

110TH CONGRESS
1ST SESSION

S. 36

To amend the Farm Security and Rural Investment Act to establish a biofuels promotion program to promote sustainable production of biofuels and biomass, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 23, 2007

Mr. THUNE (for himself and Mr. NELSON of Nebraska) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To amend the Farm Security and Rural Investment Act to establish a biofuels promotion program to promote sustainable production of biofuels and biomass, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. BIOFUELS INNOVATION PROGRAM.**

4 Title IX of the Farm Security and Rural Investment
5 Act of 2002 (7 U.S.C. 8101 et seq.) is amended by adding
6 at the end the following:

1 **“SEC. 9012. BIOFUELS INNOVATION PROGRAM.**

2 “(a) PURPOSE.—The purpose of this section is to es-
3 tablish a Biofuels Innovation Program—

4 “(1) to encourage production of dedicated en-
5 ergy crops in a sustainable manner that protects the
6 soil, air, water, and wildlife of the United States;
7 and

8 “(2) to provide financial and technical assist-
9 ance to owners and operators of eligible cropland to
10 produce dedicated energy crops and crop mixes of
11 suitable quality and in sufficient quantities to sup-
12 port and induce development and expansion of the
13 use of the crop for—

14 “(A) biofuels;

15 “(B) power or heat generation to supple-
16 ment or replace nonbiobased energy sources;
17 and

18 “(C) biobased products to supplement or
19 replace non biobased products;

20 “(3) to establish Biofuels Innovation Program
21 project areas; and

22 “(4) to provide financial and technical assist-
23 ance to owners and operators for harvesting, storing,
24 and transporting cellulosic material.

25 “(b) DEFINITIONS.—In this section:

1 “(1) BEGINNING FARMER OR RANCHER.—The
2 term ‘beginning farmer or rancher’ has the meaning
3 given the term in section 343(a) of the Consolidated
4 Farm and Rural Development Act (7 U.S.C.
5 1991(a)).

6 “(2) BIP.—The term ‘BIP’ means the Biofuels
7 Innovation Program established under this section.

8 “(3) BIP PROJECT AREA.—The term ‘BIP
9 project area’ means an area that—

10 “(A) has eligible cropland that—

11 “(i) is owned or operated by eligible
12 participants; and

13 “(ii) has specified boundaries that are
14 submitted to the Secretary by eligible par-
15 ticipants and subsequently approved by the
16 Secretary; and

17 “(B) is physically located within a 70-mile
18 radius of an existing or proposed biofuels facil-
19 ity or another boundary, as determined by the
20 Secretary.

21 “(4) CONSERVATION RESERVE PROGRAM.—The
22 term ‘conservation reserve program’ means the con-
23 servation reserve program established under sub-
24 chapter B of chapter 1 of subtitle D of title XII of

1 the Food Security Act of 1985 (16 U.S.C. 3831 et
2 seq.).

3 “(5) CONSERVATION SECURITY PROGRAM.—The
4 term ‘conservation security program’ means the con-
5 servation security program established under sub-
6 chapter A of chapter 2 of subtitle D of title XII of
7 the Food Security Act of 1985 (16 U.S.C. 3838 et
8 seq.).

9 “(6) CONTRACT ACREAGE.—The term ‘contract
10 acreage’ means eligible cropland that is—

11 “(A) enrolled in the BIP by an eligible
12 participant; and

13 “(B) covered by a BIP contract entered
14 into with the Secretary.

15 “(7) ELIGIBLE CROPLAND.—

16 “(A) IN GENERAL.—The term ‘eligible
17 cropland’ means land that the applicable county
18 committee of the Farm Service Agency deter-
19 mines—

20 “(i) is currently being tilled for the
21 production of a crop for harvest; or

22 “(ii) is not currently being tilled but
23 has been tilled in a prior crop year and is
24 suitable for production of an eligible dedi-
25 cated energy crop.

1 “(B) INCLUSIONS.—The term ‘eligible
2 cropland’ includes—

3 “(i) land that in the native state of
4 the land was not forest land, if the land is
5 planted with nonwoody eligible dedicated
6 energy crops and, for at least 3 of the 5
7 crop years preceding the date of enactment
8 of this section, the land has been—

9 “(I) devoted to managed pasture;

10 or

11 “(II) enrolled in the conservation
12 reserve program and the conservation
13 reserve program contract has been
14 voluntarily terminated or is expired;
15 and

16 “(ii) land that in the native state of
17 land was forest land, if the land is planted
18 with woody or nonwoody eligible dedicated
19 energy crops and the land has been—

20 “(I) forest land but subsequently
21 clear-cut during the 2-year period
22 ending on the date of enactment of
23 this section; or

24 “(II) converted from forest land
25 before the 5-year period ending on the

1 date of enactment of this section
2 and—

3 “(aa) has been tilled for the
4 production of a crop for harvest;

5 “(bb) devoted to managed
6 pasture; or

7 “(cc) enrolled in the con-
8 servation reserve program for at
9 least 3 of the 5 five crop years
10 preceding the date of enactment
11 of this section and is no longer
12 covered by a conservation reserve
13 program contract.

