establishment of

shelterbelts and windbreaks.

`(F) ENROLLMENT- The Secretary shall enroll acreage described in subparagraph (D)(ii) not later than 180 days after the date of a request by a landowner to enroll the acreage.

`(G) PAYMENTS- Rental payments for acreage described in subparagraph (D)(ii) shall be based on the cash rent market value prior to the application of a State or local law, order, or regulation prohibiting water use for agricultural production.

`(2) TENANT PROTECTION- Except for a person who is a tenant on land that is subject to a conservation reserve contract that has been extended by the Secretary, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provisions for sharing, on a fair and equitable basis, in payments under the programs established under this subtitle and subtitles B and C.

`(3) PROVISION OF TECHNICAL ASSISTANCE BY OTHER SOURCES-

`(A) IN GENERAL- In the preparation and application of a conservation compliance plan under subtitle B or similar plan required as a condition for assistance from the Department of Agriculture, the Secretary shall permit persons to secure technical assistance from approved sources, as determined by the Secretary, other than the Natural Resources Conservation Service.

`(B) REJECTION- If the Secretary rejects a technical determination made by a source described in subparagraph (A), the basis of the determination of the Secretary shall be supported by documented evidence.

`(4) REGULATIONS- Not later than 90 days after the date of enactment of the Food and Energy Security Act of 2007, the Secretary shall promulgate regulations to implement the conservation reserve and wetlands reserve programs established under this chapter.'

(b) Conforming Amendments-

(1) Section 1243 of the Food Security Act of 1985 (16 U.S.C. 3843) is repealed.

(2) Section 1222(g) of the Food Security Act of 1985 (16 U.S.C. 3822(g)) is amended by striking `1243' and inserting `1230(c)'.

(3) Section 1231(k)(3)(C)(i) of the Food Security Act of 1985 (16 U.S.C. 3831(k)(3)(C)(i)) is amended by striking `1243(b)' and inserting `1230(c)(1)'.

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## Subtitle A—Conservation Programs of the Food Security Act of 1985

## Subchapter B--Conservation Reserve

### SEC. 2101. CONSERVATION RESERVE PROGRAM.

(a) **AUTHORIZATION AND ELIGIBLE LAND.**—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended—

(1) in subsection (a)—

(A) by striking “2007” and inserting “2012”; and

(B) by inserting before the period the following: “and to address issues raised by State, regional, and national conservation initiatives”; and

(2) in subsection (b)—

(A) in paragraph (1)(B)—

(i) by striking “the Farm Security and Rural Investment Act of 2002” and inserting “the Farm, Nutrition, and Bioenergy Act of 2007”; and

(ii) by striking the period at the end and inserting a semicolon; and

(B) in paragraph (4), by striking the semicolon at the end of subparagraph (E) and inserting “; or”.

### SEC. 2311. CONSERVATION RESERVE PROGRAM.

(a) **In General-** Section 1231(a) of the Food Security Act of 1985 (16 U.S.C. 3831(a)) is amended--

(1) by striking `2007' and inserting `2012'; and

(2) by striking `and wildlife' and inserting `wildlife, and pollinator habitat'.

(b) **Eligible Land-** Section 1231(b) of the Food Security Act of 1985 (16 U.S.C. 3831(b)) is amended--

(1) in paragraph (1)(B), by striking the period at the end and inserting a semicolon;

(2) in paragraph (4)--

(A) in subparagraph (C), by striking `; or' and inserting a semicolon;

(B) in subparagraph (D), by striking `and' at the end and inserting `or'; and

(C) in subparagraph (E), by inserting `in the case of alfalfa or other forage crops,' before `enrollment';

(3) in paragraph (5), by striking the period at the end and inserting a semicolon; and

(4) by adding at the end the following:

`(6) marginal pasture land or hay land that is otherwise ineligible, if the land--

(A) is to be devoted to native vegetation appropriate to the ecological site; and

(B) would contribute to the restoration of a long-leaf pine forest or other declining forest ecosystem, as defined by the Secretary; or

(7) land that is enrolled in the flooded farmland program established under section 1235B.!

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(b) **MAXIMUM ENROLLMENT.**—Section 1231(d) of the Food Security Act of 1985 (16 U.S.C. 3831(d)) is amended by striking “2007” and inserting “2012”.

(c) **CONSERVATION PRIORITY AREAS.**—Section 1231(f) of the Food Security Act of 1985 (16 U.S.C. 3831(f)) is amended by striking “the Chesapeake Bay Region (Pennsylvania, Maryland, and Virginia)” and inserting “the Chesapeake Bay Region”.

(d) **TREATMENT OF MULTI-YEAR GRASSES AND LEGUMES.**—Subsection (g) of section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended to read as follows:

“(g) **MULTI-YEAR GRASSES AND LEGUMES.**—

“(1) **IN GENERAL.**—For purposes of this subchapter, alfalfa and other multi-year grasses and legumes in a rotation practice, approved by the Secretary, shall be considered agricultural commodities.

“(2) **CROPPING HISTORY.**—Alfalfa, when grown as part of a rotation practice, as determined by the Secretary, is an agricultural commodity subject to the cropping history criteria under subsection (b)(1)(B) for the purpose of determining whether highly erodible cropland has been planted or considered planted for 4 of the 6 years referred to in such subsection.”.

(e) **PILOT PROGRAM FOR ENROLLMENT OF WETLAND AND BUFFER ACREAGE IN CONSERVATION RESERVE.**—Section 1231(h)(1)(A) of the Food Security Act of 1985 (16 U.S.C. 3831(h)(1)(A)) is amended by striking “2007” and inserting “2012”.

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(c) Enrollment- Section 1231(d) of the Food Security Act of 1985 (16 U.S.C. 3831(d)) is amended by striking `up to' and all that follows through `2007' and inserting `up to 39,200,000 acres in the conservation reserve at any 1 time during the 2008 through 2012'.

(d) Conservation Priority Areas- Section 1231(f)(1) of the Food Security Act of 1985 (16 U.S.C. 3831(f)(1)) is amended--

(1) by striking `(Pennsylvania, Maryland, and Virginia)'; and

(2) by inserting `the Prairie Pothole Region, the Grand Lake St. Mary's Watershed, the Eastern Snake Plain Aquifer,' after `Sound Region,'.

(e) Pilot Program for Enrollment of Wetland and Buffer Acreage in Conservation Reserve- Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended by striking subsection (h) and inserting the following:

`(h) Pilot Program for Enrollment of Wetland, Shallow Water Areas, and Buffer Acreage in Conservation Reserve-

`(1) PROGRAM-

“(A) **IN GENERAL.**- During the 2008 through 2012 calendar years, the Secretary shall carry out a program in each State under which the Secretary shall enroll eligible acreage described in paragraph (2).

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

`(2) ELIGIBLE ACREAGE-

`(A) IN GENERAL- Subject to subparagraphs (B) through (E), an owner or operator may enroll in the conservation reserve under this subsection--

`(i)(I) a wetland (including a converted wetland described in section 1222(b)(1)(A)) that had a cropping history during at least 3 of the immediately preceding 10 crop years;

`(II) a shallow water area that was devoted to a commercial pond-raised aquaculture operation any year during the period of calendar years 2002 through 2007; or

`(III) an agriculture drainage water treatment that receives flow from a row crop agriculture drainage system and is designed to provide nitrogen removal in addition to other wetland functions; and

`(ii) buffer acreage that--

`(I) is contiguous to a wetland or shallow water area described in clause (i);

`(II) is used to protect the wetland or shallow water area described in clause (i); and

`(III) is of such width as the Secretary determines is necessary to protect the wetland or shallow water area described in clause (i) or to enhance the wildlife benefits, including through restriction of bottomland hardwood habitat, taking into consideration and accommodating the farming practices (including the straightening of boundaries to accommodate machinery) used with respect to the cropland that surrounds the wetland or shallow water area.

`(B) EXCLUSIONS- Except for a shallow water area described in paragraph (2)(A)(i), an owner or operator may not enroll in the conservation reserve

under this subsection--

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

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

**`(C) PROGRAM LIMITATIONS-**

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

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

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

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

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

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

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

`(iv) **REVIEW; POTENTIAL INCREASE IN ENROLLMENT ACREAGE-** Not later than 3 years after the date of enactment of the Food and Energy Security Act of 2007, the Secretary shall--

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

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

`(D) OWNER OR OPERATOR LIMITATIONS-

`(i) WETLAND-

`(I) IN GENERAL- Except for a shallow water area described in paragraph (2)(A)(i), the maximum size of any wetland described in subparagraph (A)(i) of an owner or operator enrolled in the conservation reserve under this subsection shall be 40 contiguous acres.

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

`(ii) BUFFER ACREAGE- The maximum size of any buffer acreage described in subparagraph (A)(ii) of an owner or operator enrolled in the conservation reserve under this subsection shall be determined by the Secretary in consultation with the State Technical Committee.

`(iii) TRACTS- Except for a shallow water area described in paragraph (2)(A)(i) and buffer acreage, the maximum size of any eligible acreage described in subparagraph (A) in a tract (as determined by the Secretary) of an owner or operator enrolled in the conservation reserve under this subsection shall be 40 acres.

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

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

`(B) to establish vegetative cover (which may include emerging vegetation in water and bottomland hardwoods, cypress, and other appropriate tree species in shallow water areas) on the eligible acreage, as determined by the Secretary;

`(C) to a general prohibition of commercial use of the enrolled land; and

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`(D) to carry out other duties described in section 1232.

## `(4) DUTIES OF THE SECRETARY-

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

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

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

(h) Managed Harvesting and Grazing- Section 1232(a)(7) of the Food Security Act of 1985 (16 U.S.C. 3832(a)(7)) is amended--

(1) in the matter preceding subparagraph (A), by inserting `and brood rearing' after `habitat during nesting'; and

(2) in subparagraph (A), by striking `biomass)' and inserting `biomass and prescribed grazing for the control of invasive species), if such activity is permitted and consistent with the conservation plan described in subsection (b)(1)(A))'.

**MANAGED HAYING AND GRAZING.**—Section 1232(a)(7) of the Food Security Act of 1985 (16 U.S.C. 3832(a)(7)) is amended—

(1) in subparagraph (A)—

(A) by inserting “and prescribed grazing for the control of invasive species” after “biomass”; and

(B) by striking “and” at the end of the subparagraph;

(2) by redesignating subparagraph (B) as subparagraph (D); and

(3) by inserting after subparagraph (A) the following new subparagraph:

“(B) managed grazing during the year, except that in permitting such

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grazing, the Secretary shall—

“(i) reduce the rental payment otherwise payable under the contract by a percentage determined by the Secretary to be appropriate; and

“(ii) require a management plan, including a grazing rate, approved by the Secretary that is consistent with section 1231(a);

“(C) dryland crop production and grazing practices on acreage enrolled into the conservation reserve enhancement program announced on May 27, 1998 (63 Fed. Reg. 28965) where the conservation reserve enhancement program is initiated to address declining groundwater or surface water resources and water quality issues associated with declining groundwater or surface water resources and the conservation reserve enhancement contract requires the owner or operator to retire a water right, except that in permitting dryland crop production and grazing, the Secretary shall—

“(i) develop an appropriate working lands conservation plan that implements conservation practices suitable to the region to address soil conservation, water quality, wildlife habitat, or other environmental benefits;

“(ii) apply the provisions of section 11005 of the Farm, Nutrition, and Bioenergy Act of 2007 in determining the eligibility for crop insurance of dryland crop production and grazing activities allowed under a conservation reserve enhancement contract for the purposes of this section, dryland crop production and grazing activities allowed under a conservation reserve enhancement contract shall be considered ‘noncropland’ in applying the provisions of section 11005 of the Farm, Nutrition, and Bioenergy Act of 2007;

“(iii) reduce the rental payment otherwise payable under the contract by an amount commensurate with the economic value of the crop production or grazing activity, while still leaving sufficient financial incentives for the owner or operator to participate in the conservation reserve enhancement; and

“(iv) at the request of a State that has previously entered into a

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conservation reserve enhancement program agreement, renegotiate the agreement to allow for the dryland crop production and grazing in accordance with this section; and”.

(g) **RENTAL RATES.**—Section 1234(c) of the Food Security Act of 1985 (16 U.S.C. 3834(c)) is amended by adding at the end the following new paragraph:

“(5) **COUNTY AVERAGE MARKET DRY-LAND AND IRRIGATED CASH RENTAL RATES.**—

“(A) **ANNUAL ESTIMATES.**—Beginning not later than one year after the date of the enactment of the Farm, Nutrition, and Bioenergy Act of 2007, the National Agricultural Statistics Service shall conduct an annual survey of per acre estimates of county average market dry-land and irrigated cash rental rates for cropland and pastureland in all counties or equivalent subdivisions within each State with 20,000 acres or more of cropland and pastureland.

“(B) **PUBLIC AVAILABILITY OF ESTIMATES.**— The estimates derived as a result of the annual survey conducted under subparagraph (A) shall be maintained on a website of the Department of Agriculture for use by the general public.”.

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(i) Conservation Plans- Section 1232(b)(1)(A) of the Food Security Act of 1985 (16 U.S.C. 3832(b)(1)(A)) is amended by striking `contract; and' and inserting the following: `contract that are--

`(i) compatible with the conservation and improvement of soil, water, and wildlife and wildlife habitat;

`(ii) clearly described and apply throughout the duration of the contract;

`(iii) actively managed by the owner or operator that entered into the contract; and

`(iv) consistent with local active management conservation measures and practices, as determined by the Secretary; and'.

*[Sec. 2311(j)(2)]*

(2) by adding at the end the following:

`(5) **RENTAL RATES-**

`(A) **ANNUAL ESTIMATES-** Not later than 1 year after the date of enactment of this paragraph, the Secretary (acting through the National Agricultural Statistics Service) shall conduct an annual survey of per acre estimates of county average market dryland and irrigated cash rental rates for cropland and pastureland in all counties or equivalent subdivisions within each State that have 20,000 acres or more of cropland and pastureland.

`(B) **PUBLIC AVAILABILITY OF ESTIMATES-** The estimates derived from the annual survey conducted under subparagraph (A) shall be maintained on a website of the Department of Agriculture for use by the general public.'.

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(f) Balance of Natural Resource Purposes- Section 1231(j) of the Food Security Act of 1985 (16 U.S.C. 3831(j)) is amended by striking `and wildlife' and inserting `wildlife, and pollinator'.

(g) Duties of Participants- Section 1232(a) of the Food Security Act of 1985 (16 U.S.C. 3832(a)) is amended--

(1) in paragraph (4)--

(A) by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively; and

(B) by inserting before subparagraph (B) (as so redesignated) the following:

`(A) approved vegetative cover shall encourage the planting of native species and restoration of biodiversity;';

(2) by redesignating paragraphs (5) through (10) as paragraphs (6) through (11), respectively; and

(3) by inserting after paragraph (4) the following:

`(5) to undertake active management on the land as needed throughout the term of the contract to implement the conservation plan;'.

(h) **CONSERVATION RESERVE PROGRAM TRANSITION INCENTIVES.**—Section 1235 of the Food Security Act of 1985 (16 U.S.C. 3835) is amended—

(1) in subsection (c)(1)(B)—

(A) in clause (ii), by striking “or” at the end;

(B) by redesignating clause (iii) as clause (iv); and

(C) by inserting after clause (ii) the following new clause:

“(iii) to facilitate a transition of land subject to the contract from a retired or retiring owner or operator to a beginning farmer or rancher, socially disadvantaged farmer or rancher, or limited resource farmer or rancher for the purpose of returning some or all of the land into production using sustainable grazing or crop production methods; or”; and

(2) by adding at the end the following new subsection:

**“(f) TRANSITION OPTION FOR CERTAIN FARMERS OR RANCHERS.—**

**“(1) DUTIES OF THE SECRETARY.—**In the case of a contract modification approved in order to facilitate the transfer of land subject to a contract from a retired or retiring owner or operator under subsection (c)(1)(B)(iii) to a beginning farmer or rancher, socially disadvantaged farmer or rancher, or limited resource farmer or rancher (in this subsection referred to as a ‘covered farmer or rancher’) the Secretary shall—

**“(A)** beginning on the date that is 1 year before the date of termination of the contract—

**“(i)** allow the covered farmer or rancher, in conjunction with the retired or retiring owner or operator, to make conservation and land improvements; and

**“(ii)** allow the covered farmer or rancher, at the election of the covered farmer or rancher, to begin the certification process under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.);

**“(B)** beginning on the date of termination of the contract, require the retired or retiring owner or operator to sell or lease (under a long-term lease or a lease with an option to purchase) to the covered farmer or rancher the land subject to the contract for production purposes;

**“(C)** require the covered farmer or rancher to develop and implement a comprehensive conservation plan that meets such sustainability criteria as the Secretary may establish;

**“(D)** provide to the covered farmer or rancher an opportunity to enroll in the conservation security program or the environmental quality incentives program by not later than the date on which the farmer or rancher takes possession of the land through ownership or lease; and

**“(E)** continue to make annual payments to the retired or retiring owner or operator for not more than an additional 2 years after the date of termination of the contract, if the retired or retiring owner or operator is not a family member (as defined in section 1001A(b)(3)(B) of this Act) of the covered farmer or rancher.

**“(2) REENROLLMENT.—**The Secretary shall provide to a beginning farmer or

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rancher, socially disadvantaged farmer or rancher, or limited resource farmer or rancher described in paragraph (1) the option to reenroll any applicable partial field conservation practice that is—

“(A) eligible for enrollment under the continuous signup requirement of section 1231(h)(4)(B); and

“(B) part of an approved comprehensive conservation plan.”.

(i) **EARLY TERMINATION.**—Section 1235(e)(1) of the Food Security Act of 1985 (16 U.S.C. 3835(e)(1)) is amended by striking “before January 1, 1995,”.

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(j) Acceptance of Contract Offers- Section 1234(c) of the Food Security Act of 1985 (16 U.S.C. 3834(c)) is amended--

(1) by striking paragraph (3) and inserting the following:

“(3) ACCEPTANCE OF CONTRACT OFFERS-

“(A) EVALUATION OF OFFERS- In determining the acceptability of contract offers, the Secretary may take into consideration the extent to which enrollment of the land that is the subject of the contract offer would improve soil resources, water quality, pollinator, fish, or wildlife habitat, or provide other environmental benefits.

“(B) LOCAL PREFERENCE- In determining the acceptability of contract offers for new enrollments if, as determined by the Secretary, the land would provide at least equivalent conservation benefits to land under competing offers, the Secretary shall, to the maximum extent practicable, accept an offer from an owner or operator that is a resident of the county in which the land is located or of a contiguous county.”; and

(k) Early Termination by Owner or Operator- Section 1235(e)(1) of the Food Security Act of 1985 (16 U.S.C. 3835(e)(1)) is amended by striking subparagraph (A) and inserting the following:

“(A) IN GENERAL- The Secretary shall allow a participant to terminate a conservation reserve contract at any time if, as determined by the Secretary-

“(i) the participant entered into a contract under this subchapter before January 1, 1995, and the contract has been in effect for at least 5

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| <p>(j) <b>EXCEPTIONS TO EARLY TERMINATION.</b>—Section 1235(e)(2) of the Food Security Act of 1985 (16 U.S.C. 3835(e)(2)) is amended by adding at the end the following new subparagraph:</p> <p>“(D) Land enrolled under continuous signup.”.</p> | <p>years; or</p> <p>“(ii) in the case of a participant who is disabled (as defined in section 72(m)(7) of the Internal Revenue Code of 1986) or retired from farming or ranching, the participant has endured financial hardship as a result of the taxation of rental payments received.’.</p>   |
|  | <p><b>SEC. 2312. FLOODED FARMLAND PROGRAM.</b></p> <p>Subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831a et seq.) is amended by adding at the end the following:</p> <p><b>SEC. 1235B. FLOODED FARMLAND PROGRAM.</b></p> <p>(a) Definitions- In this section:</p> <p>(1) <b>CLOSED BASIN LAKE OR POTHOLE-</b> The term ‘closed basin lake or pothole’ means a naturally occurring lake, pond, pothole, or group of potholes within a tract that--</p> <p>(A) covered, on average, at least 5 acres in surface area during the preceding 3 crop years, as determined by the Secretary; and</p> <p>(B) has no natural outlet.</p> <p>(2) <b>TRACT-</b> The term ‘tract’ has the meaning given the term by the Secretary.</p> <p>(b) Program-</p> <p>(1) <b>IN GENERAL-</b> Notwithstanding any other provision of law (including regulations), as part of the conservation reserve program established under this subchapter, the Secretary shall offer to enter into contracts under which the Secretary shall permit the enrollment in the conservation reserve of eligible cropland and grazing land that has been flooded by the natural overflow of a closed basin lake or pothole located within the Prairie Pothole Region of the northern Great Plains priority area (as determined by the Secretary, by regulation).</p> |

`(2) EXTENSIONS- The Secretary may offer to extend a contract entered into under paragraph (1) if the Secretary determines that conditions persist that make cropland or grazing land covered by the contract and eligible for entry into the program under this section.

`(c) Continuous Signup- The Secretary shall offer the program under this section through continuous signup under this subchapter.

`(d) Eligibility-

`(1) IN GENERAL- To be eligible to enter into a contract under subsection (b), the owner shall own land that, as determined by the Secretary--

`(A) during the 3 crop years preceding entry into the contract, was rendered incapable of use for the production of an agricultural commodity or for grazing purposes; and

`(B) prior to the natural overflow of a closed basin lake or pothole caused by a period of precipitation in excess of historical patterns, had been consistently used for the production of crops or as grazing land.

`(2) INCLUSIONS- Land described in paragraph (1) shall include--

`(A) land that has been flooded as the result of the natural overflow of a closed basin lake or pothole;

`(B) land that has been rendered inaccessible due to flooding as the result of the natural overflow of a closed basin lake or pothole; and

`(C) a reasonable quantity of additional land adjoining the flooded land that would enhance the conservation or wildlife value of the tract, as determined by the Secretary.

`(3) ADMINISTRATION- The Secretary may establish--

`(A) reasonable minimum acreage levels for individual parcels of land that may be included in a contract entered into under this section; and

`(B) the location and area of adjoining flooded land that may be included in a contract entered into under this section.

`(e) Payments-

`(1) IN GENERAL- Subject to paragraph (2), the rate of an annual rental payment

under this section, as determined by the Secretary--

`(A) shall be based on the rental rate under this subchapter for cropland, and an appropriate rental rate for pastureland; and

`(B) may be reduced by up to 25 percent, based on the ratio of upland associated with the enrollment of the flooded land.

`(2) EXCLUSIONS- During the term of a contract entered into under this section, an owner shall not be eligible to participate in or receive benefits for land that is included in the contract under--

`(A) the Federal crop insurance program established under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.);

`(B) the noninsured crop assistance program established under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333); or

`(C) any Federal agricultural crop disaster assistance program.

`(f) Relationship to Agricultural Commodity Programs-

`(1) IN GENERAL- Subject to paragraph (2), the Secretary, by regulation, shall provide for the preservation of cropland base, allotment history, and payment yields applicable to land that was rendered incapable of use for the production of an agricultural commodity or for grazing purposes as the result of the natural overflow of a closed basin lake or pothole.

`(2) TERMINATION OF CONTRACT- On termination of a contract under this section, the Secretary shall adjust the cropland base, allotment history, and payment yields for land covered by the contract to ensure equitable treatment of the land relative to program payment yields of comparable land in the county that was not flooded as a result of the natural overflow of a closed basin lake or pothole and was capable of remaining in agricultural production.

`(g) Use of Land- An owner that has entered into a contract with the Secretary under this section shall take such actions as are necessary to avoid degrading any wildlife habitat on land covered by the contract that has naturally developed as a result of the natural overflow of a closed basin lake or pothole.'

**SEC. 2313. WILDLIFE HABITAT PROGRAM.**

Subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831a et seq.) (as amended by section 2312) is amended by adding at the end the following:

**SEC. 1235C. WILDLIFE HABITAT PROGRAM.**

(a) In General- As part of the conservation reserve program established under this subchapter, the Secretary shall carry out a program to provide to owners and operators who have entered into contracts under this subchapter and established softwood pine stands, for each of fiscal years 2008 through 2012, assistance to carry out, on the acreage of the owner or operator enrolled in the program under this subchapter, activities that improve the condition of the enrolled land for the benefit of wildlife.

(b) Scope of Program- In carrying out the program under this section, the Secretary shall determine--

(1) the amount and rate of payments (including incentive payments and cost-sharing payments) to be made to owners and operators who participate in the program to ensure the participation of those owners and operators;

(2) the areas in each of the States in which owners and operators referred to in subsection (a) are located that should be given priority under the program, based on the need in those areas for changes in the condition of land to benefit wildlife; and

(3) the management strategies and practices (including thinning, burning, seeding, establishing wildlife food plots, and such other practices that have benefits for wildlife as are approved by the Secretary) that may be carried out by owners and operators under the program.

(c) Agreements-

(1) IN GENERAL- An owner or operator described in subsection (a) that seeks to receive assistance under this section shall enter into an agreement with the Secretary that--

(A) describes the management strategies and practices referred to in subsection (b)(3) that will be carried out by the owner or operator under the agreement;

(B) describes measures to be taken by the owner or operator to ensure active but flexible management of acreage covered by the agreement;

(C) requires the owner or operator to submit to periodic monitoring and

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evaluation by wildlife or forestry agencies of the State in which land covered by the agreement is located; and

`(D) contains such other terms or conditions as the Secretary may require.

`(2) TERM; INCLUSION IN CONTRACT- An agreement entered into under this section shall have a term of not more than 5 years.

`(d) Partnerships- In carrying out this section, the Secretary may establish or identify and, as appropriate, require owners and operators participating in the program under this section to work cooperatively with, partnerships among the Secretary and State, local, and nongovernmental organizations.

`(e) Technical Assistance and Cost Sharing- The Secretary may provide to owners and operators participating in the program under this section, and members of partnerships described in subsection (d)--

`(1) technical assistance for use in carrying out an activity covered by an agreement described in subsection (c); and

`(2) a payment for use in covering a percentage of the costs of carrying out each such activity that does not exceed the applicable amount and rate determined by the Secretary under subsection (b)(1).

`(f) Termination of Program- The program under this section shall terminate on September 30, 2011.'

**SEC. 2102. WETLANDS RESERVE PROGRAM.**

*[program reauthorized in Sec. 2401(a)]*

(a) **ESTABLISHMENT AND PURPOSE.**—Subsection (a) of section 1237 of the Food Security Act of 1985 (16 U.S.C. 3837) is amended to read as follows:

“(a) **ESTABLISHMENT AND PURPOSES.**—

**Subchapter C--Wetlands Reserve Program**

**SEC. 2321. WETLANDS RESERVE PROGRAM.**

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

*[Sec.2321(2)]*

(2) in subsection (c), by striking `2007 calendar' and inserting `2012 fiscal'; and

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“(1) **ESTABLISHMENT.**—The Secretary shall establish a wetlands reserve program to assist owners of eligible lands in restoring and protecting wetlands.

“(2) **PURPOSES.**—The purposes of the wetlands reserve program are—

“(A) to restore, to create, to protect, or to enhance wetlands on lands that are eligible under subsections (c) and (d); and

“(B) to authorize the Secretary, at the sole discretion of the Secretary, to purchase flood-plain easements.”.

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

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

“(1) **MAXIMUM ENROLLMENT.**—The total number of acres enrolled in the wetlands reserve program shall not exceed 3,605,000 acres.”; and

(2) by adding at the end the following new paragraphs:

“(3) **ANNUAL ENROLLMENT GOAL.**—Of the total number of acres authorized by paragraph (1), to the maximum extent practicable, the Secretary shall enroll 250,000 acres in each fiscal year.

“(4) **FLOOD-PLAIN EASEMENTS.**—Of the acres to be enrolled each fiscal year, not more than 10,000 acres may be enrolled using flood-plain easements.”.

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

“(b) Enrollment Conditions-

“(1) **ANNUAL ENROLLMENT-** To the maximum extent practicable, the Secretary shall enroll 250,000 acres in each fiscal year, with no enrollments beginning in fiscal year 2013.

“(2) **METHODS OF ENROLLMENT-**

“(A) **IN GENERAL-** Except as provided in subparagraph (B), the Secretary shall enroll acreage into the wetlands reserve program through the use of--

“(i) permanent easements;

“(ii) 30-year easements;

“(iii) restoration cost-share agreements; or

“(iv) any combination of the options described in clauses (i) through (iii).

“(B) **ACREAGE OWNED BY INDIAN TRIBES-** In the case of acreage

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owned by an Indian tribe, the Secretary shall enroll acreage into the wetlands reserve program through the use of--

- `(i) a 30-year contract (the value of which shall be equivalent to the value of a 30-year easement);
- `(ii) restoration cost-share agreements; or
- `(iii) any combination of the options described in clauses (i) and (ii).';

(c) **ELIGIBLE LANDS.**—Subsection (c) of section 1237 of the Food Security Act of 1985 (16 U.S.C. 3837) is amended to read as follows:

“(c) **ELIGIBILITY.**—For purposes of enrolling land into the wetland reserve program established under this subchapter during the 2008 through 2012 fiscal years, land shall be eligible to be placed into such reserve if the Secretary determines that—

“(1) in the case of wetlands—

“(A) the land maximizes wetland values and functions and wildlife benefits;

“(B) the land is farmed wetland or converted wetland, together with adjacent lands that are functionally dependent on such wetlands, except that converted wetlands where the conversion was not commenced prior to December 23, 1985, shall not be eligible to be enrolled in the program under this section;

“(C) the likelihood of the successful restoration of such land, and the resultant wetland values, merit inclusion of the land into the program taking into consideration the cost of such restoration; and

“(D) the land consists of riparian areas, including areas that link wetlands that are protected by easements or some other device or circumstance that achieves the same purpose as an easement; or

“(2) in the case of flood-plain lands—

“(A) the flood-plain land has been damaged by flooding at least once within the previous calendar year, or has been subject to flood damage at least twice within the previous 10 years; or

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“(B) the enrollment of other land within the flood plain would contribute to the restoration of the flood storage and flow or erosion control.”.

*[Sec.2321(3)]*

(3) in subsection (d)--

(A) in paragraph (2), by striking `or' at the end; and

(B) by striking paragraph (3) and inserting the following:

`(3) a riparian area; or

`(4) a riparian area and an adjacent area that links the riparian area to other parcels of wetland that are protected by wetlands reserve agreements or some other device or circumstance that achieves the same purpose as a wetlands reserve agreement.'.

(d) **INELIGIBLE LANDS.**—Subsection (e) of section 1237 of the Food Security Act of 1985 (16 U.S.C. 3837) is amended to read as follows:

“(e) **INELIGIBLE LAND.**—The Secretary may not acquire easements on—

“(1) in the case of wetlands—

“(A) land that contains timber stands established under the conservation reserve under subchapter B; or

“(B) pasture land established to trees under the conservation reserve under subchapter B; or

“(2) in the case of flood-plain lands—

“(A) land on which implementation of restoration practices would not be productive; or

“(B) land that is subject to an existing easement or deed restriction, and the easement or deed provides sufficient protection or restoration of the flood plain’s functions and values, as determined by the Secretary.”.

(e) **EASEMENTS AND AGREEMENTS.**—Section 1237A of the Food Security Act of 1985 (16 U.S.C. 3837a) is amended—

(1) in subsection (a)(2), by inserting “if applicable,” after “(2)”;

(2) in subsection (b)—

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(A) in the matter before paragraph (1), by inserting “or flood-plain land” after “values of wetland”;

(B) in paragraph (1)(B), by inserting “or flood-plain land” after “wetland”; and

(C) in paragraph (3), by inserting “or flood-plain lands” after “wetlands”;

(3) by striking subsection (f) and inserting the following new subsection:

“(f) **COMPENSATION.**—Compensation for easements acquired by the Secretary under this subchapter shall be made in cash in such amount as agreed to and specified in the easement agreement. Lands may be enrolled through the submission of bids under a procedure established by the Secretary. Commendation may be provided in not less than 5, nor more than 30, annual payments of equal or unequal size, as agreed to by the owner and the Secretary based on the following option that results in the lowest amount of compensation to be paid by the Secretary:

“(1) A percentage of the fair market value based on the Uniform Standards for Professional Appraisals Procedures, as determined by the Secretary or a percentage of the market value determined by an area-wide market survey.

“(2) A geographic cap, prescribed in regulations issued by the Secretary.

“(3) The offer made by the landowner.”; and

(4) by adding at the end the following new subsection:

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*[Sec. 2322(b)(4)]*

(4) by adding at the end the following:

“(4) **COMPENSATION.**—Effective on the date of enactment of this paragraph, the Secretary shall pay the lowest amount of compensation for a conservation easement, as determined by a comparison of subparagraphs (A), (B), and (C):

“(A) The amount necessary to encourage the enrollment of parcels of land that are of importance in achieving the purposes of the program, as determined by the State Conservationist, with advice from the State technical committee, based on 1 of the following:

“(i) The net present value of 30 years of annual rental payments based on the county simple average soil rental rates developed under subchapter B.

“(ii) An area-wide market analysis or survey.

