

1 V-I-R-G-I-N-I-A

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3 UNITED STATES DEPARTMENT OF AGRICULTURE

4 NATURAL RESOURCES CONSERVATION SERVICE

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7 NRCS

8 LISTENING SESSION

9

10 HOTEL ROANOKE

11

- - - - -

January 3, 2004  
1:00 P.M.

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15 HEARD BEFORE:

16 P. DWIGHT HOLMAN, Deputy Chief for Management, NRCS  
17 CRAIG DERICKSON, Acting CSP Program Manager, NRCS  
18 DENISE DOETZER, State Conservationist, VA, NRCS  
BRUCE KNIGHT, Chief, NRCS  
19 JACQUELIN EASTER, State Executive Director, FSA

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15           The following Listening Session was held at the  
16 Hotel Roanoke Convention Center, Roanoke, Virginia, on  
17 January 13, 2004, at 1:00 P.M.

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1                   MS. DOETZER: Good afternoon. I would  
2                   like to welcome you to the Conservation

3 Security Program listening session. I am  
4 Denise Doetzer, state conservationist in  
5 Virginia with USDA, Natural Resources  
6 Conservation Service.

7 This is one of the -- this is the first  
8 of ten national listening sessions throughout  
9 the United States, and I am very excited  
10 about having this opportunity to hear from  
11 our Virginia producers, our partners, and  
12 also our partners from the neighboring state  
13 of North Carolina.

14 I also would like to thank Pete Larkin,  
15 Director of Congressman Goodlatte's Roanoke  
16 office, for being here with us today, also.

17 I know that many of you have rearranged  
18 your busy schedules to make it here today,  
19 and we also had many that could not join us  
20 today because our Virginia General Assembly  
21 legislative session starts tomorrow. But we  
22 really appreciate your effort in changing  
23 schedules and manipulating so you can be here  
24 with us today.

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1 The Conservation Security Program is a  
2 very new and innovative program. It's a  
3 different approach to conservation. It is  
4 designed to reward farmers for outstanding  
5 conservation work they have already done. It  
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6 also provides incentives to reach even higher  
7 environmental levels.

8 The proposed rule for the Conservation  
9 Security Program is published January 2 in  
10 the Federal Register. Now NRCS is developing  
11 the final regulations to implement this law,  
12 and today we are seeking your input into the  
13 rules.

14 It is very important to us that this  
15 Conservation Security Program is a practical  
16 one and one that operates smoothly for all of  
17 us.

18 As you will notice on the agenda that  
19 was on your seats, we are going to have an  
20 informational presentation, and we are going  
21 to highlight the rules that are being  
22 developed. After that presentation, we are  
23 going to go into a break.

24 I hope you will take time to absorb the

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1 information that was provided and have the --  
2 have the time to interact with your  
3 counterparts here, discuss what you have  
4 heard. And then we will go into the  
5 listening session, and that's why we are  
6 really here today.

7 I encourage you to be open with your

8 VAtranscripts  
9 comments, your suggestions, and your  
10 concerns. We truly want to hear your  
11 comments and suggestions for improvements.  
12 we have a 60-day comment period, and during  
13 that time we will be taking oral and written  
14 comments.

15 I would like to bring your attention to  
16 the Farm Bill folders that were out on the  
17 table out front. In there you will find we  
18 have some -- a summary of the proposed rule.  
19 we have the rule that came out in the Federal  
20 Register. We have some fact sheets.

21 we also have a comment sheet  
22 highlighting some of the areas, and then we  
23 have a brochure on the 2002 Farm Bill. So we  
24 hope when you have time you will have the  
opportunity to go through some of the

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1 information that's in there.

2 Now I would like to introduce the USDA  
3 officials who are here today to listen to  
4 you. To my far right is Dwight Holman,  
5 Deputy Chief for Management, NRCS; Craig  
6 Derickson. Craig is our acting Conservation  
7 Security Program Manager, NRCS.

8 To my far left is Jackie Easter, the  
9 State Executive Director for the Farm Service  
10 Agency, and next to her is Bruce Knight,

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11 Chief of the Natural Resources Conservation  
12 Service.

13 I would also like to introduce Ken  
14 Carter. Ken is our Virginia State Resource  
15 Conservationist, and he is going to be our  
16 moderator for the listening session today.  
17 And I would also like to acknowledge that we  
18 have a court reporter here that is going to  
19 capture your input for the Record.

20 I would like to say a few words about  
21 our chief. Chief Knight is a farmer and a  
22 rancher from South Dakota. He has been at  
23 the helm of the Natural Resources  
24 Conservation Service since May of '02. He

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1 has had the privilege of steering us through  
2 the 2002 Farm Bill, and he has done so in a  
3 way that has kept the rules simple and the  
4 decisions at the local level.

5 Now he has the challenge of  
6 implementing the most innovative program in  
7 the history of conservation, and he really  
8 needs to hear from you today. Chief?

9 MR. KNIGHT: Thank you. Thank you,  
10 Denise, and I want to welcome everybody and  
11 thank you very much for coming to this first  
12 listening session.

13 As Denise told you, we are doing ten.  
14 Today is the very first one in this ten-part  
15 series we are launching. What Denise didn't  
16 say is that you are beating a session in  
17 Arizona, which also starts at 1 o'clock, only  
18 by the gift of the time zones. But,  
19 nonetheless, you are the first, if only by an  
20 hour or so.

21 As I mentioned before and as Denise has  
22 mentioned to you, the Conservation Security  
23 Program is one of the most exciting  
24 provisions of the 2002 Farm Bill, and public

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1 input from yourselves is very important for  
2 us to be able to have the foundation from  
3 which we can build success.

4 As you know, the proposed rule was  
5 recently published in the Federal Registry  
6 for a 60-day comment period. This is part of  
7 that official public comment period. This is  
8 part of one of ten sessions to be held  
9 throughout the country which would culminate  
10 then on March 2.

11 These ten sessions plus other more  
12 informal sessions that will be held by NRCS  
13 offices across the country will give  
14 interested parties such as yourselves a  
15 chance to voice your concerns, voice your

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16 interest, in the Conservation Security  
17 Program.