14 “(C) EXCLUSIONS.—The term ‘eligible
15 cropland’ does not include—

16 “(i) Federally-owned land;

17 “(ii) land enrolled in—

18 “(I) the conservation reserve pro-
19 gram;

20 “(II) the grassland reserve pro-
21 gram; or

22 “(III) the wetlands reserve pro-
23 gram;

24 “(iii) land with greater than 50 per-
25 cent cover of native nonwoody vegetation

1 or forest land, as of the date of enactment
2 of this section (other than land described
3 in subparagraph (B)(iii)); and

4 “(iv) land that historically was not na-
5 tive forest land, if planted to woody crops.

6 “(8) ELIGIBLE DEDICATED ENERGY CROP.—

7 “(A) IN GENERAL.—The term ‘eligible
8 dedicated energy crop’ means any crop native to
9 the United States, or another crop, as deter-
10 mined by the Secretary, grown specifically to
11 provide raw materials for—

12 “(i) conversion to liquid transpor-
13 tation fuels or chemicals through bio-
14 chemical or thermochemical processes; or

15 “(ii) energy generation through com-
16 bustion, pyrolysis, or cofiring.

17 “(B) EXCLUSIONS.—The term ‘eligible
18 dedicated energy crop’ does not include—

19 “(i) any crop that is eligible for pay-
20 ments under title I or a successor title; or

21 “(ii) any plant that is invasive or nox-
22 ious or has the potential to become
23 invasive or noxious, as determined by—

1 “(I) the Secretary of the Interior
2 (acting through the United States
3 Fish and Wildlife Service);

4 “(II) the Secretary; or

5 “(III)(aa) the head of an applica-
6 ble State department of agriculture;
7 or

8 “(bb) the head of an applicable
9 State conservation agency.

10 “(9) ELIGIBLE PARTICIPANT.—The term ‘eligi-
11 ble participant’ means an owner or operator of con-
12 tract acreage that is physically located within a BIP
13 project area .

14 “(10) FEDERALLY-OWNED LAND.—The term
15 ‘Federally-owned land’ means land owned by—

16 “(A) the Federal Government (including
17 any department, instrumentality, bureau, or
18 agency of the Federal Government); or

19 “(B) any corporation whose stock is wholly
20 owned by the Federal Government.

21 “(11) FOREST LAND.—The term ‘forest land’
22 means an ecosystem that is at least 1 acre in size
23 (including timberland and woodland) and that (as
24 determined by the Secretary)—

1 “(A) is characterized by dense and exten-
2 sive tree cover;

3 “(B) contains, or once contained, at least
4 10 percent tree crown cover; and

5 “(C) is not developed and planned for ex-
6 clusive nonforest resource use.

7 “(12) GRASSLAND RESERVE PROGRAM.—The
8 term ‘grassland reserve program’ means the grass-
9 land reserve program established under subchapter
10 C of chapter 2 of subtitle D of title XII of the Food
11 Security Act of 1985 (16 U.S.C. 3838n et seq.).

12 “(13) MANAGED PASTURE.—The term ‘man-
13 aged pasture’ means land that—

14 “(A) is currently vegetated with less than
15 25 percent native plant cover;

16 “(B) has been converted from noncropland
17 to cropland during the 30-year period ending on
18 the date of enactment of this section; and

19 “(C) has been actively managed for inten-
20 sive livestock grazing.

21 “(14) OPERATOR.—The term ‘operator’ means
22 an individual, entity, or joint operation that, as de-
23 termined by the applicable county committee of the
24 Farm Service Agency, is in general control of the

1 farming operations on a farm during the applicable
2 crop year.

3 “(15) OWNER.—

4 “(A) IN GENERAL.—The term ‘owner’
5 means a person that has legal ownership of eli-
6 gible cropland.

7 “(B) INCLUSION.—The term ‘owner’ in-
8 cludes—

9 “(i) a person that is buying eligible
10 cropland under a contract for deed;

11 “(ii) a person that has a life estate in
12 eligible cropland; and

13 “(iii) for the purposes of enrolling eli-
14 gible cropland in the BIP, a person that
15 has purchased a farm in a foreclosure pro-
16 ceeding and—

17 “(I) the redemption period has
18 not passed; and

19 “(II) the original owner has not
20 redeemed the property.

21 “(16) SECRETARY.—The term ‘Secretary’
22 means the Secretary of Agriculture, acting through
23 the Natural Resources Conservation Service.

1 “(17) SOCIALLY DISADVANTAGED FARMER OR
2 RANCHER.—The term ‘socially disadvantaged farmer
3 or rancher’ means a farmer or rancher who—

4 “(A) is a member of a socially disadvan-
5 taged group (as defined in section 355(e) of the
6 Consolidated Farm and Rural Development Act
7 (7 U.S.C. 2003(e));

8 “(B) has limited resources; or

9 “(C) is a member of a federally recognized
10 Indian tribe.

11 “(18) STATE.—The term ‘State’ means each of
12 the several States of the United States.

13 “(19) WETLANDS RESERVE PROGRAM.—The
14 term ‘wetlands reserve program’ means the wetlands
15 reserve program established under subchapter C of
16 chapter 1 of subtitle D of title XII of the Food Se-
17 curity Act of 1985 (16 U.S.C. 3837 et seq.).

18 “(c) ESTABLISHMENT.—Not later than 180 days
19 after the date of enactment of this section, the Secretary
20 shall establish a Biofuels Innovation Program in accord-
21 ance with this section.

