

106TH CONGRESS  
2D SESSION

# S. 2540

To amend the Food Security Act of 1985 to require the Secretary of Agriculture to establish a carbon sequestration program to permit owners and operators of land to enroll the land in the program to increase the sequestration of carbon, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MAY 10, 2000

Mr. BROWNBACK (for himself, Mr. KERREY, and Mr. MURKOWSKI) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

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## A BILL

To amend the Food Security Act of 1985 to require the Secretary of Agriculture to establish a carbon sequestration program to permit owners and operators of land to enroll the land in the program to increase the sequestration of carbon, 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. SHORT TITLE.**

4 This Act may be cited as the “Domestic Carbon Stor-  
5 age Incentive Act of 2000”.

1 **SEC. 2. ESTABLISHMENT.**

2 Subtitle D of title XII of the Food Security Act of  
3 1985 (16 U.S.C. 3830 et seq.) is amended by inserting  
4 after chapter 1 the following:

5 **“CHAPTER 2—CARBON SEQUESTRATION**  
6 **PROGRAM**

7 **“SEC. 1238. CARBON SEQUESTRATION PROGRAM.**

8 “(a) IN GENERAL.—Effective beginning with the  
9 2001 calendar year, the Secretary, acting through the  
10 Chief of the Natural Resources Conservation Service, shall  
11 establish a carbon sequestration program to permit owners  
12 and operators of land located in the United States to en-  
13 roll the land in the program to increase the sequestration  
14 of carbon.

15 “(b) ELIGIBLE LAND.—

16 “(1) IN GENERAL.—Except as provided in para-  
17 graph (2), the Secretary may include in the program  
18 established under this chapter any land, as deter-  
19 mined by the Secretary.

20 “(2) CONSERVATION RESERVE LAND.—The  
21 Secretary shall not include in the program estab-  
22 lished under this chapter any land enrolled in the  
23 conservation reserve program established under sub-  
24 chapter B of chapter 1.

25 “(c) MAXIMUM ENROLLMENT.—The Secretary may  
26 maintain up to 5,000,000 acres of land in the United

1 States in the carbon sequestration program at any 1 time  
2 during a calendar year.

3 “(d) DURATION OF CONTRACT.—

4 “(1) IN GENERAL.—For the purpose of car-  
5 rying out this chapter, the Secretary shall enter into  
6 contracts of not less than 10 years.

7 “(2) CERTAIN LAND.—In the case of land de-  
8 voted to hardwood trees, shelterbelts, windbreaks, or  
9 wildlife corridors under a contract entered into  
10 under this chapter, the owner or operator of the  
11 land may, within the limitations prescribed under  
12 this section, specify the duration of the contract.

13 **“SEC. 1238A. CARBON SEQUESTRATION PRACTICES.**

14 “(a) ADVISORY PANEL.—

15 “(1) ESTABLISHMENT.—The Secretary shall es-  
16 tablish an advisory panel to assist the Secretary in  
17 carrying out this chapter.

18 “(2) COMPOSITION.—The advisory panel shall  
19 consist of—

20 “(A) the Chief of the Forest Service;

21 “(B) the Secretary of State;

22 “(C) the Secretary of Energy; and

23 “(D) representatives of nongovernmental  
24 organizations who have an expertise and experi-

1           ence in carbon sequestration practices, ap-  
2           pointed by the Secretary.

3           “(b) CRITERIA FOR EVALUATING CARBON SEQUES-  
4           TRATION PRACTICES.—

5           “(1) IN GENERAL.—The advisory panel shall  
6           develop, and propose to the Secretary, criteria for  
7           determining the acceptability of, and evaluating,  
8           practices by owners and operators that will increase  
9           the sequestration of carbon for the purposes of de-  
10          termining the acceptability of contract offers made  
11          by the owners and operators.

12          “(2) CONTENT.—The criteria shall address—

13               “(A) forest preservation and restoration  
14               and afforestation;

15               “(B) biodiversity enhancement;

16               “(C) the use of acreage to produce high-  
17               storage crops;

18               “(D) soil erosion management;

19               “(E) soil fertility restoration;

20               “(F) wetland restoration;

21               “(G) no-till farming practices;

22               “(H) conservation buffers;

23               “(I) improved cropping systems with win-  
24               ter cover crops; and

1           “(J) any other conservation practices that  
2           the Secretary determines to be appropriate for  
3           increasing carbon sequestration.