“(iii) An amount not less than the value of the agricultural or otherwise undeveloped raw land based on the Uniform Standards of Professional Appraisal Practice.

“(B) The amount corresponding to a geographical area value limitation, as determined by the State Conservationist, with advice from the State technical committee.

“(C) The amount contained in the offer made by the landowner.”.

### **SEC. 2322. EASEMENTS AND AGREEMENTS.**

(a) Terms of Easement- Section 1237A(b)(2)(B) of the Food Security Act of 1985 (16

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U.S.C. 3837a(b)(2)(B)) is amended--

- (1) in clause (i), by striking `or' at the end;
- (2) in clause (ii), by striking `; and' and inserting `; or'; and
- (3) by adding at the end the following:

`(iii) to meet habitat needs of specific wildlife species; and'.

(b) Compensation- Section 1237A(f) of the Food Security Act of 1985 (16 U.S.C. 3837a(f)) is amended--

- (1) in the first sentence--

(A) by striking `Compensation' and inserting the following:

`(1) IN GENERAL- Compensation'; and

(B) by striking `agreed to' and all that follows through `encumbered by the easement' and inserting `determined under paragraph (4)';

- (2) in the second sentence, by striking `Lands' and inserting the following:

`(2) BIDS- Land';

- (3) by striking the third sentence and inserting the following:

`(3) PAYMENTS- Compensation may be provided in not less than 1 and not more than 30 annual payments of equal or unequal size, as agreed to by the owner and the Secretary.'; and

“(h) **ACCEPTANCE OF CONTRIBUTIONS.**—The Secretary may accept and use contributions of non-Federal funds to administer the program under this subchapter.”.

(f) **DUTIES OF THE SECRETARY.**—Section 1237C of the Food Security Act of 1985 (16 U.S.C. 3837c) is amended—

- (1) in subsection (a)(1)—

(A) by inserting “including necessary maintenance activities,” after “values,”; and

(B) by inserting “or flood plains land” after “wetland”; and

(2) by striking subsection (c) and inserting the following new subsection:

**“(c) RANKING OF OFFERS.—**

**“(1) IN GENERAL.—**When evaluating offers from landowners, the Secretary may consider—

“(A) the conservation benefits of obtaining an easement or other interest in the land;

“(B) the cost-effectiveness of each easement or other interest in eligible land, so as to maximize the environmental benefits per dollar expended; and

“(C) whether the landowner or another person is offering to contribute financially to the cost of the easement or other interest in the land to leverage Federal funds.

**“(2) CONSERVATION BENEFITS.—**In determining the acceptability of easement offers, the Secretary may take into consideration—

“(A) in the case of wetlands—

“(i) the extent to which the purposes of the easement program would be achieved on the land;

“(ii) the productivity of the land; and

“(iii) the on-farm and off-farm environmental threats if the land is used for the production of agricultural commodities; and

“(B) in the case of flood-plain lands—

“(i) the extent to which the purposes of the easement program would be achieved on the land;

“(ii) whether the land has been repeatedly flooded over the last ten years;

“(iii) the extent to which an easement on the flood-plain land would contribute to the restoration or management of land in the area surrounding the flood-plain land; and

“(iv) other factors, as determined by the Secretary.”.

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(g) **WETLANDS RESERVE ENHANCEMENT.**—Section 1237D(c) of the Food Security Act of 1985 (16 U.S.C. 3837d(c)) is amended by striking paragraph (4) and inserting the following new paragraph:

“(4) **WETLANDS RESERVE ENHANCEMENT.**—

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

“(B) **AGREEMENTS.**—The Secretary may enter into agreements with States (including political subdivisions and agencies of States) regarding payments described in subparagraph (A) that the Secretary determines will advance the purposes of this subchapter.”.

(c) Wetlands Reserve Enhancement Program- Section 1237A of the Food Security Act of 1985 (16 U.S.C. 3837a) is amended by adding at the end the following:

“(h) Wetlands Reserve Enhancement Program-

“(1) **IN GENERAL.**- The Secretary may enter into 1 or more agreements with a State (including a political subdivision or agency of a State), nongovernmental organization, or Indian tribe to carry out a special wetlands reserve enhancement program that the Secretary determines would advance the purposes of this subchapter.

“(2) **RESERVED RIGHTS.**- Under the wetlands reserve enhancement program, the Secretary may use unique wetlands reserve agreements that may include certain compatible uses as reserved rights in the warranty easement deed restriction, if using those agreements is determined by the Secretary to be--

“(A) consistent with the long-term wetland protection and enhancement goals for which the easement was established; and

“(B) in accordance with a conservation plan.”.

(h) **AUTHORIZATION.**—The Food Security Act of 1985 is amended by inserting after section 1237F (16 U.S.C. 3837f) the following new section:

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### “SEC. 1237G. PERIOD OF AUTHORIZATION.

“This subchapter is authorized to be carried out for the 2008 through 2012 fiscal years.”.

### (d) Report-

(1) IN GENERAL- Not later than January 1, 2010, 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 evaluates the implications of the long-term nature of conservation easements granted under section 1237A of the Food Security Act of 1985 (16 U.S.C. 3837a) on resources of the Department of Agriculture.

(2) INCLUSIONS- The report shall include--

(A) data relating to the number and location of conservation easements granted under that section that the Secretary holds or has a significant role in monitoring or managing;

(B) an assessment of the extent to which the oversight of the conservation easement agreements impacts the availability of resources, including technical assistance;

(C) an assessment of the uses and value of agreements with partner organizations; and

(D) any other relevant information relating to costs or other effects that would be helpful to the Committees.

### SEC. 2323. PAYMENTS.

Section 1237D(c) of the Food Security Act of 1985 (16 U.S.C. 3837d(c)) is amended--

(1) in paragraph (1)--

(A) by striking `The total' and inserting `Subject to section 1244(i), the total';

(B) by striking `easement payments' and inserting `payments';

(C) by striking `person' and inserting `individual'; and

(D) by inserting `or under 30-year contracts or restoration agreements' before the period at the end; and

(2) in paragraph (3)--

(A) by striking 'Easement payments' and inserting 'Payments'; and  
(B) by striking 'the Food, Agriculture, Conservation, and Trade Act of 1990, or the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.)' and inserting 'the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104-127; 110 Stat. 888), or the Farm Security and Rural Investment Act of 2002 (Public Law 107-171; 116 Stat. 134)'.

**CHAPTER 2--COMPREHENSIVE STEWARDSHIP INCENTIVES PROGRAM**

**Subchapter A--General Provisions**

**SEC. 2341. COMPREHENSIVE STEWARDSHIP INCENTIVES PROGRAM.**

Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.) is amended by adding at the end the following:

**`CHAPTER 6--COMPREHENSIVE STEWARDSHIP INCENTIVES PROGRAM**

**`Subchapter A--Comprehensive Stewardship Incentives Program**

**`SEC. 1240T. COMPREHENSIVE STEWARDSHIP INCENTIVES PROGRAM.**

`(a) Establishment-

`(1) IN GENERAL- The Secretary shall establish a comprehensive stewardship incentives program (referred to in this chapter as 'CSIP') to--

`(A) promote coordinated efforts within conservation programs in this chapter to address resources of concern, as identified at the local level;

`(B) encourage the adoption of conservation practices, activities and management measures; and

`(C) promote agricultural production and environmental quality as compatible goals.

`(2) MEANS- The Secretary shall carry out CSIP by--

`(A) identifying resources of concern at a local level as described in subsection (b)(4);

`(B) entering into contracts with owners and operators of agricultural and nonindustrial private forest land to--

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*[See section 2103, amending Sec.1238(8) of FSA for definition of priority resources of concern]*

- `(i) address natural resource concerns;
  - `(ii) meet regulatory requirements; or
  - `(iii) achieve and maintain new conservation practices, activities and management measures; and
- `(C) providing technical assistance.
- `(3) PROGRAMS- CSIP shall consist of--
- `(A) the conservation stewardship program; and
  - `(B) the environmental quality incentives program.
- `(4) DEFINITION OF RESOURCE OF CONCERN- In this chapter, the term 'resource of concern' means--
- `(A) a specific resource concern on agricultural or nonindustrial private forest land that--
    - `(i) is identified by the Secretary in accordance with subsection (b)(4);
    - `(ii) represents a significant conservation concern in the State to which agricultural activities are contributing; and
    - `(iii) is likely to be addressed successfully through the implementation of conservation practices, activities, and management measures by owners and operators of agricultural and nonindustrial private forest land; or
  - `(B) a specific resource concern on agricultural or nonindustrial private forest land that is the subject of mandatory environmental requirements that apply to a producer under Federal, State, or local law.
- `(b) Administration-
- `(1) IN GENERAL- In carrying out CSIP, the Secretary shall ensure that the conservation programs under this chapter are managed in a coordinated manner.
  - `(2) PLANS- The Secretary shall, to the maximum extent practicable, avoid duplication in the conservation plans required under this chapter and comparable conservation and regulatory programs, including a permit acquired under an approved water or air quality regulatory program.

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*[See section 2103, amending Sec.1238C(a) of FSA for identification of priority resources of concern]]*

`(3) TENANT PROTECTION- The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under the programs established under this chapter.

`(4) IDENTIFICATION OF RESOURCES OF CONCERN-

`(A) IN GENERAL- The Secretary shall ensure that resources of concern are identified at the State level in consultation with the State Technical Committee.

`(B) LIMITATION- The Secretary shall identify not more than 5 resources of concern in a particular watershed or other appropriate region or area within a State.

`(5) REGULATIONS- Not later than 180 days after the date of enactment of the Food and Energy Security Act of 2007 the Secretary shall issue regulations to implement the programs established under this chapter.

## **SEC. 2103. CONSERVATION SECURITY PROGRAM.**

## **SEC. 2391. CONSERVATION SECURITY PROGRAM.**

Subchapter A of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 is amended by adding after section 1238C (16 U.S.C. 3838c) the following:

### **`SEC. 1238D. PERIOD OF EFFECTIVENESS.**

`(a) In General- This subchapter, and the terms and conditions of the conservation security program, shall continue to apply to conservation security contracts entered into as of the date before the date of enactment of this section.

`(b) Payments- The Secretary shall make payments under this subchapter with respect to conservation security contracts described in subsection (a) during the term of the contracts.

`(c) Prohibition on New Contracts- A conservation security contract may not be entered into or renewed under this subchapter as of the date of enactment of this section.

`(d) Limitation- A contract described in subsection (a) may not be administered under the regulations issued under section 1240Y.!

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(a) **ESTABLISHMENT OF NEW CONSERVATION SECURITY PROGRAM THROUGH 2017.**—Subchapter A of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.) is amended to read as follows:

**“subchapter A—Conservation Security Program**

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

“(a) **ESTABLISHMENT AND PURPOSE.**—The Secretary shall establish, and for each of fiscal years 2012 through 2017, carry out a conservation security program to assist producers in improving environmental quality by addressing priority resources of concern in a comprehensive manner.

*[Chapter 2—Comprehensive Stewardship Incentives Program. Subchapter A—General Provisions.]*

**Subchapter B--Conservation Stewardship Program**

**SEC. 1240W. ESTABLISHMENT OF PROGRAM.**

The Secretary shall establish and, for each of fiscal years 2008 through 2012, carry out a conservation stewardship program to assist producers in improving environmental quality by addressing resources of concern in a comprehensive manner through--

- (1) the addition of conservation systems, practices, activities, and management measures; and
- (2) the active management, maintenance, and improvement of existing, and adoption of new, conservation systems, practices, activities, and management measures.

**SEC. 1240U. PURPOSES.**

The purpose of the conservation stewardship program is to promote agricultural production and environmental quality as compatible goals, and to optimize environmental benefits, by assisting producers--

- (1) in promoting conservation and improving resources of concern (including soil, water, and energy conservation, soil, water, and air quality, biodiversity, fish, wildlife and pollinator habitat, and related resources of concern, as defined by the Secretary) by providing flexible assistance to install, improve, and maintain conservation systems, practices, activities, and management measures on agricultural land (including cropland, grazing land, and wetland) while sustaining production of food and fiber;
- (2) in making beneficial, cost-effective changes to conservation systems, practices, activities, and management measures carried out on agricultural and forest land relating to--
  - (A) cropping systems;

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- `(B) grazing management systems;
  - `(C) nutrient management associated with livestock and crops;
  - `(D) forest management;
  - `(E) fuels management;
  - `(F) integrated pest management;
  - `(G) irrigation management;
  - `(H) invasive species management;
  - `(I) energy conservation; or
  - `(J) other management-intensive issues;
- `(3) in complying with Federal, State, tribal, and local requirements concerning--
- `(A) soil, water, and air quality;
  - `(B) fish, wildlife, and pollinator habitat; and
  - `(C) surface water and groundwater conservation;
- `(4) in avoiding, to the maximum extent practicable, the need for resource and regulatory programs by protecting resources of concern and meeting environmental quality criteria established by Federal, State, tribal, and local agencies; and
- `(5) by encouraging, consolidating, and streamlining conservation planning and regulatory compliance processes to reduce administrative burdens on producers and the cost of achieving environmental goals.

“SEC. 1238. DEFINITIONS.

*[Sec. 2341; sec. 1240V of FSA as amended]*

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“In this subchapter:

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

“(2) **CONSERVATION PLAN.**—The term ‘conservation plan’ means a plan that—

“(A) identifies resources of concern, inventories resources, and establishes benchmark data and stewardship enhancement objectives;

“(B) describes improvements that will enable the producer to meet and exceed the stewardship threshold for all applicable resources of concern; and

“(C) contains a schedule and evaluation plan for the planning, installing, maintaining, and managing new conservation practices, activities, and management measures and maintaining, managing, and improving existing conservation practices, activities, and management measures.

“(3) **CONSERVATION PRACTICE.**—The term ‘conservation practice’ means a site-specific land management practice or activity, or a supporting structural practice, that is part of an implemented management system designed to address a priority resource of concern.

“(4) **CONSERVATION SECURITY CONTRACT.**—The term ‘conservation security contract’ means a contract entered into under this subchapter.

## SEC. 1240V. DEFINITIONS.

“In this chapter:

“(1) **COMPREHENSIVE CONSERVATION PLAN.**—The term ‘comprehensive conservation plan’ means a plan produced by following the planning process outlined in the applicable National Planning Procedures Handbook of the Department of Agriculture with regard to all applicable resources of concern.

### “(8) PRACTICE-

“(A) **IN GENERAL.**—The term ‘practice’ means 1 or more measures that improve or sustain a resource of concern.

“(B) **INCLUSIONS.**—The term ‘practice’ includes--

“(i) structural measures, vegetative measures, and land management measures, as determined by the Secretary; and

“(ii) planning activities needed to improve or sustain a resource of concern, including implementation of--

“(I) a comprehensive conservation plan; and

“(II) a comprehensive nutrient management plan.

“(14) **STEWARDSHIP CONTRACT.**—The term ‘stewardship contract’ means a contract entered into under the conservation stewardship program to carry out the

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“(5) **CONSERVATION SECURITY PROGRAM.**—The term ‘conservation security program’ means the program established under section 1238A(a).

“(6) **MANAGEMENT INTENSITY.**— The term ‘management intensity’ means the degree, scope, and comprehensiveness of conservation practices, activities, or management measures taken by a producer to address a priority resource of concern to a level exceeding the stewardship threshold.

“(7) **NONDEGRADATION STANDARD.**—The term ‘nondegradation standard’ means the level of natural resource conservation and environmental management measures required to improve and sustain the status and condition of natural and environmental resources to a level that, as determined by the Secretary—

“(A) prevents impairment of soil, water, and air quality and the quality of fish and wildlife habitat; and

“(B) sustains the long-term productivity of agricultural resources.

“(8) **PRIORITY RESOURCE OF CONCERN.**—The term ‘priority resource of concern’ means a resource of concern identified by the Secretary, consistent with the requirements of section 1238C(a), that must be addressed by participants in the conservation security program in a particular watershed or other area within that State.

“(9) **PRODUCER.**—The term ‘producer’ means an owner, operator, landlord, tenant, or sharecropper that—

“(A) shares in the risk of producing any crop or livestock; and

“(B) is entitled to share in the crop or livestock available for marketing from a farm (or would have shared had the crop or livestock been produced).

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programs and activities described in this chapter.

`(10) **PROGRAM-** The term ‘program’ means the conservation stewardship program established under this chapter.

`(3) **ENHANCEMENT PAYMENT-** The term ‘enhancement payment’ means a payment described in section 1240X(d).

`(4) **ELIGIBLE LAND-** The term ‘eligible land’ means land described in section 1240X(b).

`(6) **MANAGEMENT INTENSITY-** The term ‘management intensity’ means the degree, scope, and comprehensiveness of conservation systems, practices, activities, or management measures adopted by a producer to improve and sustain the condition of a resource of concern.

*[Resource of Concern defined in CSIP, sec. 2341 (amends FSA to add Sec.1240T(a)(4)]*

`(9) **PRODUCER-** The term ‘producer’ means an individual who is an owner, operator, landlord, tenant, or sharecropper that--

`(A) derives income from, and controls, the production or management of an agricultural commodity, livestock, or nonindustrial forest land regardless of ownership;

`(B) shares in the risk of producing any crop or livestock; and

`(C)(i) is entitled to share in the crop or livestock available for marketing

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| <p>“(10) <b>RESOURCE-SPECIFIC INDEX.</b>—The term ‘resource-specific index’ means an index of management intensity or other similar index, developed by the Secretary, that estimates the expected level of resource and environmental outcomes of the conservation practices, activities, and management measures employed by a producer.</p> <p>“(11) <b>SOCIALLY DISADVANTAGED FARMER OR RANCHER.</b>—The term ‘socially disadvantaged farmer or rancher’ has the meaning given the term under section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)).</p> <p>“(12) <b>STRUCTURAL PRACTICE.</b>—The term ‘structural practice’ means a site-specific, constructed conservation practice that is integrated with and essential to the successful implementation of the system of land management practices and activities that are the basis of a conservation security contract.</p> | <p>from a farm (or would have shared had the crop or livestock been produced); or</p> <p>“(ii) is a custom feeder or contract grower.</p> <p>“(12) <b>RESOURCE-CONSERVING CROP ROTATION-</b> The term ‘resource-conserving crop rotation’ means a crop rotation that--</p> <ul style="list-style-type: none"><li>“(A) includes at least 1 resource-conserving crop;</li><li>“(B) reduces erosion;</li><li>“(C) improves soil fertility and tilth;</li><li>“(D) interrupts pest cycles; and</li><li>“(E) in applicable areas, reduces depletion of soil moisture (or otherwise reduces the need for irrigation).</li></ul> <p>“(13) <b>RESOURCE-SPECIFIC INDICES-</b> The term ‘resource-specific indices’ means indices developed by the Secretary that measure or estimate the expected level of resource and environmental outcomes of the conservation systems, practices, activities, and management measures employed by a producer to address a resource of concern on an agricultural operation.</p> <p>“(2) <b>CONTRACT OFFER-</b> The term ‘contract offer’ means an application submitted by a producer that seeks to address 1 or more resources of concern with the assistance of the program.</p> <p>“(5) <b>LIVESTOCK-</b> The term ‘livestock’ means dairy cattle, beef cattle, laying hens, broilers, turkeys, swine, sheep, goats, ducks, ratites, shellfish, alpacas, bison, catfish, managed pollinators, and such other animals and fish as are determined by</p> |
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the Secretary.

`(11) RESOURCE-CONSERVING CROP- The term `resource-conserving crop' means--

`(A) a perennial grass;

`(B) a legume grown for use as forage, seed for planting, or green manure;

`(C) a legume-grass mixture;

`(D) a small grain grown in combination with a grass or legume, whether interseeded or planted in succession;

`(E) a winter annual oilseed crop that provides soil protection; and

`(F) such other plantings as the Secretary determines to be appropriate for a particular area.

`(15) STEWARDSHIP THRESHOLD- The term `stewardship threshold' means the level of natural resource conservation and environmental management required, as determined by the Secretary--

`(A) to maintain, conserve, and improve the quality or quantity of a resource of concern reflecting at a minimum, the resource management system quality criteria described in the handbooks of the Natural Resource Conservation Service, if available and appropriate; or

`(B) in the case of a resource of concern that is the subject of a Federal, State, or local regulatory requirement, to meet the higher of--

`(i) the standards that are established by the requirement for the resource of concern; or

`(ii) standards reflecting the resource management system quality criteria described in the handbooks of the Natural Resource Conservation Service, if available and appropriate.

## **`SEC. 1240X. ELIGIBILITY.**

`(a) Eligible Producers-

“(b) **ELIGIBLE PRODUCERS.**—To be eligible to participate in the conservation security program, a producer shall—

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“(1) demonstrate that the producer is addressing at least one priority resource of concern to a minimum level of management intensity determined by the Secretary; and

“(2) develop and submit to the Secretary, and obtain the approval of the Secretary of, a conservation offer.

“(c) **ELIGIBLE LAND.**—

“(1) **IN GENERAL.**—Except as provided in paragraph (2), private agricultural land (including cropland, grassland, prairie land, improved pasture land, forest

“(1) **GENERAL PROGRAM ELIGIBILITY-** To be eligible to participate in the conservation stewardship program, a producer shall--

“(A) submit to the Secretary for approval a contract offer to participate in the program;

“(B) agree to receive technical services, either directly from the Secretary or, at the option of the producer, from an approved third party under section 1242(b)(3);

“(C) enter into a contract with the Secretary, as described in subsection (c); and

“(D) demonstrate to the satisfaction of the Secretary that the producer--

“(i) is addressing resources of concern relating to both soil and water to at least the stewardship threshold; and

“(ii) is adequately addressing other resources of concern applicable to the agricultural operation, as determined by the Secretary.

*[Sec.2341 (amends FSA to add Sec. 1240(X)(c)(3)]*

“(3) **RESOURCES OF CONCERN-** Each stewardship contract shall, at a minimum, meet or exceed the stewardship threshold for at least 1 additional resource of concern by the end of the stewardship contract through--

“(A) the installation and adoption of additional conservation systems, practices, activities, or management measures; and

“(B) the active management and improvement of conservation systems, practices, activities, and management measures in place at the operation of the producer at the time the contract offer is accepted by the Secretary.

“(b) **Eligible Land-**

“(1) **IN GENERAL-** Except as provided in paragraph (2), private agricultural land that is eligible for enrollment in the program includes--

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land and rangeland) and land under the jurisdiction of an Indian tribe (as defined by the Secretary) shall be eligible for enrollment in the conservation security program.

### “(2) EXCLUSIONS.—

#### “(A) LAND ENROLLED IN OTHER CONSERVATION PROGRAMS.—

Except as provided in subsection (f)(3)(A), the following lands are not eligible for enrollment in the conservation security program:

“(i) Lands enrolled in the conservation reserve program under subchapter B of chapter 1.

“(ii) Land enrolled in the wetlands reserve program established under subchapter C of chapter 1.

“(iii) Land enrolled in the grassland reserve program established under subchapter C of chapter 2.

“(B) CONVERSION TO CROPLAND.—Land used for crop production after October 1, 2011, that had not been planted, considered to be planted, or devoted to crop production for at least 4 of the 6 years preceding that date (except for land enrolled in the conservation reserve program or that

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`(A) cropland (including vineyards and orchards);

`(B) pasture land;

`(C) rangeland;

`(D) other agricultural land used for the production of livestock;

`(E) land used for agroforestry;

`(F) land used for aquaculture;

`(G) riparian areas adjacent to otherwise eligible land;

`(H) land under the jurisdiction of an Indian tribe (as determined by the Secretary);

`(I) public land, if failure to enroll the land in the program would defeat the purposes of the program on private land that is an integral part of the operation enrolled or offered to be enrolled in the program by the producer;

`(J) State and school owned land that is under the effective control of a producer; and

`(K) other agricultural land (including cropped woodland and marshes) that the Secretary determines is vulnerable to serious threats to resources of concern.

### “(2) EXCLUSIONS-

“(A) LAND ENROLLED IN OTHER CONSERVATION PROGRAMS-  
The following land is not eligible for enrollment in the program:

“(i) Land enrolled in the conservation reserve program under subchapter B of chapter 1.

“(ii) Land enrolled in the wetlands reserve program established under subchapter C of chapter 1.

“(B) CONVERSION TO CROPLAND- With regard to the program, land used for crop production after May 13, 2002, that had not been planted, considered to be planted, or devoted to crop production for at least 4 of the 6 years preceding that date (except for land enrolled in the conservation

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has been maintained using long-term crop rotation practices, as determined by the Secretary) shall not be the basis for any payment under the conservation security program.

“(d) **ECONOMIC USES.**—With respect to eligible land covered by a conservation security contract, the Secretary shall permit economic uses of the land that—

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

“(2) are consistent with the conservation purposes of the conservation security program.

“(e) **CONSERVATION SECURITY CONTRACTS.**—

“(1) **IN GENERAL.**—After a determination that a producer is eligible for the conservation security program, and on approval of the conservation offer of the producer, the Secretary shall enter into a conservation security contract with the producer to enroll the land to be covered by the contract in the conservation security program.

“(2) **TERM.**—A conservation security contract shall be for a term of 5 years.

“(3) **AGRICULTURAL OPERATION.**—All the acres of the agricultural operation that are under the producer’s effective control at the time the producer enters into a conservation security contract shall be covered by the conservation security contract.

“(4) **PROVISIONS.**—The conservation security contract of a producer shall—

“(A) include a conservation plan approved by the Secretary;

reserve program or that has been maintained using long-term crop rotation practices, as determined by the Secretary) shall not be the basis for any payment under the program.

*[Sec. 2341; sec. 1240X(b)(3)]*

“(3) **ECONOMIC USES-** The Secretary shall not restrict economic uses of land covered by a program contract (including buffers and other partial field conservation practices) that comply with the agreement and comprehensive conservation plan, or other applicable law.

*[Sec. 2341; sec. 1240X(c)(1)]*

“(c) **Contract Requirements and Provisions-**

“(1) **IN GENERAL-** After a determination by the Secretary that a producer is eligible to participate in the program, and on acceptance of the contract offer of the producer, the Secretary shall enter into a contract with the producer to enroll the land to be covered by the contract.

*[Sec. 2341; sec. 1240X(c)(6)]*

“(6) **DURATION-** A contract under this chapter shall have a term of 5 years.

*[Sec. 2341; sec. 1240X(c)(2)]*

“(2) **AGRICULTURAL OPERATIONS-** All acres of all agricultural operations, whether or not contiguous, that are under the effective control of a producer within a particular watershed or region (or in a contiguous watershed or region) of a State and constitute a cohesive management unit, as determined by the Secretary, at the time the producer enters into a stewardship contract shall be covered by the stewardship contract, other than land the producer has enrolled in the conservation reserve program or the wetlands reserve program.

*[Sec. 2341; sec. 1240X(c)(4)]*

“(4) **TERMS-** A contract entered into under paragraph (1) shall--

“(A) describe the land covered by the contract;

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“(B) describe the land covered by the conservation security contract;

“(C) state the amount of the stewardship enhancement payment the Secretary agrees to make to the producer each year of the conservation security contract under section 1238C(c);

“(D) describe the new conservation practices and activities the producer is required to implement during the term of the conservation security contract in order to increase the level of management intensity with which the producer addresses a priority resource of concern or priority resources of concern, as designated by the Secretary under section 1238C(a)(1); and

“(E) include such other provisions as the Secretary determines necessary to ensure the conservation purposes of the conservation security program are met.

“(5) **ON-FARM RESEARCH AND DEMONSTRATION OR PILOT TESTING.**—The Secretary may approve a conservation security contract that includes—

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

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

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`(B) describe the practices or technical services from an approved third party, to be implemented on eligible land of the producer;

`(C) state the amount of payments (determined in accordance with subsection (f)) the Secretary agrees to make to the producer each year of the contract;

`(D) describe existing conservation systems, practices, activities, and management measures the producer agrees to maintain, manage, and improve during the term of the stewardship contract in order to meet and exceed the appropriate stewardship threshold for the resources of concern;

`(E) describe the additional conservation systems, practices, activities, and management measures the producer agrees to plan, install, maintain, and manage during the term of the stewardship contract in order to meet and exceed the appropriate stewardship threshold for the appropriate resource or resources of concern;

`(F) if applicable, describe the on-farm conservation research, demonstration, training, or pilot project activities the producer agrees to undertake during the term of the contract;

`(G) if applicable, describe the on-farm monitoring and evaluation activities the producer agrees to undertake during the term of the contract relating to--

    `(i) a comprehensive conservation plan; or

    `(ii) conservation systems, practices, activities, and management measures; and

`(H) include such other provisions as the Secretary determines are necessary to ensure that the purposes of the program are achieved.

`(5) **ON-FARM RESEARCH, DEMONSTRATION, TRAINING, OR PILOT PROJECTS-** The Secretary may approve a stewardship contract that includes--

`(A) on-farm conservation research, demonstration, and training activities; and

`(B) pilot projects for evaluation of new technologies or innovative conservation practices.

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“(f) **MODIFICATION.**—The Secretary may allow a producer to modify a conservation security contract before the expiration of the contract if the Secretary determines that failure to modify the contract would significantly interfere with achieving the purposes of the conservation security program.

*[Sec. 234; sec. 1240X(d)(8)]*

“(8) **RESEARCH, DEMONSTRATION, TRAINING, AND PILOT PROJECT PAYMENT LIMITATIONS-** An enhancement payment for research, demonstration, training and pilot projects may not exceed \$25,000 for each 5-year term of the stewardship contract (excluding funding arrangements with federally recognized Indian tribes or Alaska Native Corporations).

“(9) **MODIFICATION-**

“(A) **IN GENERAL-** The Secretary may allow a producer to modify a contract before the expiration of the contract if the Secretary determines that failure to modify the contract would significantly interfere with achieving the purposes of the program.

“(B) **PARTICIPATION IN OTHER PROGRAMS-** If appropriate payment reductions and other adjustments (as determined by the Secretary) are made to the contract of a producer, the producer may remove land enrolled in the conservation stewardship program for enrollment in the conservation reserve program, wetlands reserve program, or other conservation programs, as determined by the Secretary.

“(C) **CHANGES IN SIZE OF OPERATION-** The Secretary shall allow a producer to modify a stewardship contract before the expiration of the stewardship contract if the agricultural operation of the producer has reduced or enlarged in size to reflect the new acreage total.

“(D) **NEW ACREAGE-** With respect to acreage added to the agricultural operation of a producer after entering into a stewardship contract, a producer may elect to not add the acreage to the stewardship contract during the term of the current stewardship contract, except that such additional acreage shall be included in any contract renewal.

“(E) **CHANGES IN PRODUCTION-** The Secretary shall allow a producer to modify a stewardship contract before the expiration of the stewardship contract if--

“(i) the producer has a change in production that requires a change to scheduled conservation practices and activities; and

“(ii) the Secretary determines that--

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“(g) **CONTRACT TERMINATION.**—

“(1) **VOLUNTARY TERMINATION.**—A producer may terminate a conservation security contract if the Secretary determines that termination of the contract would not defeat the purposes of the conservation plan of the producer.

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

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

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

“(B) **TRANSFER OF DUTIES AND RIGHTS.**—Subparagraph (A) shall not apply if, within a reasonable period of time after the date of the transfer or change in the interest in land, the transferee of the land provides written notice to the Secretary that all duties and rights under the conservation security contract have been transferred to, and assumed by, the transferee. The Secretary shall specify what will be considered a reasonable period of time for purposes of providing the notification required by this subparagraph.

“(h) **CONTRACT RENEWAL.**—At the end of an initial conservation security contract of a producer, the Secretary may allow the producer to renew the contract for one additional five-year period if the producer—

`(I) all relevant conservation standards will be maintained or improved; and

`(II) there is no increase in total payment under the stewardship contract.

[Sec. 2341; sec. 1240X(c)(8)]:

`(8) **TERMINATION OF CONTRACTS-**

`(A) **IN GENERAL-**

`(i) **VOLUNTARY TERMINATION-** The producer may terminate a contract entered into with the Secretary under this chapter if the Secretary determines that the termination is in the public interest.

`(ii) **INVOLUNTARY TERMINATION-** The Secretary may terminate a contract under this chapter if the Secretary determines that the producer violated the contract.

`(C) **TRANSFER OR CHANGE OF INTEREST IN LAND SUBJECT TO A CONTRACT-**

`(i) **IN GENERAL-** Except as provided in clause (ii), the transfer, or change in the interest, of a producer in land subject to a contract under this chapter shall result in the termination of the contract.

`(ii) **TRANSFER OF DUTIES AND RIGHTS-** Clause (i) shall not apply if--

`(I) within a reasonable period of time (as determined by the Secretary) after the date of the transfer or change in the interest in land, the transferee of the land provides written notice to the Secretary that all duties and rights under the contract have been transferred to, and assumed by, the transferee; and

`(II) the transferee meets the eligibility requirements of this subchapter.