22 “(d) PROPOSALS FOR BIP PROJECT AREAS.—

23 “(1) IN GENERAL.—To be considered a BIP
24 project area, an eligible applicant shall submit to the

1 Secretary, through the Under Secretary for Rural
2 Development, for approval a written proposal that—

3 “(A) identifies the eligible cropland that
4 will be a part of the proposed BIP project area;
5 and

6 “(B) indicates a strong likelihood that the
7 proposed BIP project area will generate a suffi-
8 cient quantity of biomass from eligible dedi-
9 cated energy crops and acres or other sources
10 to supply an existing biofuels facility, or to at-
11 tract a new biofuels facility to an area, to meet
12 the purposes of the BIP.

13 “(2) MINIMUM REQUIREMENTS.—The written
14 proposal for a proposed BIP project area shall in-
15 clude, at a minimum—

16 “(A) a description of the eligible cropland
17 of each eligible participant that will participate
18 in the proposed BIP project area, including—

19 “(i) the quantity of eligible cropland
20 of each eligible participant;

21 “(ii) the physical location of the eligi-
22 ble cropland;

23 “(iii) the 1 or more eligible dedicated
24 energy crops that will be produced on the
25 eligible cropland; and

1 “(iv) the type of land use or crop that
2 will be displaced by the eligible dedicated
3 energy crop;

4 “(B)(i) the name, if available, and type, lo-
5 cation, and description of the existing or pro-
6 posed biofuel facility that will use the eligible
7 dedicated energy crops to be produced in the
8 proposed BIP project area;

9 “(ii) a letter of commitment to build a pro-
10 posed bioenergy facility that will use the eligible
11 dedicated energy crops intended to be produced
12 in the proposed BIP project area; or

13 “(iii) a letter of commitment from an exist-
14 ing bioenergy facility that the facility will use
15 the eligible dedicated energy crops intended to
16 be produced in the proposed BIP project area;

17 “(C) a general analysis of the anticipated
18 local economic impact of the proposed BIP
19 project; and

20 “(D) any additional information needed to
21 determine the eligibility for, and ranking of, the
22 proposal, as determined by the Secretary.

23 “(3) ELIGIBLE APPLICANTS.—Applicants that
24 are eligible to submit a proposal for a BIP project
25 area include—

1 “(A) a collective group of owners and oper-
2 ators producing or proposing to produce eligible
3 dedicated energy crops;

4 “(B) an energy or agricultural company or
5 refinery;

6 “(C) a Resource Conservation and Devel-
7 opment council; and

8 “(D) any other entity that submits an ac-
9 ceptable proposal for production and use of an
10 eligible dedicated energy crop that promotes the
11 purposes of the BIP.

12 “(4) INDIVIDUAL OWNERS AND OPERATORS.—
13 An individual owner or operator may not submit an
14 individual proposal to participate in the BIP.

15 “(e) ELIGIBILITY CRITERIA FOR BIP PROJECT
16 AREAS.—

17 “(1) ESTABLISHMENT.—The Secretary shall es-
18 tablish a system for ranking BIP project areas.

19 “(2) CRITERIA.—The Secretary shall rank pro-
20 posed BIP project areas on the basis of whether (in
21 order of ranking)—

22 “(A) there is a high probability that the el-
23 igible dedicated energy crops proposed to be
24 produced in the proposed BIP project area will
25 be used for the purposes of the BIP;

1 “(B) the proposed BIP project area in-
2 cludes applications of eligible participants that
3 provide adequate potential feedstocks and suit-
4 able placement with respect to existing or pro-
5 posed bioenergy facility;

6 “(C) a significant potential for a positive
7 economic impact exists in the proposed BIP
8 project area;

9 “(D) ownership of the biofuels facility in
10 the proposed BIP project area is available to
11 producers and local investors;

12 “(E) the participation rate by beginning
13 farmers or ranchers or socially disadvantaged
14 farmers or ranchers;

15 “(F) the proposed BIP project area in-
16 cludes applications of eligible participants that
17 have the greatest potential to improve soil con-
18 servation and water quality, and enhance wild-
19 life habitat, when compared to existing land
20 uses; and

21 “(G) the proposed eligible dedicated energy
22 crop harvesting practices on contract acreage
23 maximize land stewardship and habitat goals.

24 “(f) BUSINESS PLANNING AND ASSISTANCE
25 GRANTS.—

1 “(1) IN GENERAL.—The Secretary, acting
2 through the Under Secretary for Rural Develop-
3 ment, shall provide BIP business planning and as-
4 sistance grants to eligible applicants—

5 “(A) for the purpose of—

6 “(i) establishing BIP project areas;

7 and

8 “(ii) hiring consultants and technical

9 and other relevant experts for the purpose

10 of providing expert guidance and technical

11 assistance to potential eligible participants;

12 and

13 “(B) in an amount not to exceed \$30,000

14 in matching funds, at a rate of \$3 for every \$2

15 provided by the eligible applicant.

16 “(2) INCLUSIONS.—Funds provided under this

17 subsection may be used to conduct feasibility anal-

18 yses and planning for inclusion of—

19 “(A) agricultural waste biomass;

20 “(B) sustainably-harvested agricultural

21 and forest residues; and

22 “(C) biomass produced on land subject to

23 a BIP contract.

1 “(3) LIMITATION.—The total amount of funds
2 used to carry out this subsection shall not exceed
3 \$5,000,000.