18 I want to stress that you should also  
19 take the liberty to not just provide oral  
20 testimony in a format like today, but also  
21 provide written comments or e-mail comments  
22 at the address that is included in the  
23 packet.

24 The proposed rule before you is just

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1 that, a proposal. At NRCS we will study  
2 every comment and come up with a final rule  
3 that incorporates the best ideas or the best  
4 thought and input from these sessions and  
5 other forums.

6 I am going to keep my remarks brief to  
7 allow time for a short overview of the  
8 session and then maximize the opportunity for  
9 us to listen to you about what your concerns  
10 or interests may be in the Conservation  
11 Security Program.

12 There is a lot of reasons for us to be  
13 excited about CSP. First, it is a very new  
14 and innovative approach to the delivery of  
15 conservation. It will recognize -- and I  
16 have a real affinity to this as a farmer  
17 myself.

18                   It will recognize for the first time  
19                   the achievements that are already in place on  
20                   working farms, on working ranches, by  
21                   identifying and rewarding farmers who are  
22                   already meeting high standards of  
23                   conservation and environmental management on  
24                   their own operations.

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1                   Second, this is a very unique approach  
2                   to conservation. No other federal program  
3                   rewards agricultural producers for their  
4                   overall conservation benefits. All of our  
5                   other programs are focused on a particular  
6                   practice, a particular problem or concern.  
7                   This is a much more wholistic approach.

8                   Third, it will help producers maintain  
9                   the existing conservation-steered ship and  
10                  make additional environmental gains by  
11                  implementing additional conservation  
12                  measures.

13                  So it's not just about what you are  
14                  doing on your operation today, but what you  
15                  will commit to doing tomorrow. CSP will  
16                  remotivate producers such as myself to become  
17                  better stewards of the land that we manage.

18                  In short, as Secretary Veneman has  
19                  said, CSP will reward the best and motivate  
20                  the rest. The conservation benefits gained

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21 by CSP will improve the condition of the  
22 resources on our farms and ranches in  
23 Virginia, in South Dakota, throughout the  
24 nation, and enhance the natural resources for

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1 the public as a whole.

2 Now, let's get on with the session.

3 MS. DOETZER: Craig Derickson, our  
4 program manager, is now going to do the  
5 informational session. Craig?

6 MR. DERICKSON: Thank you, Denise. I  
7 am going to go through this overview of the  
8 Conservation Security Program, and I will use  
9 the acronym CSP for that program title.

10

11 (The presentation was given by  
12 Mr. Derickson.)

13

14 MR. DERICKSON: And that's the end of  
15 the presentation. Are there any questions  
16 for clarification about what I have presented  
17 there?

18 We don't really want to get into a lot  
19 of questions and answers about the why of  
20 some of that, but if there was anything that  
21 I explained that you would like me to touch  
22 on quickly before we go into the actual

23 listening session, I can do that.

24 UNIDENTIFIED SPEAKER: You mentioned

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1 75-percent participation would be required in  
2 the watershed in order to have anybody  
3 eligible for this program; is that correct?  
4 Did I hear that correctly?

5 MR. DERICKSON: Yes. In the statute  
6 where it -- he asked a question about the  
7 requirement for the 75-percent participation  
8 in the watershed.

9 That comes from the statute itself.  
10 where it identifies watershed activities as  
11 one of the components for the enhancement  
12 payment, it says where we have 75-percent  
13 participation of producers in that watershed  
14 for those activities.

15 MR. KNIGHT: That's for enhancement,  
16 not for participation in the program.

17 MR. DERICKSON: That's right. That's  
18 for participation in that enhancement  
19 activity. That's not a requirement for  
20 participation in the program.

21 UNIDENTIFIED SPEAKER: The slide said  
22 "and" in the definition of the farmers, but  
23 you said in your presentation "or". Will  
24 farmers participate?

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1 MR. DERICKSON: Let's get the  
2 microphones.

3 UNIDENTIFIED SPEAKER: The slide said a  
4 farmer had to be a real farmer involved in --  
5 it said "and" two criteria, but you in your  
6 presentation said "or". Will you outline or  
7 clear that up a little bit in terms of to  
8 what extent one has to be a farmer to  
9 participate?

10 MR. DERICKSON: Yes. They have to be  
11 actually engaged in the day-to-day decision  
12 making of that agricultural operation. They  
13 have to be involved to the degree that they  
14 share in the risk of producing a crop or  
15 livestock on that unit.

16 The second point was -- or would have  
17 been considered part of that risk had a crop  
18 been produced.

19 That's just sort of the context of  
20 production aspects for USDA programs, that  
21 you are involved in the risk of producing  
22 that or, for whatever conditions or disasters  
23 or something else might have happened, that  
24 you would have been had a crop been produced.

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1 well, with that, thank you.

2 MS. DOETZER: Thank you, Craig. We  
3 know it's a lot to absorb, and we wanted to  
4 take this time for a half-hour break. We  
5 have water in the back of the room. And very  
6 shortly, if it's not out there, we will have  
7 coffee and tea in the lobby.

8 And please take some time to debrief  
9 what you have just heard, and we will see you  
10 back in at 2:15.

11

12 (A recess was taken.)

13

14 MR. CARTER: Thank you. We are going  
15 to go ahead and get started now. Thank you.  
16 It's time now to begin the major part of --  
17 major portion of this afternoon, and that is  
18 the listening session.

19 As Denise introduced me earlier, my  
20 name is Ken Carter. I am the state resource  
21 conservationist here in Virginia. I would  
22 like to discuss a little bit about the  
23 logistics about this afternoon.

24 The first is refreshments. We do have

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1 ice water in the back. There still should be  
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2 some coffee and tea out for a little while.  
3 I don't know exactly when the hotel is going  
4 to clean the setup up, but if you are still  
5 inclined for another cup of coffee or so, you  
6 may want to step out and get it. That's  
7 fine.

8 Restrooms, for those who haven't found  
9 them, are down the hall. We will go for  
10 probably another one-and-a-half to two hours,  
11 maybe longer. So if you need the facilities,  
12 they are down the hall there.