4           “(3) REGULATIONS.—The Secretary, acting  
5           through the Chief of the Natural Resources Con-  
6           servation Service and the Chief of the Forest Serv-  
7           ice, by regulation, shall establish criteria described  
8           in paragraphs (1) and (2).

9           “(c) ESTIMATES OF CARBON SEQUESTRATION  
10          RATES.—

11           “(1) IN GENERAL.—The advisory panel shall  
12           develop, and propose to the Secretary, estimates of  
13           the rates of carbon sequestration for various plants,  
14           agricultural commodities, and agricultural practices  
15           for the purposes of determining the acceptability of  
16           contract offers made by owners and operators.

17           “(2) BASIS.—In developing the estimates, the  
18           advisory panel shall—

19           “(A) consult with representatives of the  
20           Consortium for Agricultural Soils Mitigation of  
21           Greenhouse Gases; and

22           “(B) use information reported to the Sec-  
23           retary of Energy from projects carried out  
24           under the voluntary reporting program of the  
25           Energy Information Administration under sec-

1           tion 1605 of the Energy Policy Act of 1992 (42  
2           U.S.C. 13385).

3           “(d) ACCEPTABILITY OF CARBON SEQUESTRATION  
4 PRACTICES.—

5           “(1) IN GENERAL.—As part of a contract offer  
6           accepted under this chapter, the owner or operator  
7           shall agree to carry out on land enrolled in the pro-  
8           gram established under this chapter carbon seques-  
9           tration practices proposed by the owner or operator  
10          that (as determined by the Secretary)—

11           “(A) provide for additional sequestration  
12          beyond that which would be provided in the ab-  
13          sence of enrollment of the land in the program;  
14          and

15           “(B) contribute to a positive reduction of  
16          greenhouse gases in the atmosphere through se-  
17          questration over at least a 10-year period.

18          “(2) MAXIMUM SEQUESTRATION BENEFITS.—In  
19          determining the acceptability of contract offers, the  
20          Secretary shall take into consideration the extent to  
21          which enrollment of the land that is the subject of  
22          the contract offer would provide the maximum se-  
23          questration benefits under the criteria developed  
24          under subsection (b).

1       “(e) COMPLIANCE WITH CARBON SEQUESTRATION  
2 CONTRACTS.—

3               “(1) IN GENERAL.—As part of a contract offer  
4 accepted under this chapter, an owner or operator of  
5 land shall permit the Secretary to verify that the  
6 owner or operator is implementing practices that se-  
7 quester carbon in accordance with the contract, in-  
8 cluding an actual verification of the practices at  
9 least once every 5 years and such random inspec-  
10 tions as are necessary.

11               “(2) FRAUD OR FALSE STATEMENTS.—Section  
12 1001 of title 18, United States Code, shall apply to  
13 a statement, representation, writing, or document  
14 provided by an owner or operator under this sub-  
15 section.

16               “(3) CONFIDENTIALITY.—Information provided  
17 by an owner or operator under this subsection shall  
18 be considered to be confidential information for the  
19 purposes of section 552(b)(4) of title 5, United  
20 States Code.

21       “(f) REPORTING.—

22               “(1) ADVISORY PANEL.—The advisory panel es-  
23 tablished under subsection (a) shall periodically re-  
24 port to the Administrator of the Energy Information  
25 Administration on—

1           “(A) sequestration improvements made as  
2 a result of this chapter; and

3           “(B) sequestration practices carried out  
4 under this chapter.

5           “(2) SECRETARY.—The Secretary, in consulta-  
6 tion with the Administrator of the Energy Informa-  
7 tion Administration, shall—

8           “(A) develop forms to monitor sequestra-  
9 tion improvements made as a result of the pro-  
10 gram established this chapter and distribute the  
11 forms to owners and operators of land enrolled  
12 in the program; and

13           “(B) at least once every 5 years, report to  
14 Congress and the public on the program,  
15 including—

16           “(i) sequestration improvements made  
17 as a result of the program;

18           “(ii) sequestration practices on land  
19 enrolled in the program; and

20           “(iii) compliance with contracts en-  
21 tered into under this chapter.

