
CONFERENCE COMMITTEE PRINT

Title VI – Rural Development

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

HOUSE BILL (H.R. 2419)

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SEC. 6001. DEFINITION OF RURAL.

Not later than 60 days after the date of the enactment of this Act, the Secretary of Agriculture shall prepare and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that—

- (1) assesses the varying definitions of “rural” used by the Department of Agriculture;
- (2) describes the effects those varying definitions have on the programs administered by the Department of Agriculture; and
- (3) makes recommendations for ways to better target funds provided through rural development programs.

SEE T6 -1A. No Comparable Provision

See Sec. 6001 of House bill, above. No comparable provision.

SEC. 6020. DEFINITIONS.

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

`(13) RURAL AND RURAL AREA-

`(A) **IN GENERAL-** Subject to subparagraphs (B) and (C), the terms `rural' and `rural area' mean any area other than—

- `(i) a city or town that has a population of greater than 50,000 inhabitants, except that, for all activities under programs in the rural development mission area within the areas of the County of Honolulu, Hawaii, and the Commonwealth of Puerto Rico, the Secretary may designate any portion of the areas as a rural area or eligible rural community that the Secretary determines is not urban in character, other than any area included in the Honolulu Census Designated Place or the San Juan Census Designated Place;
- `(ii) any urbanized area (as defined by the Bureau of the Census) contiguous and adjacent to a city or town described in clause (i); and
- `(iii) any collection of census blocks contiguous to each other (as defined by the Bureau of the Census) that--
 - `(I) is adjacent to a city or town described in clause (i) or an urbanized area described in clause (ii); and
 - `(II) has a housing density that the Secretary estimates is

greater than 200 housing units per square mile, except that an applicant may appeal the estimate based on actual data for the area.

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

`(C) COMMUNITY FACILITY LOANS AND GRANTS- For the purpose of community facility direct and guaranteed loans and grants under paragraphs (1), (19), (20), (21), and (24) of section 306(a), the terms `rural' and `rural area' mean any area other than—

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

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

`(D) AREAS RURAL IN CHARACTER-

 ` (i) **IN GENERAL-** Notwithstanding any other provision of this paragraph, the Under Secretary for Rural Development may determine (pursuant to a petition by a local community or on the initiative of the Under Secretary) that an area described in clause (ii) or (iii) of subparagraph (A) is a rural area for the purposes of this paragraph, if the Under Secretary finds that the area is rural in character, as determined by the Under Secretary.

 ` (ii) **ADMINISTRATION-** In carrying out clause (i), the Under Secretary for Rural Development--

 ` (I) shall not delegate the authority described in clause (i); but

 ` (II) shall consult with the applicable rural development State or regional director of the Department of Agriculture.

`(E) EXCLUSIONS- Notwithstanding any other provision of this paragraph, in determining which census blocks are not in a rural area (as defined in this paragraph), the Secretary shall exclude any cluster of census

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

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

- (1) assesses the various definitions of the term 'rural' and 'rural area' that are used with respect to programs administered by the Secretary;
- (2) describes the effects that the variations in those definitions have on those programs;
- (3) make recommendations for ways to better target funds provided through rural development programs;
- (4) describes the effects the changes to the definitions of the terms 'rural' and 'rural area' in the Farm Security and Rural Investment Act of 2002 and this Act had on those programs and eligible areas; and
- (5) determines what effects the changes had on the level of rural development funding and participation in those programs in each State.

(b) **Additional Terms**- Section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)) is amended by adding at the end the following:

“(14) **SUSTAINABLE AGRICULTURE**- The term 'sustainable agriculture' means an integrated system of plant and animal production practices having a site-specific application that will, over the long-term—

- “(A) satisfy human food and fiber needs;
- “(B) enhance environmental quality and the natural resource base upon which the agriculture economy depends;
- “(C) make the most efficient use of nonrenewable resources and on-farm resources and integrate, where appropriate, natural biological cycles and controls;
- “(D) sustain the economic viability of farm operations; and
- “(E) enhance the quality of life for farmers and society as a whole.

“(15) **TECHNICAL ASSISTANCE**- The term 'technical assistance' means managerial, financial, operational, and scientific analysis and consultation to assist an individual or entity (including a borrower or potential borrower under

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	<p>this title)—</p> <p> (A) to identify and evaluate practices, approaches, problems, opportunities, or solutions; and</p> <p> (B) to assist in the planning, implementation, management, operation, marketing, or maintenance of projects authorized under this title.'.</p> <p>NOTE: Commercial Fishing provision below will be discussed as part of the credit title.</p> <p>(c) Commercial Fishing- Section 343 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991) is amended—</p> <p> (1) in subsection (a), by inserting `and, in the case of subtitle B, commercial fishing' before the period at the end of each of paragraphs (1) and (2); and</p> <p> (2) by adding at the end the following:</p> <p> (c) Definition of Farm- In subtitle B, the term `farm' includes a commercial fishing enterprise the owner or operator of which is unable to obtain commercial credit from a bank or other lender, as determined by the Secretary.'.</p>
<p>SEC. 6002. WATER, WASTE DISPOSAL, AND WASTEWATER FACILITY GRANTS.</p> <p>Section 306(a)(2)(B)(vii) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)(B)(vii)) is amended by striking “2002 through 2007” and inserting “2008 through 2012”.</p>	<p>SEC. 6001. WATER, WASTE DISPOSAL, AND WASTEWATER FACILITY GRANTS.</p> <p>Section 306(a)(2)(B)(vii) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)(B)(vii)) is amended, by striking `2007' and inserting `2012'.</p>
<p>SEC. 6003. RURAL BUSINESS OPPORTUNITY GRANTS.</p> <p>Section 306(a)(11)(D) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is amended by striking “2007” and inserting “2012”.</p>	<p>SEC. 6002. RURAL BUSINESS OPPORTUNITY GRANTS.</p> <p>Section 306(a)(11)(D) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is amended by striking `2007' and inserting `2012'.</p>
<p>SEC. 6004. RURAL WATER AND WASTEWATER CIRCUIT RIDER PROGRAM.</p> <p>Section 306(a)(22)(C) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(22)(C)) is amended by striking “\$15,000,000 for fiscal year 2003” and inserting “\$25,000,000 for fiscal year 2008”.</p>	<p>SEC. 6004. RURAL WATER AND WASTEWATER CIRCUIT RIDER PROGRAM.</p> <p>Section 306(a)(22) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(22)) is amended—</p> <p> (1) in subparagraph (B), by striking `2002 (115 Stat. 719)' and inserting `2008'; and</p>

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	<p>(2) in subparagraph (C), by striking '\$15,000,000 for fiscal year 2003' and inserting '\$20,000,000 for fiscal year 2008'.</p>
<p>SEC. 6005. TRIBAL COLLEGE AND UNIVERSITY ESSENTIAL COMMUNITY FACILITIES.</p> <p>Section 306(a)(25) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(25)) is amended—</p> <p>(1) by striking subparagraph (B) and inserting the following:</p> <p style="padding-left: 40px;">“(B) FEDERAL SHARE.—The Secretary shall establish the maximum percentage of the cost of the facility that may be covered by a grant under this paragraph, except that the Secretary may not require non-Federal financial support in an amount that is greater than 5 percent of the total cost.”; and</p> <p>(2) in subparagraph (C), by striking “2003 through 2007” and inserting “2008 through 2012”.</p>	<p>SEC. 6007. TRIBAL COLLEGE AND UNIVERSITY ESSENTIAL COMMUNITY FACILITIES.</p> <p>Section 306(a)(25) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(25)) is amended--</p> <p>(1) in subparagraph (B)(ii), by striking `75 percent' and inserting `95 percent'; and</p> <p>(2) in subparagraph (C), by striking `2007' and inserting `2012'.</p>
<p>No Comparable Provision</p>	<p>SEC. 6003. CHILD DAY CARE FACILITY GRANTS, LOANS, AND LOAN GUARANTEES.</p> <p>Section 306(a)(19) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(19)) is amended by striking subparagraph (C) and inserting the following:</p> <p style="text-align: center;">`(C) CHILD DAY CARE FACILITIES-</p> <p style="padding-left: 40px;">`(i) IN GENERAL- Of the funds of the Commodity Credit Corporation, the Secretary shall use for the costs of grants, loans, and loan guarantees to pay the Federal share of the cost of developing and constructing day care facilities for children in rural areas, as determined by the Secretary, \$40,000,000 for fiscal year 2008, to remain available until expended.</p> <p style="padding-left: 40px;">`(ii) RELATIONSHIP TO OTHER FUNDING AND AUTHORITIES- The funds and authorities made available under this subparagraph shall be in addition to other funds and authorities relating to development and construction of rural day care facilities.'</p>
<p>No Comparable Provision</p>	<p>SEC. 6008. COMMUNITY FACILITY LOANS AND GRANTS FOR FREELY ASSOCIATED STATES AND OUTLYING AREAS.</p> <p>Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a))</p>

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is amended by adding at the end the following:

`(26) COMMUNITY FACILITY LOANS AND GRANTS FOR FREELY ASSOCIATED STATES AND OUTLYING AREAS-

`(A) IN GENERAL- Subject to subparagraph (B), of the amount that is made available for each fiscal year for each of the community facility loan and grant programs established under paragraphs (1), (19), (20), (21), and (25), the Secretary shall allocate 0.5 percent of the amount for making loans or grants (as applicable) under the program to eligible entities that are located in freely associated States or outlying areas (as those terms are defined in section 1121(c) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6331(c)) that are subject to the jurisdiction of the United States and are otherwise covered by this Act.

`(B) REALLOCATION- If the Secretary determines that a sufficient number of applications for loans or grants for a program described in subparagraph (A) have not been received from eligible entities for a fiscal year during the 180-day period beginning on October 1 of the fiscal year, the Secretary shall reallocate any unused funds to make loans or grants (as applicable) under the program to eligible entities that are located in States.'

No Comparable Provision

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

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

`(27) PRIORITY FOR COMMUNITY FACILITY LOAN AND GRANT PROJECTS WITH HIGH NON-FEDERAL SHARE- In carrying out the community facility loan and grant programs established under paragraphs (1), (19), (20), (21), and (25), the Secretary shall give priority to projects that will be carried out with a non-Federal share of funds that is substantially greater than the minimum requirement, as determined by the Secretary by regulation.'

SEC. 6006. EMERGENCY AND IMMINENT COMMUNITY WATER ASSISTANCE GRANT PROGRAM.

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

SEC. 6011. EMERGENCY AND IMMINENT COMMUNITY WATER ASSISTANCE GRANT PROGRAM.

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

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SEC. 6007. WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

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

SEC. 6012. WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

Section 306D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926d) is amended--

- (1) in subsection (a)--
 - (A) by striking ‘make grants to the State’ and inserting ‘make grants to--
- ‘(1) the State’;
- (B) by striking the period at the end and inserting ‘; and’; and
- (C) by adding at the end the following:
 - ‘(2) the Denali Commission to improve solid waste disposal sites that are contaminating, or threaten to contaminate, rural drinking water supplies in the State of Alaska.’;
- (2) in subsection (c)--
 - (A) in the subsection heading by striking ‘With the State of Alaska’; and
 - (B) by striking ‘the State of Alaska’ and inserting ‘the appropriate grantee under subsection (a)’; and
- (3) in subsection (d)--
 - (A) in paragraph (1), by striking ‘2007’ and inserting ‘2013’;
 - (B) by redesignating paragraph (3) as paragraph (4); and
 - (C) by inserting after paragraph (2) the following:
 - ‘(3) DENALI COMMISSION- Not more than 5 percent of the amount made available under paragraph (1) for a fiscal year may be transferred to the Denali Commission to improve solid waste disposal sites that are contaminating, or threaten to contaminate, rural drinking supplies in the State of Alaska.’.

SEC. 6008. GRANTS TO NONPROFIT ORGANIZATIONS TO FINANCE THE CONSTRUCTION, REFURBISHING, AND SERVICING OF INDIVIDUALLY-OWNED HOUSEHOLD WATER WELL SYSTEMS IN RURAL AREAS FOR INDIVIDUALS WITH LOW OR MODERATE INCOMES.

(a) **AUTHORIZATION OF APPROPRIATIONS.**—Section 306E(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926e(d)) is amended by striking “2003 through 2007” and inserting “2008 through 2012”.

(b) **ADDITIONAL PRIORITY IN AWARDING GRANTS.**—Section 306E(c) of such Act (7 U.S.C. 1926e(c)) is amended by inserting “, and to an applicant that has substantial expertise and experience in promoting the safe and productive use of individually-owned household water well systems and ground water. The ability of an applicant to provide matching funds shall not be taken into account in determining any priority in awarding grants under this section. The payment by a grantee of audit fees, business insurance, salary, wages, employee benefits, printing costs, postage costs, and legal fees associated with providing the assistance

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

(a) Grants to Nonprofit Organizations To Finance the Construction, Refurbishing, and Servicing of Individually-Owned Household Water Well Systems in Rural Areas for Individuals With Low or Moderate Incomes- Section 306E(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926e(d)) is amended by striking ‘2007’ and inserting ‘2012’.

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described in paragraph (1) shall be considered the provision of matching funds by the grantee for purposes of this section” before the period.

No Comparable Provision

SEE ABOVE

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

(b) Grants To Develop Area Wells in Isolated Areas- Subtitle A of the Consolidated Farm and Rural Development Act is amended by inserting after section 306E (7 U.S.C. 1926e) the following:

SEC. 306F. GRANTS TO DEVELOP AREA WELLS IN ISOLATED AREAS.

(a) **Definition of Isolated Area-** In this section, the term 'isolated area' means an area--
(1) in which the development of a traditional water system is not financially practical due to--
(A) the distances or geography of the area; and
(B) the limited number of households present to be served; and
(2) that is not part of a city of more than 1,000 inhabitants.

(b) **Grants-** The Secretary may make grants to nonprofit organizations to develop and construct household, shared, and community water wells in isolated rural areas.

(c) **Priority in Awarding Grants-** In awarding grants under this section, the Secretary shall give priority to applicants that have demonstrated experience in developing safe and similar projects including household, shared, and community wells in rural areas.

(d) **Requirements-**

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

(2) **RESULTS-** The results of tests under paragraph (1) shall be made available to--

- (A) the users of the wells; and
- (B) the appropriate State agency.

(e) **Limitation-** The amount of a grant under this section shall not exceed the lesser of--
(1) \$50,000; or

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

(f) **Prohibition-** The Secretary may not award grants under this section in any area in which a majority of the users of a proposed well have a household income that is greater than the nonmetropolitan median household income of the State or territory, as determined by the Secretary.

(g) **Administrative Expenses-** Not more than 10 percent of the amount of a grant made under this section may be used to pay administrative expenses associated with providing project assistance, as determined by the Secretary.

(h) **Authorization of Appropriations-** There is authorized to be appropriated to carry out this section \$10,000,000 for each of fiscal years 2008 through 2012.'

SEC. 6009. RURAL COOPERATIVE DEVELOPMENT GRANTS.

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

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

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

(3) by striking subparagraph (D) and redesignating subparagraph (E) as subparagraph (D);

(4) inserting after subparagraph (D) (as so redesignated):

“(E) demonstrate a commitment to—

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

“(ii) developing multi-organization and multi-State approaches to addressing the cooperative and economic development needs of rural areas.”; and

SEC. 6015. RURAL COOPERATIVE DEVELOPMENT GRANTS.

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

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

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

(3) by striking subparagraph (D);

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

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

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

“(E) demonstrate a commitment to--

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

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

(7) in subparagraph (F), by striking ‘providing greater than’ and inserting ‘providing’.

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(5) in subparagraph (F), by striking “greater than” the 1st place it appears.

(b) AUTHORITY TO AWARD MULTI-YEAR GRANTS.—Section 310(B)(e)(6) of such Act (7 U.S.C. 1932(e)(6)) is amended to read as follows:

“(6) Grants awarded to centers that have received no prior funding under this subsection shall be made for a period of 1 year. The Secretary shall evaluate programs receiving assistance under this subsection. The Secretary may award grants for a period of more than 1 year, but not more than 3 years, to centers that have successfully met the criteria under paragraph (5).”.

(c) AUTHORITY TO EXTEND GRANT PERIOD FOR 1 YEAR.—Section 310B(e) of such Act (7 U.S.C. 1932(e)) is amended by redesignating paragraphs (7) through (9) as paragraphs (8) through (10), respectively, and inserting after paragraph (6) the following:

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

(d) COOPERATIVE RESEARCH PROGRAM.—Section 310B(e) of such Act (7 U.S.C. 1932(e)), as amended by subsection (c) of this section, is amended by redesignating paragraphs (9) and (10) as paragraphs (10) and (11), respectively, and inserting after paragraph (9) the following:

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

(e) ADDRESSING NEEDS OF MINORITY COMMUNITIES.—Section 310B(e) of such Act (7 U.S.C. 1932(e)), as amended by subsections (c) and (d) of this section, is amended by redesignating paragraph (11) as paragraph (12) and inserting after paragraph (10) the following:

“(11) (A) If the total amount appropriated under paragraph (12) of this subsection for a fiscal year exceeds \$7,500,000, the Secretary shall reserve an amount equal to 20 percent of the amount so appropriated for grants for cooperative development centers, individual cooperatives, or groups of cooperatives, serving socially disadvantaged (within the meaning of section 355(e)) communities, a majority of the boards of directors or governing boards of which are comprised of socially disadvantaged (withing such meaning) individuals.

“(B) To the extent that the Secretary determines that funds reserved under subparagraph (A) will not be used for grants described in subparagraph (A)

(b) Authority To Award Multiyear Grants- Section 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)) is amended by striking paragraph (6) and inserting the following:

“(6) GRANT PERIOD-

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

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

(c) Authority To Extend Grant Period- Section 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)) is amended--

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

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

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

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

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

(e) Addressing Needs of Minority Communities- Section 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)) is amended by inserting after paragraph (10) (as added by subsection (d)) the following:

“(11) ADDRESSING NEEDS OF MINORITY COMMUNITIES-

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

“(B) RESERVATION OF FUNDS-

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

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<p>because of insufficient applications for the grants, the Secretary shall use the funds as otherwise authorized by this subsection.”.</p> <p>(f) AUTHORIZATION OF APPROPRIATIONS.—Section 310B(e)(12) of such Act (7 U.S.C. 1932(e)(12)), as so redesignated by subsections (c) through (e) of this section, is amended by striking “2007” and inserting “2012”.</p>	<p>or groups of cooperatives that serve socially disadvantaged communities, a majority of the boards of directors or governing boards of which are comprised of socially disadvantaged individuals.</p> <p>“(ii) INSUFFICIENT APPLICATIONS- To the extent that the Secretary determines that funds reserved under clause (i) would not be used for grants described in that clause due to insufficient applications for the grants, the Secretary shall use the funds as otherwise authorized by this subsection.’.</p> <p>(f) Authorization of Appropriations- Paragraph (12) of section 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)) (as redesignated by subsection (c)(1)) is amended by striking ‘2007’ and inserting ‘2012’.</p>
<p>Sec. 6010 CRITERIA TO BE APPLIED IN PROVIDING LOANS AND LOAN GUARANTEES UNDER THE BUSINESS AND INDUSTRY LOAN PROGRAM.</p> <p>Section 310B(g) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(g)) is amended by adding at the end the following:</p> <p>“(9)(A) In providing loans and loan guarantees under this section, the Secretary shall consider an application more favorably when compared to other applications to the extent that the project described in the application supports community development and farm and ranch income by marketing, distributing, storing, aggregating, or processing a locally or regionally produced agricultural product.</p> <p>“(B) In subparagraph (A), the term ‘locally or regionally produced agricultural product’ means an agricultural product—</p> <p style="padding-left: 20px;">“(I) which is produced and distributed in the locality or region where the finished product is marketed;</p> <p style="padding-left: 20px;">“(ii) which has been shipped a total distance of 400 or fewer miles, as determined by the Secretary; and</p> <p style="padding-left: 20px;">“(iii) about which the distributor has conveyed to the end-use consumers information regarding the origin of the product or production practices, or other valuable information.’.</p>	<p>SEC. 6017. LOCALLY-PRODUCED AGRICULTURAL FOOD PRODUCTS.</p> <p>Section 310B(g) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(g)) is amended by adding at the end the following:</p> <p style="text-align: center;">“(9) LOCALLY-PRODUCED AGRICULTURAL FOOD PRODUCTS-</p> <p style="padding-left: 40px;">“(A) DEFINITIONS- In this paragraph:</p> <p style="padding-left: 80px;">“(i) LOCALLY-PRODUCED AGRICULTURAL FOOD PRODUCT- The term ‘locally-produced agricultural food product’ means any agricultural product raised, produced, and distributed in—</p> <p style="padding-left: 120px;">“(I) the locality or region in which the final agricultural product is marketed, so that the total distance that the agricultural product is transported is less than 300 miles from the origin of the agricultural product; or</p> <p style="padding-left: 120px;">“(II) the State in which the agricultural product is produced.</p> <p style="padding-left: 80px;">“(ii) UNDERSERVED COMMUNITY- The term ‘underserved community’ means a community (including an urban or rural community and an Indian tribal community) that has, as determined by the Secretary—</p>

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

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

`(B) LOAN AND LOAN GUARANTEE PROGRAM-

`(i) **IN GENERAL-** The Secretary, acting through the Administrator of the Rural Business-Cooperative Service in coordination with the Administration of the Agricultural Marketing Service, shall make or guarantee loans to individuals, cooperatives, businesses, and other entities to establish and facilitate enterprises that process, distribute, aggregate, store, and market locally-produced agricultural food products.

`(ii) **REQUIREMENT-** The recipient of a loan or loan guarantee under clause (i) shall agree to make a reasonable effort, as determined by the Secretary, to work with retail and institutional facilities to which the recipient sells locally-produced agricultural food products to inform the consumers of the retail or institutional facilities that the consumers are purchasing or consuming locally-produced agricultural food products.