13 A little bit more on the logistics and  
14 some of the ground rules for this session.  
15 We will be asking you to get up and speak at  
16 the microphone. There is a microphone here  
17 in the hall.

18 If for some reason you are not able to  
19 stand for that length of time or something  
20 and need for some reason a handheld mike,  
21 please raise your hand when it's your time to  
22 speak and we will have a handheld mike  
23 delivered to you so you can make your  
24 presentations from your seat. But,

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1 otherwise, we would ask you to stand at the  
2 microphone and speak.

3 As Denise said earlier, we do have a

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4 court reporter here. She is up front taking  
5 the minutes of this.

6 We would ask you to state your name  
7 very clearly and, if possible, to spell your  
8 name for her so that she gets entered it into  
9 the Record accurately. If you are  
10 representing an organization, please state  
11 the organization that you are representing at  
12 that time.

13 Also, as was said earlier in the  
14 technical presentation, we are accepting  
15 written comments also either by e-mail or  
16 through the U.S. Postal mail. Those  
17 addresses are in your packets.

18 Several people have presented written  
19 comments today. If you have them and want to  
20 deliver them today, please give them to Craig  
21 before you leave today. We will be taking,  
22 you know, written comments today while we are  
23 here.

24 Now, as far as the speaker schedule, we

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1 have had several people preregister and ask  
2 to speak when they sent in their  
3 registration. We will be calling on them  
4 first this afternoon.

5 Then we have a sign-up -- we had a  
6 sign-up sheet at the registration desk. We

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7 will be calling on those people next after  
8 that. We have approximately 17 people that  
9 have registered to speak.

10 And here comes the part, I guess, where  
11 maybe they picked me for this one. I am  
12 going to be the time manager on this. You  
13 have five minutes to speak, and we are going  
14 to hold you to your five minutes to make it  
15 fair for all those speaking.

16 At the end of two minutes, or three  
17 minutes, when you have two minutes left, I am  
18 going to hold up a two-minute sign. When you  
19 have one minute left, I am going to hold up a  
20 one-minute sign. And when you are out of  
21 time, I am going to hold this sign up.

22 And as soon as I hold this sign up and  
23 get your attention, then I am going to cut  
24 you off. I don't mean to be rude, but I'm

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1 trying to be fair to everybody, so I might  
2 have to be a little rude.

3 But I will say, Thank you for your  
4 comments, and then I will call on the next  
5 person. And don't try to say, Oh, one more  
6 comment, or, Let me close. I am going to cut  
7 you off and call on the next person. So I  
8 just warn you in advance just so that we are

9                   VATranscripts  
fair to everybody there.

10                   If there are other opportunities after  
11 we have run through the 17 people and you  
12 want to speak, we will see how the time goes.  
13 If you would still like to make comments or  
14 come back, we will still honor. those  
15 requests. we are here as long as you-all are  
16 here and want to make comments.

17                   we will not close this off. If this  
18 goes long and you have to leave, we  
19 understand that. But if people still want to  
20 speak, this is a public meeting. we are here  
21 to get comments. we will stay as long as it  
22 takes to get everyone's comment in the  
23 register. So we will be here until all are  
24 heard.

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1                   Okay. I would like to get started and  
2 call the first name on the list, and that's  
3 Granville Maitland.

4                   MR. MAITLAND: Thank you, Ken. Thank  
5 you-all for the opportunity to speak. Now,  
6 when I called down today, I basically said I  
7 had quite a few comments.

8                   But after receiving the packet of  
9 material and the Federal Register, to really  
10 give good comments, observations, and ask  
11 what I will call intelligent questions, I

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12 think really I need to read the Federal  
13 Register and study that before. So I am  
14 going to just scrap most of the comments I  
15 had, but I do have two brief ones.

16 The amount of money that we are looking  
17 at is less than a million dollars per state.  
18 And with that on the first round, other than  
19 some demonstration projects, I think it ought  
20 to be the only reasonable or logical way to  
21 approach this, per watershed.

22 These watersheds need to be done on a  
23 state or local basis because they would know  
24 more and better which watersheds need the

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1 most help both with the money involved and  
2 then the districts tie in to help support in  
3 the educational effort there. That's about  
4 all on that.

5 The other is that it kind of bothers  
6 me -- it sounds so good, the first page.  
7 Then when I get into it, it sounds like some  
8 of the old programs that we have been going  
9 through for years.

10 If you have been doing a good job in  
11 conservation in your area in these small  
12 watersheds, you are really not going to  
13 qualify because your watershed will have

14 improved to the point you won't be able to  
15 list for the potential problems that some of  
16 the watersheds are in.

17 So we are in a dichotomy there. If you  
18 have done a good job, you are not going to  
19 qualify as quick as a bad act who hasn't done  
20 quite as much. And that's the way I read  
21 into it as it stands right now in these  
22 watersheds.

23 I just say because I have no till since  
24 1968. And so a lot around us, other than

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1 very little, very little land is tilled. Our  
2 watershed would not rank very high with that  
3 when it comes to water quality issues there  
4 with that. So it's a lot of things that need  
5 to be looked at.

6 I appreciate the opportunity, and I  
7 will be writing and sending comments in after  
8 I study the Federal Register. I think that  
9 would be most appropriate, because the more I  
10 look into it, there is a lot I don't know.  
11 Thank you.

12 MR. CARTER: Thank you, Granville. The  
13 next speaker is Mr. Bill Tucker.

14 MR. TUCKER: Thank you, Conservationist  
15 Doetzer, Chief Knight, Director Easter, and  
16 staff for the opportunity to speak today.

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17 I am Bill Tucker. I represent the  
18 American Forage and Grasslands Council, a  
19 steering committee member of the Grazing  
20 Lands Conservation Initiative, a lifelong  
21 conservationist, and fortunate enough to have  
22 received the first Chesapeake Bay Clean Water  
23 Farm Award.

24 Our family has been interested in

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1 conservation for reasons that are not  
2 economic but for viability of our family's  
3 operation for several generations.