`(12) **RENEWAL-** At the end of a stewardship contract of a producer, the Secretary shall allow the producer to renew the stewardship contract for an additional 5-year period if the producer--

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“(1) demonstrates compliance with the terms of the existing contract, including a demonstration that the producer has complied with the schedule for the implementation of new practices and activities included in the conservation security contract and has met the stated goals for increasing the level of management intensity with which the producer is addressing the designated priority resource of concern or priority resources of concern; and

“(2) agrees to implement and maintain such additional new conservation practices and activities as the Secretary determines necessary and feasible to achieve higher levels of management intensity with which the producer addresses the designated priority resource of concern or priority resources of concern.

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

“(j) **EVALUATION OF OFFERS.**—In evaluating applications by producers to enroll in the conservation security program, the Secretary shall—

“(1) consider the extent to which the anticipated environmental benefits from the contract are provided at least cost relative to other similar activities;

“(2) consider the extent to which the producer proposes to increase the level of performance on applicable resource-specific indices or the level of management intensity with which the producer addresses the designated priority resources of concern;

“(3) consider the extent to which the environmental benefits expected to result from the contract complements other conservation efforts in the watershed or region;

“(4) consider the multiple benefits of conservation-based farming systems, including resource-conservation crop rotations, managed rotational grazing, and the adoption of certified production under the national organic production

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“(A) demonstrates compliance with the terms of the existing contract, including a demonstration that the producer has complied with the schedule for the implementation of additional conservation systems, practices, activities, and management measures included in the stewardship contract and is addressing the designated resources of concern to a level that meets and exceeds the stewardship threshold; and

“(B) agrees to implement and maintain such additional conservation practices and activities as the Secretary determines to be necessary and feasible to achieve higher levels of performance on applicable resource-specific indices or higher levels of management intensity with which the producer addresses the resources of concern.

“(10) **EFFECT OF NONCOMPLIANCE DUE TO CIRCUMSTANCES BEYOND THE CONTROL OF PRODUCER-** The Secretary shall include in each contract a provision to ensure that a producer shall not be considered in violation of the contract for failure to comply with the contract due to circumstances beyond the control of the producer, including a disaster or related weather, pest, disease, or other similar condition, as determined by the Secretary.

“(7) **EVALUATION OF CONTRACT OFFERS-** In evaluating contract offers made by producers to enter into contracts under the program, the Secretary shall--

“(A) prioritize applications based on--

“(i) the level of conservation treatment on all resources of concern at the time of application, based on the initial scores received by the producer on applicable resource-specific indices;

“(ii) the degree to which the proposed conservation treatment effectively increases the level of performance on applicable resource-specific indices or the level of management intensity with which the producer addresses the designated resources of concern;

“(iii) the extent to which all resources of concern will exceed the stewardship threshold level by the end of the contract period;

“(iv) the extent to which resources of concern in addition to resources of concern will be addressed to meet and exceed the stewardship

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program under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.); and

“(5) develop any additional criteria for evaluating applications that the Secretary determines are necessary to ensure that national, State, and local conservation priorities are effectively addressed.

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threshold level by the end of the contract period;

`(v) the extent to which the producer proposes to address the goals and objectives of State, regional, and national fish and wildlife conservation plans and initiatives;

`(vi) whether the proposed conservation treatment reflects the multiple natural resource and environmental benefits of conservation-based farming systems, including resource-conserving crop rotations, advanced integrated pest management, and managed rotational grazing; and

`(vii) whether the application includes land transitioning out of the conservation reserve program, on the condition that the land is maintained in a grass-based system and would help meet habitat needs for fish and wildlife;

`(B) evaluate the extent to which the anticipated environmental benefits from the contract would be provided in the most cost-effective manner, relative to other similarly beneficial contract offers;

`(C) reward higher levels of environmental performance and management intensity;

`(D) develop criteria for use in evaluating applications that will ensure that national, State, and local conservation priorities are effectively addressed;

`(E) evaluate the extent to which the environmental benefits expected to result from the contract complement other conservation efforts in the watershed or region; and

`(F) provide opportunities to agricultural producers that have not previously participated in Federal conservation programs, including beginning farmers and ranchers and socially disadvantaged farmers and ranchers.

`(B) REPAYMENT- If a contract is terminated, the Secretary may--

`(i) allow the producer to retain payments already received under the contract if--

`(I) the producer has complied with the terms and conditions of the contract; and

`(II) the Secretary determines that allowing the producer to

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“(k) **COORDINATION WITH ORGANIC CERTIFICATION.**—Within 90 days after the date of the enactment of the Farm, Nutrition, and Bioenergy Act of 2007, the Secretary shall establish a transparent and producer-friendly means by which producers may coordinate and simultaneously certify eligibly under a conservation security contract and under the national organic production program established under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.).

## “SEC. 1238B. DUTIES OF PRODUCERS.

“(a) **AGREEMENT BY PRODUCER.**—Under a conservation security contract, a producer shall agree—

“(1) to implement during the term of the conservation security contract the conservation plan approved by the Secretary;

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

retain the payments is consistent with the purposes of the program;

`(ii) require repayment, in whole or in part, of payments already received; and

`(iii) assess liquidated damages, if doing so is consistent with the purposes of the program.

## `(11) COORDINATION WITH ORGANIC CERTIFICATION-

`(A) **IN GENERAL-** Not later than 180 days after the date of enactment of this chapter, the Secretary shall establish a transparent and producer-friendly means by which producers may coordinate and simultaneously certify eligibility under--

`(i) a stewardship contract; and

`(ii) the national organic production program established under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.).

`(B) **PROGRAMMATIC CONSIDERATIONS-** The Secretary shall identify and implement programmatic considerations, including conservation systems, practices, activities, and management measures, technical assistance, evaluation of contract offers, enhancement payments, on-farm research, demonstration, training, and pilot projects, and data management, through which to maximize the purposes of the program by enrolling producers who are certified under the national organic production program established under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.).

`(g) **Duties of Producers-** In order to receive assistance under this chapter, a producer shall--

`(1) implement the terms of the contract approved by the Secretary;

`(2) not conduct any practices on the covered land that would defeat the purposes of the program;

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“(3) not to engage in any activity during the term of the conservation security contract that would interfere with the purposes of the conservation security program.

“(b) **EFFECT OF VIOLATION.**—On the violation of a term or condition of the conservation security contract of a producer—

“(1) if the Secretary determines that the violation warrants termination of the conservation security contract, the producer shall—

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

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

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

“(3) some combination of the remedies authorized by paragraphs (1) and (2), as determined by the Secretary to be appropriate.

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

“(a) **IDENTIFICATION OF PRIORITY RESOURCES OF CONCERN.**—

“(1) **IDENTIFICATION AT STATE LEVEL.**—The Secretary shall ensure that the

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

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

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

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

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

“(C) comply with a combination of the remedies authorized by subparagraphs (A) and (B), as the Secretary determines to be appropriate;

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

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

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

*[Identification of resources of concern is made at the state and local level – see CSIP, Sec. 2341; sec. 1240T]*

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identification of priority resources of concern is made at the State level so that each priority resource of concern—

“(A) represents a significant environmental concern, including watershed management or wildlife habitat, in the State to which agricultural activities are contributing; and

“(B) is likely to be addressed successfully through the implementation of conservation practices and other activities by producers.

“(2) **LIMITATION.**—The Secretary shall identify not more than 5 resources of concern as priority resources of concern in a particular watershed or other appropriate region or area within a State.

“(3) **ADVICE AND CONSULTATION.**—The Secretary, with the advice of the appropriate State technical committee and in consultation with Federal and State agencies with expertise related to natural resources and environmental quality, shall designate, to the extent practicable, each priority resource of concern identified under paragraph (1) as either a primary, secondary, or tertiary resource of concern.

`(h) Duties of Secretary-

`(1) **IN GENERAL-** To achieve the conservation and environmental goals of a contract under this chapter, to the extent appropriate, the Secretary shall--

`(A) provide to a producer information and training to aid in implementation of the conservation systems, practices, activities, and management measures covered by the contract;

`(B) develop agreements with governmental agencies, nonprofit organizations, and private entities to facilitate the provision of technical and administrative assistance and services;

`(C) make the program available to eligible producers on a continuous enrollment basis;

`(D) when identifying biodiversity or fish and wildlife as a resource of concern for a particular watershed or other appropriate region or area within a State, ensure that the identification--

`(i) is specific with respect to particular species or habitat; and

`(ii) would further the goals and objectives of State, regional, and national fish and wildlife conservation plans and initiatives;

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“(b) **DEVELOPMENT OF RESOURCE-SPECIFIC INDICES.**—The Secretary shall develop resource-specific indices to measure the management intensity with which specific resources of concern are addressed, for purposes of determining eligibility and payments for participants in the conservation security program.

“(c) **STEWARDSHIP ENHANCEMENT PAYMENT.**—

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

“(2) **EXCLUSIONS.**—A payment to a producer under this subsection shall not be provided for—

“(A) the design, construction, or maintenance of animal waste storage

“(E) provide technical assistance and payments for each of fiscal years 2008 through 2012;

“(G) develop resource-specific indices for purposes of determining eligibility and payments; and

“(H) establish and publicize design protocols and application procedures for individual producer and collaborative on-farm research, demonstration, training, and pilot projects.

“(2) **SPECIALTY CROP PRODUCERS-** The Secretary shall ensure that outreach and technical assistance are available and program specifications are appropriate to enable specialty crop producers to participate in the conservation stewardship program.

“(7) **TIMING OF PAYMENTS-**

“(A) **IN GENERAL-** The Secretary shall make enhancement payments as soon as practicable after October 1 of each fiscal year.

“(B) **ADDITIONAL SYSTEMS, PRACTICES, ACTIVITIES, AND MANAGEMENT MEASURES-** The Secretary shall make enhancement payments to compensate producers for installation and adoption of additional conservation systems, practices, activities, and management measures or improvements to existing conservation systems, practices, activities, and management measures at the time at which the systems, practices, activities, and measures or improvements are installed and adopted.

“(6) **EXCLUSIONS-** An enhancement payment to a producer under this subsection shall not be provided for the design, construction, or maintenance of animal waste storage or treatment facilities or associated waste transport or transfer devices for

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or treatment facilities or associated waste transport or transfer devices for animal feeding operations; or

“(B) conservation practices and activities for which there is no net cost or loss of income to the producer, as determined by the Secretary.

animal feeding operations.

*[See Sec.2341; sec. 1240V(7) which provides that payments under the program are defined as compensation for ‘incurred costs.’]*

## `(d) Enhancement Payments-

`(1) LOWER PAYMENTS- In evaluating applications and making payments under this chapter, the Secretary shall not assign a higher priority to any application because the applicant is willing to accept a lower payment than the applicant would otherwise be entitled to receive.

`(2) EVALUATION OF CONTRACT OFFERS- Nothing in this subsection relieves the Secretary of the obligation, in evaluating applications for payments, to evaluate and prioritize the applications in accordance with subsection (e)(4)), including the requirement for contracts to be cost-effective.

`(3) LOWEST-COST ALTERNATIVES- In determining the eligibility of a conservation system, practice, activity, or management measure for a payment under this subsection, the Secretary shall require, to the maximum extent practicable, that the lowest-cost alternatives be used to achieve the purposes of the contract, as determined by the Secretary.

`(4) METHOD OF PAYMENT- Payments under this subsection shall be made in such amounts and in accordance with such time schedule as is agreed on and specified in the contract.

## `(5) ACTIVITIES QUALIFYING FOR PAYMENTS-

`(A) IN GENERAL- To receive an enhancement payment under this subsection, a producer shall agree--

`(i) to implement additional conservation systems, practices, activities, and management measures and maintain, manage, and improve existing conservation systems, practices, activities, and management measures in order to maintain and improve the level of performance of the producer, as determined by applicable resource-specific indices, or the level of management intensity of the producer

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“(3) **AVAILABILITY OF PAYMENTS.**—The Secretary shall provide a stewardship enhancement payment to a producer under a conservation security contract to compensate the producer for—

“(A) ongoing implementation and maintenance of conservation practices, activities, and management measures in place on the producers operation at the time the conservation security contract is accepted; and

“(B) installation and adoption of new conservation practices, activities, and management measures or improvements to conservation practices, activities, and management measures in place on the producer’s operation, as required by the conservation security contract.

with respect to resources of concern in order to meet and exceed the stewardship threshold for resources of concern; and

“(ii) to maintain, and make available to the Secretary at such times as the Secretary may request, appropriate records demonstrating the effective and timely implementation of the stewardship contract.

“(B) **COMPENSATION-** Subject to subparagraph (C), the Secretary shall provide an enhancement payment to a producer to compensate the producer for--

“(i) ongoing implementation, active management, and maintenance of conservation systems, practices, activities, and management measures in place on the operation of the producer at the time the contract offer of the producer is accepted; and

“(ii) installation and adoption of additional conservation systems, practices, activities, and management measures or improvements to conservation systems, practices, activities, and management measures in place on the operation of the producer at the time the contract offer is accepted.

“(C) **ADJUSTMENTS-** A payment under subparagraph (B) shall be adjusted to reflect--

“(i) management intensity; or

“(ii) resource-specific indices, in a case in which those indices have been developed and implemented.

“(D) **ON-FARM RESEARCH, DEMONSTRATION, TRAINING, AND PILOT PROJECT PAYMENTS-** The Secretary shall provide an additional enhancement payment to a producer who opts to participate as part of the stewardship contract in an on-farm conservation research, demonstration, training or pilot project certified by the Secretary to compensate the producer for the cost of participation.

“(e) **CSP Supplemental Payments-**

“(1) **IN GENERAL-** The Secretary shall provide additional payments to producers that, in participating in the conservation stewardship program, agree to adopt resource-conserving crop rotations to achieve optimal crop rotations as appropriate

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“(4) **PAYMENT AMOUNT.**—The amount of the stewardship enhancement payment shall be determined by the Secretary and shall be based, to the maximum extent feasible, on—

“(A) a portion of the actual costs incurred by the producer;

“(B) the income forgone by the producer; and

“(C) resource-specific indices, in any case in which such indices have been developed and implemented.

“(d) **PAYMENT LIMITATIONS.**—An individual or entity may not receive, directly or indirectly, payments under a conservation security contract that, in the aggregate, exceed \$150,000 for the 5-year term of the conservation security contract, excluding funding arrangements with federally recognized Indian Tribes or Alaska Native Corporations. *[also in payment limitation section]*

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

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

for the land of the producers.

“(2) **OPTIMAL CROP ROTATIONS-** The Secretary shall determine whether a resource-conserving crop rotation is an optimal crop rotation eligible for additional payments under paragraph (1), based on whether the resource-conserving crop rotation is designed to optimize natural resource conservation and production benefits, including--

“(A) increased efficiencies in pesticide, fertilizer, and energy use; and

“(B) improved disease management.

“(3) **ELIGIBILITY-** To be eligible to receive a payment described in paragraph (1), a producer shall agree to adopt and maintain optimal resource-conserving crop rotations for the term of the contract.

“(4) **RATE-** The Secretary shall provide payments under this subsection at a rate that encourages producers to adopt optimal resource-conserving crop rotations.

“(7) **PAYMENT-** The term ‘payment’ means financial assistance provided to a producer under the program to compensate the producers for incurred costs associated with planning, materials, installation, labor, management, maintenance, technical assistance, and training, the value of risk, and income forgone by the producer, as applicable, including--

“(A) enhancement payments;

“(B) CSP supplemental payments; and

“(C) other payments provided under this chapter.

“(f) **Limitation on Payments-** Subject to section 1244(i), an individual or entity may not receive, directly or indirectly, payments under this subchapter that, in the aggregate, exceed \$240,000 for all contracts entered into under the conservation stewardship program during any 6-year period. *[also in payment limitation section]*

## “**SEC. 1240Y. REGULATIONS.**

“(1) Not later than 180 days after the date of enactment of this chapter, the Secretary shall

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basis; and

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

“(f) **ALLOCATION TO STATES.**—When making allocations to States of funds made available to carry out the conservation security program, the Secretary shall give significant consideration to the extent and magnitude of the environmental needs associated with agricultural production in each State, the degree to which implementation of the conservation security program in the State is, or will be, effective in helping producers address these needs, and other considerations to achieve equitable geographic distributions of funds, as determined by the Secretary.

promulgate such regulations as are necessary to carry out the program, including regulations that--

- `(1) provide for adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing payments, on a fair and equitable basis;
- `(2) prescribe such other rules as the Secretary determines to be necessary to ensure a fair and reasonable application of the program; and
- `(3) to the maximum extent practicable, eliminate duplication of planning activities under the program and comparable conservation programs.'.

`(i) Acre Allocation-

`(1) **INITIAL ALLOCATIONS TO STATES-** In making allocations of acres to States to enroll in the conservation stewardship program, to the maximum extent practicable, the Secretary shall allocate to each State a number of acres equal to the proportion that--

`(A) the number of acres of eligible land in the State; bears to

`(B) the number of acres of eligible land in all States.

`(2) **MINIMUM ACRE ALLOCATION-** Of the acres allocated for each fiscal year, no State shall have allocated fewer than the lesser of--

`(A) 20,000 acres; or

`(B) 2.2 percent of the number of acres of eligible land in the State.

`(3) **REALLOCATION TO STATES-** For any fiscal year, acres not obligated under this subsection by a date determined by the Secretary through rulemaking shall be reallocated to each State that--

`(A) has obligated 100 percent of the initial allocation of the State; and

`(B) requests additional acres.

`(3) **ADDITIONAL REQUIREMENTS-** For the period beginning on the date of enactment of this chapter and ending on September 30, 2017, with respect to eligible land of producers participating in the program, the Secretary shall--

`(A) to the maximum extent practicable, enroll an additional 13,273,000

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“(g) **TECHNICAL ASSISTANCE.**—For each of fiscal years 2008 through 2017, the Secretary shall provide appropriate technical assistance to producers for the development and implementation of conservation security contracts, in an amount not to exceed 15 percent of the amounts expended for the fiscal year.

“(h) **DATA.**—The Secretary shall maintain conservation security program contract and payment data in a manner that provides detailed and segmented data that allows for quantification of the amount of payments made to producers for—

“(1) the maintenance of conservation practices, activities, and management measures in place on the producer’s operation at the time the conservation security offer is accepted by the Secretary;

“(2) the installation and adoption of new conservation practices, activities, and management measures and the improvements to conservation practices, activities, and management measures in place on the producer’s operation at the time the conservation security offer is accepted by the Secretary;

“(3) participation in research, demonstration, and pilot projects; and

“(4) the development and periodic assessment and evaluation of comprehensive conservation plans.”.

acres for each fiscal year, but not to exceed 79,638,000 acres;

`(B) implement the program nationwide to make the program available to producers meeting the eligibility requirements in each county;

`(C) to the maximum extent practicable, manage the program to achieve a national average annual cost per acre of \$19, which shall include the costs of all financial assistance, technical assistance, and any other expenses associated with enrollment or participation in the program of those acres; and

`(D) establish a minimum contract value, to ensure equity for small acreage farms, including specialty crop and organic producers.

`(F) maintain contract and payment data relating to the conservation stewardship program in a manner that provides detailed and segmented data and allows for quantification of the amount of payments made to producers for--

`(i) the installation and adoption of additional conservation systems, practices, activities, or management measures;

`(ii) participating in research, demonstration, training, and pilot projects;

`(iii) the development, monitoring, and evaluation of comprehensive conservation plans; and

`(iv) the maintenance and active management of conservation systems, practices, activities, and management measures, and the improvement of conservation practices, in place on the operation of the producer on the date on which the contract offer is accepted by the Secretary;

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*[Sec. 2341; sec. 1240X(d)(5)(E)]*

(E) RESTRICTION ON STRUCTURAL PRACTICES- For purposes of the conservation stewardship program, structural practices shall be eligible for payment only if the structural practices are integrated with and essential to support site-specific management activities that are part of an implemented management system designed to address 1 or more resources of concern.

(b) **EFFECT ON EXISTING CONSERVATION SECURITY CONTRACTS.**—Subchapter A of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.), as in effect on the day before the date of the enactment of this Act, shall continue to apply to conservation security contracts entered into before October 1, 2007. The Secretary of Agriculture may continue to make payments under such subchapter, as so in effect, with respect to such a conservation security contracts during the term of the contract.

(c) **PROHIBITION ON NEW CONTRACTS.**—A conservation security contract may not be entered into or renewed under subchapter A of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838 et seq.), as in effect on the day before the date of the enactment of this Act, after September 30, 2007.

**SEC. 2104. GRASSLAND RESERVE PROGRAM.**

**Subchapter B--Grassland Reserve Program**

(b) **ENROLLMENT OF ACREAGE.**—Subsection (b) of section 1238N of the Food Security Act of 1985 (16 U.S.C. 3838n) is amended by striking paragraph (1) and inserting the

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following new paragraph:

“(1) **ENROLLMENT.**—The Secretary shall enroll an additional 1,340,000 acres of restored or improved grassland, rangeland, and pastureland in the grassland reserve program during fiscal years 2008 through 2012.”.

(a) **ENROLLMENT PRIORITY.**—Subsection (b) of section 1238N of the Food Security Act of 1985 (16 U.S.C. 3838n) is amended by striking paragraph (3) and inserting the following new paragraph:

“(3) **PRIORITY FOR LONG-TERM AGREEMENTS AND EASEMENTS.**—Of the total number of acres enrolled in the program at any one time through the methods described in paragraph (2)(A), the Secretary shall ensure that at least 60 percent of the acres were enrolled through the use of 30-year rental agreements

[Sec. 2401(6)]:

“(6) The grassland reserve program under subchapter C of chapter 2, using, to the maximum extent practicable, \$240,000,000 for the period of fiscal years 2008 through 2012.

## **SEC. 2381. GRASSLAND RESERVE PROGRAM.**

Subchapter C of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838n et seq.) is amended to read as follows:

### **Subchapter C--Grassland Reserve Program**

#### **SEC. 1238N. DEFINITIONS.**

In this subchapter:

[Note: Sec. 1238N(1) and (2) moved lower]

“(3) **PERMANENT CONSERVATION EASEMENT-** The term ‘permanent conservation easement’ means a conservation easement that is--

“(A) a permanent easement; or

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

#### **SEC. 1238O. GRASSLAND RESERVE PROGRAM.**

“(a) **Establishment-** The Secretary shall establish and carry out a grassland reserve program through which the Secretary shall provide payments and technical assistance to landowners to assist in restoring and conserving eligible land described in section 1238N(2).

“(b) **Enrollment of Land-**

“(1) **IN GENERAL-** The Secretary may enroll eligible land in the program through--

“(A) an easement or contract described in paragraph (2); or

“(B) a cooperative agreement with an eligible entity.

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and permanent and long-term easements described in clause (ii) of such paragraph.”.

**(c) ENROLLMENT OF CONSERVATION RESERVE PROGRAM LAND.**—Section 1238N of the Food Security Act of 1985 (16 U.S.C. 3838n) is amended by adding at the end the following new subsections:

**“(d) ENROLLMENT OF CONSERVATION RESERVE PROGRAM LAND.—**

**“(1) ENROLLMENT AUTHORIZED.**—Subject to the eligibility requirements of subsection (c) and all other requirements of this subchapter, land enrolled in the conservation reserve program may be enrolled in the grassland reserve program if the Secretary determines that the land is of high ecological value and under significant threat of conversion to other uses.

**“(2) MAXIMUM ENROLLMENT.**—The number of acres of conservation reserve program land enrolled under this subsection in a calendar year shall not exceed 10 percent of the total number of acres enrolled in the grassland reserve program in that calendar year.

**“(3) PROHIBITION ON DUPLICATION OF PAYMENTS.**—Land enrolled in the program under this subsection shall no longer be eligible for payments under the conservation reserve program.

**“(2) OPTIONS-** Eligible land enrolled in the program shall be subject to--

**“(A)** a 30-year contract;

**“(B)** a 30-year conservation easement; or

**“(C)** a permanent conservation easement.

**“(3) ENROLLMENT OF CONSERVATION RESERVE ACREAGE-**

**“(A) IN GENERAL-** Eligible land enrolled in the conservation reserve program established under subchapter B of chapter 1 may be enrolled into permanent conservation easements under this subchapter if--

**“(i)** the Secretary determines that the eligible land--

**“(I)** is of high ecological value; and

**“(II)** would be under significant threat of conversion to other uses if the conservation reserve program contract were terminated; and

**“(ii)** the landowner agrees to the enrollment.

**“(B) MAXIMUM ENROLLMENT-** The number of acres of conservation reserve program land enrolled under this paragraph in a calendar year shall not exceed the number of acres that could be funded by 10 percent of the total amount of funds available for this section for a fiscal year.

**“(C) PROHIBITION ON DUPLICATE PAYMENTS-** Eligible land enrolled in the program shall no longer be eligible for payments under the conservation reserve program.

*[Note:1238O(c) and (d) moved below]*

*[Amends 1238N(2)]*

**“(2) ELIGIBLE LAND-** The term ‘eligible land’ means private land that--

**“(A)** is grassland, rangeland, land that contains forbs, or shrub land (including improved rangeland and pastureland) for which grazing is the predominant use;

**“(B)** is located in an area that has been historically dominated by grassland, forbs, or shrub land, and the land potentially could provide habitat for

animal or plant populations of significant ecological value if the land--

- `(i) is retained in the current use of the land;
- `(ii) is restored to a natural condition;
- `(iii) contains historical or archeological resources;
- `(iv) would further the goals and objectives of State, regional, and national fish, and wildlife conservation plans and initiatives; or
- `(v) is incidental to land described in clauses (i) through (iv), if the incidental land is determined by the Secretary to be necessary for the efficient administration of an agreement or conservation easement.

**`SEC. 1238Q. TERMS AND CONDITIONS.**

`(a) Terms and Conditions of Easement or Contracts- An easement or contract under this subchapter shall--

`(1) permit--

- `(A) common grazing practices, including maintenance and necessary cultural practices, on the land in a manner that is consistent with maintaining the viability of grassland, forb, and shrub species appropriate to that locality;
- `(B) haying, mowing, or harvesting for seed production, subject to appropriate restrictions during the nesting season for birds in the local area that are in significant decline or are conserved in accordance with Federal or State law, as determined by the State Conservationist; and
- `(C) fire presuppression, rehabilitation, and construction of fire breaks and fences (including placement of the posts necessary for fences);

`(2) prohibit--

- `(A) the production of crops (other than hay), fruit trees, vineyards, or any other agricultural commodity that is inconsistent with maintaining grazing land; and
- `(B) except as permitted under a restoration plan, the conduct of any other activity that would be inconsistent with maintaining grazing land covered by the easement or agreement; and

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

*[Amending Sec. 1238O(c) FSA]*

`(c) Restoration Agreements- The Secretary may enter into a restoration agreement with a landowner, as determined appropriate by the Secretary.

*[Amending Sec. 1238Q(b)(3)]*

`(3) PROTECTION OF FEDERAL INVESTMENT-

`(A) IN GENERAL- The Secretary shall ensure that the terms of an easement acquired by the eligible entity provides protection for the Federal investment through an executory limitation by the Federal government.

`(B) RELATIONSHIP TO FEDERAL ACQUISITION OF REAL PROPERTY- The inclusion of an executory limitation described in subparagraph (A) shall--

`(i) not be considered the Federal acquisition of real property; and

`(ii) not trigger any Federal appraisal or other real property requirements, including the Federal standards and procedures for land acquisition.

`(C) TERMS OF RESTORATION AGREEMENT- A restoration agreement shall contain--

`(i) a statement of the conservation measures and practices that will be undertaken in regard to the eligible land subject to the conservation easement;

`(ii) restrictions on the use of the eligible land subject to the conservation easement; and

`(iii) a statement of the respective duties of the Secretary, landowner, and eligible entity, as appropriate.

*[Amending Sec. 1238Q(c) FSA]*

`(c) Violation- If a violation occurs of the terms or conditions of a conservation easement, contract, cooperative agreement or restoration agreement entered into under this section--

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“(e) **METHOD FOR DETERMINATION OF FAIR MARKET VALUE.**—The Secretary shall determine the fair market value of land to be enrolled in program based on the option specified in paragraph (1), (2), (3), or (4) that results in the lowest amount of compensation to be paid by the Secretary:

“(1) A percentage of the fair market value based on the Uniform Standards for Professional Appraisals Procedures, as determined by the Secretary.

“(2) A percentage of the market value determined by an area wide market survey.

“(3) A geographic cap, as prescribed in regulations issued by the Secretary.

“(4) The offer made by the owner of the land.”.

`(1) the conservation easement, contract, cooperative agreement, or restoration agreement shall remain in force; and

`(2) the Secretary may require the owner or entity to refund all or part of any payments received by the owner under this subchapter, with interest on the payments as determined appropriate by the Secretary.’.

*[amending Sec. 1238P(b)(2) FSA]*

`(2) **COMPENSATION-**

`(A) **IN GENERAL-**

`(i) **EASEMENTS AND CONTRACTS-** In return for the granting of an easement, the Secretary shall provide to the landowner an amount that is equal to--

`(I) in the case of a permanent easement, the fair market value of the land less the grazing value of the land encumbered by the easement; and

`(II) in the case of a 30-year easement or 30-year contract, 30 percent of the fair market value of the land less the grazing value of the land for the period during which the land is encumbered by the easement.

`(ii) **RESTORATION AGREEMENTS-** In making cost-share payments for restoration agreements, the Secretary shall make payments to the landowner--

`(I) in the case of a permanent easement, in an amount that is not less than 90, but not more than 100, percent of the eligible costs; and

`(II) in the case of a 30-year easement or 30-year contract, in an amount that is not less than 50, but not more than 75, percent of the eligible costs.

`(B) **DELIVERY OF PAYMENTS-**

`(i) **PAYMENT SCHEDULE-** Except as otherwise provided in this subchapter, payments may be provided pursuant to an easement, contract, or other agreement, in not more than 30 annual payments, and in an equal or unequal amounts, as agreed to by the Secretary and

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(d) **GRASSLAND RESERVE ENHANCEMENT.**—Section 1238N of the Food Security Act of 1985 (16 U.S.C. 3838n) is amended by inserting after subsection (d), as added by subsection (b), the following new subsection:

“(e) **GRASSLAND RESERVE ENHANCEMENT.**—The Secretary may enter into such agreements with States, including political subdivisions and agencies of States, that the Secretary determines will advance the purposes of the grassland reserve program. Section 1305(d) of the Agricultural Reconciliation Act of 1987 (Public Law 100–203; 7 U.S.C. 1308 note) shall not apply to payments received by a State or political subdivision or agency thereof in connection with such an agreement.”.

(e) **USE OF PRIVATE ORGANIZATIONS OR STATE AGENCIES.**—Section 1238Q of the Food Security Act of 1985 (16 U.S.C. 3838q) is amended—

(1) by striking subsection (a) and inserting the following new subsection:

“(a) **AUTHORITY TO USE PRIVATE ORGANIZATIONS OR STATES.**—The Secretary shall permit a private conservation or land trust organization (referred to in this section as a ‘private organization’) or a State agency to own, write, and enforce an easement under this subchapter, in lieu of the Secretary, subject to the right of the Secretary to conduct periodic inspections and enforce the easement, if—

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

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

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

the landowner.

“(ii) **PAYMENTS TO OTHERS-** If an owner that is entitled to a payment under this subchapter dies, becomes incompetent, is otherwise unable to receive the payment, or is succeeded by another person who renders or completes the required performance, the Secretary shall make the payment, in accordance with regulations promulgated by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable after considering all the circumstances.

*[Amends 1238N(1) FSA]*

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

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

“(B) any organization that--

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

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

“(iii) is--

“(I) described in paragraph (1) or (2) of section 509(a) of that Code; or

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organization or State agency.”;

(2) in subsection (b), by striking “hold” and inserting “own, write,”; and

(3) in subsection (c), by striking “hold” and inserting “own, write,”.

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

*[Amends 1238P(b)(2)(A)(i)(II) FSA]*

`(II) in the case of a 30-year easement or 30-year contract, 30 percent of the fair market value of the land less the grazing value of the land for the period during which the land is encumbered by the easement.

*[Amends 1238Q(b)]*

`(b) Terms and Conditions of Cooperative Agreements-

`(1) IN GENERAL- The Secretary shall establish the terms and conditions of any cooperative agreement entered into under this subchapter under which the eligible entity shall use funds provided by the Secretary.

`(2) MINIMUM REQUIREMENTS- A cooperative agreement shall, at a minimum--

`(A) specify the qualification of the eligible entity to carry out the responsibilities of the eligible entity under the program, including acquisition, monitoring, enforcement, and management policies and procedures that ensure the long-term integrity of the conservation easement protections;

`(B) subject to subparagraph (C), identify a specific project or a range of projects funded under the agreement;

`(C) allow, upon mutual agreement of the parties, substitution of qualified projects that are identified at the time of substitution;

`(D) specify the manner in which the eligible entity will evaluate and report the use of funds to the Secretary;

`(E) allow the eligible entity flexibility to develop and use terms and conditions for conservation easements and other purchases of interest in eligible land, if the Secretary finds the terms and conditions consistent with the purposes of the program and adequate to achieve and permit effective enforcement of the conservation purposes of the conservation easements or

other interests;

`(F) require appraisals of acquired interests in eligible land that comply with a method approved by industry;

`(G) if applicable, allow as part of the share of the eligible entity of the cost to purchase a conservation easement or other interest in eligible land described in section 1238O(b), that an eligible entity may include a charitable donation or qualified conservation contribution (as defined by section 170(h) of the Internal Revenue Code of 1986), from the private landowner for which the conservation easement will be purchased; and

`(H) provide for a schedule of payments to an eligible entity, as agreed to by the Secretary and the eligible entity, over a term of not to exceed 30 years.

