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TITLE IX—ENERGY

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- Sec. 9013. Feedstock flexibility program for bioenergy producers.
- Sec. 9014. Dedicated ethanol pipeline feasibility studies.

2 **SEC. 9001. SHORT TITLE; TABLE OF CONTENTS.**

3 Title IX of the Farm Security and Rural Investment
 4 Act of 2002 (7 U.S.C. 8101 et seq.) is amended by insert-
 5 ing before section 9001 the following new section:

6 **“SEC. 9000. SHORT TITLE; TABLE OF CONTENTS.**

7 “(a) **SHORT TITLE.**—This title may be cited as the
 8 **[ENERGY SHORT TITLE]**.

9 “(b) **TABLE OF CONTENTS.**—The table of contents
 10 of this title is as follows:

“TITLE IX - ENERGY

- “Sec. 9000. Short title; table of contents.
- “Sec. 9001. Definitions.
- “Sec. 9002. Federal procurement of biobased products.
- “Sec. 9003. Biorefinery development grants.
- “Sec. 9004. Biodiesel fuel education program.
- “Sec. 9005. Energy audit and renewable energy development program.
- “Sec. 9006. Rural energy for America program.
- “Sec. 9007. Hydrogen and fuel cell technologies.
- “Sec. 9008. Biomass Research and Development Act of 2000.
- “Sec. 9009. Cooperative research and extension projects.
- “Sec. 9010. Continuation of bioenergy program.

“Sec. 9011. Research, extension, and educational programs on biobased energy technologies and products.

“Sec. 9012. Energy Council of the Department of Agriculture.

“Sec. 9013. Farm energy production pilot program.

“Sec. 9014. Rural energy self-sufficiency initiative.

“Sec. 9015. Agricultural Biofuels from Biomass Internship Pilot Program.

“Sec. 9016. Feedstock flexibility program for bioenergy producers.”.

1 **SEC. 9002. FEDERAL PROCUREMENT OF BIOBASED PROD-**
2 **UCTS.**

3 Section 9002 of the Farm Security and Rural Invest-
4 ment Act of 2002 (7 U.S.C. 8102) is amended—

5 (1) in subsection (c)(1), by inserting “, com-
6 posed of at least five percent of intermediate ingredi-
7 ents and feedstocks (such as biopolymers, methyl
8 soyate, and soy polyols) as designated by the Sec-
9 retary,” after “highest percentage of biobased prod-
10 ucts practicable”; and

11 (2) by striking subsection (h)(2) and inserting
12 the following:

13 “(2) ELIGIBILITY CRITERIA.—

14 “(A) IN GENERAL.—Not later than 90
15 days after the date of the enactment of the
16 **[2007 Farm Bill]**, the Secretary shall issue cri-
17 teria for determining which products may qual-
18 ify to receive the label under paragraph (1).
19 The criteria shall encourage the purchase of
20 products with the maximum biobased content,
21 and should, to the maximum extent possible, be

1 consistent with the guidelines issued under sub-
2 section (e).

3 “(B) INTERMEDIATE INGREDIENTS.—The
4 criteria issued under subparagraph (A) shall
5 provide that the Secretary may designate inter-
6 mediate ingredients and feedstocks (such as
7 biopolymers, methyl soyate, and soy polyols) as
8 biobased for the purposes of the voluntary pro-
9 gram established under this subsection.”.

10 **SEC. 9003. LOAN GUARANTEES FOR BIOREFINERIES AND**
11 **BIOFUEL PRODUCTION PLANTS.**

12 Section 9003 of the Farm Security and Rural Invest-
13 ment Act of 2002 (7 U.S.C. 8103) is amended—

14 (1) in the section heading, by inserting “;
15 **LOAN GUARANTEES FOR BIOREFINERIES AND**
16 **BIOFUEL PRODUCTION PLANTS**” after
17 **“GRANTS”**;

18 (2) in subsection (b)(2)(A), by striking “and”
19 the 1st place it appears and inserting “or”;

20 (3) in subsection (c), by redesignating sub-
21 sections (d) through (h) as subsections (e) through
22 (i), respectively, and inserting after subsection (c)
23 the following:

24 “(d) LOAN GUARANTEES.—

1 “(1) IN GENERAL.—The Secretary shall make
2 loan guarantees to eligible entities to assist in pay-
3 ing the cost of development and construction of bio-
4 refineries and biofuel production plants (including
5 retrofitting) to carry out projects to demonstrate the
6 commercial viability of 1 or more processes for con-
7 verting biomass to fuels or chemicals.

8 “(2) LIMITATIONS.—

9 “(A) MAXIMUM PERCENTAGE OF LOAN
10 GUARANTEED.—A loan guarantee under para-
11 graph (1) shall be for not more than 90 percent
12 of the principal and interest due on the loan.

13 “(B) TOTAL AMOUNTS GUARANTEED.—
14 The total amount of principal and interest
15 guaranteed under paragraph (1) shall not ex-
16 ceed—

17 “(i) \$1,000,000,000, in the case of
18 loans valued at not more than
19 \$100,000,000; or

20 “(ii) \$1,000,000,000, in the case of
21 loans valued at more than \$100,000,000
22 but not more than \$250,000,000.

23 “(C) MAXIMUM TERM OF LOAN GUARAN-
24 TEED.—The Secretary shall determine the max-

1 imum term of a loan guarantee provided under
2 paragraph (1).”;

3 (4) in subsection (f) (as so redesignated)—

4 (A) in paragraph (1), by inserting “and
5 loan guarantees under subsection (d)” after
6 “(e)”;

7 (B) in paragraph (2)(A), by inserting “or
8 loan guarantees under subsection (d)” after
9 “(e)”;

10 (C) in paragraph (2)(B)—

11 (i) by striking “and” at the end of
12 clause (viii);

13 (ii) by striking the period at the end
14 of clause (ix) and inserting “; and”; and

15 (iii) by adding at the end the fol-
16 lowing:

17 “(x) The level of local ownership.”;

18 and

19 (D) by adding at the end the following:

20 “(3) PRIORITY IN AWARDING LOAN GUARAN-
21 TEES.—In selecting projects to receive loan guaran-
22 tees under subsection (d), the Secretary shall give
23 priority to projects based on the criteria set forth in
24 paragraph (2)(B) of this subsection.”; and

1 (5) in subsection (i) (as so redesignated), by
2 striking “2007” and inserting “2012”.

3 **SEC. 9004. ENERGY AUDIT AND RENEWABLE ENERGY DE-**
4 **VELOPMENT PROGRAM.**

5 Section 9005(i) of the Farm Security and Rural In-
6 vestment Act of 2002 (7 U.S.C. 8105) is amended by
7 striking “2007” and inserting “2012”.