22           “(g) EDUCATIONAL OUTREACH.—In consultation  
23 with the Consortium for Agricultural Soils Mitigation of  
24 Greenhouse Gases, the Secretary, acting through the Ex-  
25 tension Service, shall conduct an educational outreach pro-



1 gram to collect and disseminate to owners and operators  
2 of land research-based information on agricultural prac-  
3 tices that will increase the sequestration of carbon, while  
4 preserving the social and economic well-being of the own-  
5 ers and operators.

6 **“SEC. 1238B. DUTIES OF OWNERS AND OPERATORS.**

7 “(a) IN GENERAL.—Under the terms of a contract  
8 entered into under this chapter, during the term of the  
9 contract, an owner or operator of a farm or ranch shall  
10 agree—

11 “(1) to implement a plan approved by the Sec-  
12 retary for carrying out on land subject to the con-  
13 tract practices that will increase the sequestration of  
14 carbon, substantially in accordance with a schedule,  
15 covering a period of not less than 10 years, that is  
16 outlined in the plan;

17 “(2) to place land subject to the contract in the  
18 carbon sequestration program established under this  
19 chapter;

20 “(3) in addition to the remedies provided under  
21 section 1238F(d), on the violation of a term or con-  
22 dition of the contract at any time at which the  
23 owner or operator has control of the land—

24 “(A) to forfeit all rights to receive rental  
25 payments and cost-sharing payments under the

1 contract and to refund to the Secretary any  
2 rental payments and cost-sharing payments re-  
3 ceived by the owner or operator under the con-  
4 tract, and interest on the payments as deter-  
5 mined by the Secretary, if the Secretary deter-  
6 mines that the violation is of such nature as  
7 to warrant termination of the contract; or

8 “(B) to refund to the Secretary, or accept  
9 adjustments to, the rental payments and cost-  
10 sharing payments provided to the owner or op-  
11 erator, as the Secretary considers appropriate,  
12 if the Secretary determines that the violation  
13 does not warrant termination of the contract;

14 “(4) on the transfer of the right and interest of  
15 the owner or operator in land subject to the  
16 contract—

17 “(A)(i) to forfeit all rights to rental pay-  
18 ments and cost-sharing payments under the  
19 contract; and

20 “(ii) to refund to the United States all  
21 rental payments and cost-sharing payments re-  
22 ceived by the owner or operator, or accept such  
23 payment adjustments or make such refunds as  
24 the Secretary considers appropriate and con-

1           sistent with the objectives of this chapter; un-  
2           less

3           “(B)(i) the transferee of the land agrees  
4           with the Secretary to assume all obligations of  
5           the contract;

6           “(ii) the land is purchased by or for the  
7           United States Fish and Wildlife Service; or

8           “(iii) the transferee and the Secretary  
9           agree to modifications to the contract that are  
10          consistent with the objectives of the program,  
11          as determined by the Secretary;

12          “(5) not to adopt any practice specified by the  
13          Secretary in the contract as a practice that would  
14          tend to defeat the purposes of this chapter; and

15          “(6) to comply with such additional provisions  
16          as the Secretary determines are desirable and are in-  
17          cluded in the contract to carry out this chapter or  
18          to facilitate the practical administration of this  
19          chapter.

20          “(b) PLAN.—The plan referred to in subsection  
21 (a)(1)—

22               “(1) shall specify the carbon sequestration prac-  
23               tices to be carried out by the owner or operator dur-  
24               ing the term of the contract; and

1           “(2) may provide for the permanent retirement  
2 of any existing cropland base and allotment history  
3 for the land.

4           “(c) FORECLOSURE.—

5           “(1) IN GENERAL.—Notwithstanding any other  
6 provision of law, an owner or operator that is a  
7 party to a contract entered into under this chapter  
8 may not be required to make repayments to the Sec-  
9 retary of amounts received under the contract if—

10           “(A) the land that is subject to the con-  
11 tract has been foreclosed on; and

12           “(B) the Secretary determines that for-  
13 giving the repayments is appropriate in order to  
14 provide fair and equitable treatment.

15           “(2) RESUMPTION OF CONTROL.—

16           “(A) IN GENERAL.—This subsection shall  
17 not void the responsibilities of such an owner or  
18 operator under the contract if the owner or op-  
19 erator resumes control over the land that is  
20 subject to the contract within the period speci-  
21 fied in the contract.

22           “(B) CONTRACT APPLICABILITY.—On the  
23 resumption of the control over the land by the  
24 owner or operator, the provisions of the con-

1           tract in effect on the date of the foreclosure  
2           shall apply.