*[amends Sec. 1238O(d)]*

`(d) Conservation Easement Title- The title holder of a conservation easement obtained under this subchapter may be--

`(1) the Secretary; or

`(2) an eligible entity.

**`SEC. 1238P. DUTIES.**

`(a) Duties of Landowners-

`(1) IN GENERAL- To become eligible to enroll eligible land through the grant of a conservation easement, the landowner shall--

`(A) create and record an appropriate deed restriction in accordance with applicable State law;

`(B) provide proof of clear title to the underlying fee interest in the eligible land that is subject of the conservation easement;

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

`(D) grant the conservation easement to the Secretary or an eligible entity; and

`(E) comply with the terms of the conservation easement and any associated

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restoration agreement.

`(2) RESTORATION AGREEMENT- If a restoration agreement is required by the Secretary, the landowner shall develop and implement a restoration plan.

`(b) Duties of Secretary-

`(1) EVALUATION OF OFFERS-

`(A) IN GENERAL- The Secretary shall establish criteria to evaluate and rank applications for easements and contracts under this subchapter.

`(B) CONSIDERATIONS- In establishing the criteria, the Secretary shall emphasize support for--

`(i) grazing operations;

`(ii) plant and animal biodiversity;

`(iii) grassland, land that contains forbs, and shrubland under the greatest threat of conversion; and

`(iv) other considerations, as determined by the Secretary.

`(C) PRIORITY- In evaluating offers under this subchapter, the Secretary may give priority to applications that--

`(i) include a cash contribution from the eligible entity submitting the application; or

`(ii) leverage resources from other sources.

*[Related provision that amends Sec. 1238P(b)(3)]*

`(3) TECHNICAL ASSISTANCE- If a restoration agreement is required by the Secretary, the Secretary shall provide technical assistance to comply with the terms and conditions of the restoration agreement.

**SEC. 2105. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.**

(a) **PURPOSES.**—Section 1240 of the Food Security Act of 1985 (16 U.S.C. 3839aa) is amended—

(1) in the matter preceding paragraph (1), by inserting “, forest management, organic transition,” after “agricultural production”; and

**Subchapter B--Environmental Quality Incentives Program**

**SEC. 2351. PURPOSES.**

Section 1240 of the Food Security Act of 1985 (16 U.S.C. 3839aa) is amended--

(1) in the matter preceding paragraph (1), by inserting `, forest management,' after `agricultural production';

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(2) by striking paragraphs (3) and (4) and inserting the following new paragraphs:

“(3) providing flexible assistance to producers to install and maintain conservation practices that, while sustaining production of food and fiber—

“(A) enhance soil, water, and related natural resources, including grazing land, forestland, wetland, and wildlife; and

“(B) conserve energy;

“(4) assisting producers to make beneficial, cost effective changes to cropping systems, grazing management, energy use, forest management, nutrient management associated with livestock, pest or irrigation management, or other practices on agricultural and forested land; and”.

(2) in paragraph (3)--

(A) by inserting `, forest land,' after `grazing land'; and

(B) by inserting `pollinators,' after `wetland);'; and

(3) in paragraph (4)--

(A) by inserting `fuels management, forest management,' after `grazing management'; and

(B) by inserting `and forested' after `agricultural'.

### SEC. 2352. DEFINITIONS.

(a) Eligible Land- Section 1240A(2) of the Food Security Act of 1985 (16 U.S.C. 3839aa-1(2)) is amended--

(1) in subparagraph (A), by striking `commodities or livestock' and inserting `commodities, livestock, or forest-related products'; and

(2) in subparagraph (B)--

(A) by striking clause (v) and inserting the following:

`(v) nonindustrial private forest land;';

(B) by redesignating clause (vi) as clause (vii); and

(C) by inserting after clause (v) the following:

`(vi) land used for pond-raised aquaculture production; and'.

(b) Land Management Practice- Section 1240A(3) of the Food Security Act of 1985 (16 U.S.C. 3839aa-1(3)) is amended--

(1) by striking `The term' and inserting the following:

`(A) IN GENERAL- The term';

(2) by inserting `fuels management, forest management,' after `grazing management'; and

(3) by adding at the end the following:

`(B) FOREST MANAGEMENT- For purposes of subparagraph (A), forest

(b) **DEFINITIONS.**—Section 1240A of the Food Security Act of 1985 (16 U.S.C. 3839aa-1) is amended—

(1) by striking paragraph (3) and inserting the following new paragraph:

“(3) **LAND MANAGEMENT PRACTICE.**—

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

“(B) **FOREST MANAGEMENT PRACTICES.**—For purposes of subparagraph (A), forest management practices may include activities that

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the Secretary determines are needed to—

- “(i) improve water quality;
- “(ii) restore forest biodiversity;
- “(iii) control invasive species; or
- “(iv) improve watershed health.

“(C) **COORDINATED IMPLEMENTATION.**—A land management practice may involve multiple landowners implementing eligible conservation activities in a coordinated fashion.”;

(2) in paragraph (4), by inserting “alpacas, bison,” after “sheep,”;

(3) by redesignating paragraphs (3), (4), (5), and (6), as so amended, as paragraphs (4), (5), (6), and (8), respectively;

(5) by inserting after paragraph (6), as so redesignated, the following new paragraph:

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

(4) by inserting after paragraph (2) the following new paragraph:

“(3) **INTEGRATED PEST MANAGEMENT.**—The term ‘integrated pest management’ means a sustainable approach to managing pests by combining biological, cultural, physical, and chemical tools in a way that minimizes economic, health, an environmental risks.”; and

(h) **ELIGIBILITY OF MARKET AGENCIES AND CUSTOM FEEDING BUSINESSES.**—

management practices may include activities that the Secretary determines are necessary--

- `(i) to improve water, soil, or air quality;
- `(ii) to restore forest biodiversity;
- `(iii) to control invasive species;
- `(iv) to improve wildlife habitat; or
- `(v) to achieve conservation priorities identified in an applicable forest resource assessment and plan.’.

(c) Practice- Section 1240A(5) of the Food Security Act of 1985 (16 U.S.C. 3839aa-1(5)) is amended by inserting ‘conservation planning practices,’ after ‘land management practices,’.

*[Note: Sec. 2352(d) below]*

(e) Structural Practice- Paragraph (7)(A) of section 1240A of the Food Security Act of 1985 (16 U.S.C. 3839aa-1) (as redesignated by subsection (d)(1)) is amended by inserting ‘firebreak, fuelbreak,’ after ‘constructed wetland,’.

*[See definition of “Socially Disadvantaged Farmer or Rancher” in Sec. 2001 amending Sec. 1201(a)(19) applicable to Title II]*

(d) Custom Feeding Business- Section 1240A of the Food Security Act of 1985 (16

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Section 1240B of the Food Security Act of 1985 (16 U.S.C. 3839aa-2) is amended by adding at the end the following new subsection:

“(i) **ELIGIBILITY OF MARKET AGENCIES AND CUSTOM FEEDING BUSINESSES FOR ASSISTANCE.**—A market agency (as defined in section 301(c) of the Packers and Stockyards Act, 1921 (7 U.S.C. 201(c))) or custom feeding business may receive technical assistance, cost-share payments, or incentive payments under the program. Any reference to ‘producer’ in this chapter shall be deemed to include a market agency or custom feeding business.”.

(c) **ELIGIBLE PRACTICES.**—Section 1240B(a) of the Food Security Act of 1985 (16 U.S.C. 3839aa-2(a)) is amended—

(1) in paragraph (1), by striking “2010” and inserting “2012”; and

(2) in paragraph (2)—

(A) in subparagraph (A), by inserting “or receives organic certification” after “chapter”; and

*See House sections 10301 and 10303*

U.S.C. 3839aa-1) is amended--

(1) by redesignating paragraph (6) as paragraph (7); and

(2) by inserting after paragraph (5) the following:

“(6) **PRODUCER-** The term ‘producer’ includes a custom feeding business and a contract grower or finisher.”.

### **SEC. 2353. ESTABLISHMENT AND ADMINISTRATION OF ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.**

(a) Establishment- Section 1240B(a) of the Food Security Act of 1985 (16 U.S.C. 3839aa-2(a)) is amended--

(1) in paragraph (1), by striking ‘2010’ and inserting ‘2012’; and

*[Sec. 2360, adding Sec. 1240J(b)]*

“(b) Establishment- Under the environmental quality incentives program established under this chapter, not later than 180 days after the date of enactment of this section, the Secretary shall establish a program under which the Secretary shall provide cost-share and incentive payments to producers to promote conservation practices and activities for production systems undergoing conversion on some or all of the operations of the producer to organic production in accordance with the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.).

*[Sec. 2360 adding Sec. 1240J(e)]*

“(e) Eligible Producers- To be eligible to receive cost-share and incentive payments under this section, a producer shall agree--

“(1) to develop and carry out conservation and environmental activities that--

“(A) are required by, or consistent with, an approved organic system plan;

and

“(B) protect resources of concern, as identified by the Secretary;

“(2) to receive technical and educational assistance from the Secretary or from an organization, institute, or consultant with a cooperative agreement with the Secretary relating to--

“(A) the development of an organic system plan and the implementation of conservation practices and activities that are part of an organic system plan;

or

“(B) other aspects of an organic system plan, including marketing, credit, business, and risk management plans; and

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

“(B) a producer that implements a land management practice, receives technical services from an approved third-party provider, develops a comprehensive nutrient management plan, or implements energy efficiency improvements or renewable energy systems, in accordance with this chapter shall be eligible to receive incentive payments.”.

(d) **BEGINNING FARMERS OR RANCHERS AND SOCIALLY DISADVANTAGED FARMERS OR RANCHERS.**—Section 1240B(d)(2) of the Food Security Act of 1985 (16 U.S.C. 3839aa-2(d)(2)) is amended by striking subparagraph (A) and inserting the following new subparagraph:

“(A) **INCREASED COST-SHARE FOR CERTAIN PRODUCERS.**—The Secretary shall increase the amount provided under paragraph (1) to a producer that is a beginning farmer or rancher, socially disadvantaged farmer or rancher, or limited resource farmer or rancher to 90 percent of the cost of the practice, as determined by the Secretary.”.

(3) to submit annual verification by a certifying entity accredited by the Secretary to determine the compliance of the producer with organic certification requirements.

[Sec. 2360 adding Sec. 1240J(g)]

(g) **Limitations on Payments-** As part of the payment limitation described in section 1240G, an individual or entity may not receive, directly or indirectly, cost-share or incentive payments under this section--

(1) for a period of more than 4 years; or

(2) that, in the aggregate and exclusive of technical assistance, exceed--

(A) \$20,000 per year; or

(B) a total amount of \$80,000.

(2) in paragraph (2)(B), by inserting ‘conservation plan or’ after ‘develops a’.

(b) **Practices and Term-** Section 1240B(b) of the Food Security Act of 1985 (16 U.S.C. 3839aa-2(b)) is amended--

(1) in paragraph (1), by inserting ‘conservation planning practices,’ after ‘land management practices,’; and

(2) in paragraph (2)(B), by striking ‘10’ and inserting ‘5’.

(c) **Establishment and Administration-** Section 1240B of the Food Security Act of 1985 (16 U.S.C. 3839aa-2) is amended--

(1) by striking subsection (c);

(2) in subsection (d)--

(A) in paragraph (2), by striking subparagraph (A) and inserting the following:

(A) **SOCIALLY DISADVANTAGED FARMERS OR RANCHERS AND BEGINNING FARMERS OR RANCHERS-**

(i) **IN GENERAL-** In the case of a producer that is a socially disadvantaged farmer or rancher or a beginning farmer or rancher, the Secretary may increase the amount that would otherwise be provided to the producer under paragraph (1) to--

(I) not more than 90 percent; and

(II) not less than 15 percent above the otherwise applicable rate.

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(e) **ADDITIONAL SUPPORT FOR USE OF GASIFIER TECHNOLOGY.**—Section 1240B(d)(2) of the Food Security Act of 1985 (16 U.S.C. 3839aa–2(d)(2)) is amended by adding at the end the following new subparagraph:

“(C) **INCREASED COST-SHARE FOR USE OF GASIFIER TECHNOLOGY.**— In carrying out this chapter, the Secretary shall promote air quality by providing for a 90 percent cost share for those projects that utilize gasifier technology for the purposes of the disposal of animal carcasses and by-products.”.

(f) **INCENTIVE PAYMENTS.**—Section 1240B(e) of the Food Security Act of 1985 (16 U.S.C. 3839aa–2(e)) is amended—

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

“(1) **AVAILABILITY OF INCENTIVE PAYMENTS.**—The Secretary shall make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage a producer—

“(A) to perform 1 or more land management practices;

“(B) to receive technical services from an approved third-party provider;

“(C) to develop a comprehensive nutrient management plan; or

“(D) to implement energy efficiency improvements or renewable energy systems.”; and

(2) in paragraph (2), by inserting “pollinator habitat,” after “invasive species,”.

(g) **ALLOCATION OF FUNDING.**—Section 1240B(g) of the Food Security Act of 1985 (16 U.S.C. 3839aa–2(g)) is amended—

“(ii) **ADVANCE PAYMENTS-** Not more than 30 percent of the amount determined under clause (i) may be provided in advance for the purpose of purchasing materials or contracting.”;

(B) by striking paragraph (3) and inserting the following:

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

*[Sec. 2353(c)(3) (amends Sec. 1240B(e)(2) FSA)]*

“(2) **SPECIAL RULE-** In determining the amount and rate of incentive payments, the Secretary may accord great significance to a practice that promotes residue, nutrient, air quality, pest, or predator deterrence, including practices to deter predator species protected under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), gray wolves, grizzly bears, and black bears.”;

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(1) by striking “For each” and inserting the following:  
“(1) **ALLOCATION FOR LIVESTOCK PRODUCTION PRACTICES.**—For each”;  
(2) in such paragraph, as so designated, by striking “2007” and inserting “2012”; and

(3) by adding at the end the following new paragraph:  
“(2) **ALLOCATION FOR CERTAIN PRODUCERS.**—For each of fiscal years 2007 through 2012, of the funds made available for cost-share payments and incentive payments under this chapter, the Secretary shall reserve, for a period of not less than 90 days after the date on which the funds are made available for the fiscal year—  
“(A) not less than 5 percent for beginning farmers and ranchers; and  
“(B) not less than 5 percent of funds for socially disadvantaged farmers and ranchers and limited resource farmers and ranchers.”.

(i) **EVALUATION OF APPLICATIONS FOR COST-SHARE PAYMENTS AND INCENTIVE PAYMENTS.**—Section 1240C of the Food Security Act of 1985 (16 U.S.C. 3839aa-3) is amended to read as follows:

“**SEC. 1240C. EVALUATION OF APPLICATIONS FOR COST-SHARE PAYMENTS AND INCENTIVE PAYMENTS.**

“(a) **PRIORITIES AND GROUPING OF APPLICATIONS.**—In evaluating applications for cost-share payments and incentive payments, the Secretary shall—

“(1) prioritize applications based on their overall level of cost-effectiveness to ensure that the conservation practices and approaches proposed are the most efficient means of achieving the anticipated environmental benefits of the project;

“(2) prioritize applications based on how effectively and comprehensively the project addresses the designated resource concern or resource concerns;

“(3) prioritize applications that best fulfill the purpose of the environmental quality incentives program specified in section 1240(1);

“(4) develop criteria for evaluating applications that will ensure that national, State, and local conservation priorities are effectively addressed; and

“(5) to the greatest extent practicable, group applications of similar crop or livestock operations for evaluation purposes or otherwise evaluate applications relative to other applications for similar farming operations.

“(b) **EVALUATION PROCESS.**—The Secretary shall ensure that the evaluation process is as streamlined and efficient as practicable in the case of applications that—

“(1) involve operations with substantial and sound environmental

(3) in subsection (e), by striking paragraph (2) and inserting the following:  
(4) in subsection (g), by striking ‘2007’ and inserting ‘2012’;

*[See Sec. 2403, Conservation access (below) applying to all conservation programs.]*

**SEC. 2354. EVALUATION OF OFFERS AND PAYMENTS.**

Section 1240C of the Food Security Act of 1985 (16 U.S.C. 3839aa-3) is amended--

(1) in paragraph (1), by striking ‘and’ at the end;

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following:

“(2) improve conservation practices or systems in place on the operation at the time the contract offer is accepted or to complete a conservation system; and’.

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management systems; and

“(2) seek a single practice or a limited number of practices to further improve the environmental performance of that system.”.

(j) **DUTIES OF PRODUCERS.**—Section 1240D(2) of the Food Security Act of 1985 (16 U.S.C. 3839aa-4(2)) is amended by striking “or ranch” and inserting “, ranch, or forestland”.

(k) **PROGRAM PLAN.**—Section 1240E of the Food Security Act of 1985 (16 U.S.C. 3839aa-5) is amended by striking subsections (a) and (b) and inserting the following new subsections:

“(a) **PLAN OF OPERATIONS.**—To be eligible to receive cost-share payments or incentive payments under the program, a producer shall submit to the Secretary for approval a plan of operations that—

“(1) specifies practices covered under the program;

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

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

“(4) in the case of forestland, is consistent with the provisions of a forest management plan meeting with the approval of the Secretary, which may include a forest stewardship plan, as specified in section 5 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103a), other practice plan approved by the State forester, or other plan determined appropriate by the Secretary.

“(b) **AVOIDANCE OF DUPLICATION.**—The Secretary shall—

“(1) consider a permit acquired under a water or air quality regulatory program as the equivalent of a plan of operations under subsection (a); and

“(2) to the maximum extent practicable, eliminate duplication of planning activities under the program under this chapter and comparable conservation programs.”.

(l) **DUTIES OF THE SECRETARY.**—Section 1240F of the Food Security Act of 1985 (16 U.S.C. 3839aa-6) is amended—

(1) by striking “To the extent” and inserting “(a) **PROVISION OF ASSISTANCE.**—To the extent”; and

(2) by adding at the end the following new subsection:

“(b) **WATER SAVINGS.**—In the case of a practice primarily intended to conserve water,

## SEC. 2355. DUTIES OF PRODUCERS.

Section 1240D(2) of the Food Security Act of 1985 (16 U.S.C. 3839aa-4(2)) is amended by striking `farm or ranch' and inserting `farm, ranch, or forest land'.

## SEC. 2356. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

Section 1240E(a) of the Food Security Act of 1985 (16 U.S.C. 3839aa-5(a)) is amended--

(1) in the matter preceding paragraph (1), by inserting `, or an entity described in section 1244(e) acting on behalf of producers,' after `producer';

(2) in paragraph (2), by striking `and' after the semicolon at the end;

(3) in paragraph (3), by striking the period at the end and inserting `; and'; and

(4) by adding at the end the following:

`(4) in the case of forest land, is consistent with a forest management plan that is approved by the Secretary, which may include--

    (A) a forest stewardship plan described in section 5 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103a);

    (B) another practice plan approved by the State forester; or

    (C) another plan determined appropriate by the Secretary.'.

*[Note: Under Sec. 2341 amending Sec. 1240T(b)(2) FSA , the secretary is directed to avoid duplication in planning requirements including plans required under conservation programs and regulatory requirements.]*

(6) by adding at the end the following:

`(h) **Water Conservation or Irrigation Efficiency Practice-**

    (1) **IN GENERAL-** The Secretary may provide technical assistance, cost-share payments, and incentive payments to a producer for a water conservation or irrigation practice.

    (2) **PRIORITY-** In providing assistance and payments to producers for a water

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the Secretary may provide assistance to a producer under this section only if the Secretary determines that—

“(1) the practice results in a minimum reduction, as determined by the Secretary, in the total consumptive use of ground water or surface water resources affected by the practice;

“(2) any saved water remains in the source for the useful life of the practice; and

“(3) the practice will not result, directly or indirectly, in an increase in the consumptive use of water in the agriculture operation of the producer.”.

*[See air quality provision through Conservation Innovation Grants, Sec. 2105(m) amending Sec.1240H(e) FSA, below.]*

conservation or irrigation practice, the Secretary may give priority to applications in which--

“(A) there is an improvement in surface flows or a reduction in the use of groundwater in the agricultural operation of the producer, consistent with the law of the State in which the operation of the producer is located; or

“(B) the producer agrees not to use any associated water savings to bring new land, other than incidental land needed for efficient operations, under irrigated production, unless the producer is participating in a watershed-wide project that will effectively conserve water, as determined by the Secretary.

“(i) Air Quality Improvement Practice-

“(1) IN GENERAL- The Secretary shall provide technical and financial assistance to a producer to promote air quality improvements and address air quality concerns associated with agriculture.

“(2) PRIORITY- In providing assistance for improvements in air quality, the Secretary shall give priority to applications that--

“(A) are located in areas--

“(i) that are nonattainment areas with respect to ambient air quality standards; or

“(ii) in which there is air quality degradation recognized by a State or local agency or by the Secretary (in consultation with the State Technical Committee) to which agricultural emissions significantly contribute;

“(B) are the most cost-effective in addressing air quality concerns; and

“(C)(i) reduce emissions and air pollutant precursors from agricultural operations, including through making improvements in mobile or stationary equipment (including engines);

“(ii) would assist producers in meeting Federal, State, or local regulatory requirements relating to air quality;

“(iii) are part of a group of producers implementing eligible conservation activities in a coordinated manner to promote air quality; or

“(iv) reflect innovative approaches and technologies.’.

(d) Eligibility Requirement- Section 1240B of the Food Security Act of 1985 (16 U.S.C. 3839aa-2) (as amended by subsection (c)) is amended by adding at the end the following:

“(i) Eligibility Requirement- A producer shall not be eligible to receive any payment under this section unless the producer is a farmer or rancher that, as determined by the Secretary, derives or expects to derive at least \$15,000 in gross sales from farming,

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ranching, or forestry operations (not including payments under the conservation reserve program established under subchapter B of chapter 1 of subtitle D), as determined by the Secretary.'.

## SEC. 2358. CONSERVATION INNOVATION GRANTS.

Section 1240H of the Food Security Act of 1985 (16 U.S.C. 3839aa-8) is amended--

(1) by striking subsection (a) and inserting the following:

`(a) In General- The Secretary may pay the cost of competitive grants that leverage Federal investment in environmental enhancement and protection through the program by--

`(1) stimulating the development of innovative technologies; and

`(2) transferring those technologies to agricultural and nonindustrial private forest land in production.'; and

(2) in subsection (b), by striking paragraph (2) and inserting the following:

`(2)(A) implement innovative conservation technologies, such as market systems for pollution reduction and practices for the storing of carbon in the soil;

`(B) provide a mechanism for transferring those technologies to agricultural and nonindustrial private forest land in production; and

`(C) increase environmental and resource conservation benefits through specialty crop production; and'.

*[See sec. 2361 on Chesapeake Bay Watershed Conservation Program, below.]*

(m) **CONSERVATION INNOVATION GRANTS.**—Section 1240H of the Food Security Act of 1985 (16 U.S.C. 3839aa–8) is amended to read as follows:

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

“(a) **COMPETITIVE GRANTS.**—The Secretary shall pay the cost of competitive grants that are intended to stimulate innovative approaches to leveraging Federal investment in environmental enhancement and protection, in conjunction with agricultural production or forest resource management, through the program.

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

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

“(2) leverage funds made available to carry out the program under this chapter with matching funds provided by State and local governments and private organizations to promote environmental enhancement and protection in conjunction with agricultural production;

“(3) ensure efficient and effective transfer of innovative technologies and approaches demonstrated through projects that receive funding under this section; and

“(4) provide environmental and resource conservation benefits through increased participation by producers of specialty crops.

“(c) **PILOT PROGRAM FOR COMPREHENSIVE CONSERVATION PLANNING.**—

“(1) **PILOT PROGRAM REQUIRED.**—The Secretary shall establish a pilot program to undertake comprehensive conservation planning to assist producers before they submit an application for assistance under any of the conservation programs authorized by this subtitle.

“(2) **CONSERVATION PLANNING ASSISTANCE.**—The Secretary shall undertake pilot projects under the pilot program in the locations specified in paragraph (3) to assist producers by making a comprehensive assessment of the resource concerns, needs, and alternative solutions for the producer’s entire

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operation, as determined by the Secretary, following the procedures in the Natural Resources Conservation Service conservation planning manual. The assistance shall be provided by the Secretary directly or through third party providers certified by the Secretary, and shall not be at the expense of the producer. The results of the comprehensive planning assistance shall be provided to the producer to enable informed choices on the type of financial assistance available under this subtitle that would most effectively address the resource needs of the operation consistent with the environmental goals for the area in which the operation is located.

“(3) **PILOT PROJECTS.**—Pilot projects in comprehensive conservation planning shall be undertaken in the Chesapeake Bay watershed, and shall include the identification of hydrologic, soil, and rural land use factors that are unique to the Delmarva Peninsula.

“(4) **REPORT.**—The Secretary shall conduct an assessment of the effectiveness of the pilot program and publish a report, available to the public, of the results of the assessment. Such assessments shall be undertaken in the second year and the fifth year of the pilot program.

“(d) **AIR QUALITY.**—Of the funds made available under subsection (e)(1), the Secretary shall use \$10,000,000 for fiscal year 2008, \$15,000,000 for fiscal year 2009, \$30,000,000 for fiscal year 2010, \$40,000,000 for fiscal year 2011, and \$55,000,000 for fiscal year 2012 to support air quality improvements to help producers meet State and local regulatory requirements related to air quality. Notwithstanding the requirements under subsections (a) and (b), these funds shall be made available to a State on the basis of air quality concerns facing that producers in that State. The funds made available shall be used to provide cost-share and incentive payments to producers.

*[See air quality provision within EQIP, Sec. 2353(c)(6), above.]*

“(e) **FUNDING.**—

“(1) **AVAILABILITY OF FUNDS.**—Of the funds made available under section 1241(a)(6) for fiscal years 2008 through 2012, the Secretary shall use \$30,000,000 for fiscal year 2008, \$35,000,000 for fiscal year 2009, \$50,000,000 for fiscal year 2010, \$60,000,000 for fiscal year 2011, and \$75,000,000 for fiscal year 2012.

“(2) **OUTREACH FOR CERTAIN PRODUCERS.**—Of the funds made available under paragraph (1) for a fiscal year, the Secretary shall use \$5,000,000 to make grants to support effective outreach and innovative approaches for outreach and to serve organic producers and producers of specialty crops (as defined in section

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3 of the Specialty Crops Competitiveness Act of 2004 ([Public Law 108-465](#); [7 U.S.C. 1621](#) note).

“(3) **COMPREHENSIVE CONSERVATION PLANNING.**—Of the funds made available under paragraph (1) for a fiscal year, the Secretary shall use \$5,000,000 to carry out the comprehensive conservation planning pilot program under subsection (c).”.

(C) by adding at the end the following:  
“(4) **GUARANTEED LOAN ELIGIBILITY-** Notwithstanding section 333(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983(1)), with respect to the cost of a loan, a producer with an application that meets the standards for a cost-share payment under this subsection but that is not approved by the Secretary shall receive priority consideration for a guaranteed loan under section 304 of that Act (7 U.S.C. 1924).”;

*Note: The House changes the existing Ground and Surface Water (Sec. 1240I(a)) to RWEF. The Senate keeps existing Ground and Surface Water but only amends current law in Sec. 1240I(c)*

## **GROUND AND SURFACE WATER CONSERVATION**

### **SEC. 2106. REGIONAL WATER ENHANCEMENT PROGRAM.**

(a) **PURPOSE AND GOALS.**—The purpose of this section is to authorize a regional water enhancement program, within the environmental quality incentives program, to enhance performance-based, cost-effective conservation carried out through cooperative agreements entered into by the Secretary of Agriculture with producers, governmental entities, and Indian tribes. The goal of the program is to improve water quality or ground and surface water quantity through coordinated program activities on agricultural lands. The Secretary will develop goals and provide coordinated program assistance for water quality or water quantity improvement projects.

(b) **ESTABLISHMENT OF PROGRAM.**—Section 1240I of the Food Security Act of 1985 (16 U.S.C. 3839aa-9) is amended to read as follows:

#### **“SEC. 1240I. REGIONAL WATER ENHANCEMENT PROGRAM.**

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

“(1) **REGIONAL WATER ENHANCEMENT ACTIVITIES.**—The term ‘regional water enhancement activities’ includes resource condition assessment and modeling, water quality, water quantity or water conservation plan development,

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management system and environmental monitoring and evaluation, cost-share of restoration or enhancement projects, incentive payments for land management practices, easement purchases, conservation contracts with landowners, improved irrigation systems, water banking and other forms of water transactions, groundwater recharge and other conservation related activities that the Secretary determines will help to achieve the water quality or water quantity benefits on agricultural lands identified in a partnership agreement.

“(2) **PARTNERSHIP AGREEMENT.**—The term ‘partnership agreement’ means an agreement between the Secretary and a partner under subsection (d).

“(3) **PARTNER.**—The term ‘partner’ means an entity that enters into a partnership agreement with the Secretary to carry out regional water enhancement activities. The term includes—

“(A) an agricultural producer, agricultural or silvicultural producer association, or other group of such producers;

“(B) a State or unit of local government, including an irrigation or water district; or

“(C) a federally recognized Indian tribe.

“(b) **ESTABLISHMENT OF PROGRAM.**—

“(1) **ESTABLISHMENT.**—The Secretary shall establish a regional water enhancement program in accordance with this section to improve water quality or water quantity on a regional scale to benefit working agricultural land and other lands surrounding agricultural land.

“(2) **IDENTIFICATION OF WATER QUALITY AND WATER QUANTITY PRIORITY AREAS.**—The Secretary shall identify areas where protecting or improving water quality, water quantity, or both is a priority. In identifying these areas, the Secretary shall prioritize the Chesapeake Bay, the Upper Mississippi River basin, the Everglades, the Sacramento River watershed, and the Klamath River basin. Not more than 50 percent of the funds made available for the regional water enhancement program shall be reserved for priority areas identified in this paragraph.

“(c) **SELECTION OF PARTNERS.**—

“(1) **SOLICITATION OF PARTNERSHIP PROPOSALS.**—Not later than 90 days after the date of the enactment of the Farm, Nutrition, and Bioenergy Act of

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2007, the Secretary shall invite prospective partners to submit competitive grant proposals for regional water enhancement partnerships.

“(2) **ELEMENTS.**—To be eligible for consideration for participation in the program, a proposal submitted by a partner shall contain the following elements:

“(A) Identification of the exact geographic area for which the partnership is proposed, which may be based on—

“(i) a watershed (or portion thereof);

“(ii) an irrigation, water, drainage district, including service area; or

“(iii) some other geographic area with characteristics making it suitable for landscape-wide program implementation, as may be determined by the Secretary.

“(B) Identification of the water quality or water quantity issues that are of concern in the area.

“(C) A method for determining a baseline assessment of water quality, water quantity, and other resource conditions in the region.

“(D) A detailed description of the proposed regional water enhancement activities to be undertaken in the area, including an estimated timeline and budget for each activity.

“(E) A description of the performance measures to be used to gauge the effectiveness of the regional water enhancement activities.

“(F) A description of other regional water enhancement activities carried out by the Secretary.

“(G) A description of regional water enhancement activities carried out by partners through other means.

“(3) **SELECTION OF PROPOSALS.**—The Secretary shall award grants competitively, based on the following criteria applied by the Secretary:

“(A) Proposals that will result in the inclusion of the highest percentage of agricultural lands and producers in the area.

“(B) Proposals that will result in the highest percentage of on-the-ground activities versus administrative costs.

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“(C) Proposals that will provide the greatest contribution to sustaining or enhancing agricultural production in the area or rural economic development.

“(D) Proposals that include performance measures that will allow post-activity conditions to be satisfactorily measured to gauge overall effectiveness.

“(E) Proposals that will capture surface-water runoff on farms through the construction, improvement, or maintenance of irrigation ponds.

“(F) Proposals that have the highest likelihood of improving issues of concern for the area through the participation of multiple interested persons.

“(G) Proposals that will assist producers in meeting a regulatory requirement imposed on lands in agriculture production that reduces the economic scope of the producer’s operation.

“(4) **DURATION.**—Grants under this subsection shall be made on a multi-year basis, not to exceed 5 years total, except that the Secretary may terminate a grant earlier if the performance measures are not being met.

“(d) **PARTNERSHIP AGREEMENTS.**—

“(1) **GENERALLY.**—Not later than 30 days after the award of a grant to a partner under subsection (c), the Secretary shall enter into a partnership agreement with the grant recipient. At a minimum, the agreement shall contain—

“(A) a description of the respective duties and responsibilities of the Secretary and the partner in carrying out regional water enhancement activities; and

“(B) the criteria that the Secretary will use to measure the overall effectiveness of the regional water enhancement activities funded by the grant in improving the water quality or quantity conditions of the region relative to the performance measures in the grant proposal.

“(2) **ACCEPTANCE OF CONTRIBUTIONS.**—The Secretary may accept and use contributions of non-Federal funds to administer the program under this section.