`(iii) **PRIORITY-** In making or guaranteeing a loan under clause (i), the Secretary shall give priority to—

`(I) projects that support community development and farm and ranch income by marketing, distributing, storing, aggregating, or processing a locally-produced agricultural food product; and

`(II) projects that have components benefitting underserved communities.

`(iv) **RETAIL OR INSTITUTIONAL FACILITIES-** The

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	<p>Secretary may allow recipients of loans or loan guarantees under clause (i) to provide up to \$250,000 in loan or loan guarantee funds per retail or institutional facility for an underserved community in a rural or nonrural area to help retail facilities—</p> <p style="padding-left: 40px;">` (I) to modify and update the facilities to accommodate locally-produced agricultural food products; and</p> <p style="padding-left: 40px;">` (II) to provide outreach to consumers about the sale of locally-produced agricultural food products.</p> <p>` (v) REPORTS- Not later than 1 year after the date of enactment of this paragraph and annually thereafter, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes projects carried out using loans or loan guarantees made under clause (i), including—</p> <p style="padding-left: 40px;">` (I) the characteristics of the communities served by the projects; and</p> <p style="padding-left: 40px;">` (II) benefits of the projects.</p> <p>` (vi) RESERVATION OF FUNDS-</p> <p style="padding-left: 40px;">` (I) IN GENERAL- For each of fiscal years 2008 through 2012, the Secretary shall reserve not less than 5 percent of the funds made available to carry out this subsection to carry out this subparagraph.</p> <p style="padding-left: 40px;">` (II) AVAILABILITY OF FUNDS- Funds reserved under subclause (I) for a fiscal year shall be reserved until April 1 of the fiscal year.'</p>
<p>No comparable provision</p>	<p>SEC. 6014. COOPERATIVE EQUITY SECURITY GUARANTEE. Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended—</p>

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(1) in the first sentence of subsection (a), by inserting `and private investment funds that invest primarily in cooperative organizations' after `or nonprofit'; and

(2) in subsection (g)--

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

(B) in paragraph (3)(A)—

(i) by striking `(A) IN GENERAL- The Secretary' and inserting the following:

`(A) ELIGIBILITY-

(i) IN GENERAL- The Secretary'; and

(ii) by adding at the end the following:

(ii) EQUITY- The Secretary may guarantee a loan made for the purchase of preferred stock or similar equity issued by a cooperative organization or a fund that invests primarily in cooperative organizations, if the guarantee significantly benefits 1 or more entities eligible for assistance under subsection (a)(1), as determined by the Secretary.'; and

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

(I)(aa) is in a rural area; and

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

(II) significantly benefits 1 or more entities eligible for assistance under subsection (a)(1), as determined by the Secretary.'

SEC. 6011. APPROPRIATE TECHNOLOGY TRANSFER FOR RURAL AREAS PROGRAM.

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

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

“(1) **DEFINITION OF NATIONAL NONPROFIT AGRICULTURAL ASSISTANCE INSTITUTION.**—In this subsection, the term ‘national nonprofit agricultural

SEC. 6018. APPROPRIATE TECHNOLOGY TRANSFER FOR RURAL AREAS.

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

“(i) **Appropriate Technology Transfer for Rural Areas Program-**

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

“(A) is described in section 501(c)(3) of the Internal Revenue Code of 1986

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assistance institution' means an organization that—

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

“(B) has staff and offices in multiple regions;

“(C) operates national sustainable agriculture technical assistance programs; and

“(D) provides the technical assistance through toll-free hotlines, a website, publications, and work shops.

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

“(A) reduce input costs;

“(B) conserve energy resources;

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

“(D) expand markets for the agricultural commodities produced by the producers through use of sustainable farming practices.

“(3) **IMPLEMENTATION.**—

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

“(B) **COST SHARE.**—A grant made, or cooperative agreement entered into, under subparagraph (A) shall provide 100 percent of the cost of providing information pursuant to paragraph (2).

“(4) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Secretary to carry out this subsection \$5,000,000 for each fiscal year.”.

and exempt from taxation under 501(a) of that Code;

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

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

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

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

“(A) reduce input costs;

“(B) conserve energy resources;

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

“(D) expand markets for the agricultural commodities produced by the producers through use of practices involving sustainable agriculture.

“(3) **IMPLEMENTATION-**

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

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

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

SEC. 6012. GRANTS TO IMPROVE TECHNICAL INFRASTRUCTURE AND IMPROVE QUALITY OF RURAL HEALTH CARE FACILITIES.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981–2008r),

No Comparable Provision

as amended by section 5025 of this Act, is amended by inserting after section 365 the following:

“SEC. 366. GRANTS TO IMPROVE TECHNICAL INFRASTRUCTURE AND IMPROVE QUALITY OF RURAL HEALTH CARE FACILITIES.

“(a) IN GENERAL.—The Secretary shall establish a program to award grants to rural health facilities for the purpose of assisting the facilities in—

“(1) purchasing health information technology to improve quality in health care and patient safety; or

“(2) improving health care quality and patient safety, including the development of—

“(A) quality improvement support structures to assist rural health systems and professionals—

“(i) achieve greater integration of personal and population health services; and

“(ii) address safety, effectiveness, patient- or community-centeredness, timeliness, efficiency, and equity; and

“(B) innovative approaches to the financing and delivery of health services to achieve rural health quality goals.

“(b) DEFINITIONS.—In this section:

“(1) HEALTH INFORMATION TECHNOLOGY.—The term ‘health information technology’ includes total expenditures incurred for—

“(A) purchasing, leasing, and installing computer software and hardware, including handheld computer technologies, and related services;

“(B) making improvements to computer software and hardware;

“(C) purchasing or leasing communications capabilities necessary for clinical data access, storage, and exchange;

“(D) services associated with acquiring, implementing, operating, or optimizing the use of computer software and hardware and clinical health care informatics systems;

“(E) providing education and training to eligible entity staff on information systems and technology designed to improve patient safety

and quality of care; and

“(F) purchasing, leasing, subscribing, or servicing support to establish interoperability that—

“(i) integrates patient-specific clinical data with well-established national treatment guidelines;

“(ii) provides ongoing, continuous quality improvement functions that allow providers to assess improvement rates over time and against averages for similar providers; and

“(iii) integrates with larger health networks.

“(2) **RURAL AREA.**—The term ‘rural area’ means any area of the United States that is not—

“(A) included within the boundaries of any city, town, borough, or village, whether incorporated or unincorporated, with a population of more than 20,000 inhabitants; or

“(B) the urbanized area contiguous and adjacent to such a city or town.

“(3) **RURAL HEALTH FACILITY.**—The term ‘rural health facility’ means any of the following:

“(A) **SOLE COMMUNITY HOSPITAL.**—A hospital (as defined in section 1886(a)(2) of the Social Security Act (42 U.S.C. 1395ww(a)(2))).

“(B) **CRITICAL ACCESS HOSPITAL.**—A critical access hospital (as defined in section 1861(mm)(1) of the Social Security Act (42 U.S.C. 1395x(mm)(1))).

“(C) **FEDERALLY QUALIFIED HEALTH CENTER IN RURAL AREAS.**—A federally qualified health center (as defined in section 1861(aa)(4) of the Social Security Act (42 U.S.C. 1395x(aa)(4))) that is located in a rural area.

“(D) **RURAL PHYSICIAN OR RURAL PHYSICIAN GROUP PRACTICE.**—A physician or physician group practice that is located in a rural area.

“(E) **RURAL HEALTH CLINIC.**—A rural health clinic (as defined in section 1861(aa)(2) of the Social Security Act (42 U.S.C. 1395x(aa)(2))).

“(F) **MEDICARE DEPENDENT HOSPITAL.**—A medicare-dependent, small rural hospital (as defined in section 1886(d)(5)(G)(iv) of the Social

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<p>Security Act (42 U.S.C. 1395ww(d)(5)(G)(iv))).</p> <p>“(c) AMOUNT OF GRANT.—The Secretary shall determine the amount of a grant awarded under this section.</p> <p>“(d) FURNISHING THE SECRETARY WITH INFORMATION.—An eligible entity receiving a grant under this section shall furnish the Secretary with such information as the Secretary may require to—</p> <p> “(1) evaluate the project for which the grant is made; and</p> <p> “(2) ensure that assistance provided under the grant is expended for the purposes for which the grant is made.</p> <p>“(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out this section not more than \$30,000,000 for each of the fiscal years 2008 through 2012.”.</p>	
<p>No comparable provision</p>	<p>SEC. 6006. RURAL HOSPITAL LOANS AND LOAN GUARANTEES.</p> <p>Section 306(a)(24) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(24)) is amended by adding at the end the following:</p> <p> “(C) RURAL HOSPITALS-</p> <p> “(i) IN GENERAL- Of the funds of the Commodity Credit Corporation, the Secretary shall use for the costs of loans and loan guarantees to pay the Federal share of the cost of rehabilitating or improving hospitals that have not more than 100 acute beds in rural areas, as determined by the Secretary, \$50,000,000 for fiscal year 2008, to remain available until expended, of which not less than \$25,000,000 shall be for use at hospitals in rural areas with not more than 50 acute beds.</p> <p> “(ii) PRIORITY- In making loans and loan guarantees under this subparagraph, the Secretary shall give priority to hospitals for--</p> <p> “(I) the provision of facilities to improve and install patient care, health quality outcomes, and health information technology, including computer hardware and software, equipment for electronic medical records, handheld computer technology, and equipment that improves interoperability; or</p>

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	<p>(II) the acquisition of equipment and software purchased collectively in a cost effective manner to address technology needs.</p> <p>(iii) RELATIONSHIP TO OTHER FUNDING AND AUTHORITIES- The funds and authorities made available under this subparagraph shall be in addition to other funds and authorities relating to rehabilitation and improvement of hospitals described in No comparable provision</p>
<p>SEC. 6013. RURAL ENTREPRENEUR AND MICROENTERPRISE ASSISTANCE PROGRAM.</p> <p>Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981–2008r), as amended by sections 5025 and 6012 of this Act, is amended by inserting after section 366 the following:</p> <p>“SEC. 367. RURAL ENTREPRENEUR AND MICROENTERPRISE ASSISTANCE PROGRAM.</p> <p>“(a) DEFINITIONS.—In this section:</p> <p>“(1) ECONOMICALLY DISADVANTAGED MICROENTREPRENEUR.—The term ‘economically disadvantaged microentrepreneur’ means an owner, majority owner, or developer of a microenterprise that has the ability to compete in the private sector but has been impaired because of diminished capital and credit opportunities, as compared to other microentrepreneurs in the industry.</p> <p>“(2) INDIAN TRIBE.—The term ‘Indian tribe’ has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).</p> <p>“(3) INTERMEDIARY.—The term ‘intermediary’ means a nonprofit entity that provides assistance—</p> <p>“(A) to a microenterprise development organization; or</p> <p>“(B) for a microenterprise development program.</p> <p>“(4) LOW-INCOME INDIVIDUAL.—The term ‘low-income individual’ means an individual with an income (adjusted for family size) of not more than 80 percent of the national median income.</p> <p>“(5) MICROCREDIT.—The term ‘microcredit’ means a business loan or loan guarantee of not more than \$50,000 that is provided to a rural entrepreneur.</p>	<p>SEC. 6022. RURAL MICROENTERPRISE ASSISTANCE PROGRAM.</p> <p>Subtitle D of the Consolidated Farm and Rural Development Act (as amended by section 5207) is amended by inserting after section 365 the following</p> <p>SEC. 366. RURAL MICROENTERPRISE ASSISTANCE PROGRAM.</p> <p>(a) Definitions- In this section:</p> <p>(1) INDIAN TRIBE- The term ‘Indian tribe’ has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).</p> <p>(2) LOW- OR MODERATE-INCOME INDIVIDUAL- The term ‘low- or moderate-income individual’ means an individual with an income (adjusted for family size) of not more than 80 percent of the national median income.</p> <p>(3) MICROCREDIT- The term ‘microcredit’ means a business loan or loan guarantee of not more than \$50,000 that is provided to a rural microenterprise.</p> <p>(4) MICROENTERPRISE DEVELOPMENT ORGANIZATION- The term ‘microenterprise development organization’ means an organization that--</p> <p>(A) is--</p> <p>(i) a nonprofit entity;</p> <p>(ii) an Indian tribe, the tribal government of which certifies to the Secretary that no microenterprise development organization or microenterprise development program exists under the jurisdiction of the Indian tribe; or</p>

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

“(A) a sole proprietorship; or

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

“(7) **MICROENTERPRISE DEVELOPMENT ORGANIZATION.**—

“(A) **IN GENERAL.**—The term ‘microenterprise development organization’ means a nonprofit entity that—

“(i) provides training and technical assistance to rural entrepreneurs; and

“(ii) facilitates access to capital or another service described in subsection (b) for rural entrepreneurs.

“(B) **INCLUSIONS.**—The term ‘microenterprise development organization’ includes an organization described in subparagraph (A) with a demonstrated record of delivering services to economically disadvantaged microentrepreneurs, or an effective plan to develop a program to deliver microenterprise services to rural entrepreneurs effectively, as determined by the Secretary.

“(8) **MICROENTERPRISE DEVELOPMENT PROGRAM.**—The term ‘microenterprise development program’ means a program administered by a qualified organization serving a rural area.

“(9) **MICROENTREPRENEUR.**—The term ‘microentrepreneur means’ the owner, operator, or developer of a microenterprise.

“(10) **PROGRAM.**—The term ‘program’ means the rural entrepreneur and microenterprise program established under subsection (b)(1).

“(11) **QUALIFIED ORGANIZATION.**—The term ‘qualified organization’ means—

“(A) a microenterprise development organization or microenterprise development program that has a demonstrated record of delivering microenterprise services to rural entrepreneurs, or an effective plan to develop a program to deliver microenterprise services to rural entrepreneurs effectively, as determined by the Secretary;

“(iii) for the purpose of subsection (b), a public institution of higher education;

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

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

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

“(5) **RURAL CAPACITY BUILDING SERVICE-** The term ‘rural capacity building service’ means a service provided to an organization that--

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

“(B) serves rural areas for the purpose of enhancing the ability of the organization to provide training, technical assistance, and other services relating to rural development.

“(6) **RURAL MICROENTERPRISE-**

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

“(B) **DESCRIPTION-** An individual described in this subparagraph is--

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

“(ii) an owner and operator, or prospective owner and operator, of a business entity located in a rural area with not more than 10 full-time-equivalent employees.

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

“(B) an intermediary that has a demonstrated record of delivering assistance to microenterprise development organizations or microenterprise development programs;

“(C) an Indian tribe, the tribal government of which certifies to the Secretary that there is no microenterprise development organization or microenterprise development program under the jurisdiction of the Indian tribe;

“(D) a group of 2 or more organizations or Indian tribes described in any of subparagraphs (A) through (C) that agree to act jointly as a qualified organization under this section; or

“(E) for purposes of subsection (b), a public college or university that has a demonstrated record of delivering assistance to microenterprise development organizations or microenterprise development programs.

“(12) **RURAL AREA.**—The term ‘rural area’ means any area of the United States that is not—

“(A) included within the boundaries of any city, town, borough, or village, whether incorporated or unincorporated, with a population of more than 20,000 inhabitants; or

“(B) the urbanized area contiguous and adjacent to such a city or town.

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

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

“(B) serves rural areas for the purpose of enhancing the ability of the organization to provide training, technical assistance, and other related services to rural entrepreneurs.

“(14) **RURAL ENTREPRENEUR.**—The term ‘rural entrepreneur’ means a microentrepreneur, or prospective microentrepreneur—

“(A) the principal place of business of which is in a rural area; and

“(B) that is unable to obtain sufficient training, technical assistance, or microcredit elsewhere, as determined by the Secretary.

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“(15) **TRIBAL GOVERNMENT.**—The term ‘tribal government’ means the governing body of an Indian tribe.

“(b) **RURAL ENTREPRENEURSHIP AND MICROENTERPRISE PROGRAM.**—

“(1) **ESTABLISHMENT.**—The Secretary shall establish a rural entrepreneurship and microenterprise program.

“(2) **PURPOSE.**—The purpose of the program shall be to provide low-income individuals and moderate-income individuals with—

“(A) the skills necessary to establish new small businesses in rural areas; and

“(B) continuing technical and financial assistance as individuals and business starting or operating small businesses.

“(3) **GRANTS.**—

“(A) **IN GENERAL.**—The Secretary may make a grant under the program to a qualified organization—

“(i) to provide training, operational support, or a rural capacity-building service to a qualified organization to assist the qualified organization in developing microenterprise training, technical assistance, market development assistance, and other related services, primarily for business with 10 or fewer full-time-equivalent employees;

“(ii) to assist in researching and developing the best practices in delivering training, technical assistance, and microcredit to rural entrepreneurs; and

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

“(B) **DIVERSITY.**—In making grants under this paragraph, the Secretary shall ensure, to the maximum extent practicable, that grant recipients include qualified organizations—

“(i) of varying sizes; and

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

“(b) **Rural Microenterprise Program-**

“(1) **ESTABLISHMENT-** The Secretary shall establish a rural microenterprise program.

“(2) **PURPOSE-** The purpose of the rural microenterprise program shall be to provide low- or moderate-income individuals with--

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

“(B) continuing technical and financial assistance as individuals and business starting or operating rural microenterprises.

“(3) **GRANTS-**

“(A) **IN GENERAL-** The Secretary may make a grant under the rural microenterprise program to microenterprise development organizations--

“(i) to provide training, operational support, business planning assistance, market development assistance, and other related services to rural microenterprises, with an emphasis on rural microenterprises that--

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

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

“(ii) to assist in researching and developing the best practices in delivering training, technical assistance, and microcredit to rural microenterprises; and

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

“(B) **DIVERSITY-** In making grants under this paragraph, the Secretary shall ensure, to the maximum extent practicable, that grant recipients include microenterprise development organizations--

“(i) of varying sizes; and

“(ii) that serve racially- and ethnically-diverse populations.

“(C) **COST SHARING-**

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

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“(C) MATCHING REQUIREMENT.—

“(i) **IN GENERAL.**—As a condition of any grant made to a qualified organization under this paragraph, the Secretary shall require the qualified organization to match not less than 25 percent of the total amount of the grant.

“(ii) **SOURCES.**—In addition to cash from non-Federal sources, a matching share provided by the qualified organization may include indirect costs or in-kind contributions funded under non-Federal programs.

“(4) RURAL MICROLOAN AND TECHNICAL ASSISTANCE PROGRAM.—

“(A) **ESTABLISHMENT.**—In carrying out the program, the Secretary may carry out a rural microloan program.

“(B) **PURPOSE.**—The purpose of the rural microloan program shall be to provide technical and financial assistance through qualified organizations to sole proprietorships and small businesses located in rural areas with a particular focus on businesses with 10 or fewer full-time equivalent employees.

“(C) **AUTHORITY OF SECRETARY.**—In carrying out the rural microloan program, the Secretary may—

“(i) make loans to qualified organizations for the purpose of making short-term, fixed interest rate microloans to startup, newly established, and growing rural microbusiness concerns; and

“(ii) in conjunction with the loans, provide grants in accordance with subparagraph (E) to the organizations for the purpose of providing intensive marketing, management, and technical assistance to small business concerns that are borrowers under this paragraph.

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

“(i) **LOAN DURATION.**—A loan made by the Secretary under this paragraph shall be for a term of 20 years.

“(ii) **APPLICABLE INTEREST RATES.**—A loan made by the

“(ii) **FORM OF NON-FEDERAL SHARE-** The non-Federal share of the cost of a project described in clause (i) may be provided--

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

“(II) as in-kind contributions.

“(4) RURAL MICROLOAN PROGRAM-

“(A) **ESTABLISHMENT-** In carrying out the rural microenterprise program, the Secretary may carry out a rural microloan program.

“(B) **PURPOSE-** The purpose of the rural microloan program shall be to provide technical and financial assistance to rural microenterprises that--

“(i) are composed of low- or moderate-income individuals; or

“(ii) are in areas that have lost population.

“(C) **AUTHORITY OF SECRETARY-** In carrying out the rural microloan program, the Secretary may—

“(i) make direct loans to microenterprise development organizations for the purpose of making fixed interest rate microloans to startup, newly established, and growing rural microenterprises; and

“(ii) in conjunction with those loans, provide technical assistance grants in accordance with subparagraph (E) to those microenterprise development organizations.

“(D) LOAN DURATION; INTEREST RATES; CONDITIONS-

“(i) **LOAN DURATION-** A direct loan made by the Secretary under this paragraph shall be for a term not to exceed 20 years.

“(ii) **APPLICABLE INTEREST RATE-** A direct loan made by the Secretary under this paragraph shall bear an annual interest rate of 1 percent.

“(iii) **LOAN LOSS RESERVE FUND-** The Secretary shall require

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Secretary under this paragraph to a qualified organization shall bear an annual interest rate of at least 1 percent.

“(iii) **DEFERRAL OF INTEREST AND PRINCIPAL.**—The Secretary may permit the deferral of payments, for principal and interest, on a loan made under this paragraph for a period of not more than 2 years, beginning on the date the loan is made.

“(E) **GRANT AMOUNTS.**—

“(i) **IN GENERAL.**—Except as otherwise provided in this section, each qualified organization that receives a loan under this paragraph shall be eligible to receive a grant to provide marketing, management, and technical assistance to small business concerns that are borrowers or potential borrowers under this subsection.

“(ii) **MAXIMUM AMOUNT FOR MICROENTERPRISE DEVELOPMENT ORGANIZATIONS.**—Each microenterprise development organization that receives a loan under this paragraph shall receive an annual grant in an amount equal to not more than 25 percent of the total outstanding balance of loans made to the microenterprise development organization under this paragraph, as of the date the grant is made.