4 “(g) FOREST BIOMASS PLANNING GRANTS.—

5 “(1) IN GENERAL.—The Secretary shall provide
6 forest biomass planning assistance grants to private
7 landowners to develop forest stewardship plans that
8 involve sustainable management of biomass from
9 land of the private landowners that will preserve di-
10 versity, soil, water, or wildlife values of the land,
11 while ensuring a steady supply of biomass material,
12 through—

13 “(A) State forestry agencies, in consulta-
14 tion with State wildlife agencies; and

15 “(B) technical service provider arrange-
16 ments with third-party, independent forest sus-
17 tainability certification programs.

18 “(2) LIMITATION.—The total amount of funds
19 used to carry out this subsection shall not exceed
20 \$5,000,000.

21 “(h) MAXIMUM ENROLLMENT.—The Secretary shall
22 enroll not more than 5,000,000 acres of eligible cropland
23 in the BIP at any 1 time.

24 “(i) DURATION OF CONTRACT.—

1 “(1) IN GENERAL.—Subject to paragraph (2),
2 for purposes of carrying out the BIP, the Secretary
3 shall enter into contracts of 10 years.

4 “(2) EARLY TERMINATION.—The Secretary
5 may terminate a contract early if the Secretary de-
6 termines that—

7 “(A) contract acreage will not be used to
8 produce an eligible dedicated energy crop (as
9 determined not earlier than 5 years after enter-
10 ing into a contract);

11 “(B) a material breach of the contract has
12 occurred;

13 “(C) the owner or operator has died; or

14 “(D) continuation of the contract will
15 cause undue economic hardship.

16 “(j) EFFECT OF NONCOMPLIANCE DUE TO CIR-
17 CUMSTANCES BEYOND CONTROL OF PRODUCERS.—The
18 Secretary shall include in each contract entered into under
19 this section a provision to ensure that a producer shall
20 not be considered to be in violation of the contract for
21 failure to comply with 1 or more requirements of the con-
22 tract due to circumstances beyond the control of the pro-
23 ducer, including any disaster-related condition, as deter-
24 mined by the Secretary.

25 “(k) RESERVE ACREAGE.—

1 “(1) IN GENERAL.—Subject to paragraphs (2)
2 and (3), for each year of participation in the BIP,
3 at least 20 percent of the contract acreage shall re-
4 main unharvested.

5 “(2) ROTATION.—The location of the
6 unharvested contract acreage shall rotate from year-
7 to-year.

8 “(3) NONAPPLICABILITY.—Paragraph (1) shall
9 not apply—

10 “(A) to land that is used to meet any BIP
11 requirement for diverse vegetated buffers under
12 subsection (1)(3)(D); and

13 “(B) during any crop year in which a nat-
14 ural disaster is declared by the Secretary for
15 production losses under section 321(a) of the
16 Consolidated Farm and Rural Development Act
17 (7 U.S.C. 1961(a)) in the county in which the
18 enrolled land is located.

19 “(1) CONTRACT ACREAGE REQUIREMENTS.—

20 “(1) IN GENERAL.—On approval of a BIP
21 project area by the Secretary, each eligible partici-
22 pant in the BIP project area shall enter into a con-
23 tract with the Secretary that is consistent with the
24 BIP.

1 “(2) ADDITIONAL ELIGIBLE PARTICIPANTS.—
2 The Secretary may add eligible participants to a
3 BIP project area after approval of the BIP project
4 area.

5 “(3) CONSERVATION PRACTICES.—To ensure
6 the sustainability of farm operations and the protec-
7 tion of soil, air, water and wildlife, to be eligible to
8 participate in the BIP, an eligible participant shall
9 agree that—

10 “(A) harvesting of eligible dedicated energy
11 crops shall not occur during the primary nest-
12 ing or brood rearing seasons of bird species
13 nesting in the BIP project area;

14 “(B) stubble remnants for nonwoody crops
15 shall be of sufficient height to provide for wild-
16 life cover and soil protection, with minimum
17 stubble remnants that are not less than 10
18 inches in height, or another minimum height as
19 determined by—

20 “(i) the Secretary of the Interior, act-
21 ing through the United States Fish and
22 Wildlife Service;

23 “(ii) the Secretary;

24 “(iii) the head of each applicable
25 State fish and wildlife agency; and

1 “(iv) the head of each applicable State
2 conservation agency;

3 “(C) soil conservation plans, designed and
4 approved by the Secretary, shall be imple-
5 mented by the eligible participant for pre-
6 venting erosion on areas planted and harvested
7 for eligible dedicated energy crops;

8 “(D) diverse vegetated buffers, the width,
9 characteristics, and management of which shall
10 be determined by Secretary, shall be established
11 and maintained at all times surrounding all
12 water resources on contract acreage; and

13 “(E) chemical inputs shall be minimized
14 and properly applied to ensure protection of
15 soil, air, water, and wildlife resources.

16 “(4) PURPOSES.—

17 “(A) IN GENERAL.—Except as provided in
18 subparagraph (B), to be eligible to participate
19 in the BIP, an eligible participant may use eli-
20 gible dedicated energy crops produced on con-
21 tract acreage only for the purposes described in
22 subsection (a).

23 “(B) PERSONAL USE.—During the period
24 before the commercial viability of a bioenergy
25 facility, an eligible participant may use eligible

1 dedicated energy crops produced by the eligible
2 participant on contract acreage for personal
3 use.

4 “(C) SEED PRODUCTION.—During the pe-
5 riod before the commercial viability of a bio-
6 energy facility, an eligible participant may har-
7 vest and sell seed produced on contract acreage.