8 **SEC. 9005. RENEWABLE ENERGY SYSTEMS AND ENERGY EF-**
9 **FICIENCY IMPROVEMENTS.**

10 Section 9006 of the Farm Security and Rural Invest-
11 ment Act of 2002 (7 U.S.C. 8106) is amended—

12 (1) by striking the section heading and insert-
13 ing the following:

14 **“SEC. 9006. RURAL ENERGY FOR AMERICA PROGRAM.”;**

15 (2) in subsection (a)—

16 (A) in the matter preceding paragraph (1),
17 by inserting “, other agricultural producer”
18 after “rancher”;

19 (B) in paragraph (1), by striking “and” at
20 the end;

21 (C) in paragraph (2), by striking the pe-
22 riod and inserting “; and”; and

23 (D) by adding at the end the following new
24 paragraph:

1 “(3) produce and sell electricity generated by
2 new renewable energy systems.”;

3 (3) in subsection (b), by inserting “, other agri-
4 cultural producer” after “rancher”;

5 (4) in subsection (c)—

6 (A) in paragraph (1)—

7 (i) in subparagraph (B), by striking
8 “50 percent” and inserting “75 percent”;
9 and

10 (ii) by redesignating subparagraph
11 (B) as subparagraph (C) and inserting
12 after subparagraph (A) the following:

13 “(B) LOAN GUARANTEES.—

14 “(i) MAXIMUM AMOUNT.—The
15 amount of a loan guaranteed under this
16 section shall not exceed \$25,000,000.

17 “(ii) MAXIMUM PERCENTAGE.—A loan
18 guaranteed under this section shall not ex-
19 ceed 75 percent of the cost of the activity
20 funded under subsection (a).”; and

21 (B) by adding at the end the following new
22 paragraph:

23 “(3) PRIORITIZATION.—The Secretary shall
24 give the greatest priority for grants under subsection
25 (a) to activities for which the least percentage of the

1 total cost of such activities is requested by the farm-
2 er, rancher, other agricultural producer, or rural
3 small business.”.

4 (5) by redesignating subsections (e) and (f) as
5 subsection (g) and (h), respectively; and

6 (6) by inserting after subsection (d) the fol-
7 lowing new subsections:

8 “(e) FEASIBILITY STUDIES.—

9 “(1) IN GENERAL.—The Secretary may provide
10 assistance to a farmer, rancher, other agricultural
11 producer, or rural small business to conduct a feasi-
12 bility study of a project for which assistance may be
13 provided under this section.

14 “(2) LIMITATION.—The Secretary shall use not
15 more than 10 percent of the funds made available to
16 carry out this section to provide assistance described
17 in paragraph (1).

18 “(3) CRITERIA.—The Secretary shall issue reg-
19 ulations establishing criteria for the receipt of assist-
20 ance under this subsection.

21 “(4) AVOIDANCE OF DUPLICATIVE ASSIST-
22 ANCE.—An farmer, rancher, other agricultural pro-
23 ducer, or rural small business that receives assist-
24 ance to carry out a feasibility study for a project
25 under this subsection shall not be eligible for assist-

1 ance to carry out a feasibility study for the project
2 under any other provision of law.

3 “(f) **SMALL ACTIVITIES.**—

4 “(1) **LIMITATION ON USE OF FUNDS.**—The Sec-
5 retary shall use not less than 15 percent of the
6 funds made available under subsection (h) to provide
7 grants for activities that have a cost of \$50,000 or
8 less.

9 “(2) **EXCEPTION.**—Beginning on the first day
10 of the third quarter of a fiscal year, the limitation
11 on the use of funds under paragraph (1) shall not
12 apply to funds made available under subsection (h)
13 for such fiscal year.”.

14 **SEC. 9006. BIOMASS RESEARCH AND DEVELOPMENT ACT**
15 **OF 2000.**

16 (a) **RESTATEMENT OF ACT.**—Section 9008 of the
17 Farm Security and Rural Investment Act of 2002 (116
18 Stat. 486) is amended to read as follows:

19 **“SEC. 9008. BIOMASS RESEARCH AND DEVELOPMENT ACT**
20 **OF 2000.**

21 “(a) **SHORT TITLE.**—This section may be cited as the
22 ‘Biomass Research and Development Act of 2000’.

23 “(b) **FINDINGS.**—Congress finds that—

1 “(1) conversion of biomass into biobased indus-
2 trial products offers outstanding potential for benefit
3 to the national interest through—

4 “(A) improved strategic security and bal-
5 ance of payments;

6 “(B) healthier rural economies;

7 “(C) improved environmental quality;

8 “(D) near-zero net greenhouse gas emis-
9 sions;

10 “(E) technology export; and

11 “(F) sustainable resource supply;

12 “(2) the key technical challenges to be overcome
13 in order for biobased industrial products to be cost-
14 competitive are finding new technology and reducing
15 the cost of technology for converting biomass into
16 desired biobased industrial products;

17 “(3) biobased fuels, such as ethanol and bio-
18 diesel, have the clear potential to be sustainable, low
19 cost, and high performance fuels that are compatible
20 with both current and future transportation systems
21 and provide near-zero net greenhouse gas emissions;

22 “(4) biobased chemicals have the clear potential
23 for environmentally benign product life cycles;

24 “(5) biobased power can—

25 “(A) provide environmental benefits;

1 “(B) promote rural economic development;

2 and

3 “(C) diversify energy resource options;

4 “(6) many biomass feedstocks suitable for in-
5 dustrial processing show the clear potential for sus-
6 tainable production, in some cases resulting in im-
7 proved soil fertility and carbon sequestration;

8 “(7)(A) grain processing mills are biorefineries
9 that produce a diversity of useful food, chemical,
10 feed, and fuel products; and

11 “(B) technologies that result in further diver-
12 sification of the range of value-added biobased in-
13 dustrial products can meet a key need for the grain
14 processing industry;

15 “(8)(A) cellulosic feedstocks are attractive be-
16 cause of their low cost and widespread availability;
17 and

18 “(B) research resulting in cost-effective tech-
19 nology to overcome the recalcitrance of cellulosic bio-
20 mass would allow biorefineries to produce fuels and
21 bulk chemicals on a very large scale, with a commen-
22 surately large realization of the benefit described in
23 paragraph (1);

24 “(9) research into the fundamentals to under-
25 stand important mechanisms of biomass conversion

1 can be expected to accelerate the application and ad-
2 vancement of biomass processing technology by—

3 “(A) increasing the confidence and speed
4 with which new technologies can be scaled up;
5 and

6 “(B) giving rise to processing innovations
7 based on new knowledge;

8 “(10) the added utility of biobased industrial
9 products developed through improvements in proc-
10 essing technology would encourage the design of
11 feedstocks that would meet future needs more effec-
12 tively;

13 “(11) the creation of value-added biobased in-
14 dustrial products would create new jobs in construc-
15 tion, manufacturing, and distribution, as well as new
16 higher-valued exports of products and technology;

17 “(12)(A) because of the relatively short-term
18 time horizon characteristic of private sector invest-
19 ments, and because many benefits of biomass proc-
20 essing are in the national interest, it is appropriate
21 for the Federal Government to provide
22 precommercial investment in fundamental research
23 and research-driven innovation in the biomass proc-
24 essing area; and

1 “(B) such an investment would provide a valu-
2 able complement to ongoing and past governmental
3 support in the biomass processing area; and

4 “(13) several prominent studies, including stud-
5 ies by the President’s Committee of Advisors on
6 Science and Technology and the National Research
7 Council—

8 “(A) support the potential for large re-
9 search-driven advances in technologies for pro-
10 duction of biobased industrial products as well
11 as associated benefits; and

12 “(B) document the need for a focused, in-
13 tegrated, and innovation-driven research effort
14 to provide the appropriate progress in a timely
15 manner.

16 “(c) DEFINITIONS.—In this section:

17 “(1) ADVISORY COMMITTEE.—The term ‘Advi-
18 sory Committee’ means the Biomass Research and
19 Development Technical Advisory Committee estab-
20 lished by this section.

21 “(2) BIOBASED FUEL.—The term ‘biobased
22 fuel’ means any transportation fuel produced from
23 biomass.