“(3) **WAIVER AUTHORITY.**—The Secretary shall waive the limitation in section 1001D of this Act if the Secretary determines that doing so is necessary

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to fulfill the objectives of the regional water enhancement program.

“(e) **MODIFICATION OF SECRETARIAL AUTHORITY.**—To the extent that the Secretary will be carrying out regional water enhancement activities in an area, the Secretary may use the general authorities provided in this subtitle to ensure that all producers and landowners in the region have the opportunity to participate in such activities.

“(f) **RELATIONSHIP WITH OTHER PROGRAMS.**—The Secretary shall ensure that, to the extent producers and landowners are individually participating in other programs under this subtitle in a region where the regional water enhancement program is in effect, any improvements to water quality or water quantity attributable to such individual participation is included in the evaluation criteria developed under subparagraph (d)(1)(B).

“(g) **CONSISTENCY WITH STATE LAW.**—Any regional water enhancement activity conducted under this section shall be consistent with State water laws.

“(h) **FUNDING.**—

“(1) **AVAILABILITY OF FUNDS.**—In addition to funds made available to carry out this chapter under section 1241(a)(6), the Secretary shall use funds of the Commodity Credit Corporation to carry out this section in the amount of, to the maximum extent practicable, \$60,000,000 for each of fiscal years 2008 through 2012.

“(2) **LIMITATION ON ADMINISTRATIVE EXPENSES.**—Not more than 3 percent of the funds made available under paragraph (1) for a fiscal year may be used for administrative expenses of the Secretary.”.

## SEC. 2359. GROUND AND SURFACE WATER CONSERVATION.

Section 1240I of the Food Security Act of 1985 (16 U.S.C. 3839aa-9) is amended by striking subsection (c) and inserting the following:

“(c) Funding-

“(1) **AVAILABILITY OF FUNDS-** Of the funds of the Commodity Credit Corporation, in addition to amounts made available under section 1241(a) to carry out this chapter, the Secretary shall use--

“(A) \$65,000,000 for each of fiscal years 2008 through 2012; and

“(B) \$60,000,000 for each fiscal year thereafter.

“(2) **FUNDING FOR CERTAIN STATES-** Of the funds made available under paragraph (1), the Secretary shall--

“(A) provide to each State that received funds under this title during the

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period of fiscal years 2002 through 2007, the greater of--

`(i) the simple average of amounts allocated to producers in the State under this section for the period of fiscal years 2002 through 2007; or

`(ii) the amount allocated to producers in the State under this section in fiscal year 2007; and

`(B) in the case of each State the boundaries of which encompass a multistate aquifer from which documented groundwater withdrawals exceed 16,000,000,000 gallons per day, provide an amount not less than the greater of--

`(i) \$3,000,000; or

`(ii) the amount provided under subparagraph (A).

`(3) EASTERN SNAKE PLAIN AQUIFER PILOT-

`(A) IN GENERAL- Of the funds made available under paragraph (1), the Secretary shall reserve not less than \$2,000,000, to remain available until expended, for regional water conservation activities in the Eastern Snake Aquifer region.

`(B) APPROVAL- The Secretary may approve regional water conservation activities under this paragraph that address, in whole or in part, water quality issues.'

## SEC. 2107. GRASSROOTS SOURCE WATER PROTECTION PROGRAM.

(a) **AUTHORIZATION OF APPROPRIATIONS.**—Section 1240O(b) of the Food Security Act of 1985 (16 U.S.C. 3839bb–2(b)) is amended by striking “\$5,000,000 for each of fiscal years 2002 through 2007” and inserting “\$20,000,000 for each of fiscal years 2008 through 2012”.

(b) **ADDITIONAL FUNDING.**—Section 1240O of the Food Security Act of 1985 (16 U.S.C. 3839bb–2) is amended by adding at the end the following new subsection:

“(c) **ONE-TIME INFUSION OF FUNDS.**—Of the funds of the Commodity Credit Corporation, the Secretary shall make available, on a one-time basis, \$10,000,000 to carry out this section. Such funds shall remain available until expended.”.

## SEC. 2394. GRASSROOTS SOURCE WATER PROTECTION PROGRAM.

Section 1240O of the Food Security Act of 1985 (16 U.S.C. 3839bb-2) is amended by striking subsection (b) and inserting the following:

`(b) Authorization of Appropriations- There is authorized to be appropriated to carry out this section \$20,000,000 for each of fiscal years 2008 through 2012.'

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| <p><b>SEC. 2108. CONSERVATION OF PRIVATE GRAZING LAND.</b></p> <p>Section 1240M(e) of the Food Security Act of 1985 (16 U.S.C. 3839bb(e)) is amended by striking “2007” and inserting “2012”.</p>                              | <p><b>SEC. 2392. CONSERVATION OF PRIVATE GRAZING LAND.</b></p> <p>Section 1240M(e) of the Food Security Act of 1985 (16 U.S.C. 3839bb(e)) is amended by striking `2007' and inserting `2012'.</p>  |
| <p><b>SEC. 2109. GREAT LAKES BASIN PROGRAM FOR SOIL EROSION AND SEDIMENT CONTROL.</b></p> <p>Section 1240P(c) of the Food Security Act of 1985 (16 U.S.C. 3839bb-3(c)) is amended by striking “2007” and inserting “2012”.</p> | <p><b>SEC. 2395. GREAT LAKES BASIN PROGRAM FOR SOIL EROSION AND SEDIMENT CONTROL.</b></p> <p>Section 1240P of the Food Security Act of 1985 (16 U.S.C. 3839bb-3) is amended to read as follows:</p> <p><b>`SEC. 1240P. GREAT LAKES BASIN PROGRAM FOR SOIL EROSION AND SEDIMENT CONTROL.</b></p> <p>`(a) In General- The Secretary, in consultation with the Great Lakes Commission created by Article IV of the Great Lakes Basin Compact (82 Stat. 415) and in cooperation with the Administrator of the Environmental Protection Agency and the Secretary of the Army, may carry out the Great Lakes basin program for soil erosion and sediment control (referred to in this section as the `program') to assist in implementing the recommendations of the Great Lakes Regional Collaboration Strategy to Restore and Protect the Great Lakes.</p> <p>`(b) Assistance- In carrying out the program, the Secretary may--</p> <ul style="list-style-type: none"><li>`(1) provide project demonstration grants, provide technical assistance, and carry out information and educational programs to improve water quality in the Great Lakes basin by reducing soil erosion and improving sediment control; and</li><li>`(2) establish a priority for projects and activities that--<ul style="list-style-type: none"><li>`(A) directly reduce soil erosion or improve sediment control;</li><li>`(B) reduce soil loss in degraded rural watersheds; or</li><li>`(C) improve hydrological conditions in urban watersheds.</li></ul></li></ul> <p>`(c) Authorization of Appropriations- There is authorized to be appropriated to carry out this section \$5,000,000 for each of fiscal years 2008 through 2012.'.</p> |

**SEC. 2397. DISCOVERY WATERSHED DEMONSTRATION PROGRAM.**

Chapter 5 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839bb et seq.) is amended by adding at the end the following:

**SEC. 1240Q. DISCOVERY WATERSHED DEMONSTRATION PROGRAM.**

(a) Establishment- The Secretary shall establish and carry out a demonstration program in not less than 30 small watersheds in States of the Upper Mississippi River basin to identify and promote the most cost-effective and efficient approaches to reducing the loss of nutrients to surface waters.

(b) Purpose- The demonstration program shall demonstrate in small watersheds performance-based and market-based approaches--

(1) to reduce the loss of nutrients to surface waters from agricultural land; and

(2) to monitor the cost-effectiveness of management practices designed to reduce the loss of nutrients to surface waters from agricultural land.

(c) Partnerships- In carrying out this section, the Secretary may establish or identify, as appropriate, partnerships to select the watersheds and to encourage cooperative effort among the Secretary and State, local, and nongovernmental organizations.

(d) Selection of Small Watersheds- In selecting small watersheds for participation in the program, the Secretary shall consider the extent to which--

(1) reducing nutrient losses to surface water in the small watershed would be likely to result in measurable improvements in water quality in the small watershed;

(2) a demonstration project would use innovative approaches to attract a high level of producer participation in the small watershed to ensure success;

(3) a demonstration project could be implemented through a third party, including a producer organization, farmer cooperative, conservation district, water utility, agency of State or local government, conservation organization, or other organization with appropriate expertise;

(4) a demonstration project would leverage funding from State, local, and private sources;

(5) a demonstration project would demonstrate market-based approaches to nutrient losses to surface waters;

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|  | <p>`(6) baseline data related to water quality and agricultural practices and contributions from nonagricultural sources as relevant in the small watershed has been collected or could be readily collected; and</p> <p>`(7) water quality monitoring infrastructure is in place or could reasonably be put in place in the small watershed.</p> <p>`(e) Use of Funds-</p> <p>`(1) IN GENERAL- Funding provided for the program under subsection (f) shall be used in not less than 30 small watersheds--</p> <p style="padding-left: 40px;">`(A) to provide technical assistance;</p> <p style="padding-left: 40px;">`(B) to provide and assess financial incentives to agricultural producers implementing conservation practices that reduce nutrient losses to surface waters;</p> <p style="padding-left: 40px;">`(C) to monitor the performance and costs of alternative nutrient management techniques, including soil tests, stalk tests, cover crops, soil amendments, buffers, and tillage practices; and</p> <p style="padding-left: 40px;">`(D) to share the cost of data collection, monitoring, and analysis.</p> <p>`(2) PROHIBITION- None of the funds made available to carry out the program for each fiscal year may be used for administrative expenses.</p> <p>`(f) Authorization of Appropriations- There are authorized to be appropriated such sums as are necessary to carry out this section.'</p> |
| <p>The House has a similar provision under the Forestry Title but only involves forestry related activities.</p> | <p><b>SEC. 2398. EMERGENCY LANDSCAPE RESTORATION PROGRAM.</b></p> <p>(a) In General- Chapter 5 of subtitle D of the Food Security Act of 1985 (16 U.S.C. 3839bb et seq.) (as amended by section 2386) is amended by adding at the end the following:</p> <p><b>`SEC. 1240R. EMERGENCY LANDSCAPE RESTORATION PROGRAM.</b></p> <p>`(a) Definition of Eligible Recipient- In this section, the term `eligible recipient' means--</p> <p style="padding-left: 40px;">`(1) an organization that is eligible for technical assistance and cost-share payments under this section and assists working agricultural land and nonindustrial private forest land, including--</p>   |

`(A) a community-based association; and

`(B) a city, county, or regional government, including a watershed council and a conservation district; and

`(2) an individual who is eligible for technical assistance and cost-share payments under this section, including--

`(A) a producer;

`(B) a rancher;

`(C) an operator;

`(D) a nonindustrial private forest landowner; and

`(E) a landlord on working agricultural land.

`(b) Purpose- The purpose of the emergency landscape restoration program is to rehabilitate watersheds, nonindustrial private forest land, and working agricultural land adversely affected by natural catastrophic events, by--

`(1) providing a source of assistance for restoration of the land back to a productive state;

`(2) preventing further impairment of land and water, including prevention through the purchase of floodplain easements; and

`(3) providing further protection of natural resources.

`(c) Establishment- The Secretary, acting through the Natural Resources Conservation Service, shall carry out an emergency landscape restoration program under which technical assistance and cost-share payments are made available to eligible recipients to carry out remedial activities to restore landscapes damaged by--

`(1) fire;

`(2) drought;

`(3) flood;

`(4) hurricane force or excessive winds;

`(5) ice storms or blizzards; or

`(6) other resource-impacting natural events, as determined by the Secretary.

`(d) Prioritization- The Secretary shall provide the highest priority for those activities that protect human health and safety.

`(e) Technical Assistance and Cost-Share Payments-

`(1) IN GENERAL- The Secretary shall provide technical assistance and cost-share payments in amounts of up to 75 percent of the cost of remedial activities described in paragraph (2) to rehabilitate watersheds, nonindustrial private forest land, and working agricultural land.

`(2) REMEDIAL ACTIVITIES- Remedial activities that are eligible for technical assistance and cost-share payments under this section include--

`(A) removal of debris from streams, agricultural land, and nonindustrial forest land, including--

`(i) the restoration of natural hydrology; and

`(ii) the removal of barriers for aquatic species;;

`(B) restoration of destabilized streambanks;

`(C) establishment of cover on critically eroding land;

`(D) restoration of fences;

`(E) construction of conservation structures;

`(F) provision of water for livestock in drought situations;

`(G) rehabilitation of farm or ranch land;

`(H) restoration of damaged nonindustrial private forest land, including--

`(i) the removal of damaged standing trees and downed timber; and

`(ii) site preparation, tree planting, direct seeding, and firebreaks;

`(I) the carrying out of emergency water conservation measures;

`(J) restoration of wildlife habitat and corridors;

`(K) livestock carcass removal and disposal; and

`(L) such other remedial activities as are determined by the Secretary.

`(f) Authorization of Appropriations- There are authorized to be appropriated to the

Secretary to carry out this section such sums as are necessary for each of fiscal years 2008 through 2012, to remain available until expended.

`(g) Temporary Administration of Emergency Landscape Restoration Program-

`(1) IN GENERAL- During the period beginning on the date of enactment of this section and ending on the termination date described in paragraph (2), to ensure that technical assistance, cost-share payments, and other payments continue to be administered in an orderly manner until the date on which final regulations are promulgated to implement the emergency landscape restoration program, the Secretary shall, to the extent the terms and conditions of the programs described in clauses (i) and (ii) of subparagraph (A) are consistent with the emergency landscape restoration program, continue to--

`(A) provide technical assistance, cost-share payments, and other payments under the terms and conditions of--

`(i) the emergency conservation program established under title IV of the Agricultural Credit Act of 1978 (16 U.S.C. 2201 et seq.); and

`(ii) the emergency watershed protection program established under section 403 of the Agricultural Credit Act of 1978 (16 U.S.C. 2203); and

`(B) use for those purposes--

`(i) any funds made available under those programs; and

`(ii) as the Secretary determines to be necessary, any funds made available to carry out the emergency landscape restoration program.

`(2) TERMINATION OF AUTHORITY- The authority of the Secretary to carry out paragraph (1) shall terminate on the effective date of final regulations to implement the emergency landscape restoration program.'

(b) Conforming Amendments-

(1) Effective on the effective date of final regulations to implement the emergency landscape restoration program under section 1240R of the Food Security Act of 1985 (as added by subsection (a)), title IV of the Agricultural Credit Act of 1978 (16 U.S.C. 2201 et seq.) is repealed.

(2) Section 1211(a)(3)(C) of the Food Security Act of 1985 (16 U.S.C. 3811(a)(3)(C)) is amended by inserting 'section 1240R or' after 'a payment under'.

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(3) Section 1221(b)(3)(C) of the Food Security Act of 1985 (16 U.S.C. 3821(b)(3)(C)) is amended by inserting `section 1240R or' after `A payment under'.

## SEC. 2110. FARM AND RANCLAND PROTECTION PROGRAM.

Subchapter B of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838h et seq.) is amended to read as follows:

### “subchapter B—Farm and ranchland protection program

#### “SEC. 1238H. DEFINITIONS.

“In this subchapter:

“(1) **ELIGIBLE ENTITY.**—The term ‘eligible entity’ means any of the following:

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

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

“(C) An organization described in section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from taxation under section 501(a) of that Code.

“(D) An organization described in section 509(a)(2) of the Internal Revenue Code of 1986.

“(E) An organization described in section 509(a)(3) of the Internal Revenue Code of 1986 that is controlled by an organization described in section 509(a)(2), of that Code.

“(2) **ELIGIBLE LAND.**—The term ‘eligible land’ means land on a farm or

## CHAPTER 3--FARMLAND PROTECTION

### Subchapter A--Farmland Protection Program

#### SEC. 2371. FARMLAND PROTECTION PROGRAM.

(a) Definitions- Section 1238H of the Food Security Act of 1985 (16 U.S.C. 3838h) is amended--

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

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

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

“(B) any organization that--

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

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

“(iii) is--

“(I) described in paragraph (1) or (2) of section 509(a) of that Code; or

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

(2) in paragraph (2)--

(A) in subparagraph (A), by striking clauses (i) and (ii) and inserting the following:

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ranch that—

“(A) is cropland;

“(B) is rangeland;

“(C) is grassland;

“(D) is pasture land;

“(E) is forest land that is an incidental part of an agricultural operation, as determined by the Secretary; or

“(F) contains historical or archaeological resources.

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

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

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

## “SEC. 1238I. FARM AND RANGLAND PROTECTION PROGRAM.

“(a) **ESTABLISHMENT.**—

“(1) **ESTABLISHMENT AND PURPOSE.**—The Secretary shall establish and carry out a farm and ranchland protection program under which the Secretary shall facilitate and provide funding for the purchase of conservation easements or other interests in eligible land that is subject to a pending offer from a certified State or eligible entity for the purpose of protecting the agricultural use and related conservation values of the land by limiting incompatible nonagricultural

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

“(ii) contains historical or archaeological resources; or

“(iii) furthers a State or local policy consistent with the purposes of the program.’; and

(B) in subparagraph (B)--

(i) in clause (iv), by striking ‘and’ at the end;

(ii) by striking clause (v) and inserting the following:

“(v) forest land that--

“(I) contributes to the economic viability of an agricultural operation; or

“(II) serves as a buffer to protect an agricultural operation from development; and

“(vi) land that is incidental to land described in clauses (i) through (v), if the incidental land is determined by the Secretary to be necessary for the efficient administration of a conservation easement.’.

(b) Farmland Protection- Section 1238I of the Food Security Act of 1985 (16 U.S.C. 3838i) is amended--

(1) in subsection (a), by striking ‘purchase conservation easements’ and all the follows through the end of the subsection and inserting ‘enter into cooperative agreements with eligible entities for the eligible entities to purchase permanent conservation easements or other interests in eligible land for the purpose of protecting the agricultural use and related conservation values of the land by limiting incompatible nonagricultural uses of the land.’;

(2) by redesignating subsections (b) and (c) as subsections (e) and (f), respectively;

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uses of the land.

“(2) **PRIORITY.**—In carrying out the program, the Secretary shall give the highest priority—

“(A) to protecting farm and rangeland with prime, unique or other productive soils that are at risk of non-agricultural development; or

“(B) to projects that further a State or local policy consistent with the purposes of the program.

“(b) **GRANTS TO CERTIFIED STATES.**—The Secretary shall make grants to States certified by the Secretary under subsection (c). Such grants shall be made based on demonstrated need for farm and ranch land protection. Grants may be made for multiple transactions so long as all funds provided under the program are used to purchase conservation easements or other interests in land in a timely and effective manner. A State receiving a grant under this subsection may use up to 10 percent of the grant funds for reasonable costs of purchasing and enforcing conservation easements.

“(c) **CERTIFICATION OF STATES FOR GRANTS.**—

“(1) **CERTIFICATION PROCESS.**—The Secretary shall implement a process, to be published in the Federal Register, for certifying States as eligible to participate in the program. The Secretary may provide a reasonable transitional period, not to extend past September 30, 2008, in order to allow continued operation of the program for such time as needed for the Secretary to implement the certification process.

“(2) **CERTIFICATION REQUIREMENTS.**—To be certified under the process implemented under paragraph (1), a State shall demonstrate, at a minimum, the following:

“(A) A legislative consistent with the purposes of the program.

“(B) The necessary authority and the resources to monitor and enforce the terms of conservation easements or other interests in land or to require the holder of such easements or other interests in land acquired with the use of funding under the program to monitor and enforce the terms of such easements or other interests in land.

“(C) Policies and procedures to ensure that, on average, the purchase price of conservation easements or other interests in land purchased with

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

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program funds do not exceed the fair market value of the easements or other interests in land.

“(D) Policies and procedures that ensure that conservation easements or other interests in land purchased with program funds will continue to protect the agricultural use and related conservation values of the land.

“(d) **AGREEMENTS WITH ELIGIBLE ENTITIES.**—

“(1) **AGREEMENTS AUTHORIZED.**—The Secretary may enter into an agreement with an eligible entity, other than a certified State, under which the entity may purchase conservation easements using a combination of its own funds and funds distributed by the Secretary under the program.

“(2) **TERMS AND CONDITIONS.**—An agreement under this subsection shall stipulate the terms and conditions under which the eligible entity shall use funds provided by the Secretary under the program. The eligible entity shall be authorized to use its own terms and conditions for conservation easements and other purchases of interests in land, so long as—

“(A) such terms and conditions are consistent with the purposes of the program and permit effective enforcement of the conservation purposes of such easements or other interests;

“(B) the eligible entity has in place a requirement consistent with agricultural activities regarding the impervious surfaces to be allowed for any conservation easement or other interest in land purchased using funds provided under the program; and

“(C) the eligible entity requires use of a conservation plan for any highly erodible cropland for which a conservation easement or other interest in land has been purchased using funds provided under the program.

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“(b) Terms and Conditions for Cooperative Agreements-

“(1) **IN GENERAL-** The Secretary shall establish the terms and conditions of any cooperative agreement entered into under this subchapter under which the eligible entity shall use funds provided by the Secretary.

“(2) **MINIMUM REQUIREMENTS-** A cooperative agreement shall, at a minimum--

“(A) specify the qualifications of the eligible entity to carry out the responsibilities of the eligible entity under the program, including acquisition and management policies and procedures that ensure the long-term integrity of the conservation easement protections;

“(B) subject to subparagraph (C), identify a specific project or a range of projects funded under the agreement;

“(C) allow, upon mutual agreement of the parties, substitution of qualified projects that are identified at the time of substitution;

“(D) specify the manner in which the eligible entity will evaluate and report the use of funds to the Secretary;

“(E) allow the eligible entity flexibility to use the terms and conditions of the eligible entity for conservation easements and other purchases of interests in land, except that--

“(i) subject to clause (ii), each easement shall include a limitation on the total quantity of impervious surface of not more than--

“(I) 20 percent of the first 10 acres;

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“(e) **FEDERAL CONTINGENT RIGHT OF ENFORCEMENT.**—The Secretary may require the inclusion of a Federal contingent right of enforcement or executory limitation in a conservation easement or other interest in land for conservation purposes purchased with Federal funds provided under the program, in order to enforce the easement as a party of last resort. The inclusion of such a right or interest shall not be considered to be the Federal acquisition of real property and the Federal standards and procedures for land acquisition shall not apply to the inclusion of the right or interest.

`(II) 5 percent of the next 90 acres; and

`(III) 1 percent of any additional acres; and

`(ii) the Secretary may waive a limitation under clause (i) after a determination by the Secretary that the eligible entity has in place a requirement that provides substantially-similar protection consistent with agricultural activities regarding the impervious surfaces to be allowed for any conservation easement or other interest in land purchases using funds provided under the program;

`(F) require appraisals of acquired interests in eligible land that comply with, at the option of the eligible entity--

`(i) the Uniform Standards of Professional Appraisal Practice; or

`(ii) any other industry-approved standard, as determined by the Secretary; and

`(G) allow as part of the share of the eligible entity of the cost to purchase a conservation easement or other interest in eligible land described in subsection (a), that an eligible entity may include a charitable donation or qualified conservation contribution (as defined by section 170(h) of the Internal Revenue Code of 1986), from the private landowner from which the conservation easement will be purchased.

[moved from below – Sec. 2371(b)(3) (*amends Sec. 1238I(d) FSA*):

`(d) Protection of Federal Investment-

`(1) **IN GENERAL-** The Secretary shall ensure that the terms of an easement acquired by the eligible entity provides protection for the Federal investment through an executory limitation by the Federal Government.

`(2) **RELATIONSHIP TO FEDERAL ACQUISITION OF REAL PROPERTY-** The inclusion of a Federal executory limitation described in paragraph (1) shall--

`(A) not be considered the Federal acquisition of real property; and

`(B) not trigger any Federal appraisal or other real property requirements, including the Federal standards and procedures for land acquisition.'; and

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**“(f) REVIEW; REVOCATION.—**

**“(1) REVIEW.—**Every 3 years, the Secretary shall review the certification of States under subsection (c) and the performance of eligible entities in meeting the terms and conditions of an agreement under subsection (d).

**“(2) REVOCATION.—**If, in the determination of the Secretary, a State no longer meets the qualifications described in subsection (c)(2) or an eligible entity is not meeting the terms and conditions of an agreement under subsection (d), the Secretary may—

**“(A)** revoke the certification of the State or terminate the agreement with the eligible entity; or

**“(B)** allow the State or eligible entity a specified period of time in which to take such actions as may be necessary to retain its certification or to meet the terms and conditions of the agreement, as the case may be.

**“(g) CONSERVATION PLAN.—**Any highly erodible cropland for which a conservation easement or other interest is purchased under this subchapter shall be subject to the requirements of a conservation plan. In the case of an easement or other interest in land that is perpetual in duration, the Secretary may not require the conversion of the cropland to less intensive uses if, under such plan, soil erosion can be reduced to ‘T’ or below.

**“(h) COST SHARING.—**The share of the cost provided under this section for purchasing a conservation easement or other interest in land shall not exceed 50 percent of the appraised fair market value of the conservation easement or other interest in eligible land. Fair market value shall be determined on the basis of an appraisal of the conservation easement or other interest in eligible land using an industry-approved methodology determined by the entity.”.

**“(c) Cost Sharing-**

**“(1) IN GENERAL-** Subject to paragraphs (2) and (3), the Secretary may provide a share of the purchase price of a conservation easement or other interest in land acquired by an eligible entity under the program.

**“(2) MAXIMUM AMOUNT OF FAIR MARKET VALUE-** The Secretary shall not pay more than 50 percent of the appraised fair market value of the acquisition under this subsection.

**“(3) MINIMUM SHARE BY ELIGIBLE ENTITY-** The eligible entity shall be required to provide a share of the cost under this subsection in an amount that is not less than the lesser of--

**“(A)** 1/2 of the purchase price of the acquisition;

**“(B)** if the landowner has made a donation of 25 percent or less of the appraised fair market value of the acquisition, an amount that, when combined with the donation, equals the amount of the payment by the Secretary; or

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(C) if the landowner has made a donation of more than 25 percent of the appraised fair market value of the acquisition, 1/3 of the purchase price of the acquisition.

(4) in subsection (f) (as redesignated by paragraph (2)), by striking 'Cost Sharing-' and all that follows through 'BIDDING DOWN-' and inserting 'Bidding Down-'

## SEC. 2111. FARM VIABILITY PROGRAM.

Section 1238J(b) of the Food Security Act of 1985 (16 U.S.C. 3838j(b)) is amended by striking "2007" and inserting "2012".

## SEC. 2396. FARM VIABILITY PROGRAM.

Section 1238J(b) of the Food Security Act of 1985 (16 U.S.C. 3838j(b)) is amended by striking '2007' and inserting '2012'.

## SEC. 2112. WILDLIFE HABITAT INCENTIVE PROGRAM.

(a) **REAUTHORIZATION.**—Section 1240N of the Food Security Act of 1985 (16 U.S.C. 3839bb-1) is amended by adding at the end the following new subsection:

“(d) **DURATION OF PROGRAM.**—Using funds made available under section 1241(a)(7), the Secretary shall carry out the program during fiscal years 2008 through 2012.”.

(b) **COST SHARE FOR LONG-TERM AGREEMENTS AND IMPACT ON SCOPE OF OPERATIONS.**—Section 1240N(b)(2) of the Food Security Act of 1985 (16 U.S.C. 3839bb-

## SEC. 2393. REAUTHORIZATION OF WILDLIFE HABITAT INCENTIVE PROGRAM.

(e) **Duration of Program-** Using funds made available under section 1241(a)(7), the Secretary shall carry out the program during each of fiscal years 2008 through 2012.’.

Section 1240N of the Food Security Act of 1985 (16 U.S.C. 3839bb-1) is amended--

(1) in subsection (b)--

(A) in the subsection heading, by striking 'Cost-Share';

(B) in paragraph (1), by inserting 'and incentive' after 'cost-share'; and

(C) in paragraph (2)(B), by striking '15 percent' and inserting '25 percent'; and

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| <p>1(b)(2)) is amended—</p> <p>(1) in the paragraph heading by inserting “<b>AND IMPACT ON SCOPE OF OPERATIONS</b>” after “<b>AGREEMENTS</b>”;</p> <p>(2) in subparagraph (A), by striking “years,” and inserting “years, or that will assist producers in meeting a regulatory requirement imposed on lands in agriculture production that reduces the economic scope of the producer’s operation,”; and</p> <p>(3) in subparagraph (B), by striking “15 percent” and inserting “25 percent”.</p>   | <p>(2) by adding at the end the following:</p> <p>“(d) Fish and Wildlife Conservation Plans and Initiatives- In carrying out this section, the Secretary shall give priority to projects that would further the goals and objectives of State, regional, and national fish and wildlife conservation plans and initiatives.</p> |
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| <p><b>Subtitle B—Conservation Programs Under Other Law</b></p>   |   |
| <p><b>SEC. 2201. AGRICULTURAL MANAGEMENT ASSISTANCE PROGRAM.</b></p> <p>(a) <b>ELIGIBLE STATES.</b>—Section 524(b)(1) of the Federal Crop Insurance Act (7 U.S.C. 1524(b)(1)) is amended—</p> <p>(1) by inserting “Hawaii,” after “Delaware,”; and</p> <p>(2) by inserting “Virginia,” after “Vermont,”.</p> <p>(b) <b>TECHNICAL CORRECTION.</b>—Section 524(b)(4)(B)(i) of the Federal Crop Insurance Act (7 U.S.C. 1524(b)(4)(B)(i)) is amended by striking “Except as provided in clauses (ii) and (iii), the” and inserting “The”.</p> <p>(c) <b>CERTAIN USES.</b>—Section 524(b)(4) of the Federal Crop Insurance Act (7 U.S.C. 1524(b)(4)(B)) is amended by adding at the end the following new subparagraph:</p> <p>“(C) <b>CERTAIN USES.</b>—Of the amounts made available to carry out this</p> | <p><b>SEC. 2601. AGRICULTURAL MANAGEMENT ASSISTANCE.</b></p> <p>Section 524(b) of the Federal Crop Insurance Act (7 U.S.C. 1524(b)) is amended--</p> <p>(1) in paragraph (1), by inserting ‘Idaho’ after ‘Delaware’; and</p> <p>(2) in paragraph (4)(B), by striking ‘2007’ each place it appears and inserting ‘2012’.</p>     |

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subsection for a fiscal year, the Commodity Credit Corporation shall use not less than—

“(i) 50 percent to carry out subparagraphs (A), (B), and (C) of paragraph (2) through the Natural Resources Conservation Service;

“(ii) 10 percent to provide organic certification cost share assistance through the Agricultural Marketing Service; and

“(iii) 40 percent to conduct activities to carry out subparagraph (F) of paragraph (2) through the Risk Management Agency.”.

## SEC. 2202. RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.

(a) **LOCALLY LED PLANNING PROCESS.**—Section 1528 of the Agriculture and Food Act of 1981 (16 U.S.C. 3451) is amended—

(1) in paragraph (1), by striking “planning process” in the matter preceding subparagraph (A) and inserting “locally led planning process”; and

(2) in paragraph (9), by striking “council” and inserting “locally led council”.

(b) **AUTHORIZED TECHNICAL ASSISTANCE.**—Section 1528(13) of the Agriculture and Food Act of 1981 (16 U.S.C. 3451(13)) is amended by striking subparagraphs (C) and (D) and inserting the following new subparagraphs:

“(C) providing assistance for the implementation of area plans and projects; and

“(D) providing services which bring to bear the resources of Department of Agriculture programs in a local community, as defined in

## SEC. 2605. RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.

(a) Locally Led Planning Process- Section 1528 of the Agriculture and Food Act of 1981 (16 U.S.C. 3451) is amended--

(1) in paragraph (1), in the matter preceding subparagraph (A), by striking `planning process' and inserting `locally led planning process';

(2) by redesignating paragraphs (8) and (9) as paragraphs (9) and (8), respectively, and moving those paragraphs so as to appear in numerical order;

(3) in paragraph (8) (as so redesignated)--

(A) by striking `(8) PLANNING PROCESS' and inserting `(8) LOCALLY LED PLANNING PROCESS'; and

(B) by striking `council' and inserting `locally led council'.