4 The fact that the federal government  
5 has come to us with a program that affords us  
6 the opportunity to continue the viability of  
7 that operation is, I think, the principal  
8 point. We want to make sure that we don't  
9 lose the implementation of this program.

10 I would like to thank you-all for  
11 coming. It's a very difficult thing to be a  
12 dartboard. And as a public servant, I  
13 appreciate the fact that you-all are  
14 accepting comments today. I'm especially  
15 appreciative of the fact that you are in  
16 Roanoke, Virginia.

17 Last program I signed up for, I crossed  
18 two county lines and a city to get to the FSA

19 office to find out that the program was at  
20 the NRCS office where I crossed two more  
21 county lines to get to my local NRCS office  
22 to find out, because of the cost share  
23 requirement, I had to go to Farm Credit to  
24 pick up the difference, which was two more

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1 counties and a city.

2 The wisdom behind designing that degree  
3 of accessibility afforded me the opportunity  
4 to see several different good practices out  
5 my windshield, many of which I implemented on  
6 my farm.

7 In terms of specificity with the  
8 program today, we have questions about how  
9 the eligibility requirements pertinent to  
10 rates will be carried out.

11 As we look at the long-term viability  
12 of the program, we have concerns how those  
13 rates might ultimately shake out in a  
14 challenging budget so that we don't get into  
15 a competitive nature between CRP, WRP, and  
16 GRP.

17 And, in fact, if we are going to try to  
18 design a program that has a specific thrust  
19 and a specific need, how are those rates  
20 going to line up? That's a question that we  
21 would have.

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22                   As we define entire operation, I have  
23                   some real questions about how one doesn't  
24                   find that in a challenging agricultural

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1                   society that undoubtedly has attempted to  
2                   maintain income by vastly larger operations  
3                   with significantly less man hours per  
4                   operator.

5                   And so where do we draw the line?  
6                   What, in fact, is the scope of the operation?  
7                   The operation as you described under direct  
8                   management, the operation under accessory  
9                   management through leases, the short-term  
10                  lease, the long-term lease? I think we have  
11                  a long way to go to fully understand exactly  
12                  what entire operation means.

13                  Prioritizing enhancements. The  
14                  previous speaker spoke about what those  
15                  prioritizations might be. We strongly  
16                  recommend that they be kept at the local  
17                  level as low down on the pole as possible.

18                  The FSA committee structure affords us  
19                  the opportunity to have local farmer  
20                  participation and has certainly served us  
21                  well. NRCS state technical committee has  
22                  done an excellent job of identifying those  
23                  prioritized areas in the past.

24 VAtranscripts  
But we do wonder, within those  
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1 hydrological units that have already been  
2 established, where, in fact, is the next  
3 category up? From the top down, what is  
4 bundled together?

5 where do we find which of those  
6 specific units fits under what category in an  
7 intermediate sense so that we have some  
8 understanding going into the implementation  
9 of the program whether or not we would  
10 qualify in the first place.

11 we worked for a long time on CPGL. I  
12 would remind the chief, as he is well aware,  
13 of the length of time it took to get the rule  
14 written. I commend you all on the speed with  
15 which this rule was moved forward prior to  
16 the omnibus.

17 But like CPGL, like the grazing lands  
18 initiative, like other new initiatives that  
19 have evolved in the past few years, I would  
20 ask: Is the staff capable of carrying out  
21 yet another new program with restricted time  
22 constraints and already bearing down on  
23 limited resources?

24 what are we giving up in order to get

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1 this? How accessible are we going to be able  
2 to see the future in those offices? We are  
3 already challenged with not only the driving  
4 distance, but having to schedule a time just  
5 to be seen.

6 Lastly, I would remind you, I spend a  
7 fair bit of time working with the dairy  
8 industry. I spend a lot of time around the  
9 country talking about the high-producing  
10 dairy cow.

11 My observation is, no matter what  
12 resource you are looking at, the truth of the  
13 matter is, with a high-producing dairy cow,  
14 the first thing you have to do is put  
15 something in her in order to get something  
16 out of her.

17 America has lived off the backs of  
18 conservation-minded farmers for 200 years.  
19 As we face the reality of a challenging  
20 economy, as we face the reality of my kids  
21 wanting to have the same kind of tennis shoes  
22 as the kid in the seat beside him, a new  
23 program and a new mindset, the next farm  
24 bill, that rewards us for the stewardship job

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1 that we are doing that our fellow citizens  
2 are enjoying is something that we strongly  
3 support. Thank you for your time.

4 MR. CARTER: Thank you, Bill. Next  
5 speaker, Mr. Mike Altizer.

6 MR. ALTIZER: Thank you. I am Mike  
7 Altizer. I am representing the Soil & Water  
8 Conservation Districts in Area 4 west of  
9 here. I have got prepared comments, and I  
10 will present them here in a little bit. I am  
11 going to hit a few of them.

12 AS I hear this thing today, it's  
13 interesting how it's going to all wash out.  
14 And I think I am just going to read my  
15 comments as I sat down Sunday afternoon and  
16 tried to digest what has been written, and I  
17 am not sure that the digestion process was  
18 too good.

19 But in Southwest Virginia, at least, in  
20 the last ten years, we have installed  
21 hundreds of controlled grazing systems on our  
22 pasture lands. We fenced miles and miles of  
23 stream banks and generally converted most of  
24 Southwest Virginia's open land back to grass,

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1 what it should have been to begin with.

2 I think we are ready for CSP from a  
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3 producer standpoint. However, from what I  
4 can read in NRCS and its partners, the  
5 districts and other people, are probably a  
6 long way from being able to administer it.

7 The other aspects, especially of the  
8 enhancement facets, will have to be an  
9 educational process and will require much  
10 more manpower than NRCS and partners can  
11 provide.

12 I spent several years of my career as  
13 managing the extension TBA demonstration  
14 program in Virginia. And then in the late  
15 '90s, I spent three years designing and  
16 working on EQIP and EPA through 19 clean  
17 water projects in the Holston and New River  
18 Valley watershed.