24 “(3) BIOBASED PRODUCT.—The term ‘biobased
25 product’ means an industrial product (including

1 chemicals, materials, and polymers) produced from
2 biomass, or a commercial or industrial product (in-
3 cluding animal feed and electric power) derived in
4 connection with the conversion of biomass to fuel.

5 “(4) BIOMASS.—The term ‘biomass’ means any
6 organic matter that is available on a renewable or
7 recurring basis, including agricultural crops and
8 trees, wood and wood wastes and residues, plants
9 (including aquatic plants), grasses, residues, fibers,
10 and animal wastes, municipal wastes, and other
11 waste materials.

12 “(5) BOARD.—The term ‘Board’ means the
13 Biomass Research and Development Board estab-
14 lished by this section.

15 “(6) DEMONSTRATION.—The term ‘demonstra-
16 tion’ means demonstration of technology in a pilot
17 plant or semi-works scale facility.

18 “(7) INITIATIVE.—The term ‘Initiative’ means
19 the Biomass Research and Development Initiative
20 established under this section.

21 “(8) INSTITUTION OF HIGHER EDUCATION.—
22 The term ‘institution of higher education’ has the
23 meaning given the term in section 102(a) of the
24 Higher Education Act of 1965 (20 U.S.C. 1002(a)).

1 “(9) NATIONAL LABORATORY.—The term ‘Na-
2 tional Laboratory’ has the meaning given that term
3 in section 2 of the Energy Policy Act of 2005.

4 “(10) POINT OF CONTACT.—The term ‘point of
5 contact’ means a point of contact designated under
6 this section.

7 “(d) COOPERATION AND COORDINATION IN BIOMASS
8 RESEARCH AND DEVELOPMENT.—

9 “(1) IN GENERAL.—The Secretary of Agri-
10 culture and the Secretary of Energy shall cooperate
11 with respect to, and coordinate, policies and proce-
12 dures that promote research and development lead-
13 ing to the production of biobased fuels and biobased
14 products.

15 “(2) POINTS OF CONTACT.—

16 “(A) IN GENERAL.—To coordinate re-
17 search and development programs and activities
18 relating to biobased fuels and biobased products
19 that are carried out by their respective Depart-
20 ments—

21 “(i) the Secretary of Agriculture shall
22 designate, as the point of contact for the
23 Department of Agriculture, an officer of
24 the Department of Agriculture appointed
25 by the President to a position in the De-

1 partment before the date of the designa-
2 tion, by and with the advice and consent of
3 the Senate; and

4 “(ii) the Secretary of Energy shall
5 designate, as the point of contact for the
6 Department of Energy, an officer of the
7 Department of Energy appointed by the
8 President to a position in the Department
9 before the date of the designation, by and
10 with the advice and consent of the Senate.

11 “(B) DUTIES.—The points of contact shall
12 jointly—

13 “(i) assist in arranging interlabora-
14 tory and site-specific supplemental agree-
15 ments for research and development
16 projects relating to biobased fuels and
17 biobased products;

18 “(ii) serve as cochairpersons of the
19 Board;

20 “(iii) administer the Initiative; and

21 “(iv) respond in writing to each rec-
22 ommendation of the Advisory Committee
23 made under subsection (f).

24 “(e) BIOMASS RESEARCH AND DEVELOPMENT
25 BOARD.—

1 “(1) ESTABLISHMENT.—There is established
2 the Biomass Research and Development Board,
3 which shall supersede the Interagency Council on
4 Biobased Products and Bioenergy established by Ex-
5 ecutive Order No. 13134, to coordinate programs
6 within and among departments and agencies of the
7 Federal Government for the purpose of promoting
8 the use of biobased fuels and biobased products by—

9 “(A) maximizing the benefits deriving from
10 Federal grants and assistance; and

11 “(B) bringing coherence to Federal stra-
12 tegic planning.

13 “(2) MEMBERSHIP.—The Board shall consist
14 of—

15 “(A) the point of contact of the Depart-
16 ment of Energy designated under subsection
17 (d), who shall serve as cochairperson of the
18 Board;

19 “(B) the point of contact of the Depart-
20 ment of Agriculture designated under sub-
21 section (d), who shall serve as cochairperson of
22 the Board;

23 “(C) a senior officer of each of the Depart-
24 ment of the Interior, the Environmental Protec-
25 tion Agency, the National Science Foundation,

1 and the Office of Science and Technology Pol-
2 icy, each of whom shall—

3 “(i) be appointed by the head of the
4 respective agency; and

5 “(ii) have a rank that is equivalent to
6 the rank of the points of contact; and

7 “(D) at the option of the Secretary of Ag-
8 riculture and the Secretary of Energy, other
9 members appointed by the Secretaries (after
10 consultation with the members described in sub-
11 paragraphs (A) through (C)).

12 “(3) DUTIES.—The Board shall—

13 “(A) coordinate research and development
14 activities relating to biobased fuels and biobased
15 products—

16 “(i) between the Department of Agri-
17 culture and the Department of Energy;
18 and

19 “(ii) with other departments and
20 agencies of the Federal Government;

21 “(B) provide recommendations to the
22 points of contact concerning administration of
23 this title;

24 “(C) ensure that—

1 “(i) solicitations are open and com-
2 petitive with awards made annually; and

3 “(ii) objectives and evaluation criteria
4 of the solicitations are clearly stated and
5 minimally prescriptive, with no areas of
6 special interest; and

7 “(D) ensure that the panel of scientific
8 and technical peers assembled under subsection
9 (g) to review proposals is composed predomi-
10 nantly of independent experts selected from out-
11 side the Departments of Agriculture and En-
12 ergy.

13 “(4) FUNDING.—Each agency represented on
14 the Board is encouraged to provide funds for any
15 purpose under this section.

16 “(5) MEETINGS.—The Board shall meet at
17 least quarterly to enable the Board to carry out the
18 duties of the Board under paragraph (3).

19 “(f) BIOMASS RESEARCH AND DEVELOPMENT TECH-
20 NICAL ADVISORY COMMITTEE.—

21 “(1) ESTABLISHMENT.—There is established
22 the Biomass Research and Development Technical
23 Advisory Committee, which shall supersede the Advi-
24 sory Committee on Biobased Products and Bio-
25 energy established by Executive Order No. 13134—

1 “(A) to advise the Secretary of Energy, the
2 Secretary of Agriculture, and the points of con-
3 tact concerning—

4 “(i) the technical focus and direction
5 of requests for proposals issued under the
6 Initiative; and

7 “(ii) procedures for reviewing and
8 evaluating the proposals;

9 “(B) to facilitate consultations and part-
10 nerships among Federal and State agencies, ag-
11 ricultural producers, industry, consumers, the
12 research community, and other interested
13 groups to carry out program activities relating
14 to the Initiative; and

15 “(C) to evaluate and perform strategic
16 planning on program activities relating to the
17 Initiative.

