



News Release

For Immediate Release
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Congress Adopted Food, Conservation, and Energy Act, Awaits Veto From the President

WASHINGTON, D.C., On May 15, 2008 the Senate adopted the conference report (Conf. Rpt. 110-627) for the **Food, Conservation, and Energy Act of 2008 (H.R. 2419)** by a vote of 81 to 15. The House adopted the conference report yesterday on a veto proof margin of 318 to 106. Final passage of this conference report has been a long time coming. This \$289 billion bill (over 5 years) provides funds for commodity, rural development, nutrition (close to 2/3 of the bill), conservation, and energy programs. After much debate and controversy, an additional \$10 billion was included, with nutrition receiving the majority of the funds.

These programs will be beneficial for rural and urban communities and because of this both chambers of the Congress overwhelmingly passed the bill with strong bi-partisan support. Unfortunately, the President has indicated he will veto the bill. Given the large margins in both the Senate and House, it appears the Congress will be able to override his veto. At the same time the conference report was adopted the Congress also passed a short extension to the original 2002 farm bill which is due to expire tomorrow, May 16. This was a procedural necessity given the President's veto threat and the possible need to override that veto.

The farm bill includes \$1 billion in funds for renewable energy programs and new feedstock production for bioenergy. This bill reauthorizes several programs, including the 2002 Farm Bill's energy title. Programs include grants and loan guarantees for rural communities and farmers to install renewable energy and energy efficiency systems; feedstock diversification and production; and biomass research and development (see chart on back). Several other important energy programs were also included in other titles of the bill.

Furthermore, this bill includes energy trade and tax provisions. The long-awaited Cellulosic Biofuel Credit for \$1.01 per gallon is available through December 31, 2012 and will help move the country towards diversified feedstocks and more sustainable biofuels. The bill also includes a reduction in the 51 cent Volumetric Ethanol Excise Tax Credit (VEETC) to 45 cents. The bill also extends the secondary ethanol tariff for two years, through 2010. The secondary ethanol tariff of 54 cents is not reduced. Unfortunately, the biodiesel tax credit was not included in the bill.

Links to related documents.

[Conference Report Language \(Conf. Rpt. 110-627\)](#) (pdf)

[Senate Vote on conference report](#)

[Senate Summary of Energy Title](#)

[House Vote on conference report](#)

[House Summary of Energy Title](#) (pdf)

[Presidential Veto Threat](#)

Energy Title Programs

Program Title	Mandatory Funding	Discretionary Funding*
Biobased Markets Program	\$9 mil (\$1 mil FY08, \$2 mil/yr FY09-12)	\$8 mil (\$2 mil/yr FY09-12)
Biorefinery Assistance	\$320 mil (\$75 mil FY09, \$245 mil FY10)	\$600 mil (\$150 mil/yr FY09-12)
Repowering Assistance	\$35 mil FY09	\$60 mil (\$15 mil/yr FY09-12)
Bioenergy Program for Advanced Biofuels	\$300 mil (\$55 mil FY09, \$55 mil FY10, \$85 mil FY11, and \$105 mil FY12)	\$100 mil (\$25 mil/yr FY09-12)
Biodiesel Fuel Education Program	\$5 mil (\$1 mil/yr FY08-12)	\$0
Rural Energy for America Program	\$255 mil (\$55 mil FY09, \$60 mil FY10, \$70 mil FY11, and \$70 mil FY12)**	\$100 mil (\$25 mil/yr FY09-12)
Biomass Research and Development	\$118 mil (\$20 mil FY09, \$28 mil FY10, \$30 mil FY11, and \$40 mil FY12)	\$140 mil (\$35 mil/yr FY09-12)
Rural Energy Self-Sufficiency Initiative	\$0	\$20 mil (\$5 mil/yr FY09-12)
Feedstock Flexibility Program for Bioenergy Producers	\$0	directs USDA to purchase sugar to avoid forfeitures under sugar price support loans and to sell that sugar to bioenergy producers
Biomass Crop Assistance Program	such sums as are necessary for FY08-12***	\$0
Forest Biomass For Energy	\$0	\$60 mil (\$15 mil/yr FY09-12)
Community Wood Energy Program	\$0	\$20 mil (\$5 mil/yr FY09-12)
Biofuels infrastructure Study	\$0	\$0
Renewable Fertilizer Study	\$0	\$1 mil FY09

* Discretionary funding must go through the appropriations committee.

** Both Senate and House summaries have this program funded at \$250 million.

***CBO scored this program at \$70 million.

If you have questions, please email or call Jetta Wong at [jwong \[at\] eesi.org](mailto:jwong@eesi.org) or (202) 662-1885.

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The Environmental and Energy Study Institute is a non-profit organization established in 1984 by a bipartisan, bicameral group of members of Congress to provide timely information on energy and environmental policy issues to policymakers and stakeholders and develop innovative policy solutions that set us on a cleaner, more secure and sustainable energy path.