“(iii) **MATCHING REQUIREMENT.**—

“(I) **IN GENERAL.**—As a condition of any grant made to a qualified organization under this subparagraph, the Secretary shall require the qualified organization to match not less than

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each microenterprise development organization that receives a direct loan under this paragraph to--

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

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

“(iv) **DEFERRAL OF INTEREST AND PRINCIPAL-** The Secretary shall permit the deferral of payments on principal and interest due on a loan made under this paragraph during the 2-year period beginning on the date on which the loan is made.

“(E) **TECHNICAL ASSISTANCE GRANT AMOUNTS-**

“(i) **IN GENERAL-** Except as otherwise provided in this section, each microenterprise development organization that receives a direct loan under this paragraph shall be eligible to receive a technical assistance grant to provide marketing, management, and technical assistance to rural microenterprises that are borrowers or potential borrowers under this subsection.

“(ii) **MAXIMUM AMOUNT OF TECHNICAL ASSISTANCE GRANT FOR MICROENTERPRISE DEVELOPMENT ORGANIZATIONS-** Each microenterprise development organization that receives a direct loan under this paragraph shall receive an annual technical assistance grant in an amount equal to not more than 25 percent of the total outstanding balance of microloans made by the microenterprise development organization under this paragraph, as of the date of provision of the technical assistance grant.

“(iii) **MATCHING REQUIREMENT-**

“(I) **IN GENERAL-** As a condition of any grant made to a microenterprise development organization under this subparagraph, the Secretary shall require the microenterprise development organization to match not less than 15 percent of the total amount of the grant.

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<p>15 percent of the total amount of the grant.</p> <p>“(II) SOURCES.—In addition to cash from non-Federal sources, a matching share provided by the qualified organization may include indirect costs or in-kind contributions funded under non-Federal programs.</p> <p>“(c) ADMINISTRATIVE EXPENSES.—Not more than 10 percent of assistance received by a qualified organization for a fiscal year under this section may be used to pay administrative expenses.</p> <p>“(d) FURNISHING THE SECRETARY WITH INFORMATION.—A qualified organization that receives a grant under subsection (b)(3) or loan under subsection (b)(4) shall furnish the Secretary by December 1 such information as the Secretary may require to ensure that assistance provided under the grant or loan is expended for the purposes for which the grant or loan is made.</p> <p>“(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out this section not more than \$20,000,000 for each of the fiscal years 2008 through 2012.”.</p>	<p>“(II) FORM OF NON-FEDERAL SHARE- The non-Federal share of the cost of a project described in subclause (I) may be provided--</p> <p> “(aa) in cash; or</p> <p> “(bb) as indirect costs or in-kind contributions.</p> <p>“(c) Administrative Expenses- Not more than 10 percent of a grant received by a microenterprise development organization for a fiscal year under this section may be used to pay administrative expenses.</p> <p>“(d) Funding-</p> <p> “(1) MANDATORY FUNDING-</p> <p> “(A) IN GENERAL- Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section \$40,000,000 for fiscal year 2008, to remain available until expended.</p> <p> “(B) ALLOCATION OF FUNDS- Of the amount made available by subparagraph (A) for fiscal year 2008--</p> <p> “(i) not less than \$25,000,000 shall be available for use in carrying out subsection (b)(3); and</p> <p> “(ii) not less than \$15,000,000 shall be available for use in carrying out subsection (b)(4), of which not more than \$7,000,000 shall be used for the cost of direct loans.</p> <p> “(2) AUTHORIZATION OF APPROPRIATIONS- In addition to amounts made available under paragraph (1), there are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2009 through 2012.’.</p>
<p>SEC. 6014. CRITERIA TO BE APPLIED IN CONSIDERING APPLICATIONS FOR RURAL DEVELOPMENT PROJECTS.</p> <p>Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981–2008r), as amended by sections 5025, 6012, and 6013 of this Act, is amended by inserting after section 367 the following:</p> <p> “SEC. 368. CRITERIA TO BE APPLIED IN CONSIDERING APPLICATIONS FOR RURAL DEVELOPMENT PROJECTS.</p>	<p>No comparable provision</p>

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<p>“(a) IN GENERAL.—The Secretary shall review the income demographics, population, seasonal increases, and other factors as determined by the Secretary, of eligible communities for each program authorized or modified by, or funded pursuant to, an amendment made by title VI of the Farm, Nutrition, and Bioenergy Act of 2007 or section 306, 306A, 306C, 306D, 306E, 310(c), 310(e), 310B(b), 310B(c), 310B(e), or 379B, or subtitle F, G, H, or I of this Act, and which proposes to serve a rural area (as defined by the applicable law).</p> <p>“(b) REGULATIONS.—The Secretary shall issue regulations to establish the applicable limitations that a rural area cannot exceed in order to remain eligible for a program referred to in subsection (a).”</p>	
<p>SEC. 6015. NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER.</p> <p>(a) FUNDING.—Section 375(e)(6) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008j(e)(6)) is amended by striking paragraphs (B) and (C) and inserting the following:</p> <p style="padding-left: 40px;">“(B) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out this section \$10,000,000 for each of the fiscal years 2008 through 2012. ”.</p> <p>(b) ELIMINATION OF REQUIREMENT TO PRIVATIZE REVOLVING FUND.— Section 375 of such Act (7 U.S.C. 2008j) is amended by striking subsection (j).</p>	<p>From the Livestock Title:</p> <p>SEC. 10303. NATIONAL SHEEP AND GOAT INDUSTRY IMPROVEMENT CENTER.</p> <p>(a) Name Change- Section 375 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008j) is amended--</p> <p style="padding-left: 40px;">(1) in the section heading, by inserting `and goat' after `national sheep'; and</p> <p style="padding-left: 40px;">(2) by inserting `and Goat' after `National Sheep' each place it appears.</p> <p>(b) Funding- Section 375(e)(6) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008j(e)(6)) is amended by striking subparagraphs (B) and (C) and inserting the following:</p> <p style="padding-left: 40px;">`(B) MANDATORY FUNDING.- Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section \$1,000,000 for fiscal year 2008, to remain available until expended.</p> <p style="padding-left: 40px;">`(C) AUTHORIZATION OF APPROPRIATIONS.- There is authorized to be appropriated to the Secretary to carry out this section \$10,000,000 for each of fiscal years 2008 through 2012.'.</p> <p>(c) Repeal of Requirement To Privatize Revolving Fund-</p> <p style="padding-left: 40px;">(1) IN GENERAL.- Section 375 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008j) is amended by striking subsection (j).</p> <p style="padding-left: 40px;">(2) EFFECTIVE DATE.- The amendment made by paragraph (1) takes effect on May 1, 2007.</p>
<p>SEC. 6016. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.</p> <p>Section 378(g)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008m(g)(1)) is amended by striking “2003 through 2007” and inserting “2008 through 2012”.</p>	<p>SEC. 6024. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.</p> <p>Section 378 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008m) is amended--</p> <p style="padding-left: 40px;">(1) in subsection (g)(1), by striking `2007' and inserting `2012'; and</p> <p style="padding-left: 40px;">(2) in subsection (h), by striking `the date that is 5 years after the date of enactment of this section' and inserting `September 30, 2012'.</p>
<p>SEC. 6017. HISTORIC BARN PRESERVATION.</p>	<p>SEC. 6025. HISTORIC BARN PRESERVATION.</p>

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<p>(a) GRANT PRIORITY.—Section 379A(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008o(c)) is amended by redesignating paragraphs (3) and (4) as paragraphs (4) and (5) and inserting after paragraph (2) the following:</p> <p style="padding-left: 40px;">“(3) PRIORITY.—In making grants under this subsection, the Secretary shall give the highest priority to funding projects described in paragraph (2)(C).”.</p> <p>(b) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—Section 379A(c)(5) of such Act (7 U.S.C. 2008o(c)(5)), as so redesignated by subsection (a) of this section, is amended by striking “2002 through 2007” and inserting “2008 through 2012”.</p>	<p>Section 379A(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008o(c)) is amended—</p> <p>(1) by striking paragraph (2) and inserting the following:</p> <p>“(2) ELIGIBLE PROJECTS-</p> <p style="padding-left: 40px;">“(A) IN GENERAL- A grant under this subsection may be made to an eligible applicant for a project--</p> <p style="padding-left: 80px;">“(i) to rehabilitate or repair a historic barn;</p> <p style="padding-left: 80px;">“(ii) to preserve a historic barn; and</p> <p style="padding-left: 80px;">“(iii) to identify, document, survey, and conduct research on a historic barn or historic farm structure to develop and evaluate appropriate techniques or best practices for protecting historic barns.</p> <p style="padding-left: 40px;">“(B) PRIORITY- The Secretary shall give the highest funding priority to grants for projects described in subparagraph (A)(iii).”; and</p> <p>(2) in paragraph (4), by striking ‘2007’ and inserting ‘2012’.</p>
<p>SEC. 6018. GRANTS FOR NOAA WEATHER RADIO TRANSMITTERS.</p>	
<p>Section 379B(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008p(d)) is amended by striking “2002 through 2007” and inserting “2008 through 2012”.</p>	<p>SEC. 6026. GRANTS FOR NOAA WEATHER RADIO TRANSMITTERS.</p> <p>Section 379B(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008p(d)) is amended by striking ‘2007’ and inserting ‘2012’.</p>
<p>SEC. 6019. DELTA REGIONAL AUTHORITY.</p> <p>(a) AUTHORIZATION OF APPROPRIATIONS.—Section 382M(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa–12(a)) is amended by striking “2001 through 2007” and inserting “2008 through 2012”.</p> <p>(b) TERMINATION OF AUTHORITY.—Section 382N of such Act (7 U.S.C. 2009aa–13) is amended by striking “2007” and inserting “2012”.</p>	<p>SEC. 6029. DELTA REGIONAL AUTHORITY.</p> <p>(a) Health Care Services- Section 382C of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa-2) is amended by adding at the end the following:</p> <p>“(c) Health Care Services-</p> <p style="padding-left: 40px;">“(1) IN GENERAL- Subject to the availability of appropriated funds, the Secretary may award a grant to the Delta Health Alliance for the development of health care services, health education programs, and health care job training programs fields, and for the development and expansion of public health-related facilities, in the Mississippi Delta region to address longstanding and unmet health needs in the Mississippi Delta region.</p>

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`(2) **USE-** As a condition of the receipt of the grant, the Delta Health Alliance shall use the grant to fund projects and activities described in paragraph (1), based on input solicited from local governments, public health care providers, and other entities in the Mississippi Delta region.

`(3) **FEDERAL INTEREST IN PROPERTY-** Notwithstanding any other provision of law, with respect to the use of grant funds provided under this subsection for a project involving the construction or major alteration of property, the Federal interest in the property shall terminate on the earlier of--

`(A) the date that is 1 year after the date of the completion of the project; or

`(B) the date on which the Federal Government is compensated for the proportionate interest of the Federal Government in the property, if the use of the property changes or the property is transferred or sold.'

(b) **Authorization of Appropriations-** Section 382M(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa-12(a)) is amended by striking `2007' and inserting `2012'.

(c) **Termination of Authority-** Section 382N of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa-13) is amended by striking `2007' and inserting `2012'.

(d) **Delta Region Agricultural Economic Development-** Section 379D(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008r(b)) is amended by striking `2007' and inserting `2012'.

SEC. 6020. NORTHERN GREAT PLAINS REGIONAL AUTHORITY.

(a) **FEDERAL SHARE OF ADMINISTRATIVE EXPENSES.**—Section 383B(g)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009bb–1(g)(1)) is amended—

(1) in subparagraph (A), by striking “2002” and inserting “2007”;

(2) in subparagraph (B), by striking “2003” and inserting “2008”; and

(3) in subparagraph (C), by striking “2004” and inserting “2009”.

(b) **TECHNICAL AMENDMENT.**—Section 383B(d)(6)(A) of such Act (7 U.S.C. 2009bb–1(d)(6)(A)) is amended by inserting “and resource conservation” after “development”.

(c) **ELIMINATION OF PRIORITIZATION RANKING OF ACTIVITIES TO BE FUNDED.**—Section 383C(b)(2) of such Act (7 U.S.C. 2009bb–2(b)(2)) is amended by striking

SEC. 6030. NORTHERN GREAT PLAINS REGIONAL AUTHORITY.

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

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

`(4) **FAILURE TO CONFIRM-**

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

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“activities in the following order of priority” and inserting “following activities”.

(d) ELIMINATION OF ISOLATED AREA OF DISTRESS DESIGNATION.—

(1) **IN GENERAL.**—Section 383F(a) of such Act (7 U.S.C. 2009bb–5(a)) is amended—

(A) by adding “and” at the end of paragraph (1);

(B) by striking “; and” at the end of paragraph (2) and inserting a period; and

(C) by striking paragraph (3).

(2) **CONFORMING AMENDMENTS.**—Section 383F(b) of such Act (7 U.S.C. 2009bb–5(b)) is amended—

(A) in paragraph (1), by striking “and isolated areas of distress”; and

(B) in paragraph (2), by striking “or isolated areas of distress”.

(e) REDUCTION OF MINIMUM FUNDS ALLOCATION FOR DISTRESSED COUNTIES.—Section 383F(b)(1) of such Act (7 U.S.C. 2009bb–5(b)(1)) is amended by striking “75” and inserting “50”.

(f) ELIMINATION OF PROHIBITION ON PROVIDING FUNDS TO NONDISTRESSED COUNTIES.—Section 383F of such Act (7 U.S.C. 2009bb–5) is amended by striking subsection (c) and redesignating subsection (d) as subsection (c).

(g) INCLUSION OF RENEWABLE ENERGY AMONG OBJECTS OF MINIMUM FUNDS ALLOCATION.—Section 383F(c) of such Act (7 U.S.C. 2009bb–5(c)), as so redesignated by subsection (a) of this section, is amended—

(1) in the subsection heading, by inserting “**RENEWABLE ENERGY,**” after “**TELECOMMUNICATION,**”; and

(2) by inserting “renewable energy,” after “telecommunication”.

(h) AUTHORIZATION OF APPROPRIATIONS.—Section 383M(a) of such Act (7 U.S.C. 2009bb–12(a)) is amended by striking “2002 through 2007” and inserting “2008 through 2012”.

(i) TERMINATION OF AUTHORITY.—Section 383N of such Act (7 U.S.C. 2009bb–13) is amended by striking “2007” and inserting “2012”.

(B) INDIAN CHAIRPERSON- Notwithstanding any other provision of this section, if a chairperson of an Indian Tribe described in paragraph (2)(C) has not been confirmed by the Senate by not later than 180 days after the date of enactment of this paragraph, the leaders of the Indian tribes in the region may select that member.';

(2) in subsection (d)--

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

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

(C) in paragraph (4), by striking `cooperation;' and inserting `cooperation for--

`(i) renewable energy development and transmission;

`(ii) transportation planning and economic development;

`(iii) information technology;

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

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

`(vi) conservation land management;';

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

`(6) enhance the capacity of, and provide support for, multistate development and research organizations, local development organizations and districts, and resource conservation districts in the region;'; and

(E) in paragraph (7), by inserting `renewable energy,' after `commercial,'.

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

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

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

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

`(C) for fiscal year 2011 and each fiscal year thereafter, 50 percent.'.

(b) Interstate Cooperation for Economic Opportunity and Efficiency-

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

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

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

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

(a) **In General**- The Authority shall provide assistance to States in developing regional plans to address multistate economic issues, including plans—

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

(2) to assist in the harmonization of transportation policies and regulations that impact the interstate movement of goods and individuals, including the establishment of a Northern Great Plains Regional Transportation Working Group;

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

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

(b) **Economic Issues**- The multistate economic issues referred to in subsection (a) shall include--

(1) renewable energy development and transmission;

(2) transportation planning and economic development;

(3) information technology;

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

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

`(6) conservation land management.'

(2) CONFORMING AMENDMENTS-

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

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

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

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

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

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

(i) in subsection (b)--

(I) in paragraph (1), by striking `383M' and inserting `383N';
and

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

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

(iii) in subsection (d)--

(I) by striking `383M' and inserting `383N'; and

(II) by striking `383C(a)' and inserting `383D(a)'.

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

(c) **Economic and Community Development Grants-** Section 383D of the Consolidated Farm and Rural Development Act (as redesignated by subsection (b)(1)(A)) is amended—

(1) in subsection (a)—

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

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

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

(d) Supplements to Federal Grant Programs- Section 383E(a) of the Consolidated Farm and Rural Development Act (as redesignated by subsection (b)(1)(A)) is amended by striking `, including local development districts,'.

(e) Multistate and Local Development Districts and Organizations and Northern Great Plains Inc- Section 383F of the Consolidated Farm and Rural Development Act (as redesignated by subsection (b)(1)(A)) is amended--

(1) by striking the section heading and inserting `multistate and local development districts and organizations and northern great plains inc.';

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

`(a) Definition of Multistate and Local Development District or Organization- In this section, the term `multistate and local development district or organization' means an entity--

`(1) that--

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

`(B) is--

`(i) organized and operated in a manner that ensures broad-based community participation and an effective opportunity for other nonprofit groups to contribute to the development and implementation of programs in the region;

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

`(iii) a nonprofit agency or instrumentality of a State or local

government;

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

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

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

`(2) that has not, as certified by the Federal cochairperson--

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

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

`(b) Grants to Multistate, Local, or Regional Development Districts and Organizations-

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

`(2) CONDITIONS FOR GRANTS-

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

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

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

(3) in subsection (c)--

(A) by striking 'Duties' and inserting 'Authorities'; and

(B) in the matter preceding paragraph (1), by striking 'shall' and inserting 'may'.

(f) **Distressed Counties and Areas and Nondistressed Counties-** Section 383G of the Consolidated Farm and Rural Development Act (as redesignated by subsection (b)(1)(A)) is amended—

- (1) in subsection (b)(1), by striking `75' and inserting `50';
- (2) by striking subsection (c);
- (3) by redesignating subsection (d) as subsection (c); and
- (4) in subsection (c) (as so redesignated)--
 - (A) in the subsection heading, by inserting `, Renewable Energy,' after `Telecommunication,'; and
 - (B) by inserting `, renewable energy,' after `telecommunication,'.

(g) **Development Planning Process-** Section 383H of the Consolidated Farm and Rural Development Act (as redesignated by subsection (b)(1)(A)) is amended—

- (1) in subsection (c)(1), by striking subparagraph (A) and inserting the following:
 - `(A) multistate, regional, and local development districts and organizations; and'; and
- (2) in subsection (d)(1), by striking `State and local development districts' and inserting `multistate, regional, and local development districts and organizations'.

(h) **Program Development Criteria-** Section 383I(a)(1) of the Consolidated Farm and Rural Development Act (as redesignated by subsection (b)(1)(A)) is amended by inserting `multistate or' before `regional'.

(i) **Authorization of Appropriations-** Section 383N(a) of the Consolidated Farm and Rural Development Act (as redesignated by subsection (b)(1)(A)) is amended by striking `2002 through 2007' and inserting `2008 through 2012'.

(j) **Termination of Authority-** Section 383O of the Consolidated Farm and Rural Development Act (as redesignated by subsection (b)(1)(A)) is amended by striking `2007' and inserting `2012'.

SEC. 6021. RURAL STRATEGIC INVESTMENT PROGRAM.

(a) **LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.**—Section 385E of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009dd–4) is amended to read as follows:

See Sec. 6032 of Senate bill, below

HOUSE BILL (H.R. 2419)

SENATE AMENDMENT

“SEC. 385E. LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.

“There are authorized to be appropriated to the Secretary to carry out this subtitle not more than \$25,000,000 for each of the fiscal years 2008 through 2012.”.

(b) PRESERVATION AND PROMOTION OF RURAL HERITAGE.—

(1) **DEFINITION.**—Section 385B of such Act (7 U.S.C. 2009dd–1) is amended by adding at the end the following:

“(12) **RURAL HERITAGE.**—The term ‘rural heritage’ means historic sites, structures, and districts which may include rural downtown areas and main streets, neighborhoods, farmsteads, scenic and historic trails, and heritage areas and historic landscapes.”.

(2) **RURAL STRATEGIC INVESTMENT PLANNING GRANTS.**—Section 385F(b) of such Act (7 U.S.C. 2009dd–5(b)) is amended—

(A) by striking “and” at the end of paragraph (6); and

(B) by redesignating paragraph (7) as paragraph (8) and inserting after paragraph (6) the following:

“(7) preservation and promotion of rural heritage; and”.

(3) **INNOVATION GRANTS.**—Section 385G(d) of such Act (7 U.S.C. 2009dd–66–(d)) is amended—

(A) by striking “and” at the end of paragraph (6); and

(B) by redesignating paragraph (7) as paragraph (8) and inserting after paragraph (6) the following:

“(7) demonstrate a plan to protect and promote rural heritage; and”.

No Comparable Provision

SEC. 6032. RURAL COLLABORATIVE INVESTMENT PROGRAM.

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

Subtitle I--Rural Collaborative Investment Program

SEC. 385A. PURPOSE.

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

program--

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

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

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

`(4) to foster collaborations necessary to provide the professional technical expertise, institutional capacity, and economies of scale that are essential for the long-term competitiveness of rural regions; and

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

`SEC. 385B. DEFINITIONS.

`In this subtitle:

`(1) **BENCHMARK**- The term `benchmark' means an annual set of goals and performance measures established for the purpose of assessing performance in meeting a regional investment strategy of a Regional Board.

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

`(3) **NATIONAL BOARD**- The term `National Board' means the National Rural Investment Board established under section 385C(c).

`(4) **NATIONAL INSTITUTE**- The term `National Institute' means the National Institute on Regional Rural Competitiveness and Entrepreneurship established under section 385C(b)(2).

`(5) **REGIONAL BOARD**- The term `Regional Board' means a Regional Rural

Investment Board described in section 385D(a).

`(6) **REGIONAL INNOVATION GRANT**- The term `regional innovation grant' means a grant made by the Secretary to a certified Regional Board under section 385F.