18 “(2) MEMBERSHIP.—

19 “(A) IN GENERAL.—The Advisory Com-
20 mittee shall consist of—

21 “(i) an individual affiliated with the
22 biofuels industry;

23 “(ii) an individual affiliated with the
24 biobased industrial and commercial prod-
25 ucts industry;

1 “(iii) an individual affiliated with an
2 institution of higher education who has ex-
3 pertise in biobased fuels and biobased
4 products;

5 “(iv) two prominent engineers or sci-
6 entists from government or academia who
7 have expertise in biobased fuels and
8 biobased products;

9 “(v) an individual affiliated with a
10 commodity trade association;

11 “(vi) 2 individuals affiliated with an
12 environmental or conservation organiza-
13 tion;

14 “(vii) an individual associated with
15 State government who has expertise in
16 biobased fuels and biobased products;

17 “(viii) an individual with expertise in
18 energy and environmental analysis;

19 “(ix) an individual with expertise in
20 the economics of biobased fuels and
21 biobased products;

22 “(x) an individual with expertise in
23 agricultural economics; and

24 “(xi) at the option of the points of
25 contact, other members.

1 “(B) APPOINTMENT.—The members of the
2 Advisory Committee shall be appointed by the
3 points of contact.

4 “(3) DUTIES.—The Advisory Committee
5 shall—

6 “(A) advise the points of contact with re-
7 spect to the Initiative; and

8 “(B) evaluate whether, and make rec-
9 ommendations in writing to the Board to en-
10 sure that—

11 “(i) funds authorized for the Initiative
12 are distributed and used in a manner that
13 is consistent with the objectives, purposes,
14 and considerations of the Initiative;

15 “(ii) solicitations are open and com-
16 petitive with awards made annually and
17 that objectives and evaluation criteria of
18 the solicitations are clearly stated and
19 minimally prescriptive, with no areas of
20 special interest;

21 “(iii) the points of contact are funding
22 proposals under this title that are selected
23 on the basis of merit, as determined by an
24 independent panel of scientific and tech-
25 nical peers predominantly from outside the

1 Departments of Agriculture and Energy;
2 and

3 “(iv) activities under this section are
4 carried out in accordance with this section.

5 “(4) COORDINATION.—To avoid duplication of
6 effort, the Advisory Committee shall coordinate its
7 activities with those of other Federal advisory com-
8 mittees working in related areas.

9 “(5) MEETINGS.—The Advisory Committee
10 shall meet at least quarterly to enable the Advisory
11 Committee to carry out the duties of the Advisory
12 Committee.

13 “(6) TERMS.—Members of the Advisory Com-
14 mittee shall be appointed for a term of 3 years, ex-
15 cept that—

16 “(A) one-third of the members initially ap-
17 pointed shall be appointed for a term of 1 year;
18 and

19 “(B) one-third of the members initially ap-
20 pointed shall be appointed for a term of 2
21 years.

22 “(g) BIOMASS RESEARCH AND DEVELOPMENT INI-
23 TIATIVE.—

24 “(1) IN GENERAL.—The Secretary of Agri-
25 culture and the Secretary of Energy, acting through

1 their respective points of contact and in consultation
2 with the Board, shall establish and carry out a Bio-
3 mass Research and Development Initiative under
4 which competitively awarded grants, contracts, and
5 financial assistance are provided to, or entered into
6 with, eligible entities to carry out research on, and
7 development and demonstration of, biobased fuels
8 and biobased products, and the methods, practices
9 and technologies, for their production.

10 “(2) OBJECTIVES.—The objectives of the Initia-
11 tive are to develop—

12 “(A) technologies and processes necessary
13 for abundant commercial production of biobased
14 fuels at prices competitive with fossil fuels;

15 “(B) high-value biobased products—

16 “(i) to enhance the economic viability
17 of biobased fuels and power; and

18 “(ii) as substitutes for petroleum-
19 based feedstocks and products; and

20 “(C) a diversity of sustainable domestic
21 sources of biomass for conversion to biobased
22 fuels and biobased products.

23 “(3) PURPOSES.—The purposes of the Initiative
24 are—

1 “(A) to increase the energy security of the
2 United States;

3 “(B) to create jobs and enhance the eco-
4 nomic development of the rural economy;

5 “(C) to enhance the environment and pub-
6 lic health; and

7 “(D) to diversify markets for raw agricul-
8 tural and forestry products.

9 “(4) TECHNICAL AREAS.—To advance the ob-
10 jectives and purposes of the Initiative, the Secretary
11 of Agriculture and the Secretary of Energy, in con-
12 sultation with the Administrator of the Environ-
13 mental Protection Agency and heads of other appro-
14 priate departments and agencies (referred to in this
15 subsection as the ‘Secretaries’), shall direct research
16 and development toward—

17 “(A) feedstock production through the de-
18 velopment of crops and cropping systems rel-
19 evant to production of raw materials for conver-
20 sion to biobased fuels and biobased products,
21 including—

22 “(i) development of advanced and
23 dedicated crops with desired features, in-
24 cluding enhanced productivity, broader site

1 range, low requirements for chemical in-
2 puts, and enhanced processing;

3 “(ii) advanced crop production meth-
4 ods to achieve the features described in
5 clause (i);

6 “(iii) feedstock harvest, handling,
7 transport, and storage; and

8 “(iv) strategies for integrating feed-
9 stock production into existing managed
10 land;

11 “(B) overcoming recalcitrance of cellulosic
12 biomass through developing technologies for
13 converting cellulosic biomass into intermediates
14 that can subsequently be converted into
15 biobased fuels and biobased products, includ-
16 ing—

17 “(i) pretreatment in combination with
18 enzymatic or microbial hydrolysis; and

19 “(ii) thermochemical approaches, in-
20 cluding gasification and pyrolysis;

21 “(C) product diversification through tech-
22 nologies relevant to production of a range of
23 biobased products (including chemicals, animal
24 feeds, and cogenerated power) that eventually

1 can increase the feasibility of fuel production in
2 a biorefinery, including—

3 “(i) catalytic processing, including
4 thermochemical fuel production;

5 “(ii) metabolic engineering, enzyme
6 engineering, and fermentation systems for
7 biological production of desired products or
8 cogeneration of power;

9 “(iii) product recovery;

10 “(iv) power production technologies;

11 and

12 “(v) integration into existing biomass
13 processing facilities, including starch eth-
14 anol plants, sugar processing or refining
15 plants, paper mills, and power plants; and

16 “(D) analysis that provides strategic guid-
17 ance for the application of biomass technologies
18 in accordance with realization of improved sus-
19 tainability and environmental quality, cost ef-
20 fectiveness, security, and rural economic devel-
21 opment, usually featuring system-wide ap-
22 proaches.

23 “(5) ADDITIONAL CONSIDERATIONS.—Within
24 the technical areas described in paragraph (4), and
25 in addition to advancing the purposes described in

1 paragraph (3) and the objectives described in para-
2 graph (2), the Secretaries shall support research and
3 development—

4 “(A) to create continuously expanding op-
5 portunities for participants in existing biofuels
6 production by seeking synergies and continuity
7 with current technologies and practices, such as
8 the use of dried distillers grains as a bridge
9 feedstock;

10 “(B) to maximize the environmental, eco-
11 nomic, and social benefits of production of
12 biobased fuels and biobased products on a large
13 scale through life-cycle economic and environ-
14 mental analysis and other means; and

15 “(C) to assess the potential of Federal
16 land and land management programs as feed-
17 stock resources for biobased fuels and biobased
18 products, consistent with the integrity of soil
19 and water resources and with other environ-
20 mental considerations.

21 “(6) ELIGIBLE ENTITIES.—To be eligible for a
22 grant, contract, or assistance under this subsection,
23 an applicant shall be—

24 “(A) an institution of higher education;

25 “(B) a National Laboratory;

1 “(C) a Federal research agency;
2 “(D) a State research agency;
3 “(E) a private sector entity;
4 “(F) a nonprofit organization; or
5 “(G) a consortium of two or more entities
6 described in subparagraphs (A) through (F).