8 “(5) REQUIREMENTS.—To be eligible to partici-
9 pate in the BIP, during the term of the BIP con-
10 tract, an eligible participant shall—

11 “(A) enter into a contract with the Sec-
12 retary to participate in the BIP and comply
13 with the BIP contract;

14 “(B) comply with—

15 “(i) the highly erodible land conserva-
16 tion requirements of subtitle B of title XII
17 of the Food Security Act of 1985 (16
18 U.S.C. 3811 et seq.); and

19 “(ii) the wetland conservation require-
20 ments of subtitle C of title XII of that Act
21 (16 U.S.C. 3821 et seq.);

22 “(C)(i) plant at least 40 acres, or any
23 other quantity of acres specified by the Sec-
24 retary, of an eligible dedicated energy crop not
25 later than 1 year after entering into a BIP con-

1 tract or within an alternate time period speci-
2 fied by the Secretary; and

3 “(ii) produce an eligible dedicated energy
4 crop on the contract acreage throughout the
5 term of the BIP contract.

6 “(m) ADDITIONAL ELIGIBLE BIOMASS.—

7 “(1) IN GENERAL.—The Secretary may allow
8 on land that is enrolled in the conservation reserve
9 program and located within the BIP project area, in
10 accordance with the soil-related, water-related, and
11 wildlife conservation purposes of the conservation re-
12 serve program under contract terms governing man-
13 aged haying and grazing and the harvesting of bio-
14 mass—

15 “(A) in exchange for a reduction of an ap-
16 plicable annual payment in an amount to be de-
17 termined by the Secretary;

18 “(B) in accordance with an approved con-
19 servation reserve program plan and applicable
20 field office technical guide standards;

21 “(C) in a manner that ensures that bio-
22 mass harvest activities occur outside the official
23 nesting and brood rearing season for those
24 plans;

1 “(D) not more frequently than once every
2 3 years after the date on which vegetative cover
3 has been established under the conservation re-
4 serve program;

5 “(E) as a result of forestry maintenance
6 activities, such as pruning, thinning, and timber
7 stand improvement, on land that has been con-
8 verted to forestry use—

9 “(i) in accordance with a conservation
10 plan; and

11 “(ii) in exchange for an applicable re-
12 duction in the annual rental payment, as
13 determined by the Secretary; or

14 “(F) as a result of a midcontract manage-
15 ment activity, such as mowing or clipping, that
16 is conducted according to an approved conserva-
17 tion plan as determined by the Secretary.

18 “(n) PAYMENTS FOR COLLECTING, HARVESTING,
19 STORING, AND TRANSPORTING BIOMASS PRODUCED ON
20 BIP CONTRACT ACREAGE, AGRICULTURAL WASTE BIO-
21 MASS, AND SUSTAINABLY-HARVESTED AGRICULTURAL
22 AND FOREST RESIDUES.—

23 “(1) IN GENERAL.—Subject to paragraph (2),
24 for the 2-year period beginning on the date on which
25 a biofuels facility enters operation, the Secretary

1 may provide matching payments at a rate of \$1 for
2 every \$1 per ton provided by the biofuels facility, in
3 an amount equal to not more than \$45 per ton—

4 “(A) to eligible participants for biomass
5 produced on BIP contract acreage in exchange
6 for a reduction of the annual payment issued
7 under subsection (r)(3), as determined by the
8 Secretary;

9 “(B) to any producer of agricultural waste
10 biomass or sustainably-harvested agricultural
11 and forest residues in the United States for the
12 agricultural waste or residue; and

13 “(C) for residue collected as a result of the
14 removal of noxious and invasive species, in ac-
15 cordance with methods approved by the Sec-
16 retary.

17 “(2) ELIGIBILITY.—Only owners of forest land
18 acting pursuant to a forest stewardship plan shall be
19 eligible to receive payments under this subsection.

20 “(o) DUTIES OF SECRETARY.—The Secretary shall—

21 “(1) establish and administer the BIP;

22 “(2) authorize establishment of BIP project
23 areas for the purposes of the BIP described in sub-
24 section (a);

25 “(3) develop procedures—

1 “(A) to monitor the compliance of eligible
2 participants that have land enrolled in the BIP
3 with the requirements of the BIP;

4 “(B) to measure the performance of the
5 BIP; and

6 “(C) to demonstrate whether the long-term
7 eligible dedicated energy crop production goals
8 are being achieved.

9 “(4) enter into a written contract with each eli-
10 gible participant that elects to participate in the BIP
11 in a BIP project area;

12 “(5) not enter into a contract under the BIP
13 with an individual owner or operator unless the land
14 of the eligible participant is physically located in an
15 approved BIP project area; and

16 “(6) provide all payments under the contract
17 directly to the eligible participant.

18 “(p) RELATIONSHIP TO OTHER PROGRAMS.—

19 “(1) CONSERVATION SECURITY PROGRAM.—
20 Land enrolled in the BIP may also be enrolled in the
21 conservation security program if all of the other re-
22 quirements for participation in the conservation se-
23 curity program are met.

24 “(2) ENVIRONMENTAL CREDIT PROGRAMS.—

25 The Secretary may allow the sale of carbon credits,

1 water quality credits, or other environmental credits
2 on land enrolled in BIP that do not interfere with
3 the purposes of the BIP.