`(7) **REGIONAL INVESTMENT STRATEGY GRANT**- The term `regional investment strategy grant' means a grant made by the Secretary to a certified Regional Board under section 385E.

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

`(a) **Establishment**- The Secretary shall establish a Rural Collaborative Investment Program to support comprehensive regional investment strategies for achieving rural competitiveness.

`(b) **Duties of Secretary**- In carrying out this subtitle, the Secretary shall—

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

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

`(A) the development of rigorous analytic programs to assist Regional Boards in determining the challenges and opportunities that need to be addressed to receive the greatest regional competitive advantage;

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

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

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

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

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

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

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

`(D) encourage the organization of Regional Boards;

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

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

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

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

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

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

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

`(D) a review and annual evaluation of the performance of the Regional

Boards (including progress in achieving benchmarks established in a regional investment strategy) in an annual report submitted to—

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

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

`(c) National Rural Investment Board- The Secretary shall establish within the Department of Agriculture a board to be known as the 'National Rural Investment Board'.

`(d) Duties of National Board- The National Board shall—

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

`(2) provide advice to the Secretary and subsequently review the design, development, and execution of the National Rural Investment Plan;

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

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

`(e) Membership-

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

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

`(3) SECTORS REPRESENTED- The National Board shall consist of representatives from each of—

`(A) nationally recognized entrepreneurship organizations;

- `(B) regional strategy and development organizations;
- `(C) community-based organizations;
- `(D) elected members of county and municipal governments;
- `(E) elected members of State legislatures;
- `(F) primary, secondary, and higher education, job skills training, and workforce development institutions;
- `(G) the rural philanthropic community;
- `(H) financial, lending, venture capital, entrepreneurship, and other related institutions;
- `(I) private sector business organizations, including chambers of commerce and other for-profit business interests;
- `(J) Indian tribes; and
- `(K) cooperative organizations.

`(4) SELECTION OF MEMBERS-

`(A) IN GENERAL- In selecting members of the National Board, the Secretary shall consider recommendations made by--

- `(i) the chairman and ranking member of each of the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate;
- `(ii) the Majority Leader and Minority Leader of the Senate; and
- `(iii) the Speaker and Minority Leader of the House of Representatives.

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

`(5) TERM OF OFFICE-

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

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

`(6) INITIAL APPOINTMENTS- Not later than 120 days after the date of enactment of the Food and Energy Security Act of 2007, the Secretary shall appoint the initial members of the National Board.

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

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

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

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

`(f) Administrative Support- The Secretary, on a reimbursable basis from funds made available under section 385H(b)(3), may provide such administrative support to the National Board as the Secretary determines is necessary to carry out the duties of the National Board.

`SEC. 385D. REGIONAL RURAL INVESTMENT BOARDS.

`(a) **In General**- A Regional Rural Investment Board shall be a multijurisdictional and multisectoral group that—

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

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

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

- `(A) units of local government (including multijurisdictional units of local government);
- `(B) nonprofit community-based development organizations, including community development financial institutions and community development corporations;
- `(C) agricultural, natural resource, and other asset-based related industries;
- `(D) in the case of regions with federally recognized Indian tribes, Indian tribes;
- `(E) regional development organizations;
- `(F) private business organizations, including chambers of commerce;
- `(G)(i) institutions of higher education (as defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)));
- `(ii) tribally controlled colleges or universities (as defined in section 2(a) of Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1801(a))); and
- `(iii) tribal technical institutions;
- `(H) workforce and job training organizations;
- `(I) other entities and organizations, as determined by the Regional Board;
- `(J) cooperatives; and
- `(K) consortia of entities and organizations described in subparagraphs (A) through (J);

`(4) represents a region inhabited by—

- `(A) more than 25,000 individuals, as determined in the latest available decennial census conducted under section 141(a) of title 13, United States Code; or
- `(B) in the case of a region with a population density of less than 2 individuals per square mile, at least 10,000 individuals, as determined in that latest available decennial census;

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

- `(A) units of local government and Indian tribes described in subparagraphs (A) and (D) of paragraph (3);
- `(B) nonprofit community and economic development organizations and institutions of higher education described in subparagraphs (B) and (G) of paragraph (3); or
- `(C) private business (including chambers of commerce and cooperatives)

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

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

`(7) has organizational documents that demonstrate that the Regional Board shall-

`(A) create a collaborative, inclusive public-private strategy process;

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

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

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

`(C) implement the approved regional investment strategy;

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

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

`(b) **Urban Areas-** A resident of an urban area may serve as an ex-officio member of a Regional Board.

`(c) **Duties-** A Regional Board shall--

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

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

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

`(4) implement an approved strategy; and

`(5) provide annual reports to the Secretary and the National Board on progress

made in achieving the strategy, including an annual financial statement.

SEC. 385E. REGIONAL INVESTMENT STRATEGY GRANTS.

(a) **In General**- The Secretary shall make regional investment strategy grants available to Regional Boards for use in developing, implementing, and maintaining regional investment strategies.

(b) **Regional Investment Strategy**- A regional investment strategy shall provide--

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

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

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

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

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

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

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

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

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

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

(A) establishing regional goals and objectives;

(B) developing and implementing a regional action strategy;

(C) identifying investment priorities and funding sources; and

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

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

investment strategy;

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

`(A) other potential funding sources; and

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

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

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

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

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

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

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

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

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

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

`(c) **Maximum Amount of Grant-** A regional investment strategy grant shall not exceed \$150,000.

`(d) **Cost Sharing-**

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

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

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

`(2) **FORM-** A Regional Board or other eligible grantee shall pay the share described in paragraph (1)(B) in the form of cash, services, materials, or other in-

kind contributions, on the condition that not more than 50 percent of that share is provided in the form of services, materials, and other in-kind contributions.

SEC. 385F. REGIONAL INNOVATION GRANTS PROGRAM.

(a) Grants-

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

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

(b) Eligibility- For a Regional Board to receive a regional innovation grant, the Secretary shall determine that—

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

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

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

(c) Limitations-

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

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

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

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

(3) GEOGRAPHIC DIVERSITY- The Secretary shall ensure that not more

than 10 percent of funding made available under this section is provided to Regional Boards in any State.

(d) Cost-Sharing-

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

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

- (A) a sudden or severe economic dislocation;
- (B) significant chronic unemployment or poverty;
- (C) a natural disaster; or
- (D) other severe economic, social, or cultural duress.

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

(e) Preferences- In providing regional innovation grants under this section, the Secretary shall give—

- (1) a high priority to strategies that demonstrate significant leverage of capital and quality job creation; and
- (2) a preference to an application proposing projects and initiatives that would--
 - (A) advance the overall regional competitiveness of a region;
 - (B) address the priorities of a regional rural investment strategy, including priorities that--
 - (i) promote cross-sector collaboration, public-private partnerships, or the provision of collaborative gap financing or seed capital for program implementation;
 - (ii) exhibit collaborative innovation and entrepreneurship, particularly within a public-private partnership; and
 - (iii) represent a broad coalition of interests described in section 385D(a);
 - (C) include a strategy to leverage public non-Federal and private funds and existing assets, including agricultural assets, natural assets, and public

infrastructure, with substantial emphasis placed on the existence of real financial commitments to leverage the available funds;

- `(D) create quality jobs;
- `(E) enhance the role, relevance, and leveraging potential of community and regional foundations in support of regional investment strategies;
- `(F) demonstrate a history, or involve organizations with a history, of successful leveraging of capital for economic development and public purposes;
- `(G) address gaps in existing basic services, including technology, within a region;
- `(H) address economic diversification, including agricultural and non-agriculturally based economies, within a regional framework;
- `(I) improve the overall quality of life in the region (including with respect to education, health care, housing, recreation, and arts and culture);
- `(J) enhance the potential to expand economic development successes across diverse stakeholder groups within the region;
- `(K) include an effective working relationship with 1 or more institutions of higher education, tribally controlled colleges or universities, or tribal technical institutions; or
- `(L) help to meet the other regional competitiveness needs identified by a Regional Board.

`(f) **Uses-**

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

`(2) **PURPOSES-** A Regional Board may use a regional innovation grant—

- `(A) to support the development of critical infrastructure (including technology deployment and services) necessary to facilitate the competitiveness of a region;
- `(B) to provide assistance to entities within the region that provide essential public and community services;
- `(C) to enhance the value-added production, marketing, and use of agricultural and natural resources within the region, including activities relating to renewable and alternative energy production and usage;
- `(D) to assist with entrepreneurship, job training, workforce development,

housing, educational, or other quality of life services or needs, relating to the development and maintenance of strong local and regional economies;

- `(E) to assist in the development of unique new collaborations that link public, private, and philanthropic resources, including community foundations;
- `(F) to provide support for business and entrepreneurial investment, strategy, expansion, and development, including feasibility strategies, technical assistance, peer networks, and business development funds;
- `(G) to carry out other broad activities relating to strengthening the economic competitiveness of the region; and
- `(H) to provide matching funds to enable community foundations located within the region to build endowments which provide permanent philanthropic resources to implement a regional investment strategy.

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

`(g) Cost Sharing-

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

- `(A) a sudden or severe economic dislocation;
- `(B) significant chronic unemployment or poverty;
- `(C) a natural disaster; or
- `(D) other severe economic, social, or cultural duress.

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

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

- `(1) take such actions as are necessary to obtain reimbursement of unused grant funds; and
- `(2) reprogram the recaptured funds for purposes relating to implementation of this subtitle.

`(i) Priority to Areas With Awards and Approved Strategies-

- `(1) **IN GENERAL-** Subject to paragraph (3), in providing rural development assistance under other programs, the Secretary shall give a high priority to areas that receive innovation grants under this section.
- `(2) **CONSULTATION-** The Secretary shall consult with the heads of other Federal agencies to promote the development of priorities similar to those described in paragraph (1).
- `(3) **EXCLUSION OF CERTAIN PROGRAMS-** Paragraph (1) shall not apply to the provision of rural development assistance under any program relating to basic health, safety, or infrastructure, including broadband deployment or minimum environmental needs.

`SEC. 385G. RURAL ENDOWMENT LOANS PROGRAM.

- `(a) **In General-** The Secretary may provide long-term loans to eligible community foundations to assist in the implementation of regional investment strategies.
- `(b) **Eligible Community Foundations-** To be eligible to receive a loan under this section, a community foundation shall—
 - `(1) be located in an area that is covered by a regional investment strategy;
 - `(2) match the amount of the loan with an amount that is at least 250 percent of the amount of the loan; and
 - `(3) use the loan and the matching amount to carry out the regional investment strategy targeted to community and economic development, including through the development of community foundation endowments.
- `(c) **Terms-** A loan made under this section shall--
 - `(1) have a term of not less than 10, nor more than 20, years;
 - `(2) bear an interest rate of 1 percent per annum; and
 - `(3) be subject to such other terms and conditions as are determined appropriate by the Secretary.

<p>No comparable provision</p>	<p>SEC. 6034. NORTHERN BORDER ECONOMIC DEVELOPMENT COMMISSION. The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by adding at the end the following:</p> <p style="text-align: center;">`Subtitle J--Northern Border Economic Development Commission</p> <p>`SEC. 386A. DEFINITIONS. `In this subtitle: ` (1) COMMISSION- The term `Commission' means the Northern Border Economic Development Commission established by section 386B.</p> <p>` (2) FEDERAL GRANT PROGRAM- The term `Federal grant program' means a Federal grant program to provide assistance in carrying out economic and community development activities and conservation activities that are consistent with economic development.</p> <p>` (3) NON-PROFIT ENTITY- The term `non-profit entity' means any entity with tax-exempt or non-profit status, as defined by the Internal Revenue Service.</p> <p>` (4) REGION- The term `region' means the area covered by the Commission (as described in section 386N).</p> <p>`SEC. 386B. NORTHERN BORDER ECONOMIC DEVELOPMENT COMMISSION. ` (a) Establishment-</p> <p>` (1) IN GENERAL- There is established the Northern Border Economic Development Commission.</p> <p>` (2) COMPOSITION- The Commission shall be composed of-- ` (A) a Federal member, to be appointed by the President, with the advice and consent of the Senate; and ` (B) the Governor of each State in the region that elects to participate in the Commission.</p> <p>` (3) COCHAIRPERSONS- The Commission shall be headed by-- ` (A) the Federal member, who shall serve-- ` (i) as the Federal cochairperson; and</p>

- (ii) as a liaison between the Federal Government and the Commission; and
- (B) a State cochairperson, who--
 - (i) shall be a Governor of a participating State in the region; and
 - (ii) shall be elected by the State members for a term of not less than 1 year.

(b) Alternate Members-

(1) STATE ALTERNATES-

(A) APPOINTMENT- The State member of a participating State may have a single alternate, who shall be appointed by the Governor of the State from among the Governor's cabinet or personal staff.

(B) VOTING- An alternate shall vote in the event of the absence, death, disability, removal, or resignation of the member for whom the individual is an alternate.

(2) ALTERNATE FEDERAL COCHAIRPERSON- The President shall appoint an alternate Federal cochairperson.

(3) QUORUM-

(A) IN GENERAL- Subject to the requirements of this paragraph, the Commission shall determine what constitutes a quorum of the Commission.

(B) FEDERAL COCHAIRPERSON- The Federal cochairperson or the Federal cochairperson's designee must be present for the establishment of a quorum of the Commission.

(C) STATE ALTERNATES- A State alternate shall not be counted toward the establishment of a quorum of the Commission.

(4) DELEGATION OF POWER- No power or responsibility of the Commission specified in paragraphs (3) and (4) of subsection (c), and no voting right of any Commission member, shall be delegated to any person--

- (A) who is not a Commission member; or
- (B) who is not entitled to vote in Commission meetings.

(c) Decisions-

(1) REQUIREMENTS FOR APPROVAL- Except as provided in subsection

(g), decisions by the Commission shall require the affirmative vote of the Federal cochairperson and of a majority of the State members, exclusive of members representing States delinquent under subsection (g)(2)(C).

`(2) **CONSULTATION**- In matters coming before the Commission, the Federal cochairperson, to the extent practicable, shall consult with the Federal departments and agencies having an interest in the subject matter.

`(3) **DECISIONS REQUIRING QUORUM OF STATE MEMBERS**- The following decisions may not be made without a quorum of State members:

`(A) A decision involving Commission policy.

`(B) Approval of State, regional, or subregional development plans or strategy statements.

`(C) Modification or revision of the Commission's code.

`(D) Allocation of amounts among the States.

`(4) **PROJECT AND GRANT PROPOSALS**- The approval of project and grant proposals is a responsibility of the Commission and shall be carried out in accordance with section 386H.

`(d) **Duties**- The Commission shall—

`(1) develop, on a continuing basis, comprehensive and coordinated plans and programs to establish priorities and approve grants for the economic development of the region, giving due consideration to other Federal, State, and local planning and development activities in the region;

`(2) not later than 365 days after the date of enactment of this Act, establish priorities in a development plan for the region (including 5-year regional outcome targets);

`(3) assess the needs and capital assets of the region based on available research, demonstration projects, assessments, and evaluations of the region prepared by Federal, State, or local agencies, local development districts, and any other relevant source;

`(4)(A) enhance the capacity of, and provide support for, local development districts in the region; or

`(B) if no local development district exists in an area in a participating State in the region, foster the creation of a local development district;

`(5) actively solicit the participation of representatives of local development districts, industry groups, and other appropriate organizations as approved by the Commission, in all public proceedings of the Commission conducted under subsection (e)(1), either in-person or through interactive telecommunications; and

`(6) encourage private investment in industrial, commercial, and other economic development projects in the region.

`(e) **Administration-** In carrying out subsection (d), the Commission may—

`(1) hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute a description of the proceedings and reports on actions by the Commission as the Commission considers appropriate;

`(2) authorize, through the Federal or State cochairperson or any other member of the Commission designated by the Commission, the administration of oaths if the Commission determines that testimony should be taken or evidence received under oath;

`(3) request from any Federal, State, or local department or agency such information as may be available to or procurable by the department or agency that may be of use to the Commission in carrying out duties of the Commission;

`(4) adopt, amend, and repeal bylaws and rules governing the conduct of Commission business and the performance of Commission duties;

`(5) request the head of any Federal department or agency to detail to the Commission such personnel as the Commission requires to carry out duties of the Commission, each such detail to be without loss of seniority, pay, or other employee status;

`(6) request the head of any State department or agency or local government to detail to the Commission such personnel as the Commission requires to carry out duties of the Commission, each such detail to be without loss of seniority, pay, or other employee status;

`(7) provide for coverage of Commission employees in a suitable retirement and employee benefit system by—

 `(A) making arrangements or entering into contracts with any participating State government; or

 `(B) otherwise providing retirement and other employee benefit coverage;

`(8) accept, use, and dispose of gifts or donations of services or real, personal, tangible, or intangible property;

`(9) enter into and perform such contracts or other transactions as are necessary to carry out Commission duties;

`(10) establish and maintain a central office located within the Northern Border Economic Development Commission region and field offices at such locations as the Commission may select; and

`(11) provide for an appropriate level of representation in Washington, DC.

`(f) **Federal Agency Cooperation-** A Federal agency shall—

 `(1) cooperate with the Commission; and

 `(2) provide, on request of the Federal cochairperson, appropriate assistance in carrying out this subtitle, in accordance with applicable Federal laws (including regulations).

`(g) **Administrative Expenses-**

 `(1) **IN GENERAL-** Administrative expenses of the Commission (except for the expenses of the Federal cochairperson, including expenses of the alternate and staff of the Federal cochairperson, which shall be paid solely by the Federal Government) shall be paid—

 `(A) by the Federal Government, in an amount equal to 50 percent of the administrative expenses; and

 `(B) by the States in the region participating in the Commission, in an amount equal to 50 percent of the administrative expenses.

^(2) STATE SHARE-

^(A) IN GENERAL- The share of administrative expenses of the Commission to be paid by each State shall be determined by the Commission.

^(B) NO FEDERAL PARTICIPATION- The Federal cochairperson shall not participate or vote in any decision under subparagraph (A).

^(C) DELINQUENT STATES- If a State is delinquent in payment of the State's share of administrative expenses of the Commission under this subsection—

^(i) no assistance under this subtitle shall be furnished to the State (including assistance to a political subdivision or a resident of the State); and

^(ii) no member of the Commission from the State shall participate or vote in any action by the Commission.

^(h) Compensation-

^(1) **FEDERAL COCHAIRPERSON-** The Federal cochairperson shall be compensated by the Federal Government at level III of the Executive Schedule in subchapter II of chapter 53 of title V, United States Code.

^(2) **ALTERNATE FEDERAL COCHAIRPERSON-** The alternate Federal cochairperson—

^(A) shall be compensated by the Federal Government at level V of the Executive Schedule described in paragraph (1); and

^(B) when not actively serving as an alternate for the Federal cochairperson, shall perform such functions and duties as are delegated by the Federal cochairperson.

^(3) STATE MEMBERS AND ALTERNATES-

^(A) IN GENERAL- A State shall compensate each member and alternate representing the State on the Commission at the rate established by law of the State.

^(B) NO ADDITIONAL COMPENSATION- No State member or alternate

member shall receive any salary, or any contribution to or supplementation of salary from any source other than the State for services provided by the member or alternate to the Commission.

^(4) DETAILED EMPLOYEES-

^(A) IN GENERAL- No person detailed to serve the Commission under paragraph (5) or (6) of subsection (e) shall receive any salary or any contribution to or supplementation of salary for services provided to the Commission from—

^(i) any source other than the Federal, State, local, or intergovernmental department or agency from which the person was detailed; or

^(ii) the Commission.

^(B) VIOLATION- Any person that violates this paragraph shall be fined not more than \$5,000, imprisoned not more than 1 year, or both.

^(C) APPLICABLE LAW- The Federal cochairperson, the alternate Federal cochairperson, and any Federal officer or employee detailed to duty on the Commission under subsection (e)(5) shall not be subject to subparagraph (A), but shall remain subject to sections 202 through 209 of title 18, United States Code.

^(5) ADDITIONAL PERSONNEL-

^(A) COMPENSATION-

^(i) IN GENERAL- The Commission may appoint and fix the compensation of an executive director and such other personnel as are necessary to enable the Commission to carry out the duties of the Commission.

^(ii) EXCEPTION- Compensation under clause (i) shall not exceed the maximum rate for the Senior Executive Service under section 5382 of title 5, United States Code, including any applicable locality-based comparability payment that may be authorized under section 5304(h)(2)(C) of that title.

^(B) EXECUTIVE DIRECTOR- The executive director shall be

responsible for--

- `(i) the carrying out of the administrative duties of the Commission;
- `(ii) direction of the Commission staff; and
- `(iii) such other duties as the Commission may assign.

`(C) **NO FEDERAL EMPLOYEE STATUS**- No member, alternate, officer, or employee of the Commission (except the Federal cochairperson of the Commission, the alternate and staff for the Federal cochairperson, and any Federal employee detailed to the Commission under subsection (e)(5)) shall be considered to be a Federal employee for any purpose.

`(i) Conflicts of Interest-

`(1) **IN GENERAL**- Except as provided under paragraph (2), no State member, alternate, officer, or employee of the Commission shall participate personally and substantially as a member, alternate, officer, or employee of the Commission, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in any proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other matter in which, to knowledge of the member, alternate, officer, or employee any of the following persons has a financial interest:

- `(A) The member, alternate, officer, or employee.
- `(B) The spouse, minor child, partner, or organization (other than a State or political subdivision of the State) of the member, alternate, officer, or employee, in which the member, alternate, officer, or employee is serving as officer, director, trustee, partner, or employee.
- `(C) Any person or organization with whom the member, alternate, officer, or employee is negotiating or has any arrangement concerning prospective employment.