(b) Authorized Technical Assistance- Section 1528(13) of the Agriculture and Food Act of 1981 (16 U.S.C. 3451(13)) is amended by striking subparagraphs (C) and (D) and inserting the following:

`(C) providing assistance for the implementation of area plans and projects; and

`(D) providing services that involve the resources of Department of Agriculture programs in a local community, as defined in the locally led

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| <p>the locally led planning process.”.</p> <p>(c) <b>IMPROVED PROVISION OF TECHNICAL ASSISTANCE.</b>—Section 1531 of the Agriculture and Food Act of 1981 (16 U.S.C. 3454) is amended—</p> <p>(1) by inserting “(a) <b>IN GENERAL.</b>—” before “In carrying”; and</p> <p>(2) by adding at the end the following new subsection:</p> <p>“(b) <b>COORDINATOR.</b>—To improve the provision of technical assistance to councils under this subtitle, the Secretary shall designate an individual, to be known as the ‘Coordinator’, for each council. The Coordinator shall be directly responsible for the provision of technical assistance to the council.”.</p> <p>(d) <b>PROGRAM EVALUATION.</b>—Section 1534 of the Agriculture and Food Act of 1981 (16 U.S.C. 3457) is repealed.</p> | <p>planning process.’.</p> <p>(c) Improved Provision of Technical Assistance- Section 1531 of the Agriculture and Food Act of 1981 (16 U.S.C. 3454) is amended--</p> <p>(1) by redesignating paragraphs (1) through (4) as clauses (i) through (iv), respectively, and indenting appropriately;</p> <p>(2) by striking ‘In carrying’ and inserting the following:</p> <p>‘(1) <b>IN GENERAL-</b> In carrying’; and</p> <p>(3) by adding at the end the following:</p> <p>‘(b) <b>Coordinator-</b></p> <p>‘(1) <b>IN GENERAL-</b> To improve the provision of technical assistance to councils under this subtitle, the Secretary shall designate for each council an individual to be the coordinator for the council.</p> <p>‘(2) <b>RESPONSIBILITY-</b> A coordinator for a council shall be directly responsible for the provision of technical assistance to the council.’.</p> <p>(d) Program Evaluation- Section 1534 of the Agriculture and Food Act of 1981 (16 U.S.C. 3457) is repealed.</p> |
| <p><b>SEC. 2203. SMALL WATERSHED REHABILITATION PROGRAM.</b></p> <p>(a) <b>AVAILABILITY OF FUNDS.</b>—Section 14(h)(1) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012(h)(1)) is amended by adding at the end the following new subparagraph:</p> <p>“(G) \$50,000,000 for each of fiscal years 2009 through 2012.”.</p> <p>(b) <b>AUTHORIZATION OF APPROPRIATIONS.</b>—Section 14(h)(2)(E) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012(h)(2)(E)) is amended by striking “fiscal year 2007” and inserting “each of fiscal years 2007 through 2012”.</p>  | <p><b>SEC. 2604. SMALL WATERSHED REHABILITATION PROGRAM.</b></p> <p>Section 14 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012) is amended by striking subsection (h) and inserting the following:</p> <p>‘(h) <b>Authorization of Appropriations-</b> There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2008 through 2012.’.</p>  |

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## Subtitle C—Additional Conservation Programs

### SEC. 2301. CHESAPEAKE BAY PROGRAM FOR NUTRIENT REDUCTION AND SEDIMENT CONTROL.

Chapter 5 of subtitle D of the Food Security Act of 1985 is amended by inserting after section 1240P (16 U.S.C. 3839bb–3) the following new section:

#### “SEC. 1240Q. RIVER RESTORATION IN THE CHESAPEAKE BAY WATERSHED.

“(a) **CHESAPEAKE BAY WATERSHED DEFINED.**—In this section, the term ‘Chesapeake Bay watershed’ means all tributaries, backwaters, and side channels, including their watersheds, draining into the Chesapeake Bay.

#### “(b) **COMPREHENSIVE PLAN FOR CHESAPEAKE BAY WATERSHED.**—

“(1) **DEVELOPMENT.**—The Secretary of Agriculture shall develop, as expeditiously as practicable, a proposed comprehensive plan for the purpose of restoring, preserving, and protecting the Chesapeake bay watershed.

“(2) **PROVEN TECHNOLOGIES AND INNOVATIVE APPROACHES.**—The comprehensive plan shall provide for the development of new technologies and innovative approaches to advance the following goals:

“(A) Improvement of water quality and quantity within the Chesapeake Bay.

“(B) Restoration, enhancement, and preservation of habitat for plants and wildlife.

“(C) Increase economic opportunity for producers and rural communities.

“(3) **SPECIFIC COMPONENTS.**—The comprehensive plan shall include such features as are necessary to provide for—

“(A) the development and implementation of a program for erosion prevention and control, sediment control and sediment removal, and

### SEC. 2361. CHESAPEAKE BAY WATERSHED CONSERVATION PROGRAM.

The Food Security Act of 1985 is amended by inserting after section 1240J (as added by section 2360) the following:

#### “SEC. 1240K. CHESAPEAKE BAY WATERSHED CONSERVATION PROGRAM.

“(a) **Definition of Chesapeake Bay Watershed-** In this section, the term ‘Chesapeake Bay watershed’ includes all tributaries, backwaters, and side channels (including watersheds) draining into the Chesapeake Bay.

“(b) **Establishment-** The Secretary shall use the authorities granted under the environmental quality incentives program established under this chapter to address natural resource concerns relating to agricultural and nonindustrial private forest land in the Chesapeake Bay watershed.

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reduction of nutrient loads;

“(B) the development and implementation of a program for—

“(i) the planning, conservation, evaluation, and construction of measures for fish and wildlife habitat conservation and rehabilitation; and

“(ii) stabilization and enhancement of land and water resources; and

“(C) the development and implementation of a long-term resource monitoring program.

“(4) **CONSULTATION.**—The comprehensive plan shall be developed by the Secretary in consultation with appropriate Federal and State agencies.

“(c) **SUBMISSION OF PLAN.**—

“(1) **SUBMISSION.**—Not later than 2 years after the date of enactment of the Farm, Nutrition, and Bioenergy Act of 2007, the Secretary shall transmit to Congress a report containing the comprehensive plan.

“(2) **ADDITIONAL STUDIES AND ANALYSES.**—After submission of the report required by paragraph (1), the Secretary shall continue to conduct such studies and analyses related to the comprehensive plan as are necessary, consistent with this subsection.

“(d) **RESTORATION ENHANCEMENT AND PRESERVATION PROJECTS.**—

“(1) **PROJECT AUTHORITY.**—In cooperation with appropriate Federal and State agencies, the Secretary shall carry out restoration enhancement and preservation projects for the Chesapeake Bay watershed to address the goals specified in subsection (b)(2). To achieve the restoration, preservation, and protection benefits of a project, the Secretary shall proceed expeditiously with the implementation of the project consistent with the comprehensive plan.

“(2) **CRITICAL PROJECTS.**—In carrying out this subsection, the Secretary shall begin with the Susquehanna River, the Shenandoah River, the Potomac River, and the Patuxent River.

“(3) **AVAILABILITY OF FUNDS.**—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out projects under this subsection the following amounts:

“(c) Funding- Of the funds of the Commodity Credit Corporation, the Secretary shall use \$165,000,000 to carry out this section for the period of fiscal years 2008 through 2012.’.

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“(A) \$10,000,000 for fiscal year 2008.

“(B) \$15,000,000 for fiscal year 2009.

“(C) \$30,000,000 for fiscal year 2010.

“(D) \$40,000,000 for fiscal year 2011.

“(E) \$55,000,000 for fiscal year 2012.

“(4) **FEDERAL SHARE.**—The Federal share of the cost of carrying out any individual project under this subsection shall not exceed \$5,000,000.

“(e) **GENERAL PROVISIONS.**—

“(1) **WATER QUALITY.**—In carrying out projects and activities under this section, the Secretary shall take into account the protection of water quality by considering applicable State water quality standards.

“(2) **PUBLIC PARTICIPATION.**—In developing the comprehensive plan under subsection (b) and carrying out projects under subsection (d), the Secretary shall implement procedures to facilitate public participation, including providing advance notice of meetings, providing adequate opportunity for public input and comment, maintaining appropriate records, and making a record of the proceeding of meetings available for public inspection.

“(f) **COORDINATION.**—The Secretary shall integrate and coordinate projects and activities carried out under this section with other Federal and State programs, projects, and activities.

“(g) **COST SHARING.**—

“(1) **NON-FEDERAL SHARE.**—Subject to subsection (d)(4), the non-Federal share of the cost of projects and activities carried out under this section shall be not less than 35 percent.

“(2) **OPERATION, MAINTENANCE, REHABILITATION, AND REPLACEMENT.**—The operation, maintenance, rehabilitation, and replacement of projects carried out under this section shall be a non-Federal responsibility.

“(h) **SENSE OF CONGRESS REGARDING CHESAPEAKE BAY EXECUTIVE COUNCIL.**—

“(1) **FINDINGS.**—Congress finds the following:

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“(A) One of the stated goals of the Chesapeake Bay Agreement is to ‘develop, promote, and achieve sound land use practices which protect and restore watershed resources and water quality, maintain reduced pollutant loadings for the Bay and its tributaries, and restore and preserve aquatic living resources’.

“(B) Department of Agriculture conservation programs are integral to the restoration of the Chesapeake Bay and achieving the water quality goals for the Chesapeake Bay program.

“(2) **SENSE OF CONGRESS.**—In light of the findings specified in paragraph (1), it is the sense of Congress that the Secretary of Agriculture should be a member of the Chesapeake Bay Executive Council, and is authorized to do so under section 1(3) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590a(3)).”.

## **SEC. 2302. VOLUNTARY PUBLIC ACCESS AND HABITAT INCENTIVE PROGRAM.**

Chapter 5 of subtitle D of title XII of the Food Security Act of 1985 is amended by inserting after section 1240Q, as added by section 2301, the following new section:

### **“SEC. 1240R. VOLUNTARY PUBLIC ACCESS AND HABITAT INCENTIVE PROGRAM.**

“(a) **ESTABLISHMENT.**—The Secretary shall establish a voluntary public access program under which States and tribal governments may apply for grants to encourage owners and operators of privately-held farm, ranch, and forest land to voluntarily make that land available for access by the public for wildlife-dependent recreation, including hunting or fishing, under programs administered by the States and tribal governments.

“(b) **APPLICATIONS.**—In submitting applications for a grant under the program, a State or tribal government shall describe—

“(1) the benefits that the State or tribal government intends to achieve by encouraging public access to private farm and ranch land for—

“(A) hunting and fishing; and

“(B) to the maximum extent practicable, other recreational purposes;

## **SEC. 2399. VOLUNTARY PUBLIC ACCESS AND HABITAT INCENTIVE PROGRAM.**

Chapter 5 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839bb et seq.) (as amended by section 2387(a)) is amended by adding at the end the following:

### **SEC. 1240S. VOLUNTARY PUBLIC ACCESS AND HABITAT INCENTIVE PROGRAM.**

“(a) In General- The Secretary shall establish a voluntary public access program under which States and tribal governments may apply for grants to encourage owners and operators of privately-held farm, ranch, and forest land to voluntarily make that land available for access by the public for wildlife-dependent recreation, including hunting or fishing under programs administered by the States and tribal governments.

“(b) Applications- In submitting applications for a grant under the program, a State or tribal government shall describe--

“(1) the benefits that the State or tribal government intends to achieve by encouraging public access to private farm and ranch land for--

“(A) hunting and fishing; and

“(B) to the maximum extent practicable, other recreational purposes; and

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| <p>and</p> <p>“(2) the methods that will be used to achieve those benefits.</p> <p>“(c) <b>PRIORITY.</b>—In approving applications and awarding grants under the program, the Secretary shall give priority to States and tribal governments that—</p> <p>“(1) have consistent opening dates for migratory bird hunting for both residents and non-residents;</p> <p>“(2) propose to maximize participation by offering a program the terms of which are likely to meet with widespread acceptance among landowners;</p> <p>“(3) propose to ensure that land enrolled under the State or tribal government program has appropriate wildlife habitat;</p> <p>“(4) propose to strengthen wildlife habitat improvement efforts on land enrolled in a special conservation reserve enhancement program described in 1234(f)(4) by providing incentives to increase public hunting and other recreational access on that land; and</p> <p>“(5) propose to use additional Federal, State, tribal government, or private resources in carrying out the program.</p> <p>“(d) <b>RELATIONSHIP TO OTHER LAWS.</b>—Nothing in this section preempts a State or tribal government law, including any State or tribal government liability law.</p> <p>“(e) <b>REGULATIONS.</b>—The Secretary shall promulgate such regulations as are necessary to carry out this section.</p> <p>“(f) <b>AUTHORIZATION OF APPROPRIATIONS.</b>—There is authorized to be appropriated to the Secretary \$20,000,000 for each of fiscal years 2008 through 2012 to carry out this section.”.</p> | <p>“(2) the methods that will be used to achieve those benefits.</p> <p>“(c) Priority- In approving applications and awarding grants under the program, the Secretary shall give priority to States and tribal governments that propose--</p> <p>“(1) to maximize participation by offering a program the terms of which are likely to meet with widespread acceptance among landowners;</p> <p>“(2) to ensure that land enrolled under the State or tribal government program has appropriate wildlife habitat;</p> <p>“(3) to strengthen wildlife habitat improvement efforts on land enrolled in a special conservation reserve enhancement program described in section 1234(f)(3) by providing incentives to increase public hunting and other recreational access on that land;</p> <p>“(4) to use additional Federal, State, tribal government, or private resources in carrying out the program; and</p> <p>“(5) to make available to the public the location of land enrolled.</p> <p>“(d) Relationship to Other Laws- Nothing in this section preempts a State or tribal government law (including any State or tribal government liability law).</p> <p>“(e) Regulations- The Secretary shall promulgate such regulations as are necessary to carry out this section.’.</p> |
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**SEC. 2303. MUCK SOILS CONSERVATION.**

No Similar Provision

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(a) **ESTABLISHMENT OF PROGRAM.**—The Secretary of Agriculture shall carry out a conservation program under which the Secretary makes payments to assist owners and operators of eligible land specified in subsection (b) to conserve and improve the soil, water, and wildlife resources of such land.

(b) **ELIGIBLE LAND.**—To be eligible for inclusion in the program established under this section, the land must—

(1) be comprised of soil that qualifies as muck, as determined by the Secretary;

(2) be used for production of an agricultural crop;

(3) have a spring cover crop planted in conjunction with the primary agricultural crop referred to in paragraph (2);

(4) have a winter crop planted; and

(5) have ditch banks seeded with grass that is maintained on a year-round basis.

(c) **PAYMENT AMOUNTS.**—The Secretary may provide payments of not less than \$300, but not more than \$500, per acre per year under the program.

(d) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Secretary to carry out the program \$50,000,000 for each of fiscal years 2008 through 2012.

## Subtitle D—Administration and Funding

## Subtitle E--Funding and Administration

### SEC. 2401. FUNDING OF CONSERVATION PROGRAMS UNDER FOOD SECURITY ACT OF 1985.

(a) **IN GENERAL.**—Section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended in the matter preceding paragraph (1), by striking “2007” and inserting “2012”.

(b) **CONSERVATION SECURITY PROGRAM.**—Paragraph (3) of section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended to read as follows:

### SEC. 2401. FUNDING AND ADMINISTRATION.

Section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended--

(1) in the matter preceding paragraph (1), by striking `2007' and inserting `2012'; and

(2) by striking paragraphs (3) through (7) and inserting the following:

`(3) The conservation security program under subchapter A of chapter 2, using \$2,317,000,000 to administer contracts entered into as of the day before the date of enactment of the Food and Energy Security Act of 2007, to remain available until expended.

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“(3) The conservation security program under subchapter A of chapter 2, using, to the maximum extent practicable—

“(A) in the case of conservation security contracts entered into before October 1, 2007, under such subchapter, as in effect on the day before the date of the enactment of the Farm, Nutrition, and Bioenergy Act of 2007—

“(i) \$1,454,000,000 for the period of fiscal years 2007 through 2012; and

“(ii) \$1,927,000,000 for the period of fiscal years 2007 through 2017; and

“(B) in the case of conservation security contracts entered into on or after October 1, 2011, under such subchapter—

“(i) \$501,000,000 for fiscal year 2012; and

“(ii) \$4,646,000,000 for the period of fiscal years 2012 through 2017.”.

(c) **FARM AND RANGLAND PROTECTION PROGRAM.**—Paragraph (4) of section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended to read as follows:

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

“(A) \$125,000,000 in fiscal year 2008;

“(B) \$150,000,000 in fiscal year 2009;

“(C) \$200,000,000 in fiscal year 2010;

“(D) \$240,000,000 in fiscal year 2011; and

“(E) \$280,000,000 in fiscal year 2012.”.

(d) **ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.**—Paragraph (6) of section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended to read as follows:

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

“(A) \$1,250,000,000 in fiscal year 2008;

“(B) \$1,600,000,000 in fiscal year 2009;

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“(4) The conservation stewardship program under subchapter B of chapter 6.

“(5) The farmland protection program under subchapter B of chapter 2, using, to the maximum extent practicable, \$97,000,000 for each of fiscal years 2008 through 2012.

“(7) The environmental quality incentives program under chapter 4, using, to the maximum extent practicable--

“(A) \$1,270,000,000 for each of fiscal years 2008 and 2009; and

“(B) \$1,300,000,000 for each of fiscal years 2010 through 2012.

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| <p>“(C) \$1,700,000,000 in fiscal year 2010;<br/> “(D) \$1,800,000,000 in fiscal year 2011; and<br/> “(E) \$2,000,000,000 in fiscal year 2012.”.</p> <p>(e) <b>WILDLIFE HABITAT INCENTIVES PROGRAM.</b>—Paragraph (7)(D) of section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended by striking “2007” and inserting “2012”.</p> | <p>“(8) The wildlife habitat incentives program under section 1240N, using, to the maximum extent practicable, \$85,000,000 for each of fiscal years 2008 through 2012.</p> <p>“(6) The grassland reserve program under subchapter C of chapter 2, using, to the maximum extent practicable, \$240,000,000 for the period of fiscal years 2008 through 2012.</p> <p>“(9) The voluntary public access program under section 1240S, using, to the maximum extent practicable, \$20,000,000 in each of fiscal years 2008 through 2012.”.</p>  |
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|  | <p><b>SEC. 2403. CONSERVATION ACCESS.</b></p> <p>Section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) (as amended by section 2402) is amended by adding at the end the following:</p> <p>“(g) Conservation Access-</p> <p>“(1) ASSISTANCE TO ELIGIBLE FARMERS OR RANCHERS-</p> <p>“(A) DEFINITION OF ELIGIBLE FARMER OR RANCHER- In this paragraph, the term ‘eligible farmer or rancher’ means a farmer or rancher that, as determined by the Secretary--</p> <p>“(i) derives or expects to derive at least \$15,000 in gross sales from agriculture (not including payments under the conservation reserve program established under subchapter B of chapter 1 of subtitle D); and</p> <p>“(ii) is--</p> <p>“(I) a beginning farmer or rancher (as defined in section 343 of</p> |

the Consolidated Farm and Rural Development Act (7 U.S.C. 1991)), except that in determining whether the farmer or rancher qualifies as a beginning farmer or rancher, the Secretary may--

`(aa) employ a fair and reasonable test of net worth; and

`(bb) use such other criteria as the Secretary determines to be appropriate; or

`(II) a socially disadvantaged farmer or rancher (as defined in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)).

`(B) ASSISTANCE- In the case of each program described in subsection (a), except as provided in paragraph (2), for each fiscal year in which funding is made available for the program, 10 percent of the funds available for the fiscal year shall be used by the Secretary to assist eligible farmers or ranchers.

`(2) ACREAGE PROGRAMS- In the case of the conservation reserve and wetlands reserve programs, 10 percent of the acreage authorized to be enrolled in any fiscal year shall be used to assist eligible farmers or ranchers.

`(3) REPOOLING- In any fiscal year, amounts not obligated under this subsection by a date determined by the Secretary shall be available for payments and technical assistance to all persons eligible for payments or technical assistance in that fiscal year under the program for which the amounts were originally made available under this title.

`(4) CONSERVATION INNOVATION GRANTS- Funding under paragraph (1) for conservation innovation grants under section 1240H may, in addition to purposes described in subsection (b) of that section, be used for--

`(A) technology transfer;

`(B) farmer-to-farmer workshops; and

`(C) demonstrations of innovative conservation practices.

`(5) TECHNICAL ASSISTANCE- The Secretary shall offer, to the maximum extent practicable, higher levels of technical assistance to beginning farmers or ranchers and socially disadvantaged farmers or ranchers than are otherwise made available to producers participating in programs under this title.

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`(6) COOPERATIVE AGREEMENTS- The Secretary may develop and implement cooperative agreements with entities (including government agencies, extension entities, nongovernmental and community-based organizations, and educational institutions) with expertise in addressing the needs of beginning farmers or ranchers and socially disadvantaged farmers or ranchers to provide technical assistance, comprehensive conservation planning education, and sustainable agriculture training.'

## SEC. 2402. IMPROVED PROVISION OF TECHNICAL ASSISTANCE UNDER CONSERVATION PROGRAMS.

Section 1242 of the Food Security Act of 1985 (16 U.S.C. 3842) is amended—

(1) in subsection (a)—

(A) by striking “or” at the end of paragraph (1); and

(B) by striking paragraph (2) and inserting the following new paragraphs:

“(2) through a contract with an approved third party, if available; or

“(3) at the option of the producer, through a payment as determined by the Secretary, directly to an approved third party, if available, or to the producer for an approved third party, if available.”;

(2) in subsection (b)—

(A) by striking “technical assistance” each place it appears and inserting “technical services”; and

(B) in paragraph (1)(B), by striking “that assistance” and inserting “those technical services”; and

(3) by adding at the end the following new subsections:

“(c) PAYMENT AMOUNTS.—

## SEC. 2404. DELIVERY OF TECHNICAL ASSISTANCE.

Section 1242 of the Food Security Act of 1985 (16 U.S.C. 3842) is amended to read as follows:

### `SEC. 1242. DELIVERY OF TECHNICAL ASSISTANCE.

[moved from below: Sec. 1242(c)]

`(c) Provision of Technical Assistance- The Secretary shall provide technical assistance under this title to an eligible participant--

`(1) directly;

`(2) through a contract or agreement with a third-party provider; or

`(3) at the option of the eligible participant, through a payment, as determined by the Secretary, to the eligible participant for an approved third-party provider, if available.

[moved from below: Sec. 1242(d)(5)]

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“(1) **USE OF PREVAILING MARKET RATES.**—The Secretary shall set the amounts of payments under subsection (b)(1)(B) for technical services at levels not less than prevailing private market rates.

“(2) **EXCEPTION.**—Paragraph (1) shall not apply in instances where personnel of the Department of Agriculture are immediately available to provide comparable technical services to eligible producers.

### “(d) **REVIEW AND EXPEDITED APPROVAL OF TECHNICAL ASSISTANCE SPECIFICATIONS.**—

#### “(1) **REVIEW OF EXISTING TECHNICAL ASSISTANCE SPECIFICATIONS.**—

“(A) **REVIEW OF SPECIFICATIONS.**—The Secretary shall direct each State to review and ensure, to the maximum extent practicable, the completeness and relevance of technical assistance specifications in effect as of the date of the enactment of the Farm, Nutrition, and Bioenergy Act of 2007.

“(B) **CONSULTATION.**—In conducting the assessment under subparagraph (A), a State shall consult with specialty crop producers, crop consultants, cooperative extension and land-grant universities, nongovernmental organizations, and other qualified entities.

“(C) **EXPEDITED REVISION OF SPECIFICATIONS.**—If a State determines under subparagraph (A) that revisions to its technical assistance specifications are necessary, the State shall establish an administrative process for expediting the revisions.

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“(5) **PAYMENT AMOUNTS-** The Secretary shall establish fair and reasonable amounts of payments for technical services provided by third-party providers.

[moved from below: Sec. 1242(e)(2)]

### “(2) **REVIEW OF CONSERVATION PRACTICE STANDARDS-**

#### “(A) **IN GENERAL-** The Secretary shall--

“(i) review conservation practice standards, including engineering design specifications, in effect on the date of enactment of this subsection;

“(ii) ensure, to the maximum extent practicable, the completeness and relevance of the standards to local agricultural, forestry, and natural resource needs, including specialty crops, native and managed pollinators, bioenergy crop production, forestry, and such other needs as are determined by the Secretary; and

“(iii) ensure that the standards provide for the optimal balance between meeting site-specific conservation needs and minimizing risks of design failure and associated costs of construction and installation.

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“(2) ADDRESSING CONCERNS OF SPECIALTY CROP PRODUCERS.—

“(A) **IN GENERAL.**—The Secretary shall direct each State to fully incorporate into its technical assistance specifications and provide for the appropriate range of conservation practices and resource mitigation measures available to specialty crop producers.

“(B) **AVAILABILITY OF ADEQUATE TECHNICAL ASSISTANCE.**—The Secretary shall ensure that adequate technical assistance is available for the implementation of conservation practices by specialty crop producers through Federal conservation programs. In carrying out this requirement, the Secretary shall develop—

“(i) programs that meet specific needs of specialty crop producers through cooperative agreements with other agencies and nongovernmental organizations; and

“(ii) program specifications that allow for innovative approaches that engage local resources in providing technical assistance for planning and implementation of conservation practices.

[moved from below: Sec. 1242(e)(2)(C)(3)(A)]

“(3) ADDRESSING CONCERNS OF SPECIALTY CROP, ORGANIC, AND PRECISION AGRICULTURE PRODUCERS-

“(A) **IN GENERAL-** The Secretary shall--

“(i) to the maximum extent practicable, fully incorporate specialty crop production, organic crop production, and precision agriculture into the conservation practice standards; and

“(ii) provide for the appropriate range of conservation practices and resource mitigation measures available to producers involved with organic or specialty crop production or precision agriculture.

[moved: Sec. 1242(e)(2)(C)(3)(B)]

“(B) **AVAILABILITY OF ADEQUATE TECHNICAL ASSISTANCE-**

“(i) **IN GENERAL-** The Secretary shall ensure that adequate technical assistance is available for the implementation of conservation practices by producers involved with organic or specialty crop production or precision agriculture through Federal conservation programs.

“(ii) **REQUIREMENTS-** In carrying out clause (i), the Secretary shall develop--

“(I) programs that meet specific needs of producers involved with organic or specialty crop production or precision agriculture through cooperative agreements with other agencies and nongovernmental organizations; and

“(II) program specifications that allow for innovative approaches to engage local resources in providing technical assistance for planning and implementation of conservation practices.’.

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

[Sec. 2404 (amends Sec.1242(a) FSA)]

`(a) Definition of Eligible Participant- In this section, the term `eligible participant' means--

- `(1) an agricultural producer;
- `(2) an eligible entity;
- `(3) an eligible landowner; and
- `(4) an interested organization.

[Sec. 1242(b)]

`(b) Purpose- The purpose of technical assistance authorized by this title is to provide eligible participants with consistent, science-based, site-specific practices designed to achieve conservation objectives on land active in agricultural, forestry, or related uses.

[Sec. 2404 (amends Sec. 1242(d) FSA)]

`(2) PURPOSE- The purpose of the technical service provider program shall be to increase the availability and range of technical expertise available to farmers, ranchers, and eligible landowners to plan and implement conservation measures.

`(d) Certification of Third-Party Providers-

- `(1) IN GENERAL- The Secretary shall continue to carry out the technical service provider program established under regulations promulgated under subsection

(b)(1) (as in existence on the day before the date of enactment of this subsection).

`(3) EXPERTISE- In promulgating regulations to carry out this subsection, the Secretary shall--

`(A) ensure that persons with expertise in the technical aspects of conservation planning, watershed planning, and environmental engineering (including commercial entities, nonprofit entities, State or local governments or agencies, and other Federal agencies) are eligible to become approved providers of the technical assistance; and

`(B) to the maximum extent practicable--

`(i) provide national criteria for the certification of technical service providers; and

`(ii) approve any unique certification standards established at the State level.

`(C) REVIEW OF CERTIFICATION REQUIREMENTS- Not later than 1 year after the date of enactment of this subsection, the Secretary shall--

`(i) review certification requirements for third-party providers; and

`(ii) make any adjustments considered necessary by the Secretary to improve participation.

`(4) SYSTEM ADMINISTRATION-

`(A) FUNDING- Effective for fiscal year 2008 and each subsequent fiscal year, funds of the Commodity Credit Corporation that are made available to carry out each of the programs specified in section 1241 shall be available for the provision of technical assistance from third-party providers under this section.

`(B) CONTRACT TERM- A contract under this section shall have a term that--

`(i) at a minimum, is equal to the period--

`(I) beginning on the date on which the contract is entered into;

and

`(II) ending on the date that is 1 year after the date on which all activities in the contract have been completed;

`(ii) does not exceed 3 years; and

`(iii) can be renewed, as determined by the Secretary.

`(D) ELIGIBLE ACTIVITIES- The Secretary may include in activities eligible for payment to a third-party provider--

`(i) education and outreach to eligible participants; and

`(ii) administrative services necessary to support conservation program implementation.

`(e) Availability of Technical Services-

`(1) AVAILABILITY-

`(A) IN GENERAL- In carrying out the programs under this title and the agricultural management assistance program under section 524 of the Federal Crop Insurance Act (7 U.S.C. 1524), the Secretary shall make technical services available to all eligible participants who are installing an eligible practice.

`(B) TECHNICAL SERVICE CONTRACTS- In any case in which financial assistance is not requested or is not provided under subparagraph (A), the Secretary may enter into a technical service contract with the applicable eligible participant for the purposes of assisting in the planning, design, or installation of an eligible practice.

`(B) CONSULTATION- In conducting the assessment under subparagraph (A), the Secretary shall consult with eligible participants, crop consultants, cooperative extension and land grant universities, nongovernmental organizations, and other qualified entities.

`(C) EXPEDITED REVISION OF STANDARDS- If the Secretary determines under subparagraph (A) that revisions to the conservation practice standards, including engineering design specifications, are necessary, the Secretary shall establish an administrative process for expediting the revisions.

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| <p><b>SEC. 2403. COOPERATIVE CONSERVATION PARTNERSHIP INITIATIVE.</b></p> <p>(a) <b>TRANSFER OF EXISTING PROVISIONS.</b>—Subsections (b), (c), and (d) of section 1243 of the Food Security Act of 1985 (16 U.S.C. 3843) are—</p> <ul style="list-style-type: none"><li>(1) redesignated as subsections (c), (d), and (e), respectively; and</li><li>(2) transferred to appear at the end of section 1244 of such Act (16 U.S.C. 3844).</li></ul> <p>(b) <b>ESTABLISHMENT OF PARTNERSHIP INITIATIVE.</b>—Section 1243 of the Food Security Act of 1985 (16 U.S.C. 3843), as amended by subsection (a), is amended to read as follows:</p> <p><b>“SEC. 1243. COOPERATIVE CONSERVATION PARTNERSHIP INITIATIVE.</b></p> <p>“(a) <b>ESTABLISHMENT OF INITIATIVE.</b>—</p> <p>“(1) <b>ESTABLISHMENT.</b>—The Secretary shall establish a cooperative conservation partnership initiative (in this section referred to as the ‘Partnership’) within each program described in subsection (b) to address conservation issues involving production agriculture on local, regional, or State levels.</p> <p>“(2) <b>ADMINISTRATION.</b>—The Secretary shall carry out the Partnership—</p> <ul style="list-style-type: none"><li>“(A) by selecting proposals for grants and agreements by eligible entities described in subsection (c) through a competitive selection process;</li><li>“(B) by making grants to, and entering into agreements with, with eligible entities described in subsection (c) for not less than 2 years, but not more than 5 years, in duration; and</li></ul> | <p><b>SEC. 2405. ADMINISTRATIVE REQUIREMENTS FOR CONSERVATION PROGRAMS.</b></p> <p>“(f) Partnerships and Cooperation-</p> <ul style="list-style-type: none"><li>“(1) <b>IN GENERAL-</b> In carrying out each program under subtitle D (excluding the wetlands reserve program and the conservation reserve program), the Secretary, acting through the State Conservationist, shall designate special projects to enhance conservation outcomes by working with multiple producers to address conservation issues, if recommended by the State Conservationist, in consultation with the State technical committee.</li><li>“(2) <b>GUIDELINES-</b> The Secretary shall establish guidelines to be used by States in the designation of special projects under paragraph (1).</li><li>“(8) <b>DURATION-</b><ul style="list-style-type: none"><li>“(A) <b>IN GENERAL-</b> Multiyear agreements under this subsection shall be for a period not to exceed 5 years.</li><li>“(B) <b>EARLY TERMINATION-</b> The Secretary may terminate a multiyear agreement before the end of the agreement if the Secretary determines that performance measures are not being met.</li></ul></li></ul> |

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“(C) by providing producers that are participating in a special project and initiative of an eligible entity preferential enrollment into 1 or more of the programs described in subsection (b).

“(3) **PURPOSES.**—The purposes of the Partnership are to carry out special projects and initiatives—

“(A) to address conservation issues involving production agriculture on local, regional, or State levels through producers and eligible entities;

“(B) to address community and economic development needs and opportunities; and

“(C) to increase access to, and participation in, the programs described in subsection (b) by producers of specialty crops (as defined in section 3 of the Specialty Crops Competitiveness Act of 2004, Pub. L. 108–465 (7 U.S.C. 1621 note).

“(b) **COVERED PROGRAMS.**—The conservation programs covered by this section are the following:

“(1) Conservation security program.

“(2) Environmental quality incentives program.

“(3) Wildlife habitat incentive program.

“(c) **ELIGIBLE PARTNERS.**—Grants may be made or agreements may be entered into under this section with any of the following (or a combination thereof):

“(1) States and agencies of States.

“(2) Political subdivisions of States, including counties and State- or county-sponsored conservation districts.