4 “(q) CONTRACTS.—A contract entered into between
5 the Secretary and an eligible participant under the BIP
6 shall include, at a minimum, terms that cover—

7 “(1) requirements for the eligible participant in
8 carrying out the contract, including requirements de-
9 scribed in subsections (i), (k), and (l);

10 “(2) a maintenance agreement to maintain the
11 benefits of the contract after the payment period, as
12 determined by the Secretary;

13 “(3) termination provisions;

14 “(4) payment terms and amounts to be pro-
15 vided on an annual basis;

16 “(5) the sales or transfer of contract acreage;

17 “(6) the modification of the contract;

18 “(7) penalties in cases of a breach of the con-
19 tract or other situations;

20 “(8) the maximum quantity of contract acreage
21 and an estimated schedule for how much eligible
22 cropland will be enrolled each contract year; and

23 “(9) any additional terms the Secretary con-
24 siders appropriate.

25 “(r) PAYMENTS.—

1 “(1) IN GENERAL.—The Secretary shall provide
2 payments directly to eligible participants who enter
3 into contracts described in subsection (q) in accord-
4 ance with the subsection.

5 “(2) COST-SHARE PAYMENTS.—

6 “(A) IN GENERAL.—Except as provided in
7 subparagraph (B), the Secretary shall provide
8 to an eligible participant who enters into a BIP
9 contract a cost-share payment in an amount
10 equal to 50 percent of the costs of establishing
11 an eligible dedicated energy crop on the con-
12 tract acreage covered by the contract.

13 “(B) EXCEPTIONS.—

14 “(i) BEGINNING AND SOCIAL DIS-
15 ADVANTAGED FARMERS OR RANCHERS.—

16 The amount of cost-share payments made
17 to beginning farmers or ranchers and so-
18 cially disadvantaged farmers or ranchers
19 shall be equal to 75 percent of the costs of
20 establishing an eligible dedicated energy
21 crop on the contract acreage.

22 “(ii) POLYCULTURE CROP MIXES.—

23 The amount of cost-share payments made
24 to any eligible participant who establishes
25 a polyculture crop mix of at least 3 species

1 of eligible dedicated energy crops shall be
2 equal to 90 percent of the costs of estab-
3 lishing an eligible dedicated energy crop on
4 the contract acreage.

5 “(C) ELIGIBLE COST-SHARE PAYMENTS.—

6 The costs for which an eligible owner may re-
7 ceive a cost-share payment under this para-
8 graph include—

9 “(i) the cost of seeds and stock; and

10 “(ii) the cost of planting field buffer
11 strips, unless the owner and operator is eli-
12 gible for payments for those practices
13 under the continuous conservation reserve
14 program.

15 “(3) RENTAL PAYMENTS.—

16 “(A) IN GENERAL.—The Secretary shall
17 make annual rental payments to an eligible par-
18 ticipant who enters into a BIP contract in an
19 amount equal to the average agricultural rental
20 rate for land of similar characteristics in the
21 BIP project area during the preceding 2-year
22 period, as determined by the Secretary using
23 National Agricultural Statistic Services data or
24 another source (as determined by the Sec-
25 retary).

1 “(B) PERIOD.—

2 “(i) IN GENERAL.—Except as pro-
3 vided in clause (ii), an eligible participant
4 shall receive rental payments for a period
5 of not more than 5 years after entering
6 into a BIP contract with the Secretary on
7 contract acreage.

8 “(ii) DISASTERS.—If the Secretary
9 declares a natural disaster for production
10 losses under section 321(a) of the Consoli-
11 dated Farm and Rural Development Act (7
12 U.S.C. 1961(a)) in the county in which
13 contract acreage is located for a crop year
14 that immediately follows the period de-
15 scribed in clause (i), the Secretary may
16 provide rental payments to eligible partici-
17 pants under this paragraph for that crop
18 year for contract acreage that is located in
19 the county.

20 “(C) REDUCTION.—The Secretary shall re-
21 duce rental payments under (A) by an amount
22 determined to be appropriate by the Secretary,
23 if an eligible dedicated energy crop is harvested
24 in accordance with subsection (l)(4).

1 “(4) BONUS PAYMENTS.—The Secretary shall
2 provide bonus payments to an eligible participant
3 who enters into a BIP contract if—

4 “(A) the production of an eligible dedi-
5 cated energy crop under the contract maximizes
6 wildlife diversity on the contract acreage; or

7 “(B) the farming operation of the eligible
8 participant is modified to address the needs of
9 wildlife species identified in a State wildlife
10 management plan.

11 “(5) TIMING OF PAYMENTS.—

12 “(A) COST-SHARE PAYMENTS.—The Sec-
13 retary shall provide cost-share payments to eli-
14 gible participants who enter into BIP contracts
15 on the implementation of the covered practices.

16 “(B) RENTAL AND BONUS PAYMENTS.—
17 The Secretary shall make rental and bonus pay-
18 ments to eligible participants who enter into
19 BIP contracts on an annual basis, based on the
20 number of contract acres covered by BIP con-
21 tracts.

22 “(6) ENROLLED LAND INELIGIBLE FOR COM-
23 MODITY PAYMENTS.—Land enrolled in the BIP shall
24 not be eligible to be used for direct or counter-cycli-

1 cal payments or any other payments under title I or
2 a successor title.