`(2) **DISCLOSURE**- Paragraph (1) shall not apply if the State member, alternate, officer, or employee--

- `(A) immediately advises the Commission of the nature and circumstances of the proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter presenting a potential conflict of interest;
- `(B) makes full disclosure of the financial interest; and
- `(C) before the proceeding concerning the matter presenting the conflict of interest, receives a written determination by the Commission that the

interest is not so substantial as to be likely to affect the integrity of the services that the Commission may expect from the State member, alternate, officer, or employee.

`(3) **VIOLATION**- Any person that violates this subsection shall be fined not more than \$10,000, imprisoned not more than 2 years, or both.

`(j) **Validity of Contracts, Loans, and Grants**- The Commission may declare void any contract, loan, or grant of or by the Commission in relation to which the Commission determines that there has been a violation of any provision under subsection (h)(4), subsection (i), or sections 202 through 209 of title 18, United States Code.

SEC. 386C. ECONOMIC AND COMMUNITY DEVELOPMENT GRANTS.

`(a) **In General**- The Commission may approve grants to States, local development districts (as defined in section 386E(a)), and public and nonprofit entities for projects, approved in accordance with section 386H—

`(1) to develop the infrastructure of the region for the purpose of facilitating economic development in the region (except that grants for this purpose may only be made to a State or local government);

`(2) to assist the region in obtaining job training, employment-related education, business development, and small business development and entrepreneurship;

`(3) to assist the region in community and economic development;

`(4) to support the development of severely distressed and underdeveloped areas;

`(5) to promote resource conservation, forest management, tourism, recreation, and preservation of open space in a manner consistent with economic development goals;

`(6) to promote the development of renewable and alternative energy sources; and

`(7) to achieve the purposes of this subtitle.

(b) Funding-

`(1) **IN GENERAL**- Funds for grants under subsection (a) may be provided--

`(A) entirely from appropriations to carry out this section;

`(B) in combination with funds available under another State or Federal grant program; or

`(C) from any other source.

`(2) **ELIGIBLE PROJECTS**- The Commission may provide assistance, make grants, enter into contracts, and otherwise provide funds to eligible entities in the

region for projects that promote—

- `(A) business development;
- `(B) job training or employment-related education;
- `(C) small businesses and entrepreneurship, including--
 - `(i) training and education to aspiring entrepreneurs, small businesses, and students;
 - `(ii) access to capital and facilitating the establishment of small business venture capital funds;
 - `(iii) existing entrepreneur and small business development programs and projects; and
 - `(iv) projects promoting small business innovation and research;
- `(D) local planning and leadership development;
- `(E) basic public infrastructure, including high-tech infrastructure and productive natural resource conservation;
- `(F) information and technical assistance for the modernization and diversification of the forest products industry to support value-added forest products enterprises;
- `(G) forest-related cultural, nature-based, and heritage tourism;
- `(H) energy conservation and efficiency in the region to enhance its economic competitiveness;
- `(I) the use of renewable energy sources in the region to produce alternative transportation fuels, electricity and heat; and
- `(J) any other activity facilitating economic development in the region.

`(3) **FEDERAL SHARE-** Notwithstanding any provision of law limiting the Federal share in any grant program, funds appropriated or otherwise made available to carry out this section may be used to increase a Federal share in a grant program, as the Commission determines appropriate.

SEC. 386D. SUPPLEMENTS TO FEDERAL GRANT PROGRAMS.

`(a) **Federal Grant Program Funding-** In accordance with subsection (b), the Federal cochairperson may use amounts made available to carry out this subtitle, without regard to any limitations on areas eligible for assistance or authorizations for appropriation under any other Act, to fund all or any portion of the basic Federal contribution to a project or activity under a Federal grant program in the region in an amount that is above the fixed maximum portion of the cost of the project otherwise authorized by applicable law, but not to exceed 80 percent of the costs of the project.

“(b) Certification-

“(1) IN GENERAL- In the case of any program or project for which all or any portion of the basic Federal contribution to the project under a Federal grant program is proposed to be made under this section, no Federal contribution shall be made until the Federal official administering the Federal law authorizing the contribution certifies that the program or project--

“(A) meets the applicable requirements of the applicable Federal grant law; and

“(B) could be approved for Federal contribution under the law if funds were available under the law for the program or project.

“(2) CERTIFICATION BY COMMISSION-

“(A) IN GENERAL- The certifications and determinations required to be made by the Commission for approval of projects under this subtitle in accordance with section 386H--

“(i) shall be controlling; and

“(ii) shall be accepted by the Federal agencies.

“(B) ACCEPTANCE BY FEDERAL COCHAIRPERSON- Any finding, report, certification, or documentation required to be submitted to the head of the department, agency, or instrumentality of the Federal Government responsible for the administration of any Federal grant program shall be accepted by the Federal cochairperson with respect to a supplemental grant for any project under the program.

“SEC. 386E. LOCAL DEVELOPMENT DISTRICTS; CERTIFICATION AND ADMINISTRATIVE EXPENSES.

“(a) Definition of Local Development District- In this section, the term ‘local development district’ means an entity designated by the State that--

“(1) is--

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

“(ii) a development district recognized by the State; or

“(B) if an entity described in subparagraph (A)(i) or (A)(ii) does not exist, an entity designated by the Commission that satisfies the criteria developed by the Economic Development Administration for a local development district; and

“(2) has not, as certified by the Federal cochairperson--

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

`(b) Grants to Local Development Districts-

`(1) **IN GENERAL-** The Commission may make grants for administrative expenses under this section.

`(2) CONDITIONS FOR GRANTS-

`(A) **MAXIMUM AMOUNT-** The amount of any grant awarded under paragraph (1) shall not exceed 80 percent of the administrative expenses of the local development district receiving the grant.

`(B) **LOCAL SHARE-** The contributions of a local development district for administrative expenses may be in cash or in kind, fairly evaluated, including space, equipment, and services.

`(c) Duties of Local Development Districts- A local development district shall--

`(1) operate as a lead organization serving multicounty areas in the region at the local level; and

`(2) serve as a liaison between State and local governments, nonprofit organizations (including community-based groups and educational institutions), the business community, and citizens that—

`(A) are involved in multijurisdictional planning;

`(B) provide technical assistance to local jurisdictions and potential grantees; and

`(C) provide leadership and civic development assistance.

`SEC. 386F. DEVELOPMENT PLANNING PROCESS.

`(a) **State Development Plan-** In accordance with policies established by the Commission, each State member shall submit a development plan for the area of the region represented by the State member.

`(b) **Content of Plan-** A State development plan submitted under subsection (a) shall reflect the goals, objectives, and priorities identified in the regional development plan

developed under section 386B(d)(2).

`(c) **Consultation-** In carrying out the development planning process, a State shall--

`(1) consult with--

- `(A) local development districts;
- `(B) local units of government;
- `(C) institutions of higher learning; and
- `(D) stakeholders; and

`(2) take into consideration the goals, objectives, priorities, and recommendations of the entities described in paragraph (1).

`(d) **Public Participation-** The Commission and applicable State and local development districts shall encourage and assist, to the maximum extent practicable, public participation in the development, revision, and implementation of all plans and programs under this subtitle.

SEC. 386G. PROGRAM DEVELOPMENT CRITERIA.

`(a) **In General-** In considering programs and projects to be provided assistance under this subtitle, and in establishing a priority ranking of the requests for assistance provided by the Commission, the Commission shall follow procedures that ensure, to the maximum extent practicable, consideration of—

- `(1) the relationship of the project to overall regional development;
- `(2) the economic distress of an area, including the per capita income, outmigration, poverty and unemployment rates, and other socioeconomic indicators for the area;
- `(3) the financial resources available to the applicants for assistance seeking to carry out the project, with emphasis on ensuring that projects are adequately financed to maximize the probability of successful economic development;
- `(4) the importance of the project in relation to other projects that may be in competition for the same funds;
- `(5) the prospects that the project for which assistance is sought will improve, on a continuing rather than a temporary basis, the opportunities for employment, the average level of income, or the economic development of the area served by the project;
- `(6) the extent to which the project design provides for detailed outcome measurements by which grant expenditures and the results of the expenditures may be evaluated; and

`(7) the preservation of multiple uses, including conservation, of natural resources.

`(b) **No Relocation Assistance-** No financial assistance authorized by this subtitle shall be used to assist an establishment in relocating from 1 area to another.

`(c) **Reduction of Funds-** Funds may be provided for a program or project in a State under this subtitle only if the Commission determines that the level of Federal or State financial assistance provided under a law other than this subtitle, for the same type of program or project in the same area of the State within the region, will not be reduced as a result of funds made available by this subtitle.

SEC. 386H. APPROVAL OF DEVELOPMENT PLANS AND PROJECTS.

`(a) **In General-** A State or regional development plan or any multistate subregional plan that is proposed for development under this subtitle shall be reviewed by the Commission.

`(b) **Evaluation by State Member-** An application for a grant or any other assistance for a project under this subtitle shall be made through and evaluated for approval by the State member of the Commission representing the applicant.

`(c) **Certification-** An application for a grant or other assistance for a project shall be approved only on certification by the State member and Federal cochairperson that the application for the project—

- `(1) describes ways in which the project complies with any applicable State development plan;
- `(2) meets applicable criteria under section 386G;
- `(3) provides adequate assurance that the proposed project will be properly administered, operated, and maintained; and
- `(4) otherwise meets the requirements of this subtitle.

`(d) **Votes for Decisions-** Upon certification of an application for a grant or other assistance for a specific project under this section, an affirmative vote of the Commission under section 386B(c) shall be required for approval of the application.

SEC. 386I. CONSENT OF STATES.

`Nothing in this subtitle requires any State to engage in or accept any program under this subtitle without the consent of the State.

SEC. 386J. RECORDS.

(a) Records of the Commission-

(1) IN GENERAL- The Commission shall maintain accurate and complete records of all transactions and activities of the Commission.

(2) AVAILABILITY- All records required under paragraph (1) shall be available for audit by the Comptroller General of the United States and the Commission (including authorized representatives of the Comptroller General and the Commission).

(b) Records of Recipients of Federal Assistance-

(1) IN GENERAL- A recipient of Federal funds under this subtitle shall, as required by the Commission, maintain accurate and complete records of transactions and activities financed with Federal funds and report on the transactions and activities to the Commission.

(2) AVAILABILITY- All records required under paragraph (1) shall be available for audit by the Comptroller General of the United States and the Commission (including authorized representatives of the Comptroller General and the Commission).

SEC. 386K. ANNUAL REPORT.

Not later than 180 days after the end of each fiscal year, the Commission shall submit to the President and to Congress a report describing the activities carried out under this subtitle.

SEC. 386L. AUTHORIZATION OF APPROPRIATIONS.

(a) In General- There is authorized to be appropriated to the Commission to carry out this subtitle \$40,000,000 for each of fiscal years 2008 through 2012, to remain available until expended.

(b) Administrative Expenses- Not more than 5 percent of the amount appropriated under subsection (a) for a fiscal year shall be used for administrative expenses of the Commission.

SEC. 386M. TERMINATION OF COMMISSION.

This subtitle shall have no force or effect on or after October 1, 2012.

SEC. 386N. REGION OF NORTHERN BORDER ECONOMIC DEVELOPMENT COMMISSION.

(a) Goal- It shall be the goal of the Commission to address economic distress along the northern border of the United States east of, and including, Cayuga County, New York, especially in rural areas.

(b) Counties Included in Northern Border Region- Consistent with the goal described in subsection (a), the region of Commission shall include the following counties:

(1) In Maine, the counties of Aroostook, Franklin, Oxford, Somerset, and Washington.

(2) In New Hampshire, the county of Coos.

(3) In New York, the counties of Cayuga, Clinton, Franklin, Jefferson, Oswego, and St. Lawrence.

(4) In Vermont, the counties of Essex, Franklin, Grand Isle, and Orleans.

(c) Contiguous Counties-

(1) **IN GENERAL-** Subject to paragraph (2), in addition to the counties listed in subsection (b), the region of Commission shall include the following counties:

(A) In Maine, the counties of Androscoggin, Kennebec, Penobscot, Piscataquis, and Waldo.

(B) In New York, the counties of Essex, Hamilton, Herkimer, Lewis, Oneida, and Seneca.

(C) In Vermont, the county of Caledonia.

(2) **RECOMMENDATIONS TO CONGRESS-** As part of an annual report submitted under section 386K, the Commission may recommend to Congress removal of a county listed in paragraph (1) from the region on the basis that the county no longer exhibits 2 or more of the following economic distress factors: population loss, poverty, income levels, and unemployment.

(d) Examination of Additional Counties and Areas for Inclusion in the Region-

(1) **IN GENERAL-** Not later than one year after the date of enactment of this Act, the Commission—

(A) shall examine all counties that border the region of the Commission specified in subsection (a), including the political subdivisions and census

tracts within such counties; and

`(B) may add a county or any portion of a county examined under subparagraph (A) to the region, if the Commission determines that the county or portion--

`(i) is predominantly rural in nature; and

`(ii) exhibits significant economic distress in terms of population loss, poverty, income levels, unemployment, or other economic indicator that the Commission considers appropriate.

`(2) **PRIORITY**- In carrying out paragraph (1)(A), the Commission shall first examine the following counties:

`(A) In Maine, the counties of Hancock and Knox.

`(B) In New Hampshire, the counties of Grafton, Carroll, and Sullivan.

`(C) In New York, the counties of Fulton, Madison, Warren, Saratoga, and Washington.

`(D) In Vermont, the county of Lamoille.

`(e) **Addition of Counties and Other Areas-**

`(1) **RECOMMENDATIONS**- Following the one-year period beginning on the date of enactment of this Act, as part of an annual report submitted under section 386K, the Commission may recommend to Congress additional counties or portions of counties for inclusion in the region.

`(2) **AREAS OF ECONOMIC DISTRESS**- The Commission may recommend that an entire county be included in the region on the basis of one or more distressed areas within the county.

`(3) **ASSESSMENTS OF ECONOMIC CONDITIONS**- The Commission may provide technical and financial assistance to a county that is not included in the region for the purpose of conducting an economic assessment of the county. The results of such an assessment may be used by the Commission in making recommendations under paragraph (1).

`(f) **Limitation**- A county eligible for assistance from the Appalachian Regional Commission under subtitle IV of title 40, United States Code, shall not be eligible for assistance from the Northern Border Economic Development Commission.'

HOUSE BILL (H.R. 2419)

SENATE AMENDMENT

<p>No comparable provision</p>	<p>SEC. 6005. MULTIJURISDICTIONAL REGIONAL PLANNING ORGANIZATIONS. Section 306(a)(23)(E) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(23)(E)) is amended by striking `2007' and inserting `2012'.</p>
<p>No comparable provision</p>	<p>SEC. 6019. RURAL ECONOMIC AREA PARTNERSHIP ZONES. Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) (as amended by section 6019) is amended by adding at the end the following: `j) Rural Economic Area Partnership Zones- For the period beginning on the date of enactment of this subsection and ending on September 30, 2012, the Secretary shall carry out rural economic area partnership zones in the States of New York, North Dakota, and Vermont, in accordance with the terms and conditions contained in the memorandums of agreement entered into by the Secretary for the rural economic area partnership zones, except as otherwise provided in this subsection.'</p>
<p>No comparable provision</p>	<p>SEC. 6010. SEARCH GRANTS. Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) (as amended by section 6009) is amended by adding at the end the following:</p> <p style="padding-left: 40px;">`(28) APPLICATIONS FILED BY ELIGIBLE COMMUNITIES-</p> <p style="padding-left: 80px;">`(A) ELIGIBLE COMMUNITY- In this paragraph, the term `eligible community' means a community that, as determined by the Secretary--</p> <p style="padding-left: 120px;">`(i) has a population of 2,500 or fewer inhabitants; and</p> <p style="padding-left: 120px;">`(ii) is financially distressed.</p> <p style="padding-left: 80px;">`(B) APPLICATIONS- In the case of water and waste disposal and wastewater facilities grant programs authorized under this title, the Secretary may accept applications from eligible communities for grants for feasibility study, design, and technical assistance.</p> <p style="padding-left: 80px;">`(C) TERMS-</p> <p style="padding-left: 120px;">`(i) IN GENERAL- Except as provided in clause (ii), the terms of the grant programs described in subparagraph (B) shall apply to the applications described in that subparagraph.</p>

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SENATE AMENDMENT

	<p> `(ii) EXCEPTIONS- Grants made pursuant to applications described in subparagraph (B)— </p> <p style="padding-left: 40px;"> `(I) shall fund up to 100 percent of eligible project costs; and </p> <p style="padding-left: 40px;"> `(II) shall be subject to the least documentation requirements practicable. </p> <p> `(iii) PROCESSING- The Secretary shall process applications received under subparagraph (B) in the same manner as other similar grant applications. </p> <p> `(D) FUNDING- In addition to any other funds made available for technical assistance, the Secretary may use to carry out this paragraph not more than 4 percent of the total amount of funds made available for a fiscal year for water, waste disposal, and essential community facilities.' </p>
<p>No comparable provision</p>	<p>SEC. 6016. GRANTS TO BROADCASTING SYSTEMS.</p> <p>Section 310B(f)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(f)(3)) is amended by striking `2007' and inserting `2012'.</p>
<p>No comparable provision</p>	<p>SEC. 6021. GEOGRAPHICALLY DISADVANTAGED FARMERS AND RANCHERS.</p> <p>(a) In General- The Consolidated Farm and Rural Development Act is amended by inserting after section 344 (7 U.S.C. 1992) the following:</p> <p>SEC. 345. GEOGRAPHICALLY DISADVANTAGED FARMERS AND RANCHERS.</p> <p>(a) Definitions- In this section:</p> <p style="padding-left: 40px;"> `(1) AGRICULTURAL COMMODITY- The term `agricultural commodity' has the meaning given the term in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602). </p> <p style="padding-left: 40px;"> `(2) GEOGRAPHICALLY DISADVANTAGED FARMER OR RANCHER- The term `geographically disadvantaged farmer or rancher' has the meaning given the term in section 10906(a) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 2204 note; Public Law 107-171). </p>

^ (b) Authorization-

^ (1) IN GENERAL- Subject to paragraph (2) and the availability of funds under subsection (d), for each fiscal year, the Secretary may provide geographically disadvantaged farmers or ranchers direct reimbursement payments for activities described in subsection (c).

^ (2) LIMITATION- The total amount of direct reimbursement payments provided by the Secretary under this section shall not exceed \$15,000,000 for each fiscal year.

^ (c) Transportation-

^ (1) IN GENERAL- Subject to paragraphs (2) and (3), the Secretary may provide direct reimbursement payments to a geographically disadvantaged farmer or rancher to transport an agricultural commodity, or inputs used to produce an agricultural commodity, during a fiscal year.

^ (2) PROOF OF ELIGIBILITY- To be eligible to receive assistance under paragraph (1), farmer or rancher shall provide to the Secretary proof (as determined by the Secretary) that transportation or the agricultural commodity or inputs occurred over a distance of more than 30 miles.

^ (3) AMOUNT- The amount of direct reimbursement payments made to a geographically disadvantaged farmer or rancher under a subsection for a fiscal year shall equal the product obtained by multiplying—

^ (A) the amount of costs incurred by the farmer or rancher for transportation of the agricultural commodity or inputs during the fiscal year; and

^ (B) the percentage of the allowance for that fiscal year made under section 5941 of title 5, United States Code, for Federal employees stationed in Alaska and Hawaii.

^ (d) Authorization of Appropriations- There are authorized to be appropriated such sums as are necessary to carry out this section.'

(b) Effective Date- The amendment made by subsection (a) takes effect on October 1, 2007.

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<p>No comparable provision</p>	<p>SEC. 6023. ARTISANAL CHEESE CENTERS. Subtitle D of the Consolidated Farm and Rural Development Act is amended by inserting after section 366 (as added by section 6022) the following:</p> <p>SEC. 367. ARTISANAL CHEESE CENTERS. (a) In General- The Secretary shall establish artisanal cheese centers to provide educational and technical assistance relating to the manufacture and marketing of artisanal cheese by small- and medium-sized producers and businesses. (b) Authorization of Appropriations- There is authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2008 through 2012.'</p>
<p>No comparable provision</p>	<p>SEC. 6027. GRANTS TO TRAIN FARM WORKERS IN NEW TECHNOLOGIES AND TO TRAIN FARM WORKERS IN SPECIALIZED SKILLS NECESSARY FOR HIGHER VALUE CROPS.</p> <p>Section 379C(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008q(c)) is amended by striking '2007' and inserting '2012'.</p>
<p>No comparable provision</p>	<p>SEC. 6028. GRANTS FOR EXPANSION OF EMPLOYMENT OPPORTUNITIES FOR INDIVIDUALS WITH DISABILITIES IN RURAL AREAS. Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) is amended by adding at the end the following:</p> <p>SEC. 379E. GRANTS FOR EXPANSION OF EMPLOYMENT OPPORTUNITIES FOR INDIVIDUALS WITH DISABILITIES IN RURAL AREAS. (a) Definitions- In this section:</p> <p>(1) INDIVIDUAL WITH A DISABILITY- The term 'individual with a disability' means an individual with a disability (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)).</p> <p>(2) INDIVIDUALS WITH DISABILITIES- The term 'individuals with disabilities' means more than 1 individual with a disability.</p> <p>(b) Grants- The Secretary shall make grants to nonprofit organizations, or to a</p>

consortium of nonprofit organizations, to expand and enhance employment opportunities for individuals with disabilities in rural areas.

`(c) **Eligibility-** To be eligible to receive a grant under this section, a nonprofit organization or consortium of nonprofit organizations shall have—

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

`(2) demonstrated knowledge and expertise in—

`(A) employment of individuals with disabilities; and

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

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

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

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

`(6) a close working relationship with the Department of Agriculture.

`(d) **Uses-** A grant received under this section may be used only to expand or enhance—

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

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

`(e) **Authorization of Appropriations-** There is authorized to be appropriated to carry out this section \$2,000,000 for each of fiscal years 2008 through 2012.'