7 “(7) ADMINISTRATION.—

8 “(A) IN GENERAL.—After consultation
9 with the Board, the points of contact shall—

10 “(i) publish annually one or more
11 joint requests for proposals for grants,
12 contracts, and assistance under this sub-
13 section;

14 “(ii) require that grants, contracts,
15 and assistance under this section be
16 awarded competitively, on the basis of
17 merit, after the establishment of proce-
18 dures that provide for scientific peer review
19 by an independent panel of scientific and
20 technical peers; and

21 “(iii) give some preference to applica-
22 tions that—

23 “(I) involve a consortia of experts
24 from multiple institutions;

1 “(II) encourage the integration
2 of disciplines and application of the
3 best technical resources; and

4 “(III) increase the geographic di-
5 versity of demonstration projects.

6 “(B) DISTRIBUTION OF FUNDING BY
7 TECHNICAL AREA.—Of the funds authorized to
8 be appropriated for activities described in this
9 subsection, funds shall be distributed for each
10 of fiscal years 2007 through 2012 so as to
11 achieve an approximate distribution of—

12 “(i) 20 percent of the funds to carry
13 out activities for feedstock production
14 under paragraph (4)(A);

15 “(ii) 45 percent of the funds to carry
16 out activities for overcoming recalcitrance
17 of cellulosic biomass under paragraph
18 (4)(B);

19 “(iii) 30 percent of the funds to carry
20 out activities for product diversification
21 under paragraph (4)(C); and

22 “(iv) 5 percent of the funds to carry
23 out activities for strategic guidance under
24 paragraph (4)(D).

1 “(C) DISTRIBUTION OF FUNDING WITHIN
2 EACH TECHNICAL AREA.—Within each technical
3 area described in subparagraphs (A) through
4 (C) of paragraph (4), funds shall be distributed
5 for each of fiscal years 2007 through 2012 so
6 as to achieve an approximate distribution of—

7 “(i) 15 percent of the funds for ap-
8 plied fundamentals;

9 “(ii) 35 percent of the funds for inno-
10 vation; and

11 “(iii) 50 percent of the funds for dem-
12 onstration.

13 “(D) MATCHING FUNDS.—

14 “(i) IN GENERAL.—A minimum 20
15 percent funding match shall be required
16 for demonstration projects under this sec-
17 tion.

18 “(ii) COMMERCIAL APPLICATIONS.—A
19 minimum of 50 percent funding match
20 shall be required for commercial applica-
21 tion projects under this section.

22 “(E) TECHNOLOGY AND INFORMATION
23 TRANSFER TO AGRICULTURAL USERS.—The Ad-
24 ministrator of the Cooperative State Research,
25 Education, and Extension Service and the Chief

1 of the Natural Resources Conservation Service
2 shall ensure that applicable research results and
3 technologies from the Initiative are adapted,
4 made available, and disseminated through those
5 services, as appropriate.

6 “(h) ADMINISTRATIVE SUPPORT AND FUNDS.—

7 “(1) IN GENERAL.—To the extent administra-
8 tive support and funds are not provided by other
9 agencies under paragraph (2)(b), the Secretary of
10 Energy and the Secretary of Agriculture may pro-
11 vide such administrative support and funds of the
12 Department of Energy and the Department of Agri-
13 culture to the Board and the Advisory Committee as
14 are necessary to enable the Board and the Advisory
15 Committee to carry out their duties under this sec-
16 tion.

17 “(2) OTHER AGENCIES.—The heads of the
18 agencies referred to in subsection (e)(2)(C), and the
19 other members appointed under subsection
20 (e)(2)(D), may, and are encouraged to, provide ad-
21 ministrative support and funds of their respective
22 agencies to the Board and the Advisory Committee.

23 “(3) LIMITATION.—Not more than 4 percent of
24 the amount appropriated for each fiscal year under

1 subsection (g)(6) may be used to pay the adminis-
2 trative costs of carrying out this section.

3 “(i) REPORTS.—

4 “(1) ANNUAL REPORTS.—For each fiscal year
5 for which funds are made available to carry out this
6 section, the Secretary of Energy and the Secretary
7 of Agriculture shall jointly submit to Congress a de-
8 tailed report on—

9 “(A) the status and progress of the Initia-
10 tive, including a report from the Advisory Com-
11 mittee on whether funds appropriated for the
12 Initiative have been distributed and used in a
13 manner that—

14 “(i) is consistent with the objectives,
15 purposes, and additional considerations de-
16 scribed in paragraphs (2) through (5) of
17 subsection (g);

18 “(ii) uses the set of criteria estab-
19 lished in the initial report submitted under
20 title III of the Agricultural Risk Protection
21 Act of 2000;

22 “(iii) achieves the distribution of
23 funds described in subparagraphs (B) and
24 (C) of subsection (g)(7); and

1 “(iv) takes into account any rec-
2 ommendations that have been made by the
3 Advisory Committee;

4 “(B) the general status of cooperation and
5 research and development efforts carried out at
6 each agency with respect to biobased fuels and
7 biobased products, including a report from the
8 Advisory Committee on whether the points of
9 contact are funding proposals that are selected
10 under subsection (g)(3)(B)(iii); and

11 “(C) the plans of the Secretary of Energy
12 and the Secretary of Agriculture for addressing
13 concerns raised in the report, including con-
14 cerns raised by the Advisory Committee.

15 “(2) UPDATES.—The Secretary and the Sec-
16 retary of Energy shall update the Vision and Road-
17 map documents prepared for Federal biomass re-
18 search and development activities.

19 “(j) AUTHORIZATION OF APPROPRIATIONS.—There
20 are authorized to be appropriated to carry out this section
21 \$200,000,000 for each of fiscal years 2006 through
22 2015.”.

23 (b) REPEAL.—Title III of the Agricultural Risk Pro-
24 tection Act of 2000 (Public Law 106-224) is hereby re-
25 pealed.

1 **SEC. 9007. ADJUSTMENTS TO THE BIOENERGY PROGRAM.**

2 Section 9010 of the Farm Security and Rural Invest-
3 ment Act of 2002 (7 U.S.C. 8108) is amended—

4 (1) in subsection (a)—

5 (A) in paragraph (1)—

6 (i) in subparagraph (A), by striking
7 “and”;

8 (ii) in subparagraph (B), by striking
9 the final period and inserting a semicolon;
10 and

11 (iii) by adding at the end the fol-
12 lowing new subparagraphs:

13 “(C) production of heat and power from el-
14 igible feedstock at a biofuels plant;

15 “(D) biomass gasification;

16 “(E) hydrogen made from cellulosic com-
17 modities for fuel cells; and

18 “(F) such other items as the Secretary
19 considers appropriate.”;

20 (B) by striking paragraph (3) and insert-
21 ing the following:

22 “(3) ELIGIBLE FEEDSTOCK.—

23 “(A) IN GENERAL.—The term ‘eligible
24 feedstock’ means—

1 “(i) any plant material grown or col-
2 lected for the purpose of being converted to
3 energy (including aquatic plants);

4 “(ii) any organic byproduct or residue
5 from agriculture and forestry, including
6 mill residues and pulping residues that can
7 be converted into energy;

8 “(iii) any waste material that can be
9 converted to energy and is derived from
10 plant material, including—

11 “(I) wood waste and residue;

12 “(II) specialty crop waste, includ-
13 ing waste derived from orchard trees,
14 vineyard crops, and nut crops; or

15 “(III) other fruit and vegetable
16 byproducts or residues; or

17 “(iv) animal waste and byproducts.

