

118TH CONGRESS  
1ST SESSION

# S. 3399

To authorize the Secretary of Agriculture to guarantee investments that will open new markets for forest owners in rural areas of the United States, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

DECEMBER 5, 2023

Mr. CASEY (for himself, Mr. BRAUN, and Ms. STABENOW) 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 authorize the Secretary of Agriculture to guarantee investments that will open new markets for forest owners in rural areas of the United States, 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 “Rural Forest Markets  
5 Act of 2023”.

6 **SEC. 2. RURAL FOREST MARKET INVESTMENT PROGRAM.**

7 (a) DEFINITIONS.—In this section:

1           (1) COVERED ENTITY.—The term “covered en-  
2           tity” means an eligible entity for which a bond, loan,  
3           or other investment vehicle is guaranteed under the  
4           program.

5           (2) ELIGIBLE ENTITY.—The term “eligible enti-  
6           ty” means a private entity, State forestry agency, or  
7           publicly supported, charitable nonprofit organization  
8           described in section 501(c)(3) of the Internal Rev-  
9           enue Code of 1986 and exempt from taxation under  
10          section 501(a) of that Code engaged in or seeking to  
11          engage in the aggregation of sustainable forestry  
12          practices implemented by rural private forest land-  
13          owners to facilitate the sale of environmental credits  
14          in voluntary environmental credit markets.

15          (3) PROGRAM.—The term “program” means  
16          the Rural Forest Market Investment Program estab-  
17          lished under subsection (b)(1).

18          (4) RURAL.—The term “rural” has the mean-  
19          ing given the term in section 343(a) of the Consoli-  
20          dated Farm and Rural Development Act (7 U.S.C.  
21          1991(a)).

22          (5) SECRETARY.—The term “Secretary” means  
23          the Secretary of Agriculture.

24          (6) VOLUNTARY ENVIRONMENTAL CREDIT MAR-  
25          KET.—The term “voluntary environmental credit

1 market” means a voluntary market through which  
2 environmental credits may be bought or sold.

3 (b) ESTABLISHMENT OF PROGRAM.—

4 (1) IN GENERAL.—The Secretary shall establish  
5 a program, to be known as the “Rural Forest Mar-  
6 ket Investment Program”, to guarantee environ-  
7 mental impact bonds, loans, or other investment ve-  
8 hicles, as determined by the Secretary, issued for the  
9 sole purpose of financing eligible projects described  
10 in subsection (c), to enable rural private forest land-  
11 owners and covered entities to participate in vol-  
12 untary environmental credit markets.

13 (2) ADMINISTRATION.—

14 (A) LOAN GUARANTEES.—The Secretary  
15 shall make available and administer guarantees  
16 on environmental impact bonds, loans, or other  
17 investment vehicles, as determined by the Sec-  
18 retary, through the facilities and authorities of  
19 the Under Secretary for Rural Development.

20 (B) FORESTRY RELATED MATTERS.—

21 (i) IN GENERAL.—The Secretary shall  
22 carry out through the facilities and au-  
23 thorities of the Under Secretary for Nat-  
24 ural Resources and Environment the re-  
25 quirements and administration under this

1 section of matters relating to forests, for-  
2 estry, tree planting activities, forest prod-  
3 uct markets, the timber supply, appro-  
4 priate activities to develop and carry out  
5 an eligible project, and activities to facili-  
6 tate the participation of a rural private  
7 forest landowner or a covered entity in vol-  
8 untary environmental credit markets, and  
9 as otherwise provided in this section, as  
10 determined appropriate by the Secretary.

11 (ii) COLLABORATION.—The Under  
12 Secretary for Natural Resources and Envi-  
13 ronment shall collaborate with the Under  
14 Secretary for Rural Development, includ-  
15 ing by providing information and technical  
16 assistance, to ensure that the making and  
17 administration of guarantees under this  
18 section is fully informed by the matters de-  
19 scribed in clause (i) and as otherwise pro-  
20 vided in this section, as determined appro-  
21 priate by the Secretary.

22 (3) CONSIDERATION.—In establishing the pro-  
23 gram, the Secretary shall consider ways to ensure  
24 that the program—

1 (A) minimizes disruptions to traditional  
2 forest products markets, including by—

3 (i) collecting data on commercially  
4 available timber that serves wood pro-  
5 cessing facilities, including—

6 (I) the quantity and species of  
7 timber supply available to wood prod-  
8 ucts facilities in each of the 4 regions  
9 described in the most recent Renew-  
10 able Resource Assessment prepared  
11 under section 3 of the Forest and  
12 Rangeland Renewable Resources  
13 Planning Act of 1974 (16 U.S.C.  
14 1601); and