3 **“SEC. 1238C. DUTIES OF THE SECRETARY.**

4           “In return for a contract entered into by an owner  
5 or operator under section 1238B, the Secretary shall—

6           “(1) share the cost of carrying out on the land  
7 carbon sequestration practices specified in the con-  
8 tract for which the Secretary determines that cost  
9 sharing is appropriate and in the public interest;

10           “(2) for a period of years not in excess of the  
11 term of the contract, pay an annual rental payment  
12 in an amount necessary to compensate for—

13           “(A) the use of carbon sequestration prac-  
14 tices on the land; and

15           “(B) the retirement of any cropland base  
16 and allotment history that the owner or oper-  
17 ator agrees to retire permanently; and

18           “(3) provide conservation technical assistance  
19 to assist the owner or operator in carrying out the  
20 contract.

21 **“SEC. 1238D. PAYMENTS.**

22           “(a) TIME OF PAYMENT.—The Secretary shall pro-  
23 vide payment for obligations incurred by the Secretary  
24 under a contract entered into under this chapter—

1           “(1) with respect to any cost-sharing payment  
2 obligation incurred by the Secretary, as soon as  
3 practicable after the obligation is incurred; and

4           “(2) with respect to any annual rental payment  
5 obligation incurred by the Secretary—

6                   “(A) as soon as practicable after October  
7 1 of each calendar year; or

8                   “(B) at the option of the Secretary, at any  
9 time before that date during the year in which  
10 the obligation is incurred.

11           “(b) COST-SHARING PAYMENTS.—

12                   “(1) IN GENERAL.—In making cost-sharing  
13 payments to an owner or operator under a contract  
14 entered into under this chapter, the Secretary shall  
15 pay not more than 50 percent of the cost of carrying  
16 out carbon sequestration practices required under  
17 the contract for which the Secretary determines that  
18 cost-sharing is appropriate and in the public inter-  
19 est.

20                   “(2) MAXIMUM AMOUNT.—The Secretary shall  
21 not make any payment under this chapter to the ex-  
22 tent that the total amount of cost-sharing payments  
23 provided to an owner or operator for carbon seques-  
24 tration practices from all sources would exceed 100

1 percent of the total cost of carrying out the prac-  
2 tices.

3 “(3) OTHER FEDERAL ASSISTANCE.—An owner  
4 or operator shall not be eligible to receive or retain  
5 cost-share assistance for land under this subsection  
6 if the owner or operator receives any other Federal  
7 cost-share assistance under this Act with respect to  
8 the land under any other provision of law.

9 “(c) RENTAL PAYMENTS.—

10 “(1) IN GENERAL.—In determining the amount  
11 of annual rental payments to be paid to owners and  
12 operators for carrying out carbon sequestration  
13 practices, the Secretary may consider, among other  
14 factors, the amount necessary to encourage owners  
15 or operators of land to participate in the program  
16 established by this chapter.

17 “(2) BIDS OR OTHER MEANS.—The amounts  
18 payable to owners or operators in the form of rental  
19 payments under contracts entered into under this  
20 chapter may be determined through—

21 “(A) the submission of bids for such con-  
22 tracts by owners and operators in such manner  
23 as the Secretary may prescribe; or

24 “(B) such other means as the Secretary  
25 determines are appropriate.

1           “(3) FACTORS.—In determining the accept-  
2           ability of contract offers, the Secretary—

3                   “(A) shall take into consideration the ex-  
4                   tent to which enrollment of the land that is the  
5                   subject of the contract offer would increase the  
6                   sequestration of carbon in accordance with sec-  
7                   tion 1238A;

8                   “(B) may take into consideration the ex-  
9                   tent to which enrollment of the land that is the  
10                   subject of the contract offer would improve soil  
11                   resources, water quality, or wildlife habitat, or  
12                   provide other environmental benefits; and

13                   “(C) may establish different criteria in  
14                   various States and regions of the United States  
15                   based on the extent to which the sequestration  
16                   of carbon, water quality, or wildlife habitat may  
17                   be improved or erosion may be abated.