18 “(B) EXCLUSION.—The term ‘eligible feed-
19 stock’ does not include corn starch.”; and

20 (C) in paragraph (4), by striking “an eligi-
21 ble commodity” and inserting “eligible feed-
22 stock”; and

23 (2) in subsection (b)—

24 (A) in paragraph (1)—

1 (i) by striking “The Secretary shall
2 continue” and all that follows through “the
3 Secretary makes” and inserting “The Sec-
4 retary shall make”; and

5 (ii) by striking “eligible commodities”
6 and inserting “eligible feedstock”;

7 (B) in paragraph (2)(B), by striking “eligi-
8 ble commodities” and inserting “eligible feed-
9 stock”;

10 (C) in paragraph (3), by striking subpara-
11 graphs (B) and (C) and inserting the following:

12 “(B) PRIORITY.—In making payments
13 under this paragraph, the Secretary shall give
14 priority to contracts by considering the factors
15 referred to in section 9003(e)(2)(B).”; and

16 (D) by striking paragraph (6) and insert-
17 ing the following:

18 “(6) LIMITATION.—The Secretary may limit
19 the amount of payments that may be received by an
20 eligible producer under this section as the Secretary
21 considers appropriate.”.

1 **SEC. 9008. RESEARCH, EXTENSION, AND EDUCATIONAL**
2 **PROGRAMS ON BIOBASED ENERGY TECH-**
3 **NOLOGIES AND PRODUCTS.**

4 Section 9011(j)(1)(C) of the Farm Security and
5 Rural Investment Act of 2002 (7 U.S.C. 8109(j)(1)(C))
6 is amended by striking “2010” and inserting “2012”.

7 **SEC. 9009. ENERGY COUNCIL OF THE DEPARTMENT OF AG-**
8 **RICULTURE.**

9 Title IX of the Farm Security and Rural Investment
10 Act of 2002 (7 U.S.C. 8101 et seq.) is further amended
11 by adding at the end the following new section:

12 **“SEC. 9012. ENERGY COUNCIL OF THE DEPARTMENT OF AG-**
13 **RICULTURE.**

14 “(a) IN GENERAL.—The Secretary of Agriculture
15 shall establish an energy council in the Office of the Sec-
16 retary (in this section referred to as the ‘Council’) to co-
17 ordinate the energy policy of the Department of Agri-
18 culture and consult with other departments and agencies
19 of the Federal Government.

20 “(b) MEMBERSHIP.—

21 “(1) IN GENERAL.—The Secretary shall appoint
22 the members of the Council from among the staff of
23 the agencies and mission areas of the Department of
24 Agriculture with responsibilities relating to energy
25 programs or policies.

1 “(2) CHAIR.—The chief economist and the
2 Under Secretary for Rural Development of the De-
3 partment of Agriculture shall serve as the Chairs of
4 the Council.

5 “(c) DUTIES OF OFFICE OF ENERGY POLICY AND
6 NEW USES.—The Office of Energy Policy and New Uses
7 of the Department of Agriculture shall support the activi-
8 ties of the Council.”.

9 **SEC. 9010. FARM ENERGY PRODUCTION PILOT PROGRAM.**

10 Title IX of the Farm Security and Rural Investment
11 Act of 2002 (7 U.S.C. 8101 et seq.) is further amended
12 by adding at the end the following new section:

13 **“SEC. 9013. FARM ENERGY PRODUCTION PILOT PROGRAM.**

14 “(a) PROGRAM.—The Secretary of Agriculture shall
15 establish a pilot program to provide grants to farmers for
16 the purpose of demonstrating the feasibility of making a
17 farm energy neutral using existing technologies.

18 “(b) AUTHORIZATION OF APPROPRIATIONS.—There
19 is authorized to be appropriated to carry out this section
20 \$5,000,000 for fiscal years 2008 through 2012.”.

21 **SEC. 9011. RURAL ENERGY SELF-SUFFICIENCY INITIATIVE.**

22 Title IX of the Farm Security and Rural Investment
23 Act of 2002 (7 U.S.C. 8101 et seq.) is further amended
24 by adding at the end the following new section:

1 **“SEC. 9014. RURAL ENERGY SELF-SUFFICIENCY INITIATIVE.**

2 “(a) GRANT AUTHORITY.—

3 “(1) IN GENERAL.—The Secretary of Agri-
4 culture (in this section referred to as the ‘Secretary’)
5 may make grants in accordance with this section to
6 enable eligible rural communities to substantially in-
7 crease their energy self-sufficiency.

8 “(2) ELIGIBLE RURAL COMMUNITY DEFINED.—

9 In this section, the term ‘eligible rural community’
10 means a community that has a population of fewer
11 than 25,000 individuals, and is not located in a met-
12 ropolitan statistical area (as defined by the Bureau
13 of the Census).

14 “(b) APPLICATIONS.—

15 “(1) IN GENERAL.—A community desiring to
16 receive a grant under this section shall submit to the
17 Secretary an application for the grant, which con-
18 tains a description of how the community would use
19 the grant to develop an integrated renewable energy
20 system to substantially increase its energy self-suffi-
21 ciency.

22 “(2) INTEGRATED RENEWABLE ENERGY SYS-
23 TEM.—In paragraph (1), the term ‘integrated renew-
24 able energy system’ includes—

25 “(A) the use of biofuels;

1 “(B) the use of biomass to produce elec-
2 tricity;

3 “(C) the use of animal manure to produce
4 biogas as a substitute for natural gas;

5 “(D) the use of new technologies to pro-
6 vide highly energy efficient lighting, buildings,
7 or vehicles;

8 “(E) the use of wind power to produce
9 electricity and hydrogen; and

10 “(F) the use of solar energy.

11 “(c) CONSIDERATION OF APPLICATIONS.—

12 “(1) EVALUATION.—In making grants under
13 this section, the Secretary shall evaluate applications
14 based on their ability to demonstrate—

15 “(A) integration of different renewable en-
16 ergy sources at lowest total cost;

17 “(B) integration of different renewable en-
18 ergy sources with greatest potential for com-
19 mercialization; and

20 “(C) development of best practices, and
21 models for viable rural energy self-sufficiency.

22 “(2) PREFERENCE.—In making grants under
23 this section, the Secretary shall give preference to
24 those which propose a project developed or carried
25 out in coordination with—

1 “(A) universities or their non-profit foun-
2 dations;

3 “(B) Federal, State, or local government
4 agencies;

5 “(C) public or private power generation en-
6 tities; or

7 “(D) government entities with responsi-
8 bility for water or natural resources.

9 “(d) GRANTS.—

10 “(1) COST-SHARING.—The amount of a grant
11 under this section with respect to an application
12 shall not exceed 75 percent of the cost of the activi-
13 ties described in the application.

14 “(2) NUMBER OF GRANTS PER YEAR.—The
15 Secretary may make not more than 5 grants under
16 this section in each fiscal year.

17 “(e) USE OF GRANTS.—A community to which a
18 grant is made under this section shall use the grant to
19 develop an integrated renewable energy system to improve
20 the energy efficiency of the community, and shall docu-
21 ment any energy savings resulting from the use of the
22 grant.