No comparable provision

SEC. 6031. RURAL BUSINESS INVESTMENT PROGRAM.

(a) **Issuance and Guarantee of Trust Certificates-** Section 384F of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009cc-5) is amended—

- (1) in subsection (a)(1), by inserting ` , including an investment pool created entirely by such bank or savings association' before the period at the end;
- (2) in subsection (b)(3)(A), by striking `In the event' and inserting the following:
 - `(i) **AUTHORITY TO PREPAY-** A debenture may be prepaid at any time without penalty.
 - `(ii) **REDUCTION OF GUARANTEE-** Subject to clause (i), if'; and
- (3) in subsection (e), by adding at the end the following:

`(6) **DISTRIBUTIONS-**

- `(A) **IN GENERAL-** The Secretary shall authorize distributions to investors for unrealized income from a debenture.
- `(B) **TREATMENT-** Distributions made by a rural business investment company to an investor of private capital in the rural business investment company for the purpose of covering the tax liability of the investor resulting from unrealized income of the rural business investment company shall not require the repayment of a debenture.'

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

- (1) in subsection (a), by striking `such fees as the Secretary considers appropriate' and inserting `a fee that does not exceed \$500';
- (2) in subsection (b), by striking `approved by the Secretary' and inserting `that does not exceed \$500'; and
- (3) in subsection (c)--
 - (A) in paragraph (1), by striking `The' and inserting `Except as provided in paragraph (3), the';
 - (B) in paragraph (2)--
 - (i) in subparagraph (A), by striking `and' at the end;
 - (ii) in subparagraph (B), by striking the period at the end and inserting `; and'; and
 - (iii) by adding at the end the following:
 - `(C) shall not exceed \$500 for any fee collected under this subsection.'; and

	<p>(C) by adding at the end the following:</p> <p>“(3) PROHIBITION ON COLLECTION OF CERTAIN FEES- In the case of a license described in paragraph (1) that was approved before July 1, 2007, the Secretary shall not collect any fees due on or after the date of enactment of this paragraph.’.</p> <p>(c) Rural Business Investment Companies- Section 384I(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009cc-8(c)) is amended--</p> <p>(1) by redesignating paragraph (3) as paragraph (4); and</p> <p>(2) by inserting after paragraph (2) the following:</p> <p>“(3) TIME FRAME- Each rural business investment company shall have a period of 2 years to meet the capital requirements of this subsection.’.</p> <p>(d) Financial Institution Investments- Section 384J of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009cc-9) is amended by striking subsection (c).</p> <p>(e) Contracting of Functions- Section 384Q of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009cc-16) is repealed.</p> <p>(f) Funding- The Consolidated Farm and Rural Development Act is amended by striking section 384S (7 U.S.C. 2009cc-18) and inserting the following:</p> <p>SEC. 384S. AUTHORIZATION OF APPROPRIATIONS.</p> <p>“There are authorized to be appropriated such sums as are necessary to carry out this subtitle.’.</p>
<p>No comparable provision</p>	<p>SEC. 6033. FUNDING OF PENDING RURAL DEVELOPMENT LOAN AND GRANT APPLICATIONS.</p> <p>(a) Definition of Application- In this section, the term ‘application’ does not include an application for a loan or grant that, as of the date of enactment of this Act, is in the preapplication phase of consideration under regulations of the Secretary in effect on the date of enactment of this Act.</p> <p>(b) Use of Funds- Subject to subsection (c), the Secretary shall use funds made available under subsection (d) to provide funds for applications that are pending on the date of enactment of this Act for—</p> <p>(1) water or waste disposal grants or direct loans under paragraph (1) or (2) of</p>

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section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)); and

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

(c) Limitations-

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

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

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

- (A) Pending applications for water systems.
- (B) Pending applications for waste disposal systems.

(4) **INDIVIDUAL STATES-** In allocating funds made available under subsection (d), the Secretary shall use not more than 5 percent of the funds for pending applications for loans or grants described in subsection (b) that are made in any individual State.

(d) **Funding-** Notwithstanding any other provision of law, of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section \$135,000,000, to remain available until expended.

SEC. 6022. EXPANSION OF 911 ACCESS.

SEC. 6107. EXPANSION OF 911 ACCESS.

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Section 315(b) of the Rural Electrification Act of 1936 (7 U.S.C. 904e(b)) is amended by striking “2002 through 2007” and inserting “2008 through 2012”.

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

SEC. 315. EXPANSION OF 911 ACCESS.

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

(1) 911 access;

(2) integrated interoperable emergency communications, including multiuse networks that—

(A) serve rural areas; and

(B) provide commercial services or transportation information services in addition to emergency communications services;

(3) homeland security communications;

(4) transportation safety communications; or

(5) location technologies used outside an urbanized area.

(b) Loan Security- Government-imposed fees related to emergency communications (including State or local 911 fees) may be considered to be security for a loan under this section.

(c) Regulations- The Secretary shall--

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

(2) not later than 90 days after the publication of proposed rules to carry out this section, adopt final rules.

(d) Authorization of Appropriations- The Secretary shall use to make loans under this section any funds otherwise made available for telephone or broadband loans for each of fiscal years 2007 through 2012.

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SEC. 6023. ACCESS TO BROADBAND TELECOMMUNICATIONS SERVICES IN RURAL AREAS.

(a) **DEFINITIONS.**—Section 601(b) of the Rural Electrification Act of 1936 (7 U.S.C. 950bb(b)) is amended by striking paragraph (2) and inserting the following:

“(2) **ELIGIBLE RURAL COMMUNITY.**—The term ‘eligible rural community’ means any area of the United States that is not—

“(A) included within the boundaries of any city, town, borough, or village, whether incorporated or unincorporated, with a population of more than 20,000 inhabitants; or

“(B) the urbanized area contiguous and adjacent to such a city or town.”.

(b) **PRIORITIZATION OF APPLICATIONS.**—

(1) **DEFINITION.**—Section 601(b) of such Act (7 U.S.C. 950bb(b)), as amended by subsection (a) of this section, is amended by adding at the end the following:

“(3) **INCUMBENT SERVICE PROVIDER.**—The term ‘incumbent service provider’ means, with respect to an application submitted pursuant to this section, an entity that is providing broadband service to at least 5 percent of the households in the service area proposed in the application.”.

(2) **PRIORITY BASED ON NUMBER OF INCUMBENT SERVICE PROVIDERS.**—Section 601(c) of such Act (7 U.S.C. 950bb(c)) is amended by adding at the end the following:

“(3) **APPLICATIONS PRIORITIZED BASED ON NUMBER OF INCUMBENT SERVICE PROVIDERS.**—

“(A) **IN GENERAL.**—In making or guaranteeing loans under paragraph (1), the Secretary shall give priority, in the following order, to applications from eligible rural communities that have—

“(i) no incumbent service provider;

“(ii) 1 incumbent service provider; or

“(iii) 2 incumbent service providers who, together, serve not

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

(a) **In General-** Section 601 of the Rural Electrification Act of 1936 (7 U.S.C. 950bb) is amended to read as follows:

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

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

(b) **Definition of Broadband Service-** In this section:

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

(2) **MOBILE BROADBAND-** The term ‘broadband service’ includes any service described in paragraph (1) that is provided over a licensed spectrum through the use of a mobile station or receiver communicating with a land station or other mobile stations communicating among themselves.

(c) **Loans and Loan Guarantees-**

(1) **IN GENERAL-** The Secretary shall make or guarantee loans to eligible entities described in subsection (d) to provide funds for the construction, improvement, or acquisition of facilities and equipment for the provision of broadband service in rural areas.

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

(3) **OFFER OF SERVICE-** For purposes of this section, a provider shall be considered to offer broadband service in a rural area if the provider makes the broadband service available to households in the rural area at not more than

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more than 25 percent of the households in the service area proposed in the application.

“(B) **PROHIBITIONS.**—In carrying out this section, the Secretary may not—

“(i) make a loan to an eligible community in which there are 3 or more incumbent service providers, unless—

“(I) the loan is to an incumbent service provider of the community;

“(II) the other providers in that community are notified of the application before approval by the Secretary, and have sufficient time to comment on the application; and

“(III) the application includes substantially increasing—

“(aa) the quality of broadband service in the community; and

“(bb) the provision of broadband service to unserved households inside and outside the community; or

“(ii) make a loan for new construction to any community in which more than 75 percent of the households may obtain affordable broadband service, on request, from at least 1 incumbent service provider.”.

(c) **PAPERWORK REDUCTION.**—Section 601(c) of such Act (7 U.S.C. 950bb(c)), as amended by subsection (b)(2) of this section, is amended by adding at the end the following:

“(4) **PAPERWORK REDUCTION.**—The Secretary shall take steps to reduce the cost and paperwork associated with applying for a loan or loan guarantee under this section by first-time applicants, particularly those who are smaller and start-up Internet providers, including by providing for a new application which shall maintain the ability of the Secretary to make an analysis of the risk associated with the loan involved.”.

(d) **INCREASE IN MAXIMUM NUMBER OF SUBSCRIBER LINES THAT MAY BE SERVED BY AN ELIGIBLE ENTITY.**—Section 601(d)(3) of such Act (7 U.S.C. 950bb(d)(3))

average prices as compared to the prices at which similar services are made available in the nearest urban area, as determined by the Secretary.

“(d) **Eligible Entities-**

“(1) **REQUIREMENTS-**

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

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

“(ii) submit to the Secretary a proposal that meets the requirements of this section for a project to offer to provide service to at least 25 percent of households in a specified rural area that, as of the date on which the proposal is submitted, are not offered broadband service by a terrestrial broadband service provider; and

“(iii) agree to complete buildout of the broadband service described in the proposal not later than 3 years after the date on which a loan or loan guarantee under this section is received.

“(B) **PROHIBITION-** In carrying out this section, the Secretary may not make a loan or loan guarantee for a project in any specific area in which broadband service is offered by 3 or more terrestrial service providers that offer services that are comparable to the services proposed by the applicant.

“(C) **EQUITY AND MARKET SURVEY REQUIREMENTS-**

“(i) **IN GENERAL-** The Secretary may require an entity to provide a cost share in an amount not to exceed 10 percent of the amount of the loan or loan guarantee requested in the application of the entity.

“(ii) **CREDIT-** Recurring revenues of an entity, including broadband service client revenues, may be credited toward the cost share required under clause (i).

“(iii) **MARKET SURVEY-**

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is amended by striking “2” and inserting “10”.

(e) **LIMITATION ON FUNDS TO ENTITIES WITH MORE THAN 2 PERCENT OF SUBSCRIBER LINES.**—Section 601(d) of such Act (7 U.S.C. 950bb(d)) is amended by adding at the end the following:

“(4) **LIMITATION ON FUNDS TO ENTITIES WITH MORE THAN 2 PERCENT OF SUBSCRIBER LINES.**—Not more than 25 percent of the loans made under this section in a single fiscal year may be approved for entities that serve more than 2 percent of the telephone subscriber lines in the United States.”.

(f) **LOAN TERM NOT TO EXCEED 35 YEARS.**—Section 601(g)(2) of such Act (7 U.S.C. 950bb(g)(2)) is amended by striking “not to exceed the useful life of the assets constructed, improved, or acquired with the proceeds of the loan or extension of credit.” and inserting “of such length, not exceeding 35 years, as the borrower may request, so long as the Secretary determines that the loan is adequately secured. In determining the term of a loan or loan guarantee, the Secretary shall consider whether the recipient is or would be serving an area that is not receiving broadband services.”

(g) **ADEQUACY OF SECURITY.**—Section 601 of such Act (7 U.S.C. 950bb) is amended by redesignating subsections (h) through (k) as subsections (i) through (l), respectively, and inserting after subsection (g) the following:

“(h) **ADEQUACY OF SECURITY.**—The Secretary shall ensure that the type, amount, and method of security used to secure any loan or loan guarantee provided under this section is commensurate to the risk involved with the loan or loan guarantee, particularly when the loan or loan guarantee is issued to a financially healthy, strong, and stable entity. In determining the amount and method of security, the Secretary shall consider reducing the security in areas that do not have broadband service.”.

(h) **GENERAL REPORT ON PROGRAM.**—Section 601 of such Act (7 U.S.C. 950bb), as amended by subsection (g) of this section, is amended by redesignating subsections (k) and (l) as subsections (l) and (m), respectively, and inserting after subsection (j) the following:

“(k) **GENERAL PROGRAM REPORT.**—Not later than December 1 of each year, the Secretary shall prepare and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that details for the preceding fiscal year—

“(1) the loans made under this section;

“(2) the communities served under this section;

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

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

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

“(3) **ADEQUACY OF SECURITY-** The Secretary shall ensure that the type, amount, and method of security used to secure any loan or loan guarantee provided under this section is commensurate to the risk involved with the loan or loan guarantee, particularly if the loan or loan guarantee is issued to a financially healthy, strong, and stable entity.

“(4) **LIMITATION-** No entity (including subsidiaries of an entity) may acquire more than 20 percent of the resources of the program under this section in any fiscal year, as determined by the Secretary.

“(5) **NOTICE REQUIREMENT-** The Secretary shall include a notice of applications under this section on the website of the Secretary for a period of not less than 90 days.

“(6) **PROPOSAL INFORMATION-**

“(A) **PUBLIC ACCESS-** The Secretary shall make available on the website of the Secretary during the consideration of a loan by the Secretary-

“(i) the name of the applicant;

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

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“(3) the speed of the broadband service offered by applicants for, and recipients of, loans or loan guarantees under this section;

“(4) the type of services offered by the applicants and recipients;

“(5) the length of time to approve applications submitted pursuant to this section; and

“(6) the outreach efforts undertaken by the Department of Agriculture to encourage persons in areas without broadband service to submit applications pursuant to this section.”.

(i) **NATIONAL CENTER FOR RURAL TELECOMMUNICATIONS ASSESSMENT.**— Section 601 of such Act (7 U.S.C. 950bb), as amended by subsections (g) and (h) of this section, is amended by redesignating subsections (l) and (m) as subsections (m) and (n), respectively, and inserting after subsection (k) the following:

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`(iii) a geographical representation and numerical estimate of the households that have no terrestrial broadband service offered in the proposed service area of the project; and

`(iv) such other relevant information that the Secretary determines to be appropriate.

`(B) **PROPRIETARY INFORMATION-** In making information available relating to a loan proposal as described in subparagraph (A), the Secretary shall not make available information that is proprietary (within the meaning of section 552(b)(4) of title 5, United States Code) to the business interests of the loan applicant.

`(7) **TIMELINE-** The Secretary shall establish a timeline on the website for the Secretary for tracking applications received under this section.

`(8) **ADDITIONAL INFORMATION AND DETERMINATION-**

`(A) **PROMPT PROCESSING OF APPLICATIONS-**

`(i) **IN GENERAL-** The Secretary shall establish, by regulation, procedures to ensure prompt processing of loan and loan guarantee applications under this section.

`(ii) **TIME LIMITS-** Subject to clause (iii), the regulations shall establish general time limits for action by the Secretary and applicant response.

`(iii) **EXTENSIONS-** The Secretary may grant an extension for a time limit established under clause (ii).

`(iv) **ANNUAL REPORTS-** The Secretary shall publish an annual report that—

`(I) describes processing times for loan and loan guarantee applications under this section; and

`(II) provides an explanation for any processing time extensions required by the Secretary.

`(B) **ADDITIONAL INFORMATION-** Not later than 60 days after the date on which an applicant submits an application, the Secretary shall request any additional information required for the application to be complete.

`(C) **DETERMINATION-** Not later than 180 days after the date on which an applicant submits a completed application, the Secretary shall make a determination of whether to approve the application.

`(9) **LOAN CLOSING-** Not later than 45 days after the date on which the Secretary approves an application, documents necessary for the closing of the loan or loan guarantee shall be provided to applicant.

`(10) **FUND DISBURSEMENT-** Not later than 10 business days after the date of the receipt of valid documentation requesting disbursement of the approved, closed loan, the disbursement of loan funds shall occur.

`(11) **PREAPPLICATION PROCESS-** The Secretary shall establish an optional preapplication process under which an applicant may apply to the Rural Utilities Service for a binding determination of area eligibility prior to preparing a full loan application.

`(12) **PENDING APPLICATIONS-** An application for a loan or loan guarantee under this section, or a petition for reconsideration of a decision on such an application, that is pending on the date of enactment of this paragraph shall be considered under eligibility and feasibility criteria that are no less favorable to the applicant than the criteria in effect on the original date of submission of the application.

`(e) **Broadband Service-**

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

`(2) **PROHIBITION-** The Secretary shall not establish requirements for bandwidth or speed that have the effect of precluding the use of evolving technologies appropriate for rural areas outside rural communities.

`(f) **Technological Neutrality**- For purposes of determining whether to make a loan or loan guarantee for a project under this section, the Secretary shall use criteria that are technologically neutral.

`(g) **Terms and Conditions for Loans and Loan Guarantees**-

`(1) **IN GENERAL**- Notwithstanding any other provision of law, a loan or loan guarantee under subsection (c) shall—

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

`(i) in the case of a direct loan, the lower of--

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

`(II) 4 percent; and

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

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

`(2) **TERM OF LOAN EXCEPTION**- A loan or loan guarantee under subsection (c) may have a term not to exceed 30 years if the Secretary determines that the loan security is sufficient.

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

`(h) **Use of Loan Proceeds To Refinance Loans for Deployment of Broadband Service**- Notwithstanding any other provision of this Act, the proceeds of any loan made or guaranteed by the Secretary under this Act may be used by the recipient of the loan for the purpose of refinancing an outstanding obligation of the recipient on another telecommunications-related loan made under this Act if the use of the proceeds for that purpose will further the construction, improvement, or acquisition of facilities and equipment for the provision of broadband service in rural areas.

`(i) **Reports**- Not later than 1 year after the date of enactment of the Food and Energy Security Act of 2007, and biennially thereafter, the Administrator shall submit to Congress a report that--

`(1) describes the ways in which the Administrator determines under subsection (b)(1) that a service enables a subscriber to originate and receive high-quality voice, data, graphics, and video; and
` (2) provides a detailed list of services that have been granted assistance under this section.

`(j) Funding-

`(1) **AUTHORIZATION OF APPROPRIATIONS-** There is authorized to be appropriated to the Secretary to carry out this section \$25,000,000 for each of fiscal years 2008 through 2012.

`(2) ALLOCATION OF FUNDS-

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

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

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

`(B) AMOUNT- Based on information available from the most recent decennial census, the amount of an allocation made to a State for a fiscal year under subparagraph (A) shall bear the same ratio to the amount of allocations made for all States for the fiscal year as—

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

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

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

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“(1) NATIONAL CENTER FOR RURAL TELECOMMUNICATIONS ASSESSMENT.—

“(1) **ESTABLISHMENT OF CENTER.**—The Secretary shall designate a National Center for Rural Telecommunications Assessment (in this subsection referred to as the ‘Center’).

“(2) **CRITERIA.**—The Secretary shall use the following criteria in making the designation:

“(A) The Center must be an entity with a focus on rural policy research and a minimum of 5 years experience in rural telecommunications research and assessment.

“(B) The Center must be capable of assessing broadband services in rural areas.

“(C) The Center must have significant experience with other rural economic development centers and organizations in the assessment of rural policies and formulation of policy solutions at the local, State, and Federal level.

“(3) **BOARD.**—The management of the Center shall be vested in a board of directors that is capable of oversight of the duties set forth in paragraph (4).

“(4) **DUTIES.**—The Center shall—

“(A) assess the effectiveness of programs provided under subsection (d) in increasing broadband penetration and purchase in rural areas, especially in those rural communities identified by the Secretary as having no service before award of a broadband loan or loan guarantee under subsection (d);

“(B) develop assessments of broadband availability in rural areas, working with existing rural development centers selected by the Center;

“(C) identify policies and initiatives at the local, State and Federal level that have increased broadband penetration and purchase in rural

“(k) **Termination of Authority-** No loan or loan guarantee may be made under this section after September 30, 2012.’.

(b) **National Center for Rural Telecommunications Assessment-** Title VI of Rural Electrification Act of 1936 (7 U.S.C. 950bb et seq.) is amended by adding at the end the following:

‘SEC. 602. NATIONAL CENTER FOR RURAL TELECOMMUNICATIONS ASSESSMENT.

“(a) **Establishment of Center-** The Secretary shall designate a National Center for Rural Telecommunications Assessment (referred to in this section as the ‘Center’).

“(b) **Criteria-** In designating the Center, the Secretary shall ensure that--

“(1) the Center is an entity with a focus on rural policy research and a minimum of 5 years experience in rural telecommunications research and assessment;

“(2) the Center is capable of assessing broadband services in rural areas; and

“(3) the Center has significant experience with other rural economic development centers and organizations in the assessment of rural policies and formulation of policy solutions at the local, State, and Federal levels.

“(c) **Duties-** The Center shall--

“(1) assess the effectiveness of programs under this section in increasing broadband availability and use in rural areas, especially in those rural communities identified by the Secretary as having no service before award of a broadband loan or loan guarantee under section 601(c);

“(2) develop assessments of broadband availability in rural areas, working with existing rural development centers selected by the Center;

“(3) identify policies and initiatives at the local, State, and Federal level that have increased broadband availability and use in rural areas;

“(4) conduct national studies of rural households and businesses focusing on the adoption of, barriers to, and use of broadband services, with specific attention addressing the economic, social and educational consequences of inaccessibility to affordable broadband services;

“(5) provide reports to the public on the activities carried out and funded under

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areas;

“(D) conduct a national study of rural households and businesses focusing on the adoption of, barriers to, and utilization of broadband services; and

“(E) provide reports to the public on the activities undertaken under this section.