“(3) Indian tribes.

`(3) **PURPOSES-** The purposes of special projects carried out under this subsection shall be to achieve local, statewide, or regional conservation objectives by--

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

`(B) encouraging producers to cooperate in meeting applicable Federal, State, and local regulatory requirements regarding natural resources and the environment;

`(C) encouraging producers to share information and technical and financial resources;

`(D) facilitating cumulative conservation benefits in geographic areas; and

`(E) promoting the development and demonstration of innovative conservation methods.

[note: this paragraph below is a repeat from above.]

`(1) **IN GENERAL-** In carrying out each program under subtitle D (excluding the wetlands reserve program and the conservation reserve program), ...

(4) **ELIGIBLE PARTNERS-** State and local government entities (including irrigation and water districts and canal companies), Indian tribes, farmer cooperatives, institutions of higher education, nongovernmental organizations, and producer associations shall be eligible to apply under this subsection.

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“(4) Nongovernmental organizations and associations, including producer associations, farmer cooperatives, extension associations, and conservation organizations with a history of working cooperatively with producers to effectively address resource concerns related to agricultural production, as determined by the Secretary.

“(5) A combination of partners specified in a preceding paragraph.

### “(d) APPLICATIONS.—

“(1) **COMPETITIVE PROCESS.**—The Secretary shall establish a competitive process for considering applications for grants or agreements under this section consistent with the evaluation criteria listed in subsection (e).

“(2) **PROGRAM ALLOCATION.**—Applications shall include—

“(A) specification of the amount of funding or acres, or both, of 1 or more covered programs specified in subsection (b) proposed to be allocated to carry out the special project or initiative; and

“(B) a schedule for utilization of funding or acres over the life of the proposed project or initiative.

“(e) **EVALUATION CRITERIA.**—In evaluating applications for grants or agreements

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### (6) DUTIES OF THE SECRETARY-

“(A) **IN GENERAL-** The Secretary shall enter into multiyear agreements with partners to facilitate the delivery of conservation program resources in a manner to achieve the purposes described in paragraph (3).

#### “(B) PROJECT SELECTION-

“(i) **IN GENERAL-** The Secretary shall conduct a competitive process to select projects funded under this subsection.

“(ii) **FACTORS CONSIDERED-** In conducting the process described in clause (i), the Secretary shall make public the factors to be considered in evaluating applications.

“(iii) **PRIORITY-** The Secretary may give priority to applications based on--

“(I) the highest percentage of producers involved, and the inclusion of the highest percentage of working agricultural land in the area;

“(II) the highest percentage of on-the-ground conservation to be implemented;

“(III) non-Federal resources to be leveraged;

“(IV) innovation in conservation methods and delivery, including outcome-based performance measures and methods; and

“(V) other factors, as determined by the Secretary.

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under this section the Secretary shall consider the extent to which—

“(1) preferential enrollment in the covered programs specified in the application will effectively address the environmental objectives established for the special project or initiative; and

“(2) the special project or initiative covered by the application—

“(A) enjoys local and regional support from producers and other interested persons, including governmental and nongovernmental organizations with appropriate expertise on the issues the project or initiative seeks to address;

“(B) includes clear environmental objectives;

“(C) includes a well defined project or initiative plan that identifies sensitive areas requiring treatment and prioritizes conservation practices and activities needed to achieve environmental objectives;

“(D) promises adequate and coordinated participation to achieve the objectives of the project or initiative;

“(E) coordinates integration of local, State, and Federal efforts to make the best use of available resources and maximize cost-effective investments;

“(F) leverages financial and technical resources from sources other than the programs authorized by this subtitle, including financial and technical resources provided by Federal and State agencies, local governments, nongovernmental organizations and associations, and other private sector entities;

“(G) describes how all necessary technical assistance will be provided to each producer participating in the project or initiative, including cost estimates for technical assistance and whether such assistance will be provided by technical service providers;

“(H) describes how the administrative costs of the project or initiative will be minimized;

“(I) addresses a local, State, regional, or national environmental priority or priorities, with particular emphasis on any priority for which there is an existing State or federally approved plan in place for addressing that priority;

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“(J) includes a plan to evaluate progress, measure results, and meet the purposes of the agreement;

“(K) clearly demonstrates that enrollment of producers in covered programs will be consistent with the purposes and policies of each individual program, as established in statute, rules and regulations, and program guidance promulgated by implementing agencies;

“(L) links resource and environmental objectives with community development or agritourism objectives that can be improved as a result of addressing the resources of concern;

“(M) demonstrates innovation in linking environmental and community development objectives; and

“(N) addresses the needs of beginning farmers and ranchers, socially disadvantaged farmers and ranchers, and limited resource farmers and ranchers.

“(f) **PRIORITIES.**—To the maximum extent practicable, consistent with the requirements of subsection (d), the Secretary shall ensure that, each fiscal year, grants are awarded and agreements are entered into under this section to support projects and initiatives that collectively address the resource concerns facing producers, ranchers, and nonindustrial private forest landowners, including specifically projects and initiatives that are designed—

“(1) to achieve improvements in water quality in watersheds impacted by agriculture, particularly by increasing the participation of producers in implementing best management practices in a watershed or developing environmentally and economically viable alternative uses for manure and litter;

“(2) to achieve improvements in air quality in a geographical area where agricultural operations impact air quality;

“(3) to support State activities to efficiently manage and utilize their water resources in regions, States or local areas where water quantity is a concern;

“(4) to assist in carrying out a State Wildlife Habitat Incentives Program plan or other State, regional, or national conservation initiative.

“(5) to control invasive species on rangeland or other agricultural land through the cooperative efforts of multiple producers in a geographical area;

“(6) to address a specific resource of concern or set of concerns on private,

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non-industrial forest land;

“(7) to reduce losses of pesticides to the environment by engaging multiple producers in a geographic area in adoption of integrated pest management practices and approaches;

“(8) to protect farmland and ranch land facing development pressures from being converted to non-agricultural use; or

“(9) to assist producers in carrying out good management practices to enhance food safety.

“(g) **DUTIES OF PARTNERS.**—Eligible partners shall—

“(1) identify conservation issues affecting production agriculture on local, regional, or State levels that could be addressed through special projects and initiatives;

“(2) enter into agreements or obtain grants from the Secretary to carry out special projects and initiatives;

“(3) identify through outreach efforts producers that can participate in the special project or initiative of the eligible entity if the producer is otherwise eligible to be enrolled, as determined by the Secretary, or has already enrolled, in the applicable program described in subsection (b); and

“(4) carry out the special project and initiative.

“(5) **SPECIAL PROJECT APPLICATION-** To apply for designation as a special project, partners shall submit an application to the Secretary that includes--

“(A) a description of the geographic area, the current conditions, the conservation objectives to be achieved through the special project, and the expected level of participation by agricultural and nonindustrial private forest landowners;

“(B) a description of the partners collaborating to achieve the project objectives and the roles, responsibilities, and capabilities of the partners;

“(C) a description of the program resources from 1 or more programs under subtitle D that are requested from the Secretary, in relevant units, and the non-Federal resources that will be leveraged by the Federal contribution;

“(D) a description of the plan for monitoring, evaluating, and reporting on any progress made towards achieving the purposes of the special project; and

“(E) such other information as described in guidelines established by the Secretary under paragraph (2).

From(f)6:

“(C) **TECHNICAL AND FINANCIAL ASSISTANCE-** The Secretary and partners shall provide appropriate technical and financial assistance to producers participating in a special project in an amount determined by the Secretary to be necessary to achieve the purposes described in paragraph (3).

“(D) **ADMINISTRATION-**

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**“(h) DUTIES OF THE SECRETARY.—**

**“(1) ADDITIONAL DUTIES.—**In addition to the normal administration of the programs described in subsection (b), the Secretary shall be responsible for basic administrative and oversight functions relating to the special projects and initiatives, including—

“(A) rules and procedures relating to conservation standards and specifications;

“(B) conservation compliance;

“(C) appeals;

“(D) adjusted gross income limitations;

“(E) direct attribution; and

“(F) such other similar functions as the Secretary might designate.

**“(2) FLEXIBILITY.—**The Secretary may adjust eligibility criteria, approved practices, practice standards, innovative conservation practices, and other elements of the programs described in subsection (b) to better reflect unique local circumstances and purposes if the Secretary determines such adjustments would—

“(A) improve environmental enhancement and long-term sustainability of the natural resource base; and

“(B) be consistent with the purposes of the program and the special project and initiative.

**“(3) PREFERENTIAL ENROLLMENT.—**Subject to the limitations under subsection (j), the Secretary shall provide preferential enrollment to producers that are eligible—

“(A) for the applicable program described in subsection (b); and

“(B) to participate in the special project and initiative of an eligible partner.

**“(i) IN GENERAL-** The Secretary shall ensure that resources made available under this subsection are delivered in accordance with applicable program rules relating to basic program functions, including rules governing appeals, payment limitations, and conservation compliance.

**“(ii) FLEXIBILITY-** The Secretary may adjust elements of the programs under this title, as requested by the State Conservationist, to better reflect unique local circumstances and purposes, if the Secretary determines that such adjustments are necessary to achieve the purposes of this subsection.

**“(iii) ADDITIONAL REQUIREMENTS-** The Secretary may establish additional requirements beyond applicable program rules in order to effectively implement this subsection.

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“(i) **COST SHARE.**—The Secretary shall not require more than 25 percent of the cost of a project or initiative supported under a grant or agreement entered into under this section to come from non-Federal sources. However, the Secretary may give higher priority to projects or initiatives offering to cover a higher percentage of the cost of the project or initiative from non-Federal sources.

“(j) **INCENTIVE AND BONUS PAYMENTS.**—

“(1) **AVAILABILITY.**—Applications submitted under subsection (d)(2) may include proposals for special incentive and bonus payments, consistent with the statutory purposes of the programs involved, to producers that—

“(A) restore land, water, or habitat as a community development asset;  
or

“(B) provide public access to enrolled land.

“(2) **CRITERIA.**—The Secretary shall develop and publish criteria for providing special incentive or bonus payments to producers under paragraph (1).

“(k) **FUNDING.**—

“(1) **SET-ASIDE.**—Of the funds provided for each of fiscal years 2008 through 2012 to implement the programs specified in subsection (b), the Secretary shall reserve 10 percent to ensure an adequate source of funds for grants, agreements, financial assistance to producers under this section.

“(2) **ALLOCATION TO STATES.**—The Secretary shall allocate to States 90 percent of the funds reserved under paragraph (1) for a fiscal year to allow State Conservationists, with the advice of State technical committees, to select projects and initiatives for funding under this section at the State level. The Secretary shall develop criteria for this allocation made on a similar basis as to the program priorities under subsection (f).

“(9) **FUNDING-**

“(A) **SET ASIDE-**

“(i) **IN GENERAL-** Of the funds provided for each of fiscal years 2008 through 2012 to carry out the conservation programs in subtitle D (excluding the conservation reserve program, the conservation security program, the conservation stewardship program, and the wetlands reserve program), the Secretary shall reserve 10 percent of the funds allocated to each State for use for activities under this subsection.

“(ii) **CONSERVATION STEWARDSHIP PROGRAM-** Of the acres allocated for the conservation stewardship program for each of fiscal years 2008 through 2012, the Secretary shall reserve 10 percent of acres allocated to each State for use for activities under this subsection.

“(B) **USE OF RESOURCES-** Of the funds reserved and acres allocated to each State under this subsection in each fiscal year, the Secretary shall--

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“(3) **UNUSED FUNDING.**—Any funds reserved for a fiscal year under paragraph (1) that are not obligated by April 1 of that fiscal year may be used to carry out other activities under conservation programs under subtitle D during the remainder of that fiscal year.

“(4) **ADMINISTRATIVE COSTS FUNDING CAP.**—Of the funds made available under this section for a particular project or initiative, not more than 5 percent may be expended by the eligible entity on the administrative costs of the project or initiative.”.

`(i) allocate not less than 75 percent to be used by the State Conservationist to carry out special projects under this subsection (including regional water enhancement projects); and

`(ii) use not more than 25 percent for multistate projects authorized under this subsection.

`(C) **PARTNERS-** Overhead or administrative costs of partners may not be covered by funds provided through this subsection.

`(D) **UNUSED FUNDING-** Any funds made available, and any acres reserved, for a fiscal year under subparagraph (A) that are not obligated or enrolled by April 1 of the fiscal year may be used to carry out other activities under conservation programs under subtitle D during the fiscal year in which the funding becomes available.

## Senate version of Regional Water Enhancement Program: Sec. 2405

### `(7) SPECIAL RULES APPLICABLE TO REGIONAL WATER ENHANCEMENT PROJECTS-

`(A) **DEFINITIONS-** In this paragraph:

`(i) **ELIGIBLE PARTNER-** The term `eligible partner' means--

`(I) an eligible partner identified in paragraph (4); and

`(II) a water or wastewater agency of a State.

`(ii) **ELIGIBLE PROJECT-**

`(I) **IN GENERAL-** The term `eligible project' means a project that is specifically targeted to improve water quality or quantity in an area.

`(II) **INCLUSIONS-** The term `eligible project' includes a project that involves--

`(aa) resource condition assessment and modeling;

`(bb) water quality, water quantity, or water conservation plan development;

`(cc) management system and environmental monitoring and evaluation;

`(dd) cost-share restoration or enhancement;

`(ee) incentive payments for land management practices;

`(ff) easement purchases;

`(gg) conservation contracts with landowners;

`(hh) improved irrigation systems;

`(ii) water banking and other forms of water transactions;

`(jj) groundwater recharge;

`(kk) stormwater capture; and

`(ll) other water-related activities that the Secretary determines will help to achieve the water quality or water quantity benefits identified in the agreement in subparagraph (E).

`(B) REGIONAL WATER ENHANCEMENT PROCEDURES- With respect to proposals for eligible projects by eligible partners, the Secretary shall establish specific procedures (to be known collectively as `regional water enhancement procedures') in accordance with this paragraph.

`(C) MEANS- Regional water enhancement activities in a particular region shall be carried out through a combination of--

`(i) multiyear agreements between the Secretary and eligible partners;

`(ii) other regional water enhancement activities carried out by the Secretary; and

`(iii) regional water enhancement activities carried out by eligible partners through other means.

`(D) MULTIYEAR AGREEMENTS WITH ELIGIBLE PARTNERS-

`(i) SOLICITATION OF PROPOSALS- Not later than 90 days after the date of enactment of this subsection, the Secretary shall invite prospective eligible partners to submit proposals for regional water enhancement projects.

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|  | <p>^(ii) ELEMENTS OF PROPOSALS- To be eligible for consideration for participation in the program, a proposal submitted by an eligible partner shall include--</p> <ul style="list-style-type: none"><li>^(I) identification of the exact geographic area for which the partnership is proposed, which may be based on--</li></ul> <p>^(aa) a watershed (or portion of a watershed);</p> <p>^(bb) an irrigation, water, or drainage district;</p> <p>^(cc) the service area of an irrigation water delivery entity; or</p> <p>^(dd) some other geographic area with characteristics that make the area suitable for landscape-wide program implementation;</p> <ul style="list-style-type: none"><li>^(II) identification of the water quality or water quantity issues that are of concern in the area;</li><li>^(III) a method for determining a baseline assessment of water quality, water quantity, and other related resource conditions in the region;</li><li>^(IV) a detailed description of the proposed water quality or water quantity improvement activities to be undertaken in the area, including an estimated timeline and program resources for every activity; and</li><li>^(V) a description of the performance measures to be used to gauge the effectiveness of the water quality or water quantity improvement activities.</li></ul> <p>^(iii) SELECTION OF PROPOSALS- The Secretary shall award multiyear agreements competitively, with priority given, as determined by the Secretary, to selecting proposals that--</p> <ul style="list-style-type: none"><li>^(I) have the highest likelihood of improving the water quality or quantity issues of concern for the area;</li><li>^(II) involve multiple stakeholders and will ensure the highest level of participation by producers and landowners in the area through performance incentives to encourage adoption of specific practices in specific locations;</li></ul> |
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- `(III) will result in the inclusion of the highest percentage of working agricultural land in the area;
- `(IV) will result in the highest percentage of on-the-ground activities as compared to administrative costs;
- `(V) will provide the greatest contribution to sustaining or enhancing agricultural or silvicultural production in the area; and
- `(VI) include performance measures that will allow post-activity conditions to be satisfactorily measured to gauge overall effectiveness.

### `(iv) IDENTIFICATION OF WATER QUALITY AND WATER QUANTITY PRIORITY AREAS-

- `(I) IN GENERAL- Subject to subclause (II), the Secretary shall identify areas in which protecting or improving water quality or water quantity is a priority.
- `(II) MANDATORY INCLUSIONS- The Secretary shall include in any identification of areas under subclause (I)--

- `(aa) the Chesapeake Bay;
- `(bb) the Upper Mississippi River basin;
- `(cc) the greater Everglades ecosystem;
- `(dd) the Klamath River basin;
- `(ee) the Sacramento/San Joaquin River watershed;
- `(ff) the Mobile River basin;
- `(gg) the Puget Sound;
- `(hh) the Ogallala Aquifer;
- `(ii) the Illinois River watershed (located in the States of Arkansas and Oklahoma);
- `(jj) the Champlain Basin watershed;
- `(kk) the Platte River watershed;

`(ll) the Republican River watershed;

`(mm) the Chattahoochee River watershed; and

`(nn) the Rio Grande watershed.

`(E) AGREEMENTS- Not later than 30 days after the date on which the Secretary awards an agreement under subparagraph (D), the Secretary shall enter into an agreement with the eligible partner that, at a minimum, contains--

`(i) a description of the respective duties and responsibilities of the Secretary and the eligible partner in carrying out the activities in the area; and

`(ii) the criteria that the Secretary will use to evaluate the overall effectiveness of the regional water enhancement activities funded by the multiyear agreement in improving the water quality or quantity conditions of the region relative to the performance measures in the proposal.

`(F) CONTRACTS WITH OTHER PARTIES- An agreement awarded under subparagraph (D) may provide for the use of third-party providers (including other eligible partners) to undertake specific regional water enhancement activities in a region on a contractual basis with the Secretary or the eligible partner.

`(G) CONSULTATION WITH OTHER AGENCIES- With respect to areas in which a Federal or State agency is, or will be, undertaking other water quality or quantity-related activities, the Secretary and the eligible partner may consult with the Federal or State agency in order to--

`(i) coordinate activities;

`(ii) avoid duplication; and

`(iii) ensure that water quality or quantity improvements attributable to the other activities are taken into account in the evaluation of the Secretary under subparagraph (E)(ii).

`(H) RELATIONSHIP TO OTHER PROGRAMS- The Secretary shall ensure that, to the extent that producers and landowners are individually participating in other programs under subtitle D in a region in which a regional water enhancement project is in effect, any improvements to water

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quality or water quantity attributable to the individual participation are included in the evaluation criteria developed under subparagraph (E)(ii).

`(I) CONSISTENCY WITH STATE LAW- Any water quality or water quantity improvement activity undertaken under this paragraph shall be consistent with State water laws.

## SEC. 2404. REGIONAL EQUITY AND FLEXIBILITY.

Section 1241(d) of the Food Security Act of 1985 (16 U.S.C. 3841(d)) is amended by striking “\$12,000,000” and inserting “\$15,000,000”.

## SEC. 2402. REGIONAL EQUITY.

Section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) is amended by striking subsection (d) and inserting the following:

`(d) Regional Equity-

`(1) IN GENERAL- Before April 1 of each fiscal year, the Secretary shall give priority for funding under the conservation programs under subtitle D and the agricultural management assistance program under section 524(b) of the Federal Crop Insurance Act (7 U.S.C. 1524(b)) (excluding the conservation reserve program under subchapter B of chapter 1 and the wetlands reserve program under subchapter C of chapter 1) to approved applications in any State that has not received, for the fiscal year, an aggregate amount of at least \$15,000,000 for those conservation programs.

`(e) Specific Funding Allocations- In determining the specific funding allocations for each State under paragraph (1), the Secretary shall consider the respective demand for each program in each State.

`(f) Allocations Review and Update-

`(1) REVIEW- Not later than January 1, 2012, the Secretary shall conduct a review of conservation program allocation formulas to determine the sufficiency of the formulas in accounting for State-level economic factors, level of agricultural infrastructure, or related factors that affect conservation program costs.

`(2) UPDATE- The Secretary shall improve conservation program allocation formulas as necessary to ensure that the formulas adequately reflect the costs of

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carrying out the conservation programs.'.

## SEC. 2405. ADMINISTRATIVE REQUIREMENTS FOR CONSERVATION PROGRAMS.

(a) **INCENTIVES FOR CERTAIN PRODUCERS.**—Section 1244(a) of the Food Security Act of 1985 (16 U.S.C. 3844(a)) is amended—

(1) in the subsection heading, by striking “**BEGINNING**” and inserting “**INCENTIVES FOR CERTAIN**”;

(2) by inserting “, socially disadvantaged farmers and ranchers, limited resource farmers and ranchers,” after “beginning farmers and ranchers”; and

(3) by striking “and limited resource agricultural producers”.

(b) **SINGLE, SIMPLIFIED APPLICATION PROCESS FOR CONSERVATION PROGRAMS.**—Section 1244 of the Food Security Act of 1985 (16 U.S.C. 3844), as amended by section 2403, is amended by adding at the end the following new subsection:

“(f) **SINGLE, SIMPLIFIED APPLICATION PROCESS.**—

“(1) **ESTABLISHMENT.**—In carrying out any of the conservation programs under this title administered by the Natural Resources Conservation Service, the Secretary shall establish and make available to producers and landowners a single, simplified application process to be used by producers and landowners in initially requesting assistance under such programs. The Secretary shall ensure that—

“(A) conservation program applicants are not required to provide information that duplicates information and resources already available to the Secretary regarding that applicant and for that specific operation; and

“(B) the application process is streamlined to minimize complexity and redundancy.

“(2) **REVIEW OF APPLICATION PROCESS.**—The Secretary shall review the conservation application process and the forms and related mechanisms used to receive assistance requests from producers and landowners. The purpose of the review shall be to determine what information the applicant is actually required to submit during the application process, including—

## SEC. 2405. ADMINISTRATIVE REQUIREMENTS FOR CONSERVATION PROGRAMS.

*See Sec. 2403 ‘Conservation Access’ for incentive payments to encourage participation in conservation programs.’*

(a) Streamlined Application Process- Section 1244 of the Food Security Act of 1985 (16 U.S.C. 3844) is amended--

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following:

“(b) Streamlined Application Process-

“(1) **IN GENERAL-** In carrying out each conservation program under this title, the Secretary shall ensure that the application process used by producers and landowners is streamlined to minimize complexity and eliminate redundancy.

“(2) **REVIEW AND STREAMLINING-**

“(A) **REVIEW-** The Secretary shall carry out a review of the application forms and processes for each conservation program covered by this subsection.

“(B) **STREAMLINING-** On completion of the review the Secretary shall revise application forms and processes, as necessary, to ensure that--

“(i) all required application information is essential for the efficient, effective, and accountable implementation of conservation programs;

“(ii) conservation program applicants are not required to provide information that is readily available to the Secretary through existing

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“(A) identification information for the applicant;

“(B) identification and location information for the land parcel or tract of concern;

“(C) a general statement of the applicant’s resource concern or concerns for the land parcel or tract; and

“(D) the minimum amount of other information the Secretary considers essential for the applicant to provide.

“(3) **REVISION AND STREAMLINING.**—The Secretary shall carry out a revision of the application forms and processes for conservation programs covered in this subsection to enable utilization of information technology as an avenue to incorporate appropriate data and information concerning the conservation needs and solutions appropriate for the land area identified by the applicant. The revision shall seek to streamline the application process to minimize the burden placed on the applicant.

“(4) **CONSERVATION PROGRAM APPLICATION.**—When the needs of an applicant are adequately assessed by the Secretary, directly or through a third-party provider under section 1242, in order to determine the conservation programs under this title that best match the needs of the applicant, with the approval of the applicant, the Secretary may convert the initial application into a specific application for assistance for a specific program. To the maximum extent practical, the specific application for conservation program assistance shall be carried out by the Secretary by requesting only that specific further information from the applicant that is not already available to the Secretary.

“(5) **IMPLEMENTATION AND NOTIFICATION.**—Not later than one year after the date of the enactment of the Farm, Nutrition, and Bioenergy Act of 2007, the Secretary shall complete the requirements of this subsection and shall submit to Congress a written notification of such completion.”.

information systems of the Department of Agriculture;

“(iii) information provided by the applicant is managed and delivered efficiently for use in all stages of the application process, or for multiple applications; and

“(iv) information technology is used effectively to minimize data and information input requirements.

“(3) **IMPLEMENTATION AND NOTIFICATION-** Not later than 1 year after the date of enactment of the Food and Energy Security Act of 2007, the Secretary shall submit to Congress a written notification of completion of the requirements of this subsection.’.

(b) Administration- Section 1244 of the Food Security Act of 1985 (16 U.S.C. 3844) (as amended by subsection (a)) is amended by adding at the end the following:

“(d) Cooperation Regarding Protection- In the case of a landowner who enrolls land in a conservation program authorized under this title that results in a net conservation benefit

for a listed, candidate, or other species, the Secretary shall cooperate at the request of the landowner with the Secretary of the Interior and the Secretary of Commerce, as appropriate, to make available to the landowner safe harbor or similar assurances and protections under sections 7(b)(4) and 10(a), as applicable, of the Endangered Species Act of 1973 (16 U.S.C. 1536(b)(4), 1539(a)).

^(e) Eligibility of Producer Organizations-

^(1) IN GENERAL- In carrying out a conservation program administered by the Secretary, the Secretary shall accept applications from, and shall provide cost-share and incentive payments and other assistance to, producers who elect to apply through an organization that represents producers and of which producers make up a majority of the governing body, if the Secretary determines that--

^(A) the full objective of the proposed activity, practice, or plan cannot be realized without the participation of all or substantially all of the producers in the affected area; and

^(B) the benefits achieved through the proposed activity, practice, or plan are likely to be greater and to be delivered more cost-effectively if provided through a single organization with related conservation expertise and management experience.

^(2) LIMITATION- Any applicable payment limitation shall apply to each participating producer and not to the organization described in paragraph (1).

^(g) Accuracy of Payments- Immediately after the date of enactment of this subsection, the Secretary shall implement policies and procedures to ensure proper payment of farm program benefits to producers participating in conservation easement programs and correct other management deficiencies identified in Report No. 50099-11-SF issued by the Department of Agriculture Office of Inspector General in August 2007.

^(h) Compliance and Performance- For each conservation program under this title, the Secretary shall develop procedures--

^(1) to monitor compliance with program requirements by landowners and eligible entities;

^(2) to measure program performance;

^(3) to demonstrate whether the long-term conservation benefits of the program are being achieved; and

^(4) to coordinate activities described in this subsection with the national

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conservation program authorized under section 5 of the Soil and Water Resources Conservation Act of 1977 (16 U.S.C. 2004).

[Paragraph (i) Direct Attribution of Payments- moved to Sec. 2409, Payment limitation]

(c) Conforming Amendments- Section 1234 of the Food Security Act of 1985 (16 U.S.C. 3834) is amended--

(1) in subsection (d)(3)(B), by striking '(f)(4)' and inserting '(f)(3)'; and

(2) in subsection (f)--

(A) in paragraph (1)--

(i) by striking 'The total' and inserting 'Subject to section 1244(i), the total'; and

(ii) by striking 'a person' and inserting 'an individual';

(B) by striking paragraph (2); and

(C) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

*Sec. 2405 (Sec. 1244(f): Partnerships and Cooperation moved to Sec. 2403)*

## **SEC. 2406. ANNUAL REPORT ON PARTICIPATION BY SPECIALTY CROP PRODUCERS IN CONSERVATION PROGRAMS.**

(a) **REPORT REQUIRED.**—Subtitle F of title XII of the Food Security Act of 1985 is amended by inserting after section 1251 (16 U.S.C. 2005a) the following new section:

### **“SEC. 1252. ANNUAL REPORT ON PARTICIPATION BY SPECIALTY CROP PRODUCERS IN CONSERVATION PROGRAMS.**

“(a) **REPORT REQUIRED.**—The Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report that—

“(1) documents and analyzes the participation by producers of specialty crops in conservation programs under subtitle D, including the conservation security program and the environmental quality incentives program;

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“(2) tracks such participation by crop and livestock type; and

“(3) describes the results of implementing the plan required by subsection (b), as well as any modifications to the plan that the Secretary finds necessary to increase its effectiveness.

“(b) **ACCESS PLAN.**—As part of each report submitted under subsection (a), the Secretary shall set forth a plan to improve the access of producers of specialty crops to, and their participation in, conservation programs under subtitle D. In developing the plan, the Secretary shall consult with organizations representing producers of specialty crops.

“(c) **SPECIALTY CROP DEFINED.**—In this section, the term ‘specialty crop’ has the meaning given such term by section 3(1) of the Specialty Crops Competitiveness Act of 2004 (Public Law 108–465; 7 U.S.C. 1621 note). ”.

(b) **INITIAL REPORT.**—The first report required under section 1252 of the Food Security Act of 1985, as added by subsection (a), shall be submitted not later than 180 days after the date of the enactment of this Act. Subsection (a)(2) of such section shall not apply with respect to the first report.

## **SEC. 2407. PROMOTION OF MARKET-BASED APPROACHES TO CONSERVATION.**

(a) **FINDINGS.**—Congress finds the following:

(1) Many of the conservation and environmental benefits produced on farms, ranches, and private forest lands in the United States do not have an assigned value in the market place or lack a private market altogether.

(2) While private markets for environmental goods and services are emerging, their viability has been hampered by several barriers.

(3) The Federal Government can help overcome these barriers and promote the establishment of markets for agricultural and forestry conservation activities.

(4) Generating substantial private-sector demand for environmental goods and services hinges on the ability to use environmental credits generated by agricultural and forest conservation activities.

(b) **MARKET-BASED APPROACHES.**—Subtitle E of title XII of the Food Security Act of 1985 is amended by inserting after section 1244 (16 U.S.C. 3844) the following new section:

## **SEC. 2406. CONSERVATION PROGRAMS IN ENVIRONMENTAL SERVICES MARKETS.**

Subtitle E of the Food Security Act of 1985 (16 U.S.C. 3841 et seq.) is amended by adding at the end the following:

## **SEC. 1245. CONSERVATION PROGRAMS IN ENVIRONMENTAL SERVICES MARKETS.**

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## “SEC. 1245. MARKET-BASED APPROACHES TO CONSERVATION.

“(a) **IMPLEMENTATION.**—To facilitate the development and effective operation of private sector market-based approaches for environmental goods and services produced by farmers, ranchers, and owners of private forest land, the Secretary may conduct research and analysis, enter into contracts and cooperative agreements, and award grants for the purpose of—

“(1) promoting the development of consistent standards and processes for quantifying environmental benefits, including the creation of performance standards or baselines;

“(2) promoting the establishment of reporting and credit registries, including third-party verification and certification; and

“(3) promoting actions that facilitate the development and functioning of private-sector market-based approaches for environmental goods and services involving agriculture and forestry.

## “(b) **ENVIRONMENTAL SERVICES STANDARDS BOARD.**—

“(1) **ESTABLISHMENT.**—There is to be established an Environmental Services Standards Board to develop consistent performance standards for quantifying environmental services from land management and agricultural activities in order to facilitate the development of credit markets for conservation and land management activities that are agriculture or forest based.

“(2) **CHAIRPERSON.**—The Secretary of Agriculture shall serve as chair of the Environmental Services Standards Board.

“(3) **MEMBERSHIP.**—The Environmental Services Standards Board shall be comprised of the Secretary of Agriculture, the Secretary of the Interior, the Secretary of Energy, the Secretary of Commerce, the Secretary of Transportation, the Administrator of the Environmental Protection Agency, the Commander of the Army Corps of Engineers, and such other representatives as determined by the President.

“(4) **SUBCOMMITTEES.**—The Environmental Services Standards Board may form subcommittees to address specific issues.

“(c) **DISSEMINATION OF PERFORMANCE STANDARDS.**—Federal agencies are authorized to adopt performance standards developed by the Environmental Services Standards Board for quantifying environmental services that establish credits to meet requirements of

## “(a) Framework-

“(1) **IN GENERAL-** The Secretary shall establish a framework to facilitate the participation of farmers, ranchers, and forest landowners in emerging environmental services markets.

“(2) **PROCESS-** In carrying out paragraph (1), the Secretary shall use a collaborative process that includes representatives of--

“(A) farm, ranch, and forestry interests;

“(B) financial institutions involved in environmental services trading;

“(C) institutions of higher education with relevant expertise or experience;

“(D) nongovernmental organizations with relevant expertise or experience;

“(E) government agencies of relevant jurisdiction, including--

“(i) the Department of Commerce;

“(ii) the Department of Energy;

“(iii) the Department of the Interior;

“(iv) the Department of Transportation;

“(v) the Environmental Protection Agency; and

“(vi) the Corps of Engineers; and

“(F) other appropriate interests, as determined by the Secretary.

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environmental and conservation programs.

“(d) **FUNDING** .—There is authorized to be appropriated \$50,000,000 to carry out this section. Amounts so appropriated shall remain available until expended.