23 “(f) REPORT TO THE CONGRESS.—The Secretary
24 shall submit to the Committee on Agriculture of the House
25 of Representatives and the Committee on Agriculture, Nu-

1 trition, and Forestry of the Senate a report that document
2 the best practices and approaches used by grantees receiv-
3 ing funds under this section.

4 “(g) LIMITATIONS ON AUTHORIZATION OF APPRO-
5 PRIATIONS.—For grants under this section, there are au-
6 thorized to be appropriated to the Secretary not more than
7 \$5,000,000 for fiscal year 2008, and such sums as may
8 be necessary for fiscal years 2009 through 2012.”.

9 **SEC. 9012. AGRICULTURAL BIOFUELS FROM BIOMASS IN-**
10 **TERNSHIP PILOT PROGRAM.**

11 Title IX of the Farm Security and Rural Investment
12 Act of 2002 (7 U.S.C. 8101 et seq.) is further amended
13 by adding at the end the following new section:

14 **“SEC. 9015. AGRICULTURAL BIOFUELS FROM BIOMASS IN-**
15 **TERNSHIP PILOT PROGRAM.**

16 “(a) ESTABLISHMENT.—The Secretary of Agri-
17 culture shall establish a structured, academically-oriented
18 internship pilot program (in this section referred to as the
19 ‘Program’) to provide students from universities in Cali-
20 fornia, Iowa, Missouri, Georgia, Minnesota, and other
21 states with substantial farm-based economies with the op-
22 portunity to work within the Department of Agriculture,
23 Congress and legislative branch agencies, other Federal
24 departments and agencies, corporations, and nonprofit in-
25 stitutions on matters pertaining to policies regarding re-

1 newable energy, including the conversion of biomass and
2 other agricultural products to produce ethanol and other
3 biofuels.

4 “(b) ELIGIBILITY.—To be eligible for an internship
5 under subsection (a) a student shall—

6 “(1) be a third or fourth year undergraduate
7 student or a graduate student at an accredited col-
8 lege or university in California, Iowa, Missouri,
9 Georgia, Minnesota, or another State with a sub-
10 stantial farm-based economy that commits matching
11 funds in accordance with subsection (g);

12 “(2) be a United States citizen;

13 “(3) be pursuing an undergraduate or graduate
14 program in agriculture and related supporting sub-
15 jects with direct relevance to the subject of bio-
16 refinery, biofuels, and renewable energy; and

17 “(4) meet any other conditions or requirements
18 that the Secretary considers necessary.

19 “(c) PRIORITIES OF INTERNSHIP PILOT PROGRAM.—

20 In administering the Program (including in the selection
21 of students to participate in the Program), the Secretary
22 shall prioritize the following activities and placements:

23 “(1) Structured internship experiences that fea-
24 ture direct, hands-on assistance to policy makers en-
25 gaged in the development and implementation of ag-

1 riculture and related supporting policies and legisla-
2 tion, with direct relevance to the subject of bio-
3 refinery, biofuels, and renewable energy.

4 “(2) Internship and academic seminar pro-
5 grams that provide a combination of workforce
6 training, experiential education, and leadership de-
7 velopment designed specifically for the Department
8 of Agriculture and Congress, with regard to agri-
9 culture-based biorefinery, biofuels, and related re-
10 newable energy policies.

11 “(3) Establishment of regional and state net-
12 works that partner with the agricultural business,
13 government and academic communities to enhance
14 the prospects for providing financial assistance to
15 students, particularly minority students, from col-
16 leges and universities in each participating State
17 who are from economically disadvantaged back-
18 grounds.

19 “(4) Internship and academic seminar pro-
20 grams that focus on agriculture-based research, de-
21 velopment, and policies addressing new technologies
22 to enhance agriculture production and enhanced eco-
23 nomic development in the agriculture sector of the
24 United States.

1 “(d) ADMINISTRATION OF THE PILOT PROGRAM.—
2 The Secretary, in consultation with other executive and
3 legislative branch officials, shall administer the Program.
4 The Secretary may engage the services of an experienced,
5 nonprofit, nonpartisan professional internship and aca-
6 demic seminar organization with extensive experience in
7 developing and carrying out Washington-based or other
8 State-based internship programs and State-based financial
9 assistance initiatives for interns to assist in carrying out
10 the Program.

11 “(e) SCHOLARSHIPS AND OTHER ASSISTANCE FOR
12 INTERNSHIPS.—The Secretary may make available to un-
13 dergraduate and graduate students participating in the
14 Program scholarships or other types of financial assist-
15 ance, including funds to cover the cost of housing, per
16 diem living expenses, transportation, tuition and other
17 educational expenses, and related costs, that would allow
18 participation by eligible undergraduate and graduate stu-
19 dents from economically-disadvantaged backgrounds with-
20 in the Program States.

21 “(f) LONGITUDINAL STUDIES AND REPORTING RE-
22 QUIREMENTS.—

23 “(1) LONGITUDINAL STUDIES AND EVALUATION
24 OF INTERNSHIP PROGRAM.—In developing and im-
25 plementing the Program, the Secretary shall carry

1 out such longitudinal studies and program evalua-
2 tions as he or she deems appropriate to ensure that
3 the program is administered in a cost-effective man-
4 ner and has specific milestones, objectives, and re-
5 sults quantified with regard to such Program.

6 “(2) REPORTING REQUIREMENTS.—The Sec-
7 retary shall submit to the Committee on Agriculture
8 of the House of Representatives and the Committee
9 on Agriculture, Nutrition, and Forestry of the Sen-
10 ate periodic reports regarding the development and
11 implementation of the Program, including the longi-
12 tudinal studies and evaluations required under para-
13 graph (1).

14 “(g) STATE MATCHING REQUIREMENT.—As a condi-
15 tion of receiving an internship under the Program, the
16 State in which the student receiving the internship is pur-
17 suing an undergraduate or graduate degree shall provide
18 matching funds in the amount of one dollar for every two
19 dollars provided by the Secretary under the Program.

20 “(h) FEDERAL CONTRIBUTION LIMIT.—The Sec-
21 retary may not expend more than \$200,000 in any fiscal
22 year to provide internships to students pursuing an under-
23 graduate or graduate degree in any particular State.

24 “(i) APPLICATION OF FUNDS.—The Secretary shall,
25 to the maximum extent practicable, use funds made avail-

1 able under subsection (j) to provide scholarships and the
2 other forms of financial assistance described in subsection
3 (e) directly attributable to the participation in the Pro-
4 gram by students from rural, economically-disadvantaged
5 backgrounds.

6 “(j) AUTHORIZATION OF APPROPRIATIONS.—There
7 are authorized to be appropriated such sums as may be
8 necessary to carry out this section.”.

9 **SEC. 9013. FEEDSTOCK FLEXIBILITY PROGRAM FOR BIO-**
10 **ENERGY PRODUCERS.**

11 Title IX of the Farm Security and Rural Investment
12 Act of 2002 (7 U.S.C. 8101 et seq.) is further amended
13 by adding at the end the following new section:

14 **“SEC. 9016. FEEDSTOCK FLEXIBILITY PROGRAM FOR BIO-**
15 **ENERGY PRODUCERS.**

16 “(a) DEFINITIONS.—In this section:

17 “(1) BIOENERGY.—The term ‘bioenergy’ means
18 fuel grade ethanol and other biofuel.