19 I taught grazing schools and helped  
20 design several grazing systems.  
21 Unfortunately, most producers will require  
22 much personal attention on a month-to-month  
23 and a year-to-year basis to make more than a  
24 basic Tier I or Tier II program work.

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1 From what I know about the CSP program  
2 so far, it seems that a \$41 million 2004  
3 limitation is probably the kindest thing that  
4 can happen to NRCS, assuming that after a

5 15-percent administration fee, there would be  
6 about \$35 million for producer contracts in  
7 2004.

8 If the average contract is \$35,000,  
9 which for most watersheds would be at least  
10 twice as much funding as would be needed,  
11 then about a thousand contracts could be  
12 funded.

13 We need to -- the state -- the national  
14 program needs to select two to four  
15 watersheds on this priority -- some kind of a  
16 priority basis, put the program into effect  
17 in 2004.

18 If ESP is anything like the fiasco that  
19 CREP was in its infancy, then there will be a  
20 need for time to refine the program.

21 I would like to think that a watershed  
22 in Southwest Virginia might be selected for  
23 CSP in 2004. However, as I view the program  
24 from my limited perspective, I would envision

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1 NRCS having to afford help from other areas  
2 to carry out the program if it was selected.

3 I just think that much more manpower is  
4 going to be needed to make CSP work than if  
5 you are going to make CSP a handout program.

6 Our grass base producers should be  
7 enthusiastic about this CSP program. It's

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8 got some problem potential. And, of course,  
9 as a program that gives some funds that are  
10 much needed to some of these producers, CSP  
11 can be a positive incentive to continue more  
12 conservation programs.

13 In many areas, producers resist fencing  
14 livestock out of streams. Long-time  
15 availability of cost share funds and NRCS  
16 personnel who believe that stream fencing can  
17 be sold to producers have really gotten a lot  
18 of streams fenced, new water sources  
19 developed, and division fences installed.

20 CSP can be a motive for many of these  
21 producers to continue and to improve their  
22 management. And as a result, soil can be  
23 conserved, and the water quality could be  
24 improved. Thank you.

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1 MR. CARTER: Thank you, Mike.

2 Mr. Hudson Reese.

3 MR. REESE: Thank you, Ken. I am  
4 Hudson Reese. I am representing the Halifax  
5 Soil & Water Conservation District as well as  
6 myself.

7 I am kind of in the same situation as  
8 my friend, Granville Maitland. I think I  
9 really need to have more time to study, and

10 perhaps what I have seen and heard raises  
11 more questions than answers. But I do have a  
12 couple of areas of concern that I would like  
13 to mention.

14 One has to do with the priority  
15 watershed concept. I am sharing some of the  
16 same concerns that Bill Tucker mentioned.

17 Those watersheds where our producers  
18 have done a good job would seem to be  
19 overlooked in this first period, which would  
20 be a contradictory -- which would be  
21 contradictory to the announced purpose of the  
22 CSP program to recognize those producers who  
23 have done a good job.

24 And if we limit this first sign-up to

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1 those watersheds where the greatest problems  
2 exist, looks a little bit contradictory to  
3 me. I understand -- I guess I understand why  
4 it would be done that way, but it does seem  
5 contradictory.

6 The second thing that I do have  
7 concerns about, in our farming situation in  
8 Halifax County where I am from, we have --  
9 those of us who are actively farming -- and I  
10 am involved in an active farming operation.

11 Those of us in that situation are  
12 forced to work numbers -- numerous tracts of

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13 land, some of which we have very little  
14 control over except the fields that we might  
15 be working.

16 And as I understand it, there are no  
17 payments available unless you can have a  
18 five-year contract or have control of the  
19 land for five years. However, we would be  
20 required to maintain conservation practices  
21 and so forth on all of the land that we  
22 worked, as I understand it.

23 To me, that could create a problem for  
24 many people in our area that work small

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1 tracts on many different farms. That would  
2 be somewhat a limiting factor in our part of  
3 the country.

4 And, also, somewhat related to that, it  
5 appears that the statute was not limited to  
6 number of contracts that a producer could  
7 hold. And yet the way the rule is written,  
8 the rule seems to limit the number of  
9 contracts, or that each producer would be  
10 limited to one contract because of all of  
11 the -- all the land under one -- under his  
12 control seems to be part of one contract. So  
13 that's somewhat of a question in my mind.

14 Also, one other thing that I think

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15 would be helpful to producers would be a  
16 continuous sign-up. It seems to me that  
17 sign-up periods sometimes get overlooked.  
18 Sometimes publicity is not as good as it  
19 could be for one reason or another, and  
20 sign-up periods can be overlooked.

21 And continuous sign-up would be better  
22 for producers, from my perspective, than -- I  
23 like the idea that we have EQIP and other  
24 programs with continuous sign-up, and seems

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1 like continuing to sign up with CSP would  
2 also work well.

3 Mr. Altizer alluded to the work load  
4 involved. Seems like a periodic sign-up  
5 would perhaps cause the work load not to be  
6 well distributed or would cause -- I think a  
7 period of continuous sign-up would give --  
8 take the office staff more time to work on  
9 doing the fieldwork as necessary. So I would  
10 be concerned -- I would offer that continuing  
11 sign-up would be preferred.

12 So thank you for the opportunity to  
13 make comments. Appreciate you-all being here  
14 and being in Virginia in Roanoke.

15 MR. CARTER: Thank you, Hudson. Our  
16 next speaker, Dr. Jim Pease.

17 MR. PEASE: Used up 30 seconds of my  
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18 time just getting over here, I guess. I am  
19 Jim Pease. I am, but do not represent  
20 officially, Virginia Cooperative Extension at  
21 Virginia Tech. I am an extension specialist,  
22 farm management and farm policy at Virginia  
23 Tech.

24 I, like the other speakers, have

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1 learned a lot in this session today. And,  
2 hence, I am going to probably alter some of  
3 my written comments in the future here rather  
4 than deliver them today.

5 I would like to reiterate a comment  
6 made by Bill Tucker. I think that it's very  
7 important for NRCS to consider what it's  
8 giving up in order to implement this program  
9 on a very, very rapid basis compared to the  
10 previous programs.