“(e) **DEFINITIONS**.—In this section:

“(1) **BASELINE**.—The term ‘baseline’ means a level of effort or performance that is expected to be met before an entity can generate marketable credits.

“(2) **PERFORMANCE STANDARD**.—The term ‘performance standard’ means a defined level of environmental performance, expressed as a narrative or measurable number, which specifies the minimum acceptable environmental performance of an operation or practice.”.

`(d) Funding- There are authorized to be appropriated to the Secretary to carry out this section such sums as are necessary for each of fiscal years 2008 through 2012.’.

`(3) **REQUIREMENTS**-

`(A) **DEFINITION OF STANDARD**- In this paragraph, the term ‘standard’ means a technical guideline that outlines accepted, science-based methods to quantify the environmental services benefits from agricultural and forest conservation and land management practices, as determined by the Secretary.

`(B) **FRAMEWORK REQUIREMENTS**- In establishing the framework under paragraph (1), the Secretary shall--

`(i) establish uniform standards;

`(ii) design accounting procedures to quantify environmental services benefits that would assist farmers, ranchers, and forest landowners in using the uniform standards to establish certifications, as defined in emerging environmental services markets;

`(iii) establish--

`(I) a protocol to report environmental services benefits; and

`(II) a registry to report and maintain the benefits for future use in emerging environmental services markets; and

`(iv) establish a process to verify that a farmer, rancher, or forest landowner that reports and maintains an environmental services

benefit in the registry described in clause (iii)(II) has implemented the reported conservation or land management activity.

`(C) THIRD-PARTY SERVICE PROVIDERS- In developing the process described in subparagraph (B)(iv), the Secretary shall consider the role of third-party service providers.

`(4) COORDINATION- The Secretary shall coordinate and leverage activities in existence on the date of enactment of this section in agriculture and forestry relating to emerging environmental services markets.

`(5) PRIORITY- In establishing the framework under this subsection, the Secretary shall give priority to providing assistance to farmers, ranchers, and forest landowners participating in carbon markets.

`(b) Authority To Delegate- The Secretary may delegate any responsibility under this section to a relevant agency or office, as determined by the Secretary.

`(c) Reports to Congress-

`(1) STATUS OF COLLABORATIVE PROCESS- Not later than 90 days after the date of enactment of this section, the Secretary shall provide to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate information on the status of the collaborative process under subsection (a)(2).

`(2) INTERIM REPORT- Not later than 180 days after the date of enactment of this section, the Secretary shall submit to the committees of Congress described in paragraph (1) an interim report that--

`(A) describes the adequacy of existing research and methods to quantify environmental services benefits;

`(B) proposes methods--

`(i) to establish technical guidelines, accounting procedures, and reporting protocols; and

`(ii) to structure the registry; and

`(C) includes recommendations for actions to remove barriers for farmers, ranchers, and forest landowners to participation, reporting, registration, and verification relating to environmental services markets.

`(3) FINAL REPORT- Not later than 18 months after the date of enactment of this

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section, the Secretary shall submit to the committees of Congress described in paragraph (1) a report that describes--

`(A) the progress of the Secretary in meeting the requirements described in subsection (a)(3)(B);

`(B) the rates of participation of farmers, ranchers, and forest landowners in emerging environmental services markets; and

`(C) any recommendations of the Secretary relating to reauthorization of this section.

## SEC. 2408. ESTABLISHMENT OF STATE TECHNICAL COMMITTEES AND THEIR RESPONSIBILITIES.

Subtitle G of title XII of the Farm Security Act of 1985 (16 U.S.C. 3861, 3862) is amended to read as follows:

### “subtitle G—State Technical Committees

#### “SEC. 1261. ESTABLISHMENT OF STATE TECHNICAL COMMITTEES.

“(a) **ESTABLISHMENT.**—The Secretary shall establish a technical committee in each State to assist the Secretary in the considerations relating to implementation and technical aspects of the conservation programs under this title.

“(b) **COMPOSITION.**—Each State technical committee shall be composed of agricultural producers and other professionals that represent a variety of disciplines in the soil, water, wetland, and wildlife sciences. The technical committee for a State shall include representatives from among the following:

“(1) The Natural Resources Conservation Service.

“(2) The Farm Service Agency.

“(3) The Forest Service.

“(4) The Cooperative State Research, Education, and Extension Service.

“(5) The State fish and wildlife agency.

“(6) The State forester or equivalent State official.

“(7) The State water resources agency.

### Subtitle F--State Technical Committees

#### SEC. 2501. STATE TECHNICAL COMMITTEES.

(a) Standards- Section 1261 of the Food Security Act of 1985 (16 U.S.C. 3861(c)) is amended by striking subsection (b) and inserting the following:

`(b) Standards- Not later than 180 days after the date of enactment of the Food and Energy Security Act of 2007, the Secretary shall develop--

`(1) standard operating procedures to standardize the operations of State technical committees; and

`(2) standards to be used by the State technical committees in the development of technical guidelines under section 1262(b) for the implementation of the conservation provisions of this title.'.

(b) Composition- Section 1261(c) of the Food Security Act of 1985 (16 U.S.C. 3861(c)) is amended--

(1) by striking paragraphs (1) and (2) and inserting the following:

`(1) the Natural Resources Conservation Service;

`(2) the Farm Service Agency;';

(2) by striking paragraph (5) and inserting the following:

`(5) Rural Development agencies;';

(3) in paragraph (11), by striking `and' at the end;

(4) in paragraph (12), by striking the period at the end and inserting `; and'; and

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“(8) The State department of agriculture.

“(9) The State association of soil and water conservation districts.

“(10) At least 12 agricultural producers representing the variety of crops and livestock or poultry grown within the State.

“(11) Nonprofit organizations within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986 with demonstrable conservation expertise and experience working with agriculture producers in the State.

“(12) Agribusiness.

“(c) **SUBCOMMITTEES.**—A State technical committee shall convene one or more subcommittees to provide technical guidance and implementation recommendations. The topics that a subcommittee shall address shall include, at a minimum, the following:

“(1) Establishing priorities and criteria for State initiatives under the programs in this title, including the review of whether local working groups are addressing those priorities.

“(2) Issues related to private forestlands protection and enhancement.

“(3) Issues related to water quality and water quantity.

“(4) In those States where applicable, issues related to air quality.

“(5) Issues related to wildlife habitat, including the protection of nesting wildlife.

“(6) Issues related to wetland protection, restoration, and mitigation requirements.

“(7) Other issues as the Secretary determines would be useful.

### “**SEC. 1262. RESPONSIBILITIES.**

“(a) **IN GENERAL.**—Each State technical committee established under section 1261 shall meet regularly to provide information, analysis, and recommendations to appropriate officials of the Department of Agriculture who are charged with implementing the conservation provisions of this title.

“(b) **PUBLIC NOTICE AND ATTENDANCE.**—Each State technical committee shall provide public notice of, and permit public attendance at, meetings considering issues of concern related to carrying out this title.

(5) by adding at the end the following:

“(13) nonindustrial private forest land owners.’.

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“(c) **ADVISORY ROLE.**—The role of a State technical committee is advisory in nature, and the committee shall have no implementation or enforcement authority. However, the Secretary shall give strong consideration to the recommendations of the committee in administering the programs under this title.

“(d) **FACA REQUIREMENTS.**—Except as provided in subsection (b), a State technical committee, including any subcommittee of State technical committee, is exempt from the Federal Advisory Committee Act (5 U.S.C. App.).”.

(c) FACA Requirements- Section 1262(e) of the Food Security Act of 1985 (16 U.S.C. 3862(e)) is amended--

(1) by striking `The committees' and inserting the following:

`(1) IN GENERAL- The committees'; and

(2) by adding at the end the following:

`(2) LOCAL WORKING GROUPS- For purposes of the Federal Advisory Committee Act (5 U.S.C. App.), any local working group established under this subtitle shall be considered to be a subcommittee of the applicable State technical committee.'.

### SEC. 2409. PAYMENT LIMITATIONS.

(a) **IN GENERAL.**—The Food Security Act of 1985 is amended by inserting after section 1245, as added by section 2407, the following new section:

#### “SEC. 1246. PAYMENT LIMITATIONS.

“(a) **PAYMENTS FOR CONSERVATION PRACTICES.**—The total amount of payments that a person or a legal entity (except a joint venture or a general partnership) may receive, directly or indirectly, in any fiscal year shall not exceed—

“(1) \$60,000 from any single program under this title or as agricultural management assistance under section 524(b) of the Federal Crop Insurance Act (7 U.S.C. 524(b)); or

“(2) \$125,000 from more than one program under this title and as agricultural management assistance under section 524(b) of the Federal Crop Insurance Act.

“(b) **EXCEPTIONS.**—The limitations under subsection (a) shall not apply with respect to the following:

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

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subtitle D.

“(2) The farm and rangeland protection program under subchapter B of chapter 2 of such subtitle.

“(3) The grassland reserve program under subchapter C of chapter 2 of such subtitle.

“(c) **DIRECT ATTRIBUTION.**—

“(1) **IN GENERAL.**—In implementing the payment limitations in subsection (a), the Secretary shall issue such regulations as are necessary to ensure that the total amount of payments are attributed to a person by taking into account the direct and indirect ownership interests of the person in a legal entity that is eligible to receive such payments.

“(2) **PAYMENTS TO A PERSON.**—Every payment made directly to a person shall be combined with the person’s pro rata interest in payments received by a legal entity in which the person has a direct or indirect ownership interest.

“(3) **PAYMENTS TO A LEGAL ENTITY.**—

“(A) **IN GENERAL.**—Every payment made to a legal entity shall be attributed to those persons who have a direct or indirect ownership interest in the legal entity.

“(B) **ATTRIBUTION OF PAYMENTS.**—

“(i) **PAYMENT LIMITS.**—Except as provided in clause (ii), payments made to a legal entity shall not exceed the amounts specified in subsection (a).

“(ii) **EXCEPTION.**—Payments made to a joint venture or a general partnership shall not exceed, for each payment specified in subsection (a), the amount determined by multiplying the maximum payment amount specified in subsection (a) by the number of persons and legal entities (other than joint ventures and general partnerships) that comprise the ownership of the joint venture or general partnership.”.

**SEC. 2405. ADMINISTRATIVE REQUIREMENTS FOR CONSERVATION PROGRAMS.**

“(i) Direct Attribution of Payments- In implementing payment limitations for any program under this title, the Secretary shall issue such regulations as are necessary to ensure that the total amount of payments are attributed to an individual by taking into account the direct and indirect ownership interests of the individual in an entity that is eligible to receive the payments.’.

**SEC. 2357. LIMITATION ON PAYMENTS.**

Section 1240G of the Food Security Act of 1985 (16 U.S.C. 3839aa-7) is amended--

(1) by striking ‘An individual’ and inserting ‘(a) In General- Subject to section 1244(i), an individual’; and

(2) by adding at the end the following:

“(b) Producer Organizations- In the case of an entity described in section 1244(e), the limitation established under this section shall apply to each participating producer and not to the entity described in section 1244(e).’.

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| <p>(b) <b>CONFORMING AMENDMENTS.</b>—</p> <p>(1) <b>EXISTING PAYMENT LIMITATIONS IN CONSERVATION PROGRAMS.</b>—Title XII of the Food Security Act of 1985 is amended—</p> <p>(A) in section 1234 (16 U.S.C. 3834) by striking subsection (f);</p> <p>(B) in section 1238C (16 U.S.C. 3838c), as amended by section 2103, by striking subsections (d) and (e); and</p> <p>(C) by striking section 1240G (16 U.S.C. 3839aa–7).</p> <p>(2) <b>AGRICULTURAL MANAGEMENT ASSISTANCE.</b>—Section 524(b) of the Federal Crop Insurance Act (7 U.S.C. 524) is amended by striking paragraph (3).</p> <p>See Sec. 2103. Conservation Security Program (<i>Sec. 1238C(d)</i>) for CSP payment limitations</p> | <p>See Sec 2341 (<i>amends FSA to add Sec. 1240X (f)</i>) for CSP payment limitations</p>                  |
| <p><b>Subtitle E—Miscellaneous Provisions</b></p>   |  |
| <p><b>SEC. 2501. INCLUSION OF INCOME FROM AFFILIATED PACKING AND HANDLING OPERATIONS AS INCOME DERIVED FROM FARMING FOR APPLICATION OF ADJUSTED GROSS INCOME LIMITATION ON ELIGIBILITY FOR CONSERVATION PROGRAMS.</b></p> <p>Section 1001D(b)(1) of the Food Security Act of 1985 (7 U.S.C. 1308–3a(b)(1)) is amended by inserting “(including, for purposes of paragraph (2)(C), affiliated packing and handling operations)” after “derived from farming”.</p>  | <p><b>Sec. 1704, Title I: Extends current \$2.5 million AGI limitation to 2012 (Sec. 1001D(e) FSA)</b></p> |
| <p><b>SEC. 2502. ENCOURAGEMENT OF VOLUNTARY SUSTAINABILITY PRACTICES GUIDELINES.</b></p> <p>In administering this title and the amendments made by this title, the Secretary of Agriculture may encourage the development of voluntary sustainable practices guidelines for producers and processors of specialty crops.</p>  |  |
| <p><b>SEC. 2503. FARMLAND RESOURCE INFORMATION.</b></p> <p>(a) <b>DEVELOPMENT AND DISSEMINATION OF FARMLAND RESOURCE</b></p>  |  |

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**INFORMATION.**—The Secretary of Agriculture shall design and implement educational programs and materials emphasizing the importance of productive farmland to the Nation’s well-being and distribute educational materials through communications media, schools, groups, and other Federal agencies. The Secretary shall carry out this subsection through existing agencies or interagency groups and in cooperation with nonprofit organizations and the cooperative extension services of States.

(b) **FARMLAND INFORMATION CENTERS.**—The Secretary shall designate 1 or more farmland information centers to provide technical assistance and serve as central depositories and distribution points for information on farmland issues. Information provided by a center shall include online access to data on land cover and use changes and trends and literature, laws, historical archives, policies, programs, and innovative actions or proposals by local and State governments or nonprofit organizations related to farmland protection.

(c) **FUNDING.**—Funds for the farmland information centers designated under subsection (b) shall be provided using funds made available for the farm and ranchland protection program established under subchapter B of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3838h et seq.). Such funding for a fiscal year shall not exceed one-half of 1 percent of the funds made available for the farm and ranchland protection program for that fiscal year, but no less than \$400,000 annually.

(d) **MATCHING FUNDS.**—Federal funding for a farmland information center designated under subsection (b) shall be matched with non-Federal funds, through cash or in-kind contributions.

## SEC. 2504. PILOT PROGRAM FOR FOUR-YEAR CROP ROTATION FOR PEANUTS.

(a) **CONTRACT AUTHORITY.**—The Secretary of Agriculture shall enter into a contract with a peanut producer under which the producer will implement a four-year crop rotation for peanuts.

(b) **CONTRACT PAYMENTS.**—Under the contract, the Secretary shall pay to the producer a contract implementation payment, in an amount determined to be appropriate by the Secretary.

(c) **FUNDING.**—For each of fiscal years 2008 through 2012, the Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out the provisions under this section, except that funding of the pilot program may not exceed \$10,000,000 in each of such fiscal years.

*From CSP, Sec. 2341 (amends FSA to add Sec. 1240X(e))*

“(e) CSP Supplemental Payments-

“(1) **IN GENERAL-** The Secretary shall provide additional payments to producers that, in participating in the conservation stewardship program, agree to adopt resource-conserving crop rotations to achieve optimal crop rotations as appropriate for the land of the producers.

“(2) **OPTIMAL CROP ROTATIONS-** The Secretary shall determine whether a resource-conserving crop rotation is an optimal crop rotation eligible for additional payments under paragraph (1), based on whether the resource-conserving crop rotation is designed to optimize natural resource conservation and production benefits, including--

“(A) increased efficiencies in pesticide, fertilizer, and energy use; and

`(B) improved disease management.

`(3) ELIGIBILITY- To be eligible to receive a payment described in paragraph (1), a producer shall agree to adopt and maintain optimal resource-conserving crop rotations for the term of the contract.

`(4) RATE- The Secretary shall provide payments under this subsection at a rate that encourages producers to adopt optimal resource-conserving crop rotations.

**SEC. 2602. AGRICULTURE CONSERVATION EXPERIENCED SERVICES PROGRAM.**

The Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6901 et seq.) is amended by adding at the end the following:

**`SEC. 307. AGRICULTURE CONSERVATION EXPERIENCED SERVICES PROGRAM.**

`(a) Establishment-

`(1) IN GENERAL- Notwithstanding any other provision of law relating to Federal grants, cooperative agreements, or contracts, there is established in the Department the agriculture conservation experienced services program (referred to in this section as the `ACE program').

`(2) AUTHORIZATION- Under the ACE program, the Secretary may offer to enter into agreements with nonprofit private agencies and organizations eligible to receive grants for the applicable fiscal year under title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.) to use the talents of individuals who are age 55 or older, to provide conservation technical assistance in support of the administration of conservation-related programs and authorities administered by the Secretary.

`(3) FUNDING- Agreements described in paragraph (2) may be carried out using funds made available to carry out--

`(A) the environmental quality incentives program of the comprehensive stewardship incentives program established under subchapter A of chapter 6 of subtitle D of title XII of the Food Security Act of 1985;

`(B) the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590a et seq.); or

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`(C) title V of the Older Americans Act of 1965 (42 U.S.C. 3056).

`(b) Determination- Prior to entering into an agreement described in subsection (a)(2), the Secretary shall determine that the agreement would not--

`(1) result in the displacement of individuals employed by the Department, including partial displacement through reduction of nonovertime hours, wages, or employment benefits;

`(2) result in the use of an individual covered by this section for a job or function in a case in which a Federal employee is in a layoff status from the same or a substantially-equivalent job or function with the Department; or

`(3) affect existing contracts for services.

`(c) Technical Assistance- The Secretary may make available to individuals providing technical assistance under an agreement authorized by this section appropriate conservation technical tools, including the use of agency vehicles necessary to carry out technical assistance in support of the conservation-related programs affected by the ACE program.'.

**SEC. 2603. TECHNICAL ASSISTANCE.**

(a) Soil Conservation and Domestic Allotment Act-

(1) PREVENTION OF SOIL EROSION-

(A) IN GENERAL- The first section of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590a) is amended--

(i) by striking `That it' and inserting the following:

**SECTION 1. PURPOSE.**

`It'; and

(ii) in the matter preceding paragraph (1), by striking `and thereby to preserve natural resources,' and inserting `to preserve soil, water, and related resources, promote soil and water quality,'.

(B) POLICIES AND PURPOSES- Section 7(a)(1) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g(a)(1)) is amended by striking `fertility' and inserting `and water quality and related resources'.

(2) DEFINITIONS- Section 10 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590j) is amended to read as follows:

**SEC. 10. DEFINITIONS.**

`In this Act:

(1) AGRICULTURAL COMMODITY- The term `agricultural commodity' means--

(A) an agricultural commodity; and

(B) any regional or market classification, type, or grade of an agricultural commodity.

(2) TECHNICAL ASSISTANCE-

(A) IN GENERAL- The term `technical assistance' means technical expertise, information, and tools necessary for the conservation of natural resources on land active in agricultural, forestry, or related uses.

(B) INCLUSIONS- The term `technical assistance' includes--

`(i) technical services provided directly to farmers, ranchers, and other eligible entities, such as conservation planning, technical consultation, and assistance with design and implementation of conservation practices; and

`(ii) technical infrastructure, including activities, processes, tools, and agency functions needed to support delivery of technical services, such as technical standards, resource inventories, training, data, technology, monitoring, and effects analyses.'

(b) Soil and Water Resources Conservation Act of 1977-

(1) CONGRESSIONAL FINDINGS- Section 2 of the Soil and Water Resources Conservation Act of 1977 (16 U.S.C. 2001) is amended--

(A) in paragraph (2), by striking `base, of the' and inserting `base of the'; and

(B) in paragraph (3), by striking `(3)' and all that follows through `Since individual' and inserting the following:

`(3) Appraisal and inventory of resources, assessment and inventory of conservation needs, evaluation of the effects of conservation practices, and analyses of alternative conservation programs are basic to effective soil, water, and related natural resource conservation.

`(4) Since individual'.

(2) CONTINUING APPRAISAL OF SOIL, WATER, AND RELATED RESOURCES- Section 5 of the Soil and Water Resources Conservation Act of 1977 (16 U.S.C. 2004) is amended--

(A) in subsection (a)--

(i) in paragraph (5), by striking `and' at the end;

(ii) in paragraph (6), by striking the period at the end and inserting `; and'; and

(iii) by adding at the end the following:

`(7) data on conservation plans, conservation practices planned or implemented, environmental outcomes, economic costs, and related matters under conservation programs administered by the Secretary.';

(B) by redesignating subsection (d) as subsection (e);

(C) by inserting after subsection (c) the following:

`(d) Evaluation of Appraisal- In conducting the appraisal described in subsection (a), the Secretary shall concurrently solicit and evaluate recommendations for improving the appraisal, including the content, scope, process, participation in, and other elements of the appraisal, as determined by the Secretary.'; and

(D) in subsection (e) (as redesignated by subparagraph (B)), by striking `December 31, 1979' and all that follows through `December 31, 2005' and inserting `December 31, 2010, December 31, 2015, December 31, 2020, and December 31, 2025'.

(3) SOIL AND WATER CONSERVATION PROGRAM- Section 6 of the Soil and Water Resources Conservation Act of 1977 (16 U.S.C. 2005) is amended--

(A) by redesignating subsection (b) as subsection (d);

(B) by inserting after subsection (a) the following:

`(b) Evaluation of Existing Conservation Programs- In evaluating existing conservation programs, the Secretary shall emphasize demonstration, innovation, and monitoring of specific program components in order to encourage further development and adoption of practices and performance-based standards.

`(c) Improvement to Program- In developing a national soil and water conservation program under subsection (a), the Secretary shall solicit and evaluate recommendations for improving the program, including the content, scope, process, participation in, and other elements of the program, as determined by the Secretary.'; and

(C) in subsection (d) (as redesignated by subparagraph (A)), by striking `December 31, 1979' and all that follows through `December 31, 2007' and inserting `December 31, 2011, December 31, 2016, December 31, 2021, and December 31, 2026'.

(4) REPORTS TO CONGRESS- Section 7 of the Soil and Water Resources Conservation Act of 1977 (16 U.S.C. 2006) is amended to read as follows:

**`SEC. 7. REPORTS TO CONGRESS.**

`(a) Appraisal- Not later than the date on which Congress convenes in 2011, 2016, 2021, and 2026, the President shall transmit to the Speaker of the House of Representatives and the President of the Senate the appraisal developed under section 5 and completed prior

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to the end of the previous year.

`(b) Program and Statement of Policy- Not later than the date on which Congress convenes in 2012, 2017, 2022, and 2027, the President shall transmit to the Speaker of the House of Representatives and the President of the Senate--

`(1) the initial program or updated program developed under section 6 and completed prior to the end of the previous year;

`(2) a detailed statement of policy regarding soil and water conservation activities of the Department of Agriculture; and

`(3) a special evaluation of the status, conditions, and trends of soil quality on cropland in the United States that addresses the challenges and opportunities for reducing soil erosion to tolerance levels.

`(c) Improvements to Appraisal and Program- Not later than the date on which Congress convenes in 2012, the Secretary shall submit to the Speaker of the House of Representatives and the President of the Senate a report describing the plans of the Department of Agriculture for improving the resource appraisal and national conservation program required under this Act, based on the recommendations received under sections 5(d) and 6(c).'

(5) TERMINATION OF PROGRAM- Section 10 of the Soil and Water Resources Conservation Act of 1977 (16 U.S.C. 2009) is amended by striking `2008' and inserting `2028'.

**SEC. 2606. NATIONAL NATURAL RESOURCES CONSERVATION FOUNDATION.**

(a) Advisory Functions- Section 353 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 5802) is amended--

(1) in subsection (b)(3), by striking `agencies' and inserting `agencies, individuals,'; and

(2) by adding at the end the following:

`(d) Advisory Functions- Notwithstanding the requirements of the Federal Advisory Committee Act (5 U.S.C. App.), the Foundation may provide advice and recommendations to the Secretary.'

(b) Gifts, Devises, and Bequests of Personal Property- Section 354 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 5803) is amended by adding at the end the following:

`(h) Gifts, Devises, and Bequests of Personal Property-

`(1) IN GENERAL- Prior to the appointment and initial meeting of the members of the Board and after the initial meeting of the Board, the Secretary may, on behalf of the Foundation--

`(A) accept, receive, and hold nonmonetary gifts, devises, or bequests of personal property; and

`(B) accept and receive monetary gifts, devises, or bequests.

`(2) HELD IN TRUST- Gifts, devises, or bequests of monetary and nonmonetary personal property shall--

`(A) be held in trust for the Foundation; and

`(B) shall not be--

`(i) considered gifts to the United States; or

`(ii) used for the benefit of the United States.

`(3) TREASURY ACCOUNT- The Secretary shall deposit monetary gifts, devises, and bequests to the Foundation in a special interest-bearing account in the Treasury of the United States.

`(4) INITIAL GIFTS, DEVISES, AND BEQUESTS-

`(A) IN GENERAL- The Secretary may use initial gifts, devises, or bequests received prior to the first meeting of the Board for any necessary expenses and activities related to the first meeting of the Board.

`(B) TRANSFER- Except with respect to any amounts expended under subparagraph (A), the Secretary shall, at the first meeting of the Board, transfer to the Foundation all gifts, devises, or bequests received prior to the first meeting of the Board.'

(c) Officers and Employees- Section 355(b)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 5804(b)(1)) is amended--

(1) by striking `Foundation--' and all that follows through `shall not,' in subparagraph (A) and inserting `Foundation shall not';

(2) by striking `employee; and' and inserting `employee.'; and

(3) by striking subparagraph (B).

(d) Contracts and Agreements- Section 356 of the Federal Agriculture Improvement Reform Act of 1996 (16 U.S.C. 5805) is amended--

(1) in subsection (c)(7), by striking `State or local' and inserting `Federal, State, or local'; and

(2) in subsection (d)(2)--

(A) by striking `A gift' and inserting the following:

`(A) IN GENERAL- A gift'; and

(B) by adding at the end the following:

`(B) TAX STATUS- A gift, devise, or bequest to the Foundation shall be treated as a gift, devise, or bequest to an organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986.'

(e) Administrative Services and Support- Section 356 of the Federal Agriculture Improvement Reform Act of 1996 (16 U.S.C. 5806) is amended by striking `1996 through 1998' and inserting `2008 through 2012.'

**SEC. 2607. DESERT TERMINAL LAKES.**

Section 2507 of the Farm Security and Rural Investment Act of 2002 (43 U.S.C. 2211 note; Public Law 107-171) is amended--

(1) in subsection (a), by striking ` , as soon as practicable after the date of enactment of this Act,' and inserting the following: `and paragraph (1) of section 207(a) of Public Law 108-7 (117 Stat. 146), notwithstanding paragraph (3) of that section, on the date of enactment of the Food and Energy Security Act of 2007,'; and

(2) by striking subsection (b) and inserting the following:

`(b) Permitted Uses- In any case in which there are willing sellers, the funds described in subsection (a) may be used--

`(1) to lease water; or

`(2) to purchase land, water appurtenant to the land, and related interests in the Walker River Basin in accordance with section 208(a)(1)(A) of the Energy and Water Development Appropriations Act, 2006 (Public Law 109-103, 119 Stat. 2268).'

**SEC. 2607A. DESERT TERMINAL LAKES.**

Section 2507 of the Farm Security and Rural Investment Act of 2002 (43 U.S.C. 2211 note; Public Law 107-171) is amended--

(1) in subsection (a), by striking ` , as soon as practicable after the date of enactment of this Act,' and inserting the following: `and paragraph (1) of section 207(a) of Public Law 108-7 (117 Stat. 146), notwithstanding paragraph (3) of that section, on the date of enactment of the Food and Energy Security Act of 2007,'; and

(2) by striking subsection (b) and inserting the following:

`(b) Permitted Uses- In any case in which there are willing sellers, the funds described in subsection (a) may be used--

`(1) to lease water; or

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|  |  |
|--|--|
|  | <p>`(2) to purchase land, water appurtenant to the land, and related interests in the Walker River Basin in accordance with section 208(a)(1)(A) of the Energy and Water Development Appropriations Act, 2006 (Public Law 109-103, 119 Stat. 2268).'</p> |
|--|--|

**SEC. 2609. HIGH PLAINS WATER STUDY.**

Notwithstanding any other provision of this Act, no person shall become ineligible for any program benefits under this Act or an amendment made by this Act solely as a result of participating in a 1-time study of recharge potential for the Ogallala Aquifer in the High Plains of the State of Texas.

**SEC. 2610. PAYMENT OF EXPENSES.**

Section 17(d) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136o(d)) is amended--

(1) by striking 'The Administrator' and inserting the following:

'(1) IN GENERAL- The Administrator'; and

(2) by adding at the end the following:

'(2) DEPARTMENT OF STATE EXPENSES- Any expenses incurred by an employee of the Environmental Protection Agency who participates in any international technical, economic, or policy review board, committee, or other official body that is meeting in relation to an international treaty shall be paid by the Department of State.'

**SEC. 2611. USE OF FUNDS IN BASIN FUNDS FOR SALINITY CONTROL ACTIVITIES UPSTREAM OF IMPERIAL DAM.**

(a) In General- Section 202(a) of the Colorado River Basin Salinity Control Act (43 U.S.C. 1592(a)) is amended by adding at the end the following:

'(7) BASIN STATES PROGRAM-

'(A) IN GENERAL- A Basin States Program that the Secretary, acting through the Bureau of Reclamation, shall implement to carry out salinity control activities in the Colorado River Basin using funds made available under section 205(f).

'(B) ASSISTANCE- The Secretary, in consultation with the Colorado River Basin Salinity Control Advisory Council, shall carry out this paragraph using funds described in subparagraph (A) directly or by providing grants, grant commitments, or advance funds to Federal or non-Federal entities

under such terms and conditions as the Secretary may require.

`(C) ACTIVITIES- Funds described in subparagraph (A) shall be used to carry out, as determined by the Secretary--

`(i) cost-effective measures and associated works to reduce salinity from saline springs, leaking wells, irrigation sources, industrial sources, erosion of public and private land, or other sources;

`(ii) operation and maintenance of salinity control features constructed under the Colorado River Basin salinity control program; and

`(iii) studies, planning, and administration of salinity control activities.

`(D) REPORT-

`(i) IN GENERAL- Not later than 30 days before implementing the program established under this paragraph, the Secretary shall submit to the appropriate committees of Congress a planning report that describes the proposed implementation of the program.

`(ii) IMPLEMENTATION- The Secretary may not expend funds to implement the program established under this paragraph before the expiration of the 30-day period beginning on the date on which the Secretary submits the report, or any revision to the report, under clause (i).'

(b) Conforming Amendments-

(1) Section 202 of the Colorado River Basin Salinity Control Act (43 U.S.C. 1592) is amended--

(A) in subsection (a), in the matter preceding paragraph (1), by striking `program' and inserting `programs'; and

(B) in subsection (b)(4)--

(i) by striking `program' and inserting `programs'; and

(ii) by striking `and (6)' and inserting `(6), and (7)'.

(2) Section 205 of the Colorado River Basin Salinity Control Act (43 U.S.C. 1595) is amended by striking subsection (f) and inserting the following:

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^(f) Upfront Cost Share-

^(1) IN GENERAL- Effective beginning on the date of enactment of this paragraph, subject to paragraph (3), the cost share obligations required by this section shall be met through an upfront cost share from the Basin Funds, in the same proportions as the cost allocations required under subsection (a), as provided in paragraph (2).

^(2) BASIN STATES PROGRAM- The Secretary shall expend the required cost share funds described in paragraph (1) through the Basin States Program for salinity control activities established under section 202(a)(7).

^(3) EXISTING SALINITY CONTROL ACTIVITIES- The cost share contribution required by this section shall continue to be met through repayment in a manner consistent with this section for all salinity control activities for which repayment was commenced prior to the date of enactment of this paragraph.'

**SEC. 2612. TECHNICAL CORRECTIONS TO THE FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT.**

(a) Pesticide Registration Service Fees- Section 33 of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136w-8) is amended--

(1) in subsection (b)(7)--

(A) in subparagraph (D)--

(i) by striking clause (i) and inserting the following:

`(i) IN GENERAL- The Administrator may exempt from, or waive a portion of, the registration service fee for an application for minor uses for a pesticide.'; and

(ii) in clause (ii), by inserting `or exemption' after `waiver'; and

(B) in subparagraph (E)--

(i) in the paragraph heading, by striking `WAIVER' and inserting `EXEMPTION';

(ii) by striking `waive the registration service fee for an application' and inserting `exempt an application from the registration service fee'; and

(iii) in clause (ii), by striking `waiver' and inserting `exemption'; and

(2) in subsection (m)(2), by striking `2008' each place it appears and inserting `2012'.

(b) Effective Date- The amendments made by subsection (a) take effect on October 1, 2007.