3 “(s) ELIGIBILITY.—

4 “(1) IN GENERAL.—As a condition of entering
5 into a bioenergy crop transition assistance contract,
6 the owners and operators of a farm shall agree, as
7 determined by the Secretary, to make available to
8 the Secretary, or to an institution of higher edu-
9 cation designated by the Secretary, such information
10 as the Secretary considers to be appropriate—

11 “(A) to promote the production of bio-
12 energy crops and the development of biorefinery
13 technology; and

14 “(B) to evaluate the bioenergy transition
15 assistance.

16 “(2) BEST PRACTICES DATABASE.—Subject to
17 section 1770 of the Food Security Act of 1985 (7
18 U.S.C. 2276), the Secretary shall make available to
19 the public in a database format the best practices in-
20 formation developed by the Secretary in providing
21 bioenergy assistance under this section.

22 “(t) TECHNICAL ASSISTANCE.—An eligible partici-
23 pant who enters into a BIP contract shall be eligible for
24 conservation technical assistance for conservation plan-

1 ning and implementation through the Secretary or a quali-
 2 fied non-Federal entity that is approved by the Secretary.

3 “(u) TRAINING.—The Secretary shall establish train-
 4 ing programs for employees of the Cooperative Extension
 5 Service and other interested entities and individuals on
 6 how to develop viable proposals for participation in the
 7 BIP, including—

8 “(1) business plan development;

9 “(2) recruitment and organization of eligible
 10 participants; and

11 “(3) the status of, and trends in, of the bio-
 12 energy industry.

13 “(v) FUNDING.—Of the funds of the Commodity
 14 Credit Corporation, the Secretary shall use to carry out
 15 this section such sums as are necessary for each of fiscal
 16 years 2008 through 2012.”.

17 **SEC. 2. RESEARCH, EXTENSION, AND EDUCATIONAL PRO-**
 18 **GRAMS ON BIOBASED ENERGY TECH-**
 19 **NOLOGIES AND PRODUCTS.**

20 Section 9011 of the Farm Security and Rural Invest-
 21 ment Act of 2002 (7 U.S.C. 8109) is amended to read
 22 as follows:

1 **“SEC. 9011. RESEARCH, EXTENSION, AND EDUCATIONAL**
2 **PROGRAMS ON BIOBASED ENERGY TECH-**
3 **NOLOGIES AND PRODUCTS.**

4 “(a) PURPOSES.—The purposes of the programs es-
5 tablished under this section are—

6 “(1) to enhance national energy security
7 through the development, distribution, and imple-
8 mentation of biobased energy technologies;

9 “(2) to promote diversification in, and the envi-
10 ronmental sustainability of, agricultural production
11 in the United States through biobased energy and
12 product technologies;

13 “(3) to promote economic diversification in
14 rural areas of the United States through biobased
15 energy and product technologies; and

16 “(4) to enhance the efficiency of bioenergy and
17 biomass research and development programs
18 through improved coordination and collaboration be-
19 tween the Department of Agriculture, the Depart-
20 ment of Energy, and the land-grant colleges and
21 universities.

22 “(b) DEFINITION OF LAND-GRANT COLLEGES AND
23 UNIVERSITIES.—In this section, the term ‘land-grant col-
24 leges and universities’ means—

1 “(1) 1862 Institutions (as defined in section 2
2 of the Agricultural Research, Extension, and Edu-
3 cation Reform Act of 1998 (7 U.S.C. 7601));

4 “(2) 1890 Institutions (as defined in section 2
5 of that Act) and West Virginia State College; and

6 “(3) 1994 Institutions (as defined in section 2
7 of that Act).

8 “(c) ESTABLISHMENT.—To carry out the purposes
9 described in subsection (a), the Secretary shall establish
10 programs under which—

11 “(1) the Secretary shall provide grants to sun
12 grant centers specified in subsection (d); and

13 “(2) the sun grant centers shall use the grants
14 in accordance with this section.

15 “(d) GRANTS TO CENTERS.—The Secretary shall use
16 amounts made available for a fiscal year under subsection
17 (j) to provide a grants in equal amounts to each of the
18 following sun grant centers:

19 “(1) NORTH-CENTRAL CENTER.—A north-cen-
20 tral sun grant center at South Dakota State Univer-
21 sity for the region composed of the States of Illinois,
22 Indiana, Iowa, Minnesota, Montana, Nebraska,
23 North Dakota, South Dakota, Wisconsin, and Wyo-
24 ming.

1 “(2) SOUTHEASTERN CENTER.—A southeastern
2 sun grant center at the University of Tennessee at
3 Knoxville for the region composed of—

4 “(A) the States of Alabama, Florida, Geor-
5 gia, Kentucky, Mississippi, North Carolina,
6 South Carolina, Tennessee, and Virginia;

7 “(B) the Commonwealth of Puerto Rico;
8 and

9 “(C) the United States Virgin Islands.

10 “(3) SOUTH-CENTRAL CENTER.—A south-cen-
11 tral sun grant center at Oklahoma State University
12 for the region composed of the States of Arkansas,
13 Colorado, Kansas, Louisiana, Missouri, New Mexico,
14 Oklahoma, and Texas.

15 “(4) WESTERN CENTER.—A western sun grant
16 center at Oregon State University for the region
17 composed of—

18 “(A) the States of Alaska, Arizona, Cali-
19 fornia, Hawaii, Idaho, Nevada, Oregon, Utah,
20 and Washington; and

21 “(B) territories and possessions of the
22 United States (other than the territories re-
23 ferred to in subparagraphs (B) and (C) of para-
24 graph (2)).

