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From: Derickson, Craig
Sent: Tuesday, October 05, 2004 3:48 PM
To: FarmBillRules
Subject: FW: Comments on CSP Interim Final Rules
Attachments: CSP Interim Final Rule Comments to Derickson.doc



CSP Interim Final Rule Comment...

Thanks,
Craig Derickson

USDA - Natural Resources Cons. Service
Craig Derickson, CSP Program
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-----Original Message-----
From: Karyn.Stone@dnr.state.ia.us%inter2 [mailto:Karyn.Stone@dnr.state.ia.us]
Sent: Tuesday, October 05, 2004 4:39 PM
To: Derickson, Craig
Subject: Comments on CSP Interim Final Rules

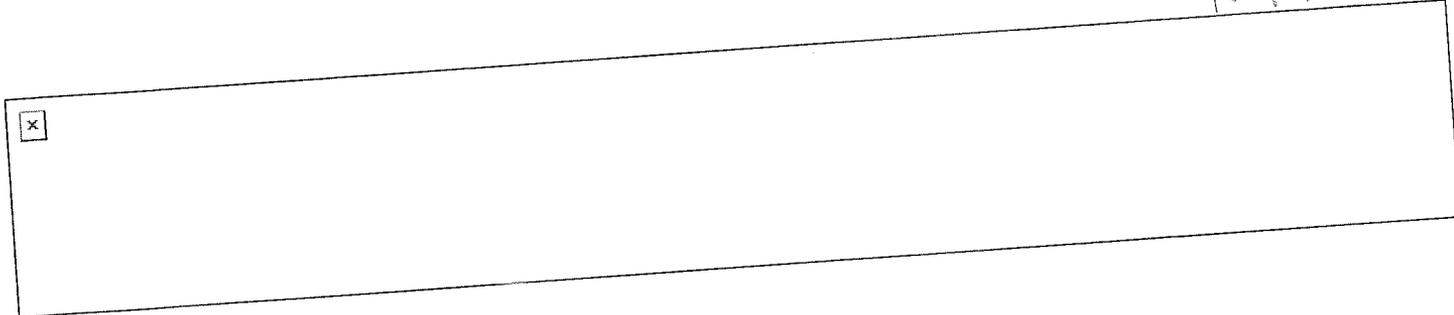
From Iowa Department of Natural Resources

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October 5, 2004

Craig Derickson
Conservation Security Program Manager
Financial Assistance Programs Division
Natural Resources Conservation Service
P.O. Box 2890
Washington, DC 20013-2890

Dear Mr. Derickson:

The recently completed CSP sign-up confirmed some of our concerns with the proposed rules. We encourage you to conduct a thorough review of this sign-up, and incorporate findings, into the final rule.

One area of special concern is the complexity of the application process which worked to discourage people from even applying. It had the effect of reducing enrollment and expenditure of funds but did not carry out the law.

Another area of concern is establishing standards so high that few are able to meet that standard. The final rules should reward good stewards and encourage them to do better, not discourage their efforts. The results in Iowa were better than most states, however, participation as a percentage of the total possible varied depending on watershed characteristics. Impacts, on a watershed scale, will therefore vary from insignificant to minor. If we desire watershed scale impacts the rule has to be changed to encourage enrollment.

The proposed Conservation Security Program (CSP) rule still fails to implement the programs as written in law and fails in the NRCS publicized objective of "reward the best and motivate the rest." The proposed rule does provide for a supplemental rule. Without major changes, such as in a supplemental rule, the CSP as proposed, will fail the environment, agriculture, the public and the law. Specific comments reflect these overarching concerns.

Congress passed and the President signed the 2002 Farm Bill containing CSP as an entitlement program with no spending limits. At the time these rules were written, CSP was defined as a capped entitlement program by the '03 omnibus bill. However, with passage of the '04 omnibus, the program is once again an uncapped entitlement. The rules must reflect this change. Budget constraints for either financial or technical assistance are inappropriate in rules to implement a program. This issue should be handled administratively similar to other conservation title programs such as The Conservation Reserve Program.

Eligibility for participation is not restricted in the law and should not be restricted by rule. The proposed watershed approach as an eligibility restriction should be removed and replaced with all producers being eligible for the program.

The law clearly identifies all resource concerns as eligible for the program. The rules should reflect this and include all natural resource concerns as identified in The NRCS Field Office Technical Guide. Restricting eligibility to soil quality and water quality will not meet the needs of producers having other valid concerns such as wildlife habitat.

Eligible practices, proposed under the rule, are also inconsistent with the law. The statute only limits payments for certain equipment or facilities in section 1238C(b)(3). The law requires payment for all other vegetative, management and structural practices that are necessary for the practice to work properly. The rule should reflect the law.

Many aspects of the rule are burdensome and appear designed to discourage participation. The multi-step process including self-screening questionnaires, benchmark condition inventory and finally the application is not the way to "reward the best and motivate the rest." This will discourage the committed and drive the rest away. The entire process needs to be simplified and consistent so producers can make applications to the program without undo effort.

The cost share payments as proposed do not "reward the best and encourage the rest," nor are they consistent with the law. The statute limits cost share to 75% or 90% for beginning farmers. The rule assumes adequate funding in EQIP as an alternative to lower cost share in CSP. In fact, EQIP is over-subscribed and has not met the present demand in Iowa. In addition, Congress identified assisting producers to become compliant with environmental regulations as a primary objective of EQIP while CSP was planned to reward good stewards. This section needs to be rewritten to provide adequate incentives for participating in the program.

The base payment as written does not "reward the best and motivate the rest" nor is it consistent with the law. The rule needs to be revised to follow the law and use the national rental rate or to use an appropriate rate when the national rental rate does not accurately reflect the lower rental rate.

The non-payment for required work as proposed in the rule does not "reward the best and motivate the rest." Very few land rental agreements extend for five years in Iowa and few farmers could implement all requirements in the CSP contract without this type of agreement. The rule should be revised so the decision on which land to enroll is determined by the producer.

The proposed rule concentrates decision making for the program at the national level. This is inconsistent with implementation of all other conservative title programs that allow state technical committees significant input into the management of those programs at the state level. It is also inconsistent with the present and past Farm Bills that establish state technical committees for the purpose of providing guidance to USDA on Conservation Title Program implementation. Specifically, the law requires "the conservation priorities of a state or locality in which an agricultural operation is situated shall be determined by the State Conservationist in consultation with (i) the State Technical Committee established under Subtitle 6, and (ii) local agricultural producers and conservation working groups." The rule should be revised to provide states bona fide input into implementation of this program.

To provide a foundation for a successful long-term program the rule must be rewritten. The inconsistencies with the law are too numerous to overcome with editing. The financial situation is vastly different than when these rules were drafted, and the rules should reflect the financial aspects as written in the law.

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The budget limitations should be addressed administratively. This could include limiting contract length, focusing on enhancement payments or providing state conservationists the authority to implement a program within broad national guidelines.

Sincerely,

Jeffrey R. Vonk
Director