11 I think the NRCS should consciously  
12 decide to evolve this program as you learn  
13 more through the course of the next two or  
14 three years and don't restrict yourself in  
15 these rules unnecessarily when you can --  
16 when you can change them possibly based upon  
17 what you learn in the future.

18 I am going to just go through a couple  
19 of sections. Section 1470.5 periodic CSP

20 sign-ups and funding based on priority  
21 watersheds, I think this is the most  
22 important comment that I have to make.

23 I think that the selection of the  
24 watersheds is the critical factor in this --

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1 in the implementation of this program. I  
2 find that there is always a controversy  
3 between regional equity and environmental  
4 protection.

5 I think that it is rather alarming, I  
6 think, to consider that we should spread all  
7 this money across all the states when, in  
8 fact, the priority for conservation  
9 protection may be highlighted by some  
10 priority watersheds.

11 So I think that not every state  
12 necessarily has to get money in the first  
13 sign-up. I think that the priority  
14 watersheds should be defined upon  
15 conservation protection concepts and  
16 scientific evidence.

17 I think that there will be -- there  
18 will be complaints not only by some groups in  
19 the United States but also by foreign  
20 governments if you make this, as one speaker  
21 said, a handout, a handout program, that is  
22 directed more at providing farmers' income

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23 support rather than providing conservation  
24 protection.

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1 And a couple of other factors that I  
2 would like to mention in terms of the  
3 enrollment categories. I find that the rule  
4 of defining what are enrollment categories  
5 and how they will be -- how they will be  
6 defined is very, very, very vague.

7 At least I don't understand it very  
8 well. Maybe others do. But I would -- I  
9 would support the idea of defining better how  
10 are you going to define enrollment  
11 categories.

12 I also support the idea, as you go down  
13 through funding the categories, that you do  
14 not partially fund an enrollment category,  
15 that you stop and sequester that money for  
16 the subsequent -- subsequent sign-ups.

17 I think in terms of other comments, I  
18 think that it should be pointed out in terms  
19 of the limits on the program payments,  
20 20,000, 35,000, and 45,000, that this will  
21 have implications in terms of small versus  
22 large farms.

23 A very large farm may consider those  
24 caps to be so insignificant that they

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1           wouldn't be particularly interested. But on  
2           the other hand, a small farm may consider  
3           that payment to be quite a lot.

4                        But in counter to that, however,  
5           participation at the higher tiers may require  
6           the expertise that smaller farms lack.  
7           Technical service is going to be very  
8           important in that case. Looking at the  
9           science is very interesting here.

10                      I think that I would -- I would support  
11           a high reduction factor on the base rates. I  
12           would also support a discount factor on the  
13           existing practice rates in order to put more  
14           emphasis and, hence, more money on the  
15           enhancement than upon the base or existing  
16           rates. That's all I have to say.

17                      MR. CARTER: Thank you, Jim. Our next  
18           speaker, Jamison Eley.

19                      MR. ELEY: I would like to thank you  
20           for giving me this opportunity. One concern  
21           that I have is the definition of limited  
22           resource farmer.

23                      Is that dealing with the amount of  
24           income that's coming from the farm operation,

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1 or is that dealing with some of the other  
2 things that resource farmers have to deal  
3 with, such as not getting the information  
4 that so many of us have -- some have access  
5 to the information, some don't. For that  
6 reason, I feel that outreach is going to be  
7 very, very important.

8 Also, I think it's very important that  
9 you have a provision for limited resource  
10 farmers to enter into CSP for the simple  
11 reason that they have suffered from a lack of  
12 information.

13 So, to me, one thing that is going to  
14 be very, very important is outreach so that  
15 all segments of the farm community, whether  
16 you are a small producer or a large producer,  
17 can get the information and have the  
18 opportunity to participate in CSP.

19 Also, I understand the need for the  
20 rules to be made on the local level, but also  
21 I think that we need to realize and we need  
22 to be aware of the fact that sometimes big  
23 brother needs to check out what little  
24 brother is doing and make sure that the rules

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1 are being implemented in a fair and just way.

2 Other than that, I think that I have  
3 been assured through some of the dialogue  
4 that I have had with some of the people here  
5 that you will be able to move throughout the  
6 tiers within CSP, and I think that also would  
7 be very important.

8 If I want to put emphasis on anything  
9 that I have shared with you, it's definitely  
10 the need for outreach and make sure that  
11 everyone in the farm community is aware of  
12 the program and aware of the things that can  
13 be done to take advantage of this program.  
14 Thank you.

15 MR. CARTER: Thank you, Mr. Eley. Our  
16 next speaker, Mr. Bob Dixon.

17 MR. DIXON: Thank you, Ken, and all  
18 others at the head table for the opportunity  
19 to speak. In order to save time, I am going  
20 to read my comments. The proposed rule for  
21 implement --

22 First, I am Bob Dixon from the Peaks of  
23 Otter Soil & Water Conservation District, and  
24 I am also the Virginia Board Member for NACD.

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1 The proposed rule for implementing CSP  
2 was published in the Federal Register on  
3 January 2, 2004, with a 60-day comment period  
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4 that ends March 2, 2004.

5 The many changes that have occurred  
6 since the program's enactment have resulted  
7 in frequently changing assumptions making the  
8 process to develop a complex rule difficult  
9 and tedious. The Natural Resources  
10 Conservation Service is to be commended on  
11 advocating this process through a  
12 continuously evolving environment.

13 Upon initial review, the proposal  
14 appears to have many positive features given  
15 the constraints faced during this  
16 development. In addition to the positive,  
17 NACD and others have identified several  
18 issues of concern that need to be addressed  
19 in comments.

20 The most critical concern, capped  
21 entitlement. Although the 2002 Farm Bill  
22 proposed CSP is an entitlement program with  
23 no spending limit, the fiscal '03 omnibus  
24 appropriations bill capped funding at 300.77

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1 billion over ten years.