“(5) **REPORTING REQUIREMENTS.**—The Center shall report by December 1 of each year to the Secretary its activities, the results of its research, and any such information the Secretary may request regarding the prior fiscal year. In reporting to the Secretary the Center shall include the following:

“(A) Assessments of the programs provided under subsection (b).

“(B) Annual assessments on broadband availability in rural areas under consideration by the Center.

“(C) Annual assessments on the effects of the policy initiatives identified in paragraph (2)(C).

“(D) Results from the national study of rural households and businesses conducted under paragraph (4)(D).

“(6) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to the Secretary to carry out this subsection not more than \$1,000,000 for each of the fiscal years 2008 through 2012.”.

(j) **FUNDING.**—Section 601(m) of such Act (7 U.S.C. 950bb(1)) as so redesignated by subsections (g) through (i) of this section, is amended—

(1) by striking paragraph (1);

(2) by redesignating paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively;

(3) in paragraph (1)(B) (as so redesignated), by striking “2007” and inserting “2012”;

(4) in paragraph (2) (as so redesignated), by striking “2003 through 2007” and inserting “2008 through 2012”; and

(5) in paragraph (3) (as so redesignated), by adding at the end the following:

this section; and

“(6) conduct studies and provide recommendations to local, State, and Federal policymakers on effective strategies to bring affordable broadband services to rural citizens residing outside of the municipal boundaries of rural cities and towns.

“(d) **Reporting Requirements-** Not later than December 1, 2008, and each year thereafter through December 1, 2012, the Center shall submit to the Secretary a report that--

“(1) describes the activities of the Center, the results of research carried out by the Center, and any additional information for the preceding fiscal year that the Secretary may request; and

“(2) includes—

“(A) assessments of the programs carried out under this section and section 601;

“(B) annual assessments on the effects of the policy initiatives identified under subsection (c)(3); and

“(C) results from the national studies of rural households and businesses conducted under subsection (c)(4).

“(e) **Authorization of Appropriations-** There is authorized to be appropriated to the Secretary to carry out this section \$1,000,000 for each of fiscal years 2008 through 2012.”.

(c) **Regulations-** The Secretary may promulgate such regulations as are necessary to implement the amendments made by this section.

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<p>“(D) ELIGIBLE TRIBAL COMMUNITIES.—Of the amounts made available under subparagraph (A) for a fiscal year, 10 percent shall be reserved for entities serving eligible tribal communities.</p> <p>“(E) UNOBLIGATED AMOUNTS.—Any amounts in the reserve established for eligible tribal communities for a fiscal year under subparagraph (D) that are not obligated by June 30 of the fiscal year shall be available to the Secretary to make loans and loan guarantees under this section to eligible entities in any State, as determined by the Secretary. ”.</p> <p>(k) EXTENSION OF AUTHORITY TO ISSUE LOANS.—Section 601(n) of such Act (7 U.S.C. 950bb(m)), as so redesignated by subsections (f) through (h) of this section, is amended by striking “2007” and inserting “2012”.</p>	
<p>No comparable provision</p>	<p>SEC. 6113. STUDY OF FEDERAL ASSISTANCE FOR BROADBAND INFRASTRUCTURE.</p> <p>(a) In General- The Comptroller General of the United States shall conduct a study of—</p> <ol style="list-style-type: none">(1) how the Rural Utilities Service takes into account economic factors in the decisionmaking process of the Service in allocating Federal broadband benefits;(2) what other considerations the Rural Utilities Service takes into account in making benefit awards;(3) what economic forces prompt Rural Utilities Service broadband loan applicants to seek Federal funding rather than relying on the private market alone;(4) how awards made by the Rural Utilities Service of Federal benefits impact the expansion of broadband infrastructure by the private sector; and(5) what changes to Federal policy are needed to further encourage technology expansion by private broadband service providers. <p>(b) Report- Not later than 30 months after the date of enactment of this Act, the Comptroller General of the United States shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the results of the study conducted under subsection (a), including any findings and recommendations.</p>

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SEC. 6031. COMPREHENSIVE RURAL BROADBAND STRATEGY.

Not later than 180 days after the date of the enactment of this Act, the Secretary of Agriculture shall submit to the President, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing a comprehensive rural broadband strategy that includes--

(1) recommendations--

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

(B) to coordinate among Federal agencies regarding existing rural broadband or rural initiatives that could be of value to rural broadband development;

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

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

(E) to promote successful model deployments and appropriate technologies being used in rural areas so that State, regional, and local governments can benefit from the cataloging and successes of other State, regional, and local governments; and

(2) a description of goals and timeframes to achieve the strategic plans and visions identified in the report.

SEC. 6111. COMPREHENSIVE RURAL BROADBAND.

(a) Comprehensive Rural Broadband Strategy-

(1) **IN GENERAL**- Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Chairman of the Federal Communications Commission, in coordination with the Secretary, shall submit to the Committees on Energy and Commerce and Agriculture of the House of Representatives and the Committees on Commerce, Science, and Transportation and Agriculture, Nutrition, and Forestry of the Senate a report describing a comprehensive rural broadband strategy that includes—

(A) recommendations--

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

(ii) to coordinate among Federal agencies regarding existing rural broadband or rural initiatives that could be of value to rural broadband development;

(iii) to address both short- and long-term solutions and needs assessments for a rapid build-out of rural broadband solutions and applications for Federal, State, regional, and local government policy makers; and

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

(B) a description of goals and timeframes to achieve the strategic plans and visions identified in the report.

(2) **UPDATES**- The Chairman of the Federal Communications Commission, in coordination with the Secretary shall update and evaluate the report described in paragraph (1) on an annual basis.

(b) Rural Broadband- Section 306(a)(20)(E) of the Consolidated Rural Development Act (7 U.S.C. 1926(a)(20)(E)) is amended by striking 'dial-up Internet access or'.

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SEC. 6024. COMMUNITY CONNECT GRANT PROGRAM.

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

“SEC. 602. COMMUNITY CONNECT GRANT PROGRAM.

“(a) **ESTABLISHMENT.**—The Secretary shall establish a grant program to be known as the ‘Community Connect Grant Program’ to provide financial assistance to eligible applicants to provide broadband transmission service that fosters economic growth and delivers enhanced educational, health care, and public safety services.

“(b) **ELIGIBILITY.**—To be eligible for a grant under this section, the applicant must—

“(1) be legally organized as an incorporated tribal organization, an Indian tribe, or tribal organization, as defined in subsections (b) and (c) of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(b) and (c)), a State or local unit of government, or other legal entity, including a cooperative, private corporation, or limited liability company organized on a for-profit or not-for-profit basis;

“(2) have the legal capacity and authority to own and operate broadband facilities as proposed in its application, to enter into contracts, and to otherwise comply with applicable Federal statutes and regulations; or

“(3) be in an eligible rural community (as defined in section 601(b)(2) of the Rural Electrification Act of 1936).

“(c) **INELIGIBLE GRANT PURPOSES.**—A grant made under this section may not be used—

“(1) to finance the duplication of any broadband transmission service provided by another entity; or

“(2) with respect to facilities, to provide local exchange telecommunications service to any person or entity receiving the service.

“(d) **PRIORITY.**—In making grants under this section, the Secretary shall give priority to grants that will enhance community access to telemedicine and distance learning resources.

“(e) **MATCHING CONTRIBUTIONS.**—

“(1) **IN GENERAL.**—To be eligible to receive a grant under subsection (a), a grant applicant shall provide a matching contribution of at least 15 percent of the

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<p>grant amount requested, in funds and in-kind contributions in a proportion to be determined by the Secretary.</p> <p>“(2) LIMITATIONS.—</p> <p> “(A) Costs incurred by or on behalf of an applicant, for facilities, installed equipment, or other services rendered before submission of a completed application shall not be considered to be for an eligible grant purpose or a matching contribution.</p> <p> “(B) Any financial assistance from Federal sources shall not be considered to be a matching contribution for purposes of this section, unless there is a Federal statutory exception specifically authorizing the Federal financial assistance to be so considered.</p> <p>“(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out this section not more than \$25,000,000 for each of the fiscal years 2008 through 2012.”.</p>	
<p>No comparable provision</p>	<p>SEC. 6201. SHORT TITLE.</p> <p>This subtitle may be cited as the `Connect the Nation Act'.</p> <p>SEC. 6202. GRANTS TO ENCOURAGE STATE INITIATIVES TO IMPROVE BROADBAND SERVICE.</p> <p>(a) Definitions- In this section:</p> <p>(1) BROADBAND SERVICE- The term `broadband service' means any service that connects the public to the Internet with a data transmission-rate equivalent that is at least 200 kilobits per second or 200,000 bits per second, or any successor transmission-rate established by the Federal Communications Commission for broadband, in at least 1 direction.</p> <p>(2) ELIGIBLE ENTITY- The term `eligible entity' means a nonprofit organization that, in conjunction with State agencies and private sector partners, carries out an initiative under the section to identify and track the availability and adoption of broadband services within States.</p> <p>(3) NONPROFIT ORGANIZATION- The term `nonprofit organization' means an organization that—</p>

(A) is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of that Code;
(B) has net earnings that do not inure to the benefit of any member, founder, contributor, or individual associated with the organization;
(C) has an established record of competence and working with public and private sectors to accomplish widescale deployment and adoption of broadband services and information technology; and
(D) has a board of directors that does not have a majority of individuals who are employed by, or otherwise associated with, any Federal, State, or local government or agency.

(4) **SECRETARY-** The term `Secretary' means the Secretary of Commerce.

(b) **Program-** The Secretary shall award grants to eligible entities to pay the Federal share of the cost of the development and implementation of statewide initiatives to identify and track the availability and adoption of broadband services within States.

(c) **Purposes-** The purpose of a grant made this section shall be--
(1) to ensure, to the maximum extent practicable, that all citizens and businesses in States have access to affordable and reliable broadband service;
(2) to promote improved technology literacy, increased computer ownership, and home broadband use among those citizens and businesses;
(3) to establish and empower local grassroots technology teams in States to plan for improved technology use across multiple community sectors; and
(4) to establish and sustain an environment that supports broadband services and information technology investment.

(d) **Eligibility-** To be eligible to receive a grant for an initiative under this section, an eligible entity shall--
(1) submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require; and
(2) provide matching non-Federal funds in an amount that is equal to not less than 20 percent of the total cost of the initiative.

(e) **Competitive Basis-** Grants under this section shall be awarded on a competitive basis.

(f) **Peer Review-**
(1) **IN GENERAL-** The Secretary shall require technical and scientific peer review of applications for grants under this section.

(2) **REVIEW PROCEDURES-** The Secretary shall require that any technical and scientific peer review group--

- (A) be provided a written description of the grant to be reviewed;
- (B) provide the results of any review by the group to the Secretary; and
- (C) certify that the group will enter into such voluntary nondisclosure agreements as are necessary to prevent the unauthorized disclosure of confidential and propriety information provided by broadband service providers in connection with projects funded by a grant under this section.

(g) **Use of Funds-** A grant awarded to an eligible entity under this section shall be used--

(1) to provide a baseline assessment of broadband service deployment in 1 or more participating States;

(2) to identify and track--

- (A) areas in the participating States that have low levels of broadband service deployment;
- (B) the rate at which individuals and businesses adopt broadband service and other related information technology services; and
- (C) possible suppliers of the services;

(3) to identify barriers to the adoption by individuals and businesses of broadband service and related information technology services, including whether--

- (A) the demand for the services is absent; and
- (B) the supply for the services is capable of meeting the demand for the services;

(4) to create and facilitate in each county or designated region in the participating States a local technology planning team--

- (A) with members representing a cross section of communities, including representatives of business, telecommunications labor organizations, K-12 education, health care, libraries, higher education, community-based organizations, local government, tourism, parks and recreation, and agriculture; and
- (B) that shall--
 - (i) benchmark technology use across relevant community sectors;
 - (ii) set goals for improved technology use within each sector; and
 - (iii) develop a tactical business plan for achieving the goals of the team, with specific recommendations for online application

development and demand creation;

(5) to work collaboratively with broadband service providers and information technology companies to encourage deployment and use, especially in unserved, underserved, and rural areas, through the use of local demand aggregation, mapping analysis, and the creation of market intelligence to improve the business case for providers to deploy;

(6) to establish programs to improve computer ownership and Internet access for unserved, underserved, and rural populations;

(7) to collect and analyze detailed market data concerning the use and demand for broadband service and related information technology services;

(8) to facilitate information exchange regarding the use and demand for broadband services between public and private sectors; and

(9) to create within the participating States a geographic inventory map of broadband service that shall--

(A) identify gaps in the service through a method of geographic information system mapping of service availability at the census block level; and

(B) provide a baseline assessment of statewide broadband deployment in terms of households with high-speed availability.

(h) **Participation Limitation-** For each participating State, an eligible entity may not receive a new grant under this section to carry out the activities described in subsection (g) within the participating State if the eligible entity obtained prior grant awards under this section to carry out the same activities in the participating State for each of the previous 4 fiscal years.

(i) **Report-** Each recipient of a grant under this section shall submit to the Secretary a report describing the use of the funds provided by the grant.

(j) **No Regulatory Authority-** Nothing in this section provides any public or private entity with any regulatory jurisdiction or oversight authority over providers of broadband services or information technology.

(k) **Authorization of Appropriations-** There is authorized to be appropriated to carry out this section \$40,000,000 for each of fiscal years 2008 through 2012.

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SEC. 6028. ASSISTANCE FOR RURAL PUBLIC TELEVISION STATIONS.

Section 2333 of the Food, Agriculture, Conservation and Trade Act of 1990 (7 U.S.C. Sec. 950aaa-2) is amended by adding at the end the following:

“(j) **DIGITAL SERVICE TRANSITION ASSISTANCE FOR PUBLIC TELEVISION STATIONS.**—The Secretary may provide grants under this section to noncommercial education television broadcast stations that serve rural areas for the purposes of developing digital facilities, equipment, and infrastructure to enhance digital services to rural areas.”.

SEC. 6302. TELEMEDICINE, LIBRARY CONNECTIVITY, PUBLIC TELEVISION, AND DISTANCE LEARNING SERVICES IN RURAL AREAS.

(a) **In General-** Chapter 1 of subtitle D of title XXII of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa et seq.) is amended in the chapter heading by striking `**AND DISTANCE LEARNING**' and inserting `**, LIBRARY CONNECTIVITY, PUBLIC TELEVISION, AND DISTANCE LEARNING**'.

(b) **Purpose-** Section 2331 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa) is amended by striking `telemedicine services and distance learning' and inserting `telemedicine services, library connectivity, and distance learning'.

(c) **Definitions-** Section 2332 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa-1) is amended—

(1) by redesignating paragraphs (1) through (3) as paragraphs (2) through (4), respectively; and

(2) by inserting before paragraph (2) (as so redesignated) the following:

`(1) **CONNECTIVITY-** The term `connectivity' means the ability to use a range of high-speed digital services or networks.'.

(d) **Telemedicine, Library Connectivity, and Distance Learning Services in Rural Areas-** Section 2333 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa-2) is amended—

(1) in the section heading, by striking `and distance learning' and inserting `**, library connectivity, public television, and distance learning**';

(2) in subsection (a), by striking `construction of facilities and systems to provide telemedicine services and distance learning services' and inserting `construction and use of facilities and systems to provide telemedicine services, library connectivity, distance learning services, and public television station digital conversion';

(3) in subsection (b), by striking paragraph (2) and inserting the following:

`(2) FORM- The Secretary shall establish by notice the amount of the financial assistance available to applicants in the form of grants, costs of money loans, combinations of grants and loans, or other financial assistance so as to--
` (A)(i) further the purposes of this chapter; and
` (ii) in the case of loans, result in the maximum feasible repayment to the Federal Government of the loan; and
` (B) to ensure that funds made available to carry out this chapter are used to the maximum extent practicable to assist useful and needed projects.';

(4) in subsection (c)--
 (A) in paragraph (1)--
 (i) in the matter preceding subparagraph (A), by striking `financial assistance' and inserting `assistance in the form of grants';
 (ii) in subparagraph (A), by striking `and' at the end;
 (iii) in subparagraph (B)--
 (I) by striking `service or distance' and inserting `services, library connectivity services, public television station digital conversion, or distance';
 (II) by striking the period at the end and inserting a semicolon;
 and
 (III) by adding at the end the following:
 `(C) libraries or library support organizations;
 `(D) public television stations and the parent organizations of public television stations; and
 `(E) schools, libraries, and other facilities operated by the Bureau of Indian Affairs or the Indian Health Service.';
 (B) in paragraph (4), by striking `services or distance' and inserting `service, library connectivity, public television station digital conversion, or distance'; and
 (C) by adding at the end the following:

`(5) PUBLIC TELEVISION GRANTS- The Secretary shall establish a separate competitive process to determine the allocation of grants under this chapter to public television stations.';

(5) in subsection (d)--
 (A) in the matter preceding paragraph (1), by inserting `1 or more of' after `considering';
 (B) in paragraph (12), by striking `and' at the end;
 (C) by redesignating paragraph (13) as paragraph (14); and

(D) by inserting after paragraph (12) the following:
` (13) the cost and availability of high-speed network access; and';
(6) by striking subsection (f) and inserting the following:

`(f) **Use of Funds-** Financial assistance provided under this chapter shall be used for--

`(1) the development, acquisition, and digital distribution of instructional programming to rural users;

`(2) the development and acquisition, through lease or purchase, of computer hardware and software, audio and visual equipment, computer network components, telecommunications terminal equipment, telecommunications transmission facilities, data terminal equipment, or interactive video equipment, teleconferencing equipment, or other facilities that would further telemedicine services, library connectivity, or distance learning services;

`(3) the provision of technical assistance and instruction for the development or use of the programming, equipment, or facilities referred to in paragraphs (1) and (2);

`(4) the acquisition of high-speed network transmission equipment or services that would not otherwise be available or affordable to the applicant;

`(5) costs relating to the coordination and collaboration among and between libraries on connectivity and universal service initiatives, or the development of multi-library connectivity plans that benefit rural users; or

`(6) other uses that are consistent with this chapter, as determined by the Secretary.'; and

(7) in subsection (i)—

(A) in paragraph (1), by striking `telemedicine or distance' and inserting `telemedicine, library connectivity, public television station digital conversion, or distance'; and

(B) in paragraph (2)--

(i) in subparagraph (A), by striking `telemedicine or distance' and inserting `telemedicine, library connectivity, or distance'; and

(ii) in subparagraph (B), by inserting `nonproprietary information contained in' before `the applications'.

(e) **Administration-** Section 2334 of the Food, Agriculture, Conservation, and Trade

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	<p>Act of 1990 (7 U.S.C. 950aaa-3) is amended—</p> <p>(1) in subsection (a), by striking `services or distance' and inserting `services, library connectivity, or distance'; and</p> <p>(2) in subsection (d), by striking `or distance learning' and all that follows through the end of the subsection and inserting `, library connectivity, or distance learning services through telecommunications in rural areas.'</p> <p>(f) Authorization of Appropriations- Section 2335A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa-5) is amended by striking `2007' and inserting `2012'.</p> <p>(g) Conforming Amendment- Section 1(b) of Public Law 102-551 (7 U.S.C. 950aaa note; Public Law 102-551) is amended by striking `2007' and inserting `2012'.</p>
<p>SEC. 6029. TELEMEDICINE AND DISTANCE LEARNING SERVICES IN RURAL AREAS.</p> <p>(a) AUTHORIZATION OF APPROPRIATIONS.—Section 2335A of the Food, Agriculture, Conservation and Trade Act of 1990 (7 U.S.C. 950aaa–5) is amended by striking “2007” and inserting “2012”.</p> <p>(b) CONFORMING AMENDMENT.—Section 1(b) of Public Law 102–551 (7 U.S.C. 950aaa note) is amended by striking “2007” and inserting “2012”.</p>	<p>See Senate Sec. 6302 immediately above</p>
<p>SEC. 6025. AGRICULTURE INNOVATION CENTER DEMONSTRATION PROGRAM.</p> <p>Section 6402(i) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1621 note; Public Law 107–171) is amended to read as follows:</p> <p>“(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out this section \$6,000,000 for each of the fiscal years 2008 through 2012.”.</p>	<p>No comparable provision</p>

SEC. 6026. RURAL FIREFIGHTERS AND EMERGENCY MEDICAL SERVICE ASSISTANCE PROGRAM.

Section 6405 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1621 note) is amended to read as follows:

“SEC. 6405. RURAL FIREFIGHTERS AND EMERGENCY MEDICAL SERVICE ASSISTANCE PROGRAM.

“(a) GRANTS.—The Secretary shall award grants to eligible entities to—

“(1) enable the entities to provide for improved emergency medical services in rural areas; and

“(2) pay the cost of training firefighters and emergency medical personnel in firefighting, emergency medical practices, and responding to hazardous materials and bioagents in rural areas.

“(b) ELIGIBILITY.—To be eligible to receive a grant under this section, an entity shall—

“(1) be—

“(A) a State emergency medical services office;

“(B) a State emergency medical services association;

“(C) a State office of rural health;

“(D) a local government entity;

“(E) an Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b));

“(F) a State or local ambulance provider; or

“(G) any other entity determined appropriate by the Secretary; and

“(2) prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, that includes—

“(A) a description of the activities to be carried out under the grant; and

“(B) an assurance that the applicant will comply with the matching requirement of subsection (e).

“(c) **USE OF FUNDS.**—An entity shall use amounts received under a grant made under subsection (a) only in rural areas to—

“(1) hire or recruit emergency medical service personnel;

“(2) recruit or retain volunteer emergency medical service personnel;

“(3) train emergency medical service personnel in emergency response, injury prevention, safety awareness, and other topics relevant to the delivery of emergency medical services;

“(4) fund training to meet State or Federal certification requirements;

“(5) provide training for firefighters and emergency medical personnel for improvements to the training facility, equipment, curricula, and personnel;

“(6) develop new ways to educate emergency health care providers through the use of technology-enhanced educational methods (such as distance learning);

“(7) acquire emergency medical services vehicles, including ambulances;

“(8) acquire emergency medical services equipment, including cardiac defibrillators;

“(9) acquire personal protective equipment for emergency medical services personnel as required by the Occupational Safety and Health Administration; and

“(10) educate the public concerning cardiopulmonary resuscitation (CPR), first aid, injury prevention, safety awareness, illness prevention, and other related emergency preparedness topics.