19 “(2) BIOENERGY PRODUCER.—The term ‘bio-
20 energy producer’ means a producer of bioenergy that
21 uses an eligible commodity to produce bioenergy
22 under this section.

23 “(3) ELIGIBLE COMMODITY.—The term ‘eligible
24 commodity’ means a form of raw or refined sugar or
25 in-process sugar that is eligible to be marketed in

1 the United States for human consumption or to be
2 used for the extraction of sugar for human consump-
3 tion.

4 “(4) ELIGIBLE ENTITY.—The term ‘eligible en-
5 tity’ means an entity located in the United States
6 that markets an eligible commodity in the United
7 States.

8 “(b) FEEDSTOCK FLEXIBILITY PROGRAM.—

9 “(1) IN GENERAL.—

10 “(A) PURCHASES AND SALES.—For each
11 of fiscal years 2008 through 2012, the Sec-
12 retary shall purchase eligible commodities from
13 eligible entities and sell such commodities to
14 bioenergy producers for the purpose of pro-
15 ducing bioenergy in a manner that ensures that
16 156 of the Federal Agricultural Improvement
17 and Reform Act (7 U.S.C. 7272) is operated at
18 no cost to the Federal Government by avoiding
19 forfeitures to the Commodity Credit Corpora-
20 tion.

21 “(B) COMPETITIVE PROCEDURES.—In car-
22 rying out the purchases and sales required
23 under subparagraph (A), the Secretary shall, to
24 the maximum extent practicable, use competi-
25 tive procedures, including the receiving, offer-

1 ing, and accepting of bids, when entering into
2 contracts with eligible entities and bioenergy
3 producers, provided that such procedures are
4 consistent with the purposes of subparagraph
5 (A).

6 “(C) LIMITATION.—The purchase and sale
7 of eligible commodities under subparagraph (A)
8 shall only be made in fiscal years in which such
9 purchases and sales are necessary to ensure
10 that the program authorized under section 156
11 of the Federal Agriculture Improvement and
12 Reform Act (7 U.S.C. 7272) is operated at no
13 cost to the Federal Government by avoiding for-
14 feitures to the Commodity Credit Corporation.

15 “(2) NOTICE.—

16 “(A) IN GENERAL.—Not later than Sep-
17 tember 1, 2007, and each September 1 there-
18 after through fiscal year 2011, the Secretary
19 shall provide notice to eligible entities and bio-
20 energy producers of the quantity of eligible
21 commodities that shall be made available for
22 purchase and sale for the subsequent fiscal year
23 under this section.

24 “(B) REESTIMATES.—Not later than the
25 first day of each of the second through fourth

1 quarters of each of fiscal years 2008 through
2 2012, the Secretary shall reestimate the quan-
3 tity of eligible commodities determined under
4 subparagraph (A), and provide notice and make
5 purchases and sales based on such reestimates.

6 “(3) COMMODITY CREDIT CORPORATION INVEN-
7 TORY.—To the extent that an eligible commodity is
8 owned and held in inventory by the Commodity
9 Credit Corporation (accumulated pursuant to the
10 program authorized under section 156 of the Fed-
11 eral Agriculture Improvement and Reform Act (7
12 U.S.C. 7272)), the Secretary shall sell such com-
13 modity to bioenergy producers under this section.

14 “(4) RELATION TO OTHER LAWS.—If sugar
15 that is subject to a marketing allotment under part
16 VII of subtitle B of title III of the Agricultural Ad-
17 justment Act of 1938 (7 U.S.C. 1359aa et seq.) is
18 the subject of a payment under this section, such
19 sugar shall be considered marketed and shall count
20 against a processor’s allocation of an allotment
21 under such part, as applicable.

22 “(5) FUNDING.—The Secretary shall use the
23 funds, facilities, and authorities of the Commodity
24 Credit Corporation, including the use of such sums
25 as are necessary, to carry out this section.”.

1 **SEC. 9014. DEDICATED ETHANOL PIPELINE FEASIBILITY**
2 **STUDIES.**

3 (a) IN GENERAL.—The Secretary of Agriculture, in
4 coordination with the Secretary of Energy and the Sec-
5 retary of Transportation, shall spend up to \$1,000,000 to
6 fund feasibility studies for the construction of dedicated
7 ethanol pipelines.

8 (b) CONDUCT OF STUDIES.—

9 (1) IN GENERAL.—The Secretary of Agriculture
10 shall—

11 (A) through a competitive solicitation proc-
12 ess, select 1 or more firms having capabilities in
13 the planning, development, and construction of
14 dedicated pipelines to carry out the feasibility
15 studies described in subsection (a); or

16 (B) carry out the feasibility studies in con-
17 junction with such firms.

18 (2) TIMING.—

19 (A) IN GENERAL.—Not later than 120
20 days after the Secretary selects 1 or more firms
21 under paragraph (1)(A) and funding is made
22 available under subsection (f), the Secretary
23 shall award funding under this section.

24 (B) STUDIES.—As a condition of receiving
25 funds under this section, a recipient of funding
26 shall agree to submit to the Secretary a com-

1 pleted feasibility study not later than one year
2 after the date on which the recipient is awarded
3 funds pursuant to paragraph (1)(A).

4 (c) STUDY FACTORS.—Feasibility studies funded
5 under this section shall include consideration of—

6 (1) existing or potential barriers to dedicated
7 ethanol pipelines, including technical, siting, financ-
8 ing, and regulatory barriers;

9 (2) potential evolutionary pathways for the de-
10 velopment of an ethanol pipeline transport system,
11 such as starting with localized gathering networks as
12 compared to major interstate ethanol pipelines to
13 carry larger volumes from the Midwest to the East
14 or West coast;

15 (3) market risk, including throughput risk, and
16 ways of mitigating the risk;

17 (4) regulatory, financing, and siting options
18 that would mitigate risk in these areas and help en-
19 sure the construction of dedicated ethanol pipelines;

20 (5) financial incentives that may be necessary
21 for the construction of dedicated ethanol pipelines,
22 including the return on equity that sponsors of the
23 first dedicated ethanol pipelines will require to invest
24 in the pipelines;

1 (6) ethanol production of 20,000,000,000,
2 30,000,000,000, and 40,000,000,000 gallons per
3 year by 2020; and

4 (7) such other factors that the Secretary con-
5 siders to be appropriate.

6 (d) CONFIDENTIALITY.—If a recipient of funding
7 under this section requests confidential treatment for crit-
8 ical energy infrastructure information or commercially-
9 sensitive data contained in a feasibility study submitted
10 by the recipient under subsection (b)(2)(B), the Secretary
11 shall offer to enter into a confidentiality agreement with
12 the recipient to maintain the confidentiality of the sub-
13 mitted information.

14 (e) REVIEW; REPORT.—The Secretary of Agriculture
15 shall—

16 (1) review the feasibility studies submitted
17 under subsection (b)(2)(B) or carried out under sub-
18 section (b)(1)(B); and

19 (2) not later than 90 days after the date on
20 which all studies are completed under subsection (b),
21 submit to Congress a report that includes—

22 (A) information about the potential bene-
23 fits of constructing dedicated ethanol pipelines;
24 and

1 (B) recommendations for legislation that
2 could help provide for the construction of dedi-
3 cated ethanol pipelines.

4 (f) FUNDING.—There are authorized to be appro-
5 priated to the Secretary of Agriculture to carry out this
6 section \$1,000,000 for fiscal year 2008, to remain avail-
7 able until expended.