2 The proposed rule was written with that  
3 limitation, that limitation as a constraint.  
4 However, the '04 omnibus as approved by the  
5 House and which will be addressed by the

6 Senate removes that limitation restoring the  
7 original statutory intent.

8 As soon as the '04 omnibus is passed,  
9 if not before, it will be critical for NRCS  
10 to develop, release, and seek comment on a  
11 supplement to the rule based on CSP as an  
12 uncapped entitlement program.

13 Examples of high priority concerns.  
14 watershed limitation: Because of the cap,  
15 rather than operating CSP as a full national  
16 program, USDA will identify and offer CSP  
17 only in high-priority watersheds.

18 Statutory language states the lands  
19 that producers are eligible to apply for CSP,  
20 no preference is given to priority watersheds  
21 except the case of enhanced payments for  
22 producers who cooperate within a watershed.  
23 This underscores the need for a revised rule  
24 to remove the watershed limitation once the

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1 cap is lifted.

2 Resources, resource concerns:  
3 According to the law, all resource concerns  
4 in the FOTG, such as soil, air and water  
5 quality, wildlife and plant habitat, and  
6 forced stewardship, are eligible for  
7 participation. The proposed rule requires  
8 meeting soil and water quality criteria for

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9 all three tiers and gives the impression of  
10 less attention to the other resource  
11 concerns.

12 Cost share payments: The proposed rule  
13 requires cost share payments to be less than  
14 EQIP. The CSP law provides a cost share  
15 limit of 75 percent, the same as EQIP and  
16 other cost share programs.

17 Eligible practices: NRCS proposes to  
18 offer a substantially reduced list of  
19 eligible practices. The law only provides  
20 two limits, animal waste transport and  
21 storage. All other practices are eligible.

22 Base payments: The law requires that  
23 the 2001 national rental rate or an  
24 appropriate rate for the national rental rate

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1 does not accurately reflect local conditions  
2 be used to establish the CSP base payment.

3 The proposed rule uses state and local  
4 rental rates but reduces the base payment  
5 down to 10 percent of the already reduced  
6 rate in the law. The Farm Bill CSP report  
7 language states that the secretary shall not  
8 provide a rate lower than the national  
9 average rental rate.

10 This is a complex law and even more

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11 complex proposed rule, so it's going to take  
12 a lot of studying and information to  
13 understand how it would work in our district  
14 or on the farms in my district.

15 NACD supports this program and has been  
16 working towards positive rewards to good  
17 stewards of the land for over 25 years.

18 From comments made earlier, this  
19 program could eventually be one of the most  
20 important conservation programs in the  
21 nation. This program can help us solve  
22 conservation concerns in every community in  
23 the nation. Thank you very much.

24 MR. CARTER: Thank you, Bob. Next

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1 speaker, Mr. Gary Moore.

2 MR. MOORE: I am here to represent the  
3 views of the Virginia Department of  
4 Conservation & Recreation. DCR is the agency  
5 empowered by the state law with the lead  
6 responsibility for the Commonwealth's fine  
7 point (phonetic) source pollution management  
8 program. We are also one of many state  
9 partnering agencies working within RCS and  
10 USDA in the delivery of conservation programs  
11 throughout the Commonwealth.

12 These comments reflect the views of the  
13 Department of Conservation, but not the

14 official position of Mark Warner's  
15 administration.

16 First, the notion of rewarding good  
17 behavior is a worthy approach and worthy of  
18 pursuit. We at DCR have often heard  
19 frustrations that state and federal dollars  
20 are only available to fix problems created by  
21 uninformed or uncaring operators.

22 Clearly, the shift in approaching  
23 natural resource conservation concerns is  
24 monumental but one that we believe has

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1 considerable merit. However, given our  
2 limited opportunity to review existing and  
3 proposed information, DCR conveys the  
4 following concerns about CSP:

5 Can an entitlement program such as CSP  
6 provide affordable, consistent, long-term  
7 water quality improvements and other needed  
8 natural resource conservation benefits?

9 DCR is concerned that an entitlement  
10 program may not be able to provide the level  
11 of environmental improvement that is  
12 necessary to improve water quality in  
13 Virginia and perhaps other important  
14 conservation issues.

15 It appears that CSP will again increase

16 duties imposed on the agency field staff.  
17 NRCS staff is already struggling to meet the  
18 increased demands of conservation planning  
19 and implementation associated with increased  
20 Farm Bill activity.

21 Will this program further dilute the  
22 technical capabilities of existing field  
23 staff, and should conditional technical  
24 expertise be tasked to assist in delivery of

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1 this program.

2 Associated with that, as I have read  
3 the proposed rule, NRCS is the only agency  
4 currently specified to implement the CSP.

5 Will the Farm Service Agency or other  
6 USDA agencies be involved in the delivery and  
7 administration of this program? Especially  
8 important considering the stress on the  
9 technical expertise in the field.

10 Three, will programs such as CSP be  
11 flexible enough to address changing water  
12 quality issues and, thus, management  
13 practices? Entitlement programs are  
14 historically hard to modify or change due to  
15 the entrenchment of their participants and  
16 fine delivery mechanism.

17 Is an entitlement program the most  
18 cost-effective means of reducing fine point

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19 (phonetic) source pollution now and into the  
20 future? Will a program such as CSP be able  
21 to adapt to changing water quality issues and  
22 changing DMP specifications? Is there any  
23 long-term plan that reduce commodity supports  
24 in favor of conservation programs?

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1 we have several other comments that I  
2 will submit in written format. But, to  
3 finalize, we appreciate the opportunity to  
4 comment at this stage of the program  
5 development and implementation process.

6 we look forward to continuing our close  
7 partnership with NRCS here in Virginia and  
8 learning the outcomes of these listening  
9 sessions. DCR believes that CSP is an  
10 approach that deserves priority. Thank you  
11 for making the effort to seek input today.

12 MR. CARTER: Thank you, Gary. Our next  
13 speaker is Anne Coan.

14 MS. COAN: I am significantly shorter  
15 than most of these other folks have been. My  
16 name is Anne Coan, A-N-N-E, C-O-A-N. I am  
17 with the North Carolina Farm Bureau  
18 Federation. Thank you for the opportunity to  
19 speak today.