“(d) **PREFERENCE.**—In awarding grants under this section, the Secretary shall give preference to—

“(1) applications that reflect a collaborative effort by 2 or more of the entities described in subparagraphs (A) through (G) of subsection (b)(1); and

“(2) applications submitted by entities that intend to use amounts provided under the grant to fund activities described in any of paragraphs (1) through (5) of subsection (c).

“(e) **MATCHING REQUIREMENT.**—The Secretary may not make a grant under this section to an entity unless the entity agrees that the entity will make available (directly or through contributions from other public or private entities) non-Federal contributions toward the activities to be carried out under the grant in an amount equal to 5 percent of the amount

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received under the grant.

“(f) **EMERGENCY MEDICAL SERVICES.**—In this section, the term ‘emergency medical services’—

“(1) means resources used by a qualified public or private nonprofit entity, or by any other entity recognized as qualified by the State involved, to deliver medical care outside of a medical facility under emergency conditions that occur as a result of—

“(A) the condition of the patient; or

“(B) a natural disaster or similar situation; and

“(2) includes (compensated or volunteer) services delivered by an emergency medical services provider or other provider recognized by the State involved that is licensed or certified by the State as an emergency medical technician or the equivalent (as determined by the State), a registered nurse, a physician assistant, or a physician that provides services similar to services provided by such an emergency medical services provider.

“(g) **AUTHORIZATION OF APPROPRIATIONS.**—

“(1) **IN GENERAL.**—There are authorized to be appropriated to the Secretary to carry out this section not more than \$30,000,000 for each of fiscal years 2008 through 2012.

“(2) **ADMINISTRATIVE COSTS.**—Not more than 10 percent of the amount appropriated under paragraph (1) for a fiscal year may be used for administrative expenses.”.

SEC. 6027. VALUE-ADDED AGRICULTURAL MARKET DEVELOPMENT PROGRAM.

(a) **DEFINITION OF MID-TIER VALUE CHAIN.**—Section 231(a) of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note; Public Law 106–224) is amended by adding at the end the following:

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

“(A) targets and strengthens the profitability and competitiveness of

SEC. 6401. VALUE-ADDED AGRICULTURAL PRODUCT MARKET DEVELOPMENT GRANTS.

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

“(a) **Definitions-** In this section:

“(1) **ASSISTING ORGANIZATION-** The term ‘assisting organization’ means a nonprofit organization, institution of higher education, or units of government

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small and medium-sized family farms, as defined in regulations pursuant to Section 302 of the Consolidated Farm and Rural Development Act; and

“(B) obtains agreement from the eligible agricultural producer group, farmer or rancher cooperative, or majority-controlled producer-based business venture engaged in the value chain in the method for price determination.”.

(b) **FUNDING; RESERVATION OF FUNDS; GRANT AWARD CRITERIA.**—Section 231(b) of such Act (7 U.S.C. 1621 note; Public Law 106–224) is amended—

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

“(4) **FUNDING.**—Not later than 30 days after the date of the enactment of this paragraph, on October 1, 2008, and on each October 1 thereafter through October 1, 2012, of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this subsection \$30,000,000, to remain available until expended.

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

“(A) **IN GENERAL.**—The Secretary shall reserve 10 percent of the amounts made available under paragraph (4) to fund projects that benefit beginning farmers and ranchers (as defined in section 343(a)(11) of the Consolidated Farm and Rural Development Act) or socially disadvantaged farmers and ranchers (as defined in section 355(e) of such Act).

“(B) **MID-TIER VALUE CHAINS.**—The Secretary shall reserve 10 percent of the amounts made available under paragraph (4) to fund applications of eligible entities described in paragraph (1) that propose to develop mid-tier value chains.

“(C) **UNOBLIGATED AMOUNTS.**—Any amounts in the reserves established under subparagraphs (A) and (B) that are not obligated by June 30 of the fiscal year shall be available to the Secretary to make grants under this section to eligible entities in any State, as determined by the Secretary.”; and

(2) by adding at the end the following:

“(6) **CRITERIA TO BE APPLIED IN AWARDING GRANTS.**—In awarding grants

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with expertise, as determined by the Secretary, to assist eligible producers and entities described in subsection (b)(1) through—

“(A) the provision of market research, training, or technical assistance; or

“(B) the development of supply networks for value-added products that strengthen the profitability of small and mid-sized family farms.

“(2) **TECHNICAL ASSISTANCE-** The term ‘technical assistance’ means managerial, financial, operational, and scientific analysis and consultation to assist an individual or entity (including a recipient or potential recipient of a grant under this section)—

“(A) to identify and evaluate practices, approaches, problems, opportunities, or solutions; and

“(B) to assist in the planning, implementation, management, operation, marketing, or maintenance of projects authorized under this section.

“(3) **VALUE-ADDED AGRICULTURAL PRODUCT-**

“(A) **IN GENERAL-** The term ‘value-added agricultural product’ means any agricultural commodity or product that—

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

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

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

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

“(I) the customer base for the agricultural commodity or product has been expanded; and

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under this section, the Secretary shall consider an application more favorably when compared to other applications to the extent that the project contributes to increasing opportunities for operators of small and medium-size farms and ranches structured as family farms (as defined in regulations prescribed under section 302 of the Consolidated Farm and Rural Development Act).”.

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

“(B) **INCLUSION-** The term ‘value-added agricultural products’ includes--
“(i) farm- or ranch-based renewable energy, including the sale of E-85 fuel; and
“(ii) the aggregation and marketing of locally-produced agricultural food products.’.

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

(1) in paragraph (2)--

(A) in subparagraph (A), by striking ‘exceed \$500,000’ and inserting ‘exceed—

“(i) \$300,000 in the case of grants including working capital; and

“(ii) \$100,000 in the case of all other grants.’; and

(B) by adding at the end the following:

“(C) **RESEARCH, TRAINING, TECHNICAL ASSISTANCE, AND OUTREACH-** The amount of grant funds provided to an assisting organization for a fiscal year may not exceed 10 percent of the total amount of funds that are used to make grants for the fiscal year under this subsection.’;

(2) in paragraph (3)—

(A) in subparagraph (A), by striking ‘or’ at the end;

(B) in subparagraph (B), by striking the period at the end and inserting ‘; or’; and

(C) by adding at the end the following:

`(C) to conduct market research, provide training and technical assistance, develop supply networks, or provide program outreach.'; and
(3) by striking paragraph (4) and inserting the following:

`(4) **TERM-** A grant under this section shall have a term that does not exceed 3 years.

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

`(6) **PRIORITY-**

`(A) **IN GENERAL-** In awarding grants, the Secretary shall give the priority to projects that—

`(i) contribute to increasing opportunities for beginning farmers or ranchers, socially disadvantaged farmers or ranchers, and operators of small- and medium-sized farms and ranches that are not larger than family farms; and

`(ii) support new ventures that do not have well-established markets or product development staffs and budgets, including the development of local food systems and the development of infrastructure to support local food systems.

`(B) **PARTICIPATION-** To the maximum extent practicable, the Secretary shall provide grants to projects that provide training and outreach activities in areas that have, as determined by the Secretary, received relatively fewer grants than other areas.

`(7) **AUTHORIZATION OF APPROPRIATIONS-** There are authorized to be appropriated such sums as are necessary to carry out this subsection for each of fiscal years 2008 through 2012.'

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SEC. 6030. GUARANTEES FOR BONDS AND NOTES ISSUED FOR ELECTRIFICATION OR TELEPHONE PURPOSES.

Section 313A(f) of the Rural Electrification Act of 1936 (7 U.S.C. 940c-1(f)) is amended by striking “2007” and inserting “2012”.

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

Section 313A of the Rural Electrification Act of 1936 (7 U.S.C. 940c-1) is amended--
(1) in subsection (b)—

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

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

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

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

“(2) **AMOUNT**-

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

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

“(3) **PAYMENT**-

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

“(B) **STRUCTURED SCHEDULE**- The Secretary shall, with the consent of the lender, structure the schedule for payment of the fee to ensure that sufficient funds are available to pay the subsidy costs for note or bond guarantees as provided for in subsection (e)(2).’; and

(3) in subsection (f), by striking ‘2007’ and inserting ‘2012’.

SEC. 6032. STUDY OF RAILROAD ISSUES.

(a) **IN GENERAL.**—The Secretary of Agriculture, in coordination with the Secretary of Transportation, shall conduct a study of railroad issues regarding the movement of agricultural products, domestically produced renewable fuels and domestically produced resources for the production of electricity for rural America, and economic development in rural America. The study shall include an examination of the following:

(1) The importance of freight railroads to—

(A) the delivery of equipment, seed, fertilizer, and other such products important to the development of agricultural commodities and products;

(B) the movement of agricultural commodities and products to market;

(C) the delivery of ethanol and other renewable fuels;

(D) the delivery of domestically produced resources for use in the generation of electricity for rural America;

(E) the location of grain elevators, ethanol plants, and other facilities;

(F) the development of manufacturing facilities in rural America; and

(G) the vitality and economic development of rural communities.

(2) The sufficiency in rural America of railroad capacity, the sufficiency of competition in the railroad system, the reliability of rail service, and the reasonableness of railroad prices.

(3) The accessibility to rail customers in rural America of Federal processes for the resolution of rail customer grievances with the railroads.

(b) **REPORT TO THE CONGRESS.**—Within 9 months after the date of the enactment of this Act, the Secretary of Agriculture shall submit to the Congress a report that contains the results of the study required by subsection (a), and the recommendations of the Secretary for new Federal policies to address any problems identified by the study.

No Comparable Provision

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<p>No comparable provision</p>	<p>SEC. 6101. ENERGY EFFICIENCY PROGRAMS. Sections 2(a) and 4 of the Rural Electrification Act of 1936 (7 U.S.C. 902(a), 904) are amended by inserting `efficiency and' before `conservation' each place it appears.</p>
<p>No comparable provision</p>	<p>SEC. 6102. LOANS AND GRANTS FOR ELECTRIC GENERATION AND TRANSMISSION. (a) In General- Section 4 of the Rural Electrification Act of 1936 (7 U.S.C. 904) is amended in the first sentence by striking `authorized and empowered, from the sums hereinbefore authorized, to' and inserting `shall'. (b) Rural Communities With Extremely High Energy Costs- Section 19(a) of the Rural Electrification Act of 1936 (7 U.S.C. 918a(a)) is amended in the matter preceding paragraph (1) by striking `may' and inserting `shall'.</p>
<p>No comparable provision</p>	<p>SEC. 6103. FEES FOR ELECTRIFICATION BASELOAD GENERATION LOAN GUARANTEES. The Rural Electrification Act of 1936 is amended by inserting after section 4 (7 U.S.C. 904) the following:</p> <p>SEC. 5. FEES FOR ELECTRIFICATION BASELOAD GENERATION LOAN GUARANTEES. (a) In General- For electrification baseload generation loan guarantees, the Secretary shall, at the request of the borrower, charge an upfront fee to cover the costs of the loan guarantee. (b) Fee- (1) IN GENERAL- The fee described in subsection (a) for a loan guarantee shall be at least equal to the costs of the loan guarantee (within the meaning of section 502(5)(C) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5)(C)). (2) SEPARATE FEE- The Secretary may establish a separate fee for each loan. (c) Eligibility- To be eligible for an electrification baseload generation loan guarantee under this section, a borrower shall-- (1) provide a rating of the loan, exclusive of the Federal guarantee, by an organization identified by the Securities and Exchange Commission as a nationally recognized statistical rating organization that determines that the loan has at least a AA rating, or equivalent rating, as determined by the Secretary; or (2) obtain insurance or a guarantee for the full and timely repayment of principal and interest on the loan from an entity that has at least an AA or equivalent rating by a nationally recognized statistical rating organization. (d) Limitation- Funds received from a borrower to pay for the fees described in this section shall not be derived from a loan or other debt obligation that is made or guaranteed by the Federal Government.'</p>

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No comparable provision

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

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

(c) Deferment of Payments To Allow Loans for Improved Energy Efficiency and Demand Reduction-

(1) **IN GENERAL**- The Secretary shall allow borrowers to defer payment of principal and interest on any direct loan made under this Act to enable the borrower to make loans to residential, commercial, and industrial consumers to install energy efficient measures or devices that reduce the demand on electric systems.

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

(3) **TERM**- The term of a deferment under this subsection shall not exceed 60 months.'

SEC. 6105. RURAL ELECTRIFICATION ASSISTANCE.

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

SEC. 13. DEFINITIONS.

In this Act:

(1) **FARM**- The term 'farm' means a farm, as defined by the Bureau of the Census.

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

(3) **RURAL AREA**-

(A) **IN GENERAL**- Except as provided otherwise in this Act, the term 'rural area' means the farm and nonfarm population of—

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

(ii) any area within a service area of a borrower for which a

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	<p>borrower has an outstanding loan made under titles I through V as of the date of enactment of this paragraph.</p> <p>`(B) RURAL BROADBAND ACCESS- For the purpose of loans and loan guarantees made under section 601, the term `rural area' has the meaning given the term in section 343(a)(13)(C) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(13)(C)).</p> <p>`(4) TERRITORY- The term `territory' includes any insular possession of the United States.</p> <p>`(5) SECRETARY- The term `Secretary' means the Secretary of Agriculture.'</p>
<p>No comparable provision</p>	<p>SEC. 6108. ELECTRIC LOANS TO RURAL ELECTRIC COOPERATIVES. Title III of the Rural Electrification Act of 1936 is amended by inserting after section 316 (7 U.S.C. 940f) the following:</p> <p>`SEC. 317. ELECTRIC LOANS TO RURAL ELECTRIC COOPERATIVES.</p> <p>`(a) Definition of Renewable Energy Source- In this section, the term `renewable energy source' has the meaning given the term `qualified energy resources' in section 45(c)(1) of the Internal Revenue Code of 1986.</p> <p>`(b) Loans- In addition to any other funds or authorities otherwise made available under this Act, the Secretary may make electric loans under this title for—</p> <ul style="list-style-type: none">`(1) electric generation from renewable energy resources for resale to rural and nonrural residents; and`(2) transmission lines principally for the purpose of wheeling power from 1 or more renewable energy sources. <p>`(c) Rate- The rate of a loan under this section shall be equal to the average tax-exempt municipal bond rate of similar maturities.'</p>

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<p>No comparable provision</p>	<p>SEC. 6109. AGENCY PROCEDURES. Title III of the Rural Electrification Act of 1936 is amended by inserting after section 317 (as added by section 6108) the following:</p> <p>SEC. 318. AGENCY PROCEDURES.</p> <p>(a) Customer Service- The Secretary shall ensure that loan applicants under this Act are contacted at least once each month by the Rural Utilities Service regarding the status of any pending loan applications.</p> <p>(b) Financial Need- The Secretary shall ensure that--</p> <ul style="list-style-type: none">(1) an applicant for any grant program administered by the Rural Utilities Service has an opportunity to present special economic circumstances in support of the grant, such as the high cost of living, out migration, low levels of employment, weather damage, or environmental loss; and(2) the special economic circumstances presented by the applicant are considered in determining the financial need of the applicant. <p>(c) Mobile Digital Wireless- To facilitate the transition from analog wireless service to digital mobile wireless service, the Secretary may adjust population limitations under this Act related to digital mobile wireless service up to the level permitted under section 601.</p> <p>(d) Bonding Requirements- The Secretary shall review the bonding requirements for all programs administered by the Rural Utilities Service under this Act to ensure that bonds are not required if--</p> <ul style="list-style-type: none">(1) the interests of the Secretary are adequately protected by product warranties; or(2) the costs or conditions associated with a bond exceed the benefit of the bond to the Secretary.'
<p>No comparable provision</p>	<p>SEC. 6112. SUBSTANTIALLY UNDERSERVED TRUST AREAS. The Rural Electrification Act of 1936 is amended by inserting after section 306E (7 U.S.C. 936e) the following:</p> <p>SEC. 306F. SUBSTANTIALLY UNDERSERVED TRUST AREAS.</p> <p>(a) Definitions- In this section:</p> <ul style="list-style-type: none">(1) SUBSTANTIALLY UNDERSERVED TRUST AREA- The term 'substantially underserved trust area' means a community in 'trust land' (as defined in section 3765 of title 38, United States Code) in which more than 20 percent of the beneficiaries do not have modern, affordable, or reliable utility services, as determined by the Secretary.

`(2) **UTILITY SERVICE**- The term `utility service' means electric, telecommunications, broadband, or water service.

`(b) **Initiative**- The Secretary, in consultation with local governments and Federal agencies, may implement an initiative to identify and improve the availability and quality of utility services in communities in substantially underserved trust areas.

`(c) **Authority of Secretary**- In carrying out subsection (b), the Secretary—

`(1) may make available from loan or loan guarantee programs administered by the Rural Utilities Service to qualified utilities or applicants financing with an interest rate as low as 2 percent, and extended repayment terms, for use in facilitating improved utility service in substantially underserved trust areas;

`(2) may waive nonduplication restrictions, matching fund requirements, credit support requirements, or other regulations from any loan or grant program administered by the Rural Utilities Service to facilitate the construction, acquisition, or improvement of infrastructure used to deliver affordable utility services to substantially underserved trust areas;

`(3) may assign the highest funding priority to projects in substantially underserved trust areas;

`(4) shall make any loan or loan guarantee found to be financially feasible to provide service to substantially underserved trust areas; and

`(5) may conduct research and participate in regulatory proceedings to recommend policy changes to enhance utility service in substantially underserved trust areas.

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

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

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

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No comparable provision	<p>SEC. 6301. RURAL ELECTRONIC COMMERCE EXTENSION PROGRAM. Section 1670(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5923(e)) is amended by striking `2007' and inserting `2012'.</p>
No comparable provision	<p>SEC. 6402. INSURANCE OF LOANS FOR HOUSING AND RELATED FACILITIES FOR DOMESTIC FARM LABOR. Section 514(f)(3) of the Housing Act of 1949 (42 U.S.C. 1484(f)(3)) is amended by striking `or the handling of such commodities in the unprocessed stage' and inserting ` , the handling of agricultural or aquacultural commodities in the unprocessed stage, or the processing of agricultural or aquacultural commodities'.</p>
No comparable provision	<p>SEC. 6501. SHORT TITLE. This title may be cited as the `Housing Assistance Council Authorization Act of 2007'.</p> <p>SEC. 6502. ASSISTANCE TO HOUSING ASSISTANCE COUNCIL. (a) Use- The Secretary of Housing and Urban Development may provide financial assistance to the Housing Assistance Council for use by such Council to develop the ability and capacity of community-based housing development organizations to undertake community development and affordable housing projects and programs in rural areas. Assistance provided by the Secretary under this section may be used by the Housing Assistance Council for—</p> <ul style="list-style-type: none">(1) technical assistance, training, support, and advice to develop the business and administrative capabilities of rural community-based housing development organizations;(2) loans, grants, or other financial assistance to rural community-based housing development organizations to carry out community development and affordable housing activities for low- and moderate-income families; and(3) such other activities as may be determined by the Housing Assistance Council <p>(b) Authorization of Appropriations- There is authorized to be appropriated for financial assistance under this section for the Housing Assistance Council--</p> <ul style="list-style-type: none">(1) \$10,000,000 for fiscal year 2008; and(2) \$15,000,000 for each of fiscal years 2009 and 2010.

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<p>No comparable provision</p>	<p>SEC. 6503. AUDITS AND REPORTS.</p> <p>(a) Audit- In any year in which the Housing Assistance Council receives funds under this title, the Comptroller General of the United States shall--</p> <ul style="list-style-type: none"> (1) audit the financial transactions and activities of such Council only with respect to such funds so received; and (2) submit a report detailing such audit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives. <p>(b) GAO Report- The Comptroller General of the United States shall conduct a study and submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representative on the use of any funds appropriated to the Housing Assistance Council over the past 10 years.</p>
<p>No comparable provision</p>	<p>SEC. 6504. PERSONS NOT LAWFULLY PRESENT IN THE UNITED STATES.</p> <p>None of the funds made available under this title may be used to provide direct housing assistance to any person not lawfully present in the United States.</p>
<p>No comparable provision</p>	<p>SEC. 6505. LIMITATION ON USE OF AUTHORIZED AMOUNTS.</p> <p>None of the amounts authorized by this title may be used to lobby or retain a lobbyist for the purpose of influencing a Federal, State, or local governmental entity or officer.</p>
<p>No comparable provision</p>	<p>NOTE: SEC. 12602. INTEREST RATES FOR WATER AND WASTE DISPOSAL FACILITIES LOANS.</p> <p>Section 307(a)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(3)) is amended by adding at the end the following:</p> <ul style="list-style-type: none"> `(E) INTEREST RATES FOR WATER AND WASTE DISPOSAL FACILITIES LOANS- Notwithstanding subparagraph (A), for loans (other than guaranteed loans) for water and waste disposal facilities-- <ul style="list-style-type: none"> `(i) in the case of a loan that would be subject to the 5 percent interest rate limitation under subparagraph (A), the Secretary shall set the interest rate equal to 60 percent of the current market yield for outstanding municipal obligations with remaining periods to maturity comparable to the average maturity of such loans, adjusted to the nearest one-eighth of 1 per centum; and `(ii) in the case of a loan that would be subject to the 7 percent limitation in subparagraph (A), the Secretary shall set the interest rate equal to 80 percent of the current market yield for outstanding municipal obligations with remaining periods to maturity comparable to the average maturity of such loans, adjusted to the nearest one-eighth of 1 per centum.'