1 “(5) NORTHEASTERN CENTER.—A northeastern
2 sun grant center at Cornell University for the region
3 composed of the States of Connecticut, Delaware,
4 Massachusetts, Maryland, Maine, Michigan, New
5 Hampshire, New Jersey, New York, Ohio, Pennsyl-
6 vania, Rhode Island, Vermont, and West Virginia.

7 “(e) USE OF FUNDS.—

8 “(1) CENTERS OF EXCELLENCE.—Of the
9 amount of funds that are made available for a fiscal
10 year to a sun grant center under subsection (d), the
11 center shall use not more than 25 percent of the
12 amount for administration to support excellence in
13 science, engineering, and economics at the center to
14 promote the purposes described in subsection (a)
15 through the State agricultural experiment station,
16 cooperative extension services, and relevant edu-
17 cational programs of the university.

18 “(2) GRANTS TO LAND-GRANT COLLEGES AND
19 UNIVERSITIES.—

20 “(A) IN GENERAL.—The sun grant center
21 established for a region shall use the funds that
22 remain available for a fiscal year after expendi-
23 tures made under paragraph (1) to provide
24 competitive grants to land-grant colleges and
25 universities in the region of the sun grant cen-

1 ter to conduct, consistent with the purposes de-
2 scribed in subsection (a), multi-institutional and
3 multi-State—

4 “(i) research, extension, and edu-
5 cational programs on technology develop-
6 ment; and

7 “(ii) integrated research, extension,
8 and educational programs on technology
9 implementation.

10 “(B) PROGRAMS.—Of the amounts that
11 are used to provide grants for a fiscal year
12 under subparagraph (A), the center shall use—

13 “(i) not less than 30 percent of the
14 funds to carry out programs described in
15 subparagraph (A)(i); and

16 “(ii) not less than 30 percent of the
17 funds to carry out programs described in
18 subparagraph (A)(ii).

19 “(3) INDIRECT COSTS.—A sun grant center
20 may not recover the indirect costs of making grants
21 under paragraph (2) to other land-grant colleges and
22 universities.

23 “(f) PLAN.—

24 “(1) IN GENERAL.—Subject to the availability
25 of funds under subsection (j), in cooperation with

1 other land-grant colleges and universities and pri-
2 vate industry in accordance with paragraph (2), the
3 sun grant centers shall jointly develop and submit to
4 the Secretary, for approval, a plan for addressing at
5 the State and regional levels the bioenergy, biomass,
6 and gasification research priorities of the Depart-
7 ment of Agriculture and the Department of Energy
8 for the provision of grants under paragraphs (1) and
9 (2) of subsection (e).

10 “(2) GASIFICATION COORDINATION.—

11 “(A) IN GENERAL.—In developing the plan
12 under paragraph (1) with respect to gasification
13 research, the sun grant centers identified in
14 paragraphs (1) and (2) of subsection (d) shall
15 coordinate with land grant colleges and univer-
16 sities in their respective regions that have ongo-
17 ing research activities with respect to the re-
18 search.

19 “(B) FUNDING.—Funds made available
20 under subsection (d) to the sun grant center
21 identified in subsection (e)(2) shall be available
22 to carry out planning coordination under para-
23 graph (1).

24 “(g) GRANTS TO OTHER LAND-GRANT COLLEGES
25 AND UNIVERSITIES.—

1 “(1) PRIORITY.—In making grants under sub-
 2 section (e)(2), a sun grant center shall give a higher
 3 priority to programs that are consistent with the
 4 plan approved by the Secretary under subsection (f).

5 “(2) TERM.—The term of a grant provided by
 6 a sun grant center under subsection (e)(2) shall not
 7 exceed 5 years.

8 “(h) SUN GRANT BIOBASED ENERGY AND PRODUCTS
 9 INFORMATION ANALYSIS CENTER.—The sun grant cen-
 10 ters shall maintain a Sun Grant Biobased Energy and
 11 Products Information Analysis Center at the sun grant
 12 center specified in subsection (d)(1) to provide analysis
 13 and data management support to sun grant centers, in-
 14 cluding—

15 “(1) regional-scale geographic information sys-
 16 tems and associated decision tools for biomass re-
 17 source assessment;

18 “(2) regional-scale experimental design for bio-
 19 energy feedstock production;

20 “(3) bioenergy research and education account-
 21 ability systems; and

22 “(4) the Sun Grant BioWeb, an online edu-
 23 cational biomass encyclopedia.

24 “(i) ANNUAL REPORTS.—Not later than 90 days
 25 after the end of a year for which a sun grant center re-

1 ceives a grant under subsection (d), the sun grant center
2 shall submit to the Secretary a report that describes the
3 policies, priorities, and operations of the program carried
4 out by the center during the year, including a description
5 of progress made in facilitating the priorities described in
6 subsection (f).

7 “(j) AUTHORIZATION OF APPROPRIATIONS.—

8 “(1) IN GENERAL.—There are authorized to be
9 appropriated to carry out this section \$100,000,000
10 for each of fiscal years 2008 through 2012.

11 “(2) GRANT INFORMATION ANALYSIS CEN-
12 TER.—Of amounts made available under paragraph
13 (1), not more than \$5,000,000 for each fiscal year
14 shall be made available to carry out subsection (h).”.

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