18           “(d) FORM OF PAYMENT.—

19                   “(1) IN GENERAL.—Except as otherwise pro-  
20                   vided in this section, payments under this chapter—

21                   “(A) shall be made in cash or in the form  
22                   of in-kind commodities in such amount and on  
23                   such time schedule as is agreed on by the owner  
24                   or operator and specified in the contract; and



1           “(B) may be made in advance of deter-  
2           mination of performance.

3           “(2) IN-KIND COMMODITIES.—If the payment is  
4           made with in-kind commodities, the payment shall  
5           be made by the Commodity Credit Corporation—

6                   “(A) by delivery of the commodity involved  
7                   to the owner or operator at a warehouse or  
8                   other similar facility located in the county in  
9                   which the land subject to the contract is located  
10                  or at such other location as is agreed to by the  
11                  Secretary and the owner or operator;

12                   “(B) by the transfer of negotiable ware-  
13                   house receipts; or

14                   “(C) by such other method, including the  
15                   sale of the commodity in commercial markets,  
16                   as is determined by the Secretary to be appro-  
17                   priate to enable the owner or operator to receive  
18                   efficient and expeditious possession of the com-  
19                   modity.

20           “(3) SUBSTITUTION IN CASH.—If stocks of a  
21           commodity acquired by the Commodity Credit Cor-  
22           poration are not readily available to make full pay-  
23           ment in kind to the owner or operator, the Secretary  
24           may substitute full or partial payment in cash for  
25           payment in kind.

1           “(4) STATE CARBON SEQUESTRATION PRO-  
2           GRAM.—Payments to an owner or operator under a  
3           special carbon sequestration program described in  
4           subsection (f)(4) shall be in the form of cash only.

5           “(e) PAYMENT TO OTHERS.—If an owner or operator  
6           that is entitled to a payment under a contract entered into  
7           under this chapter dies, becomes incompetent, is otherwise  
8           unable to receive a payment under this chapter, or is suc-  
9           ceeded by another person that renders or completes the  
10          required performance, the Secretary shall make the pay-  
11          ment, in accordance with regulations promulgated by the  
12          Secretary and without regard to any other provision of  
13          law, in such manner as the Secretary determines is fair  
14          and reasonable in light of all the circumstances.

15          “(f) PAYMENT LIMITATIONS.—

16                 “(1) TOTAL AMOUNT.—The total amount of  
17                 rental payments, including rental payments made in  
18                 the form of in-kind commodities, made to a person  
19                 under this chapter for any fiscal year may not ex-  
20                 ceed \$50,000.

21                 “(2) AMOUNT PER ACRE.—The amount of rent-  
22                 al payments made to a person under this chapter for  
23                 any fiscal year may not exceed \$20 per acre.

24                 “(3) REGULATIONS.—

1           “(A) IN GENERAL.—The Secretary shall  
2 issue regulations—

3                   “(i) defining the term ‘person’ as used  
4 in this subsection; and

5                   “(ii) prescribing such rules as the Sec-  
6 retary determines are necessary to ensure  
7 a fair and reasonable application of the  
8 limitation contained in this subsection.

9           “(B) CORPORATIONS.—The regulations  
10 issued by the Secretary on December 18, 1970,  
11 under section 101 of the Agricultural Act of  
12 1970 (7 U.S.C. 1307) shall be used to deter-  
13 mine whether corporations and their stock-  
14 holders may be considered to be separate per-  
15 sons under this subsection.

16           “(4) OTHER PAYMENTS.—Rental payments re-  
17 ceived by an owner or operator shall be in addition  
18 to, and shall not affect, the total amount of pay-  
19 ments that the owner or operator is otherwise eligi-  
20 ble to receive under—

21                   “(A) the Federal Agriculture Improvement  
22 and Reform Act of 1996 (Public Law 104–  
23 127), including the Agricultural Market Transi-  
24 tion Act (7 U.S.C. 7201 et seq.);

1           “(B) the Food, Agriculture, Conservation,  
2           and Trade Act of 1990 (Public Law 101–624);  
3           or

4           “(C) the Agricultural Act of 1949 (7  
5           U.S.C. 1421 et seq.).

6           “(5) STATE CARBON SEQUESTRATION PRO-  
7           GRAM.—

8           “(A) IN GENERAL.—This subsection and  
9           section 1305(f) of the Agricultural Reconcili-  
10          ation Act of 1987 (7 U.S.C. 1308 note; Public  
11          Law 100–203) shall not be applicable to pay-  
12          ments received by a State, political subdivision,  
13          or agency of a State or political subdivision in  
14          connection with agreements entered into under  
15          a special carbon sequestration program carried  
16          out by that entity that has been approved by  
17          the Secretary.