15 (II) any additional information,  
16 as identified by the Secretary; and

17 (ii) using data collected under clause  
18 (i) to make a determination on whether fi-  
19 nancing each eligible project described in  
20 subsection (c) may impact commercially  
21 available timber supply;

22 (B) allows for the continued production of  
23 sustainable timber supplies by utilizing meth-  
24 odologies that consider the carbon storage bene-  
25 fits of wood products;

1 (C) allows for landowners who are not cur-  
2 rently involved in traditional forest products  
3 markets, including those who have not histori-  
4 cally accessed Department of Agriculture assist-  
5 ance programs, to participate in the program  
6 through activities such as conservation ease-  
7 ments, reforestation, and other appropriate ac-  
8 tivities, as determined by the Secretary;

9 (D) facilitates participation opportunities  
10 for forest landowners, and ensures program ac-  
11 cess for those who have not historically accessed  
12 Department of Agriculture assistance programs;  
13 and

14 (E) is carried out in a manner that in-  
15 creases forestland values for participating land-  
16 owners in ways that enable landowners of  
17 small-acreage forests to maintain—

18 (i) ownership of the land in the family  
19 of the landowner; and

20 (ii) forest use of the land.

21 (c) ELIGIBLE PROJECTS.—

22 (1) IN GENERAL.—Subject to paragraph (2), an  
23 eligible project referred to in subsection (b)(1) is a  
24 project developed by an eligible entity using meth-  
25 odologies that, as determined by the Secretary—

1 (A) are approved by a credible, third-party  
2 entity; and

3 (B) meet global benchmarks for high-integ-  
4 rity.

5 (2) USES OF FINANCING.—

6 (A) IN GENERAL.—A covered entity shall  
7 use the bond, loan, or other investment vehicle  
8 guaranteed for the covered entity under the  
9 program for appropriate activities to develop  
10 and carry out an eligible project described in  
11 paragraph (1), as determined by the Secretary.

12 (B) ADDITIONAL ACTIVITIES FOR CERTAIN  
13 ORGANIZATIONS.—In the case of a bond, loan,  
14 or other investment vehicle guaranteed under  
15 the program that supports an eligible project  
16 described in paragraph (1), the Secretary may  
17 allow a portion of the amount of the bond, loan,  
18 or other investment vehicle to cover additional  
19 activities to facilitate the participation of the  
20 covered entity or a rural private forest land-  
21 owner in voluntary environmental credit mar-  
22 kets.

23 (C) PROHIBITION.—A bond, loan, or other  
24 investment vehicle guaranteed under the pro-  
25 gram shall not be used to create a floor price

1 or artificial demand for the environmental cred-  
2 its generated under eligible projects described  
3 in paragraph (1).

4 (d) REQUIREMENTS.—A project described in sub-  
5 section (c) that includes the practice of tree planting may  
6 only be carried out, as determined by the Secretary—

7 (1) on land that was historically forested, as de-  
8 termined based on—

9 (A) data collected through the Forest In-  
10 ventory and Analysis Program of the Forest  
11 Service; and

12 (B) other appropriate scientific resources,  
13 as determined by the Secretary;

14 (2) using tree species that are native to the re-  
15 gion and at ecologically appropriate densities; and

16 (3) in a manner that does not create other neg-  
17 ative impacts to biodiversity or the environment.

18 (e) GUARANTEE AMOUNT.—With respect to bonds,  
19 loans, and other investment vehicles guaranteed under the  
20 program, the Secretary shall guarantee not more than  
21 \$150,000,000 in the aggregate.

22 (f) IMPLEMENTATION.—

23 (1) APPRAISALS.—The Secretary may require  
24 an appraisal of an eligible entity requesting a guar-  
25 antee under the program, including to assess the



1 creditworthiness of the eligible entity, by a special-  
2 ized appraiser that uses standards that are similar  
3 to standards used for similar purposes in the private  
4 sector, as determined by the Secretary.

5 (2) FINANCIAL INFORMATION.—The Secretary  
6 may require financial information from an eligible  
7 entity requesting a guarantee under the program in  
8 the same manner as is generally required by com-  
9 mercial lenders.

10 (g) AUDITING.—Not less frequently than annually,  
11 the Secretary shall conduct audits of each eligible project  
12 financed under the program to ensure that the method-  
13 ology used with respect to the project continues to comply  
14 with the standards determined by the Secretary under  
15 subparagraphs (A) and (B) of subsection (c)(1).

16 (h) REGULATIONS.—Not later than 180 days after  
17 the date of enactment of this Act, the Secretary shall issue  
18 regulations to implement the program.

19 (i) TERMINATION OF AUTHORITY.—The authority to  
20 guarantee a new bond, loan, or other investment vehicle  
21 under this section terminates on September 30, 2028.

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