18          “(B) PAYMENTS TO STATES AND POLIT-  
19          ICAL SUBDIVISIONS.—The Secretary may enter  
20          into such agreements for payments to States,  
21          political subdivisions, or agencies of States or  
22          political subdivisions as the Secretary deter-  
23          mines will advance the purposes of this chapter.

24          “(g) EXEMPTION FROM AUTOMATIC SEQUESTER.—  
25          Notwithstanding any other provision of law, no order

1 issued for any fiscal year under section 252 of the Bal-  
2 anced Budget and Emergency Deficit Control Act of 1985  
3 (2 U.S.C. 902) shall affect any payment under this chap-  
4 ter.

5 “(h) OTHER ASSISTANCE.—In addition to any pay-  
6 ment under this chapter, an owner or operator may receive  
7 cost-share assistance, rental payments, or tax benefits  
8 from a State or political subdivision of a State for enroll-  
9 ing land in the carbon sequestration program.

10 “(i) TREATMENT OF PAYMENTS.—Payments received  
11 by an owner or operator under this chapter shall be con-  
12 sidered rentals from real estate for the purposes of section  
13 1402(a)(1) of the Internal Revenue Code of 1986.

14 **“SEC. 1238E. CHANGES IN OWNERSHIP; MODIFICATION OR**  
15 **TERMINATION OF CONTRACTS.**

16 “(a) CHANGES IN OWNERSHIP.—

17 “(1) IN GENERAL.—Subject to paragraphs (2)  
18 and (3), no contract shall be entered into under this  
19 chapter concerning land with respect to which the  
20 ownership has changed in the 1-year period pre-  
21 ceding the first year of the contract period unless—

22 “(A) the new ownership was acquired by  
23 will or succession as a result of the death of the  
24 previous owner;

1           “(B) the new ownership was acquired be-  
2 fore April 1, 2000;

3           “(C) the Secretary determines that the  
4 land was acquired under circumstances that  
5 give adequate assurances that the land was not  
6 acquired for the purpose of enrolling the land in  
7 the carbon sequestration program; or

8           “(D) the ownership change occurred be-  
9 cause of foreclosure on the land and the owner  
10 of the land immediately before the foreclosure  
11 exercises a right of redemption from the mort-  
12 gage holder in accordance with State law.

13           “(2) LIMITATIONS.—Paragraph (1) shall not—

14           “(A) prohibit the continuation of an agree-  
15 ment by a new owner after an agreement has  
16 been entered into under this chapter; or

17           “(B) require a person to own the land as  
18 a condition of eligibility for entering into the  
19 contract if the person—

20           “(i) has operated the land to be cov-  
21 ered by a contract under this section for at  
22 least 1 year preceding the later of—

23                   “(I) the date of the contract; or

24                   “(II) April 1, 2000; and

1                   “(ii) controls the land for the contract  
2                   period.

3                   “(3) OPTIONS FOR NEW OWNER OR OPER-  
4                   ATOR.—If, during the term of a contract entered  
5                   into under this chapter, an owner or operator of  
6                   land subject to the contract sells or otherwise trans-  
7                   fers the ownership or right of occupancy of the land,  
8                   the new owner or operator of the land may—

9                   “(A) continue the contract under the same  
10                  terms or conditions;

11                  “(B) enter into a new contract in accord-  
12                  ance with this chapter; or

13                  “(C) elect not to participate in the pro-  
14                  gram established by this chapter.

15                  “(b) MODIFICATION OF CONTRACTS.—The Secretary  
16                  may modify a contract entered into with an owner or oper-  
17                  ator under this chapter if—

18                  “(1) the owner or operator agrees to the modi-  
19                  fication; and

20                  “(2) the Secretary determines that the modi-  
21                  fication is desirable—

22                  “(A) to carry out this chapter;

23                  “(B) to facilitate the practical administra-  
24                  tion of this chapter; or

1           “(C) to achieve such other goals as the  
2           Secretary determines are appropriate, con-  
3           sistent with this chapter.

4           “(c) TERMINATION OF CONTRACTS.—

5           “(1) IN GENERAL.—The Secretary may termi-  
6           nate a contract entered into with an owner or oper-  
7           ator under this chapter if—

8           “(A) the owner or operator agrees to the  
9           termination; and

10           “(B) the Secretary determines that the ter-  
11           mination would be in the public interest.

12           “(2) CONGRESSIONAL NOTICE.—Not later than  
13           90 days before taking any action to terminate under  
14           paragraph (1) a contract entered into under this  
15           chapter, the Secretary shall provide to the Com-  
16           mittee on Agriculture of the House of Representa-  
17           tives and the Committee on Agriculture, Nutrition,  
18           and Forestry of the Senate written notice of the ac-  
19           tion.

20           **“SEC. 1238F. BASE HISTORY.**

21           “(a) IN GENERAL.—A reduction, based on a ratio be-  
22           tween the total cropland acreage on the farm and the acre-  
23           age placed in the carbon sequestration program authorized  
24           by this chapter, as determined by the Secretary, shall be  
25           made during the period of the contract, in the aggregate,



1 in crop bases, quotas, and allotments on the farm with  
2 respect to crops for which there is a production adjust-  
3 ment program.

4 “(b) PRESERVATION OF BASE AND ALLOTMENT HIS-  
5 TORY.—Notwithstanding sections 1211 and 1221, the  
6 Secretary, by regulation, may provide for preservation of  
7 cropland base and allotment history applicable to acreage  
8 on which carbon sequestration practices are carried out  
9 under this section, for the purpose of any Federal program  
10 under which the history is used as a basis for participation  
11 in the program or for an allotment or other limitation in  
12 the program, unless the owner and operator agree under  
13 the contract to retire permanently that cropland base and  
14 allotment history.

15 “(c) EXTENSION OF BASE AND ALLOTMENT HIS-  
16 TORY.—

17 “(1) IN GENERAL.—The Secretary shall offer  
18 the owner or operator of a farm or ranch an oppor-  
19 tunity to extend the preservation of cropland base  
20 and allotment history under subsection (b) for such  
21 time as the Secretary determines is appropriate after  
22 the expiration date of a contract under this chapter  
23 at the request of the owner or operator.

24 “(2) CONDITIONS.—In return for the extension,  
25 the owner or operator shall agree to continue to

1       abide by the terms and conditions of the original  
2       contract, except that the owner or operator shall re-  
3       ceive no additional cost share, annual rental, or  
4       bonus payment.

5       “(d) VIOLATION OF CONTRACTS.—In addition to any  
6       other remedy prescribed by law, the Secretary may reduce  
7       or terminate the quantity of cropland base and allotment  
8       history preserved under this section for acreage with re-  
9       spect to which there has occurred a violation of a term  
10      or condition of a contract entered into under this chapter.

11      **“SEC. 1238G. FUNDING.**

12      “The Secretary shall use to carry out this chapter  
13      (including to pay administrative costs incurred by the Nat-  
14      ural Resources Conservation Service in carrying out this  
15      chapter)—

16              “(1) funds of the Commodity Credit Corpora-  
17              tion made available under section 1241(a)(3); and

18              “(2) at the option of, and transfer by, another  
19              Federal agency, funds of the agency that are avail-  
20              able to the agency for climate change initiatives or  
21              greenhouse gas emission reductions.”.

22      **SEC. 3. FUNDING.**

23      Section 1241(a)(3) of the Food Security Act of 1985  
24      (16 U.S.C. 3841(a)(3)) is amended by striking “chapter  
25      4” and inserting “chapters 2 and 4”.

1 **SEC. 4. REGULATIONS.**

2 (a) PROPOSED REGULATIONS.—Not later than 180  
3 days after the date of enactment of this Act, the Secretary  
4 of Agriculture shall publish in the Federal Register pro-  
5 posed regulations for carrying out this Act and the amend-  
6 ments made by this Act.

7 (b) FINAL REGULATIONS.—Not later than 60 days  
8 after the date of publication of the proposed regulations,  
9 the Secretary shall promulgate final regulations for car-  
10 rying out this Act and the amendments made by this Act.

11 **SEC. 5. EFFECTIVE DATES.**

12 (a) IN GENERAL.—Except as provided in subsection  
13 (b), this Act and the amendments made by this Act take  
14 effect on January 1, 2001.

15 (b) REGULATIONS.—Section 4 takes effect on the  
16 date of enactment of this Act.

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