20 This rule was published on January 2

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21 and was the best birthday present I have had  
22 in a long time. And before you ask, I am 49.  
23 I turned 49 on the 2nd of January.

24 I have been wanting for 25 years a

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1 program that would actually reward good  
2 stewards, because I have been asked over my  
3 25-year career how come the guy down the road  
4 that has a problem gets money, but I have  
5 already done it, paid for it myself, and I  
6 get nothing and no credit.

7 Now, I am very interested in seeing  
8 this program work because I think it will be  
9 an important addition to our conservation  
10 efforts in the United States and in my state.  
11 However, I have to bring forward some  
12 concerns that we have identified in this  
13 rule.

14 Number one, these leasing periods. In  
15 the Southeast you can't get a five-year  
16 lease, and you sure can't get a ten-year  
17 lease. Yet your rule says you must  
18 demonstrate control of that property for the  
19 contract term.

20 The contract term for Tier I is five  
21 years, contract term for Tier II is five to  
22 ten, and the contract term for Tier III is  
23 ten. We cannot do that in the Southeast. I

24 know very few people who would be able to  
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1 demonstrate that kind of control.

2 Yet you will hear from these farmers,  
3 and you have heard already, that is the way  
4 that farming is done in the Southeast. We  
5 don't own these huge tracts of lands, but we  
6 do rent a lot of our neighbor's land. It's  
7 very important that you address this issue.

8 Number two, I have to talk to you about  
9 work load like you heard before. This  
10 essentially says in this rule that everybody  
11 that's even interested in applying for this  
12 program has to have this benchmark inventory.

13 In looking at that and thinking about  
14 the amount of work load that that would  
15 require is -- is just incredible to me. And  
16 I am going to state that we have about 115  
17 extra employees employed by our soil and  
18 water district, and I still see this as a  
19 monstrously large effort.

20 The next thing that I would like to  
21 point out is, if, in fact, I don't have  
22 control of this property or I lose control  
23 because somebody decided to sell it for a  
24 strip mall, this rule says I have to pay back

1 all of the CSP payments that I have received.

2 Even if I did my job for the first four  
3 years under Tier I, I have got to pay all  
4 that back. I fulfilled the commitment of my  
5 contract to the best of my ability, and I  
6 can't help it that the guy sold the land out  
7 from under me.

8 This is very important, again tied to  
9 this issue of long-term leases. And if I am  
10 doing my job and I got paid for it, and now I  
11 got to turn around and give that money back  
12 to you, I hope my boss doesn't come asking to  
13 give him the last three years of pay to him.  
14 That's the thing we are talking about. I  
15 fulfilled what you wanted me to do, but you  
16 are going to take all my money back.

17 Number four, I heard earlier that this  
18 is in the Farm Bill, and it probably is, but  
19 I must tell you coming from North Carolina  
20 that not being able to put any of this money  
21 in animal waste is just not good.

22 The reason for that is we are now  
23 working on innovative systems, pilot  
24 programs. And these should be eligible if

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1           there is any way that you can figure out how  
2           to do it under the Farm Bill because those  
3           will actually be environmental enhancements  
4           in North Carolina to go to different, better,  
5           innovative, and hopefully more cost-effective  
6           systems for handling animal waste.

7                     And when you have this pilot program,  
8           that sort of thing, that is something that if  
9           there is any way that you can figure out how  
10          to do it in the law, we need the opportunity  
11          to have those types of demonstrations,  
12          pilots, and ultimately rewards for farmers  
13          who change that way.

14                    Number five, 75 percent of producers in  
15          an 8-digit HUA. Give me a break. It's not  
16          going to happen. An H -- now, if you were  
17          talking about a 12-digit HUA, maybe. If you  
18          were talking about the amount of land  
19          controlled in a 12-digit HUA, maybe.

20                    But you are not going to get 75 percent  
21          of the producers to sign up in an 8-digit  
22          hydrologic unit. And those of you don't know  
23          how big they are, they are huge.

24                    Trying to get all the producers to sign

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1           up now that you are a five-acre vegetable

2 grower, it's not going to happen. So you are  
3 going to have to seriously look at that.

4 And, finally -- I know I am running out  
5 of time -- you can stay in 18-month limbo in  
6 this program, because under the contract I  
7 have 18 months that I have to keep the last  
8 practice in that I put in. Well, we assume  
9 that you are going to have time schedules by  
10 which you would end the practices. So every  
11 time I put in a new practice, my 18-month  
12 clock goes back out. I am done.

13 MR. CARTER: Thank you, Anne. Next,  
14 Mr. Bill Street.

15 MR. STREET: Thank you, Ken. My name  
16 is Bill Street. I'm with the Chesapeake Bay  
17 Foundation. I would like to thank everyone  
18 who helped put this together and everybody  
19 who came. This is a tremendous program, and  
20 we think it deserves a lot of attention, a  
21 lot of scrutiny, a lot of work to make it  
22 successful.

23 Chesapeake Bay Foundation has been  
24 around since 1967. It's the largest group,

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1 private group, trying to restore the bay, and  
2 we enjoy the support of 110,000 active  
3 members.

4 And since 1991 we have had our -- had  
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5 and operated our own demonstration farm, and  
6 we have been actively involved working with  
7 farmers to deliver conservation programs. We  
8 have helped -- we have been involved with  
9 over 4,000 conservation practices throughout  
10 the watershed in Maryland, Virginia, and  
11 Pennsylvania.

12 And over the past three years, we have  
13 been actively supporting and advocating for  
14 the Conservation Security Program because it  
15 works for farmers and it works for the  
16 environment and it's good for the bay.

17 And as was said earlier, this really is  
18 a new dawn for the Farm Bill and for  
19 conservation programs. And with that, it's  
20 understandable that it's going to take a lot  
21 of work to try to figure out how to make this  
22 work. But we see this as one of the key  
23 programs for the future of the Farm Bill, and  
24 so it deserves all of our work and attention

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1 from all sides.

2 In the Chesapeake Bay region, our  
3 farmers have probably been preached to more  
4 than anyone around the country and are  
5 leaders in providing good stewardship.

6 And we at CBF certainly feel that our

7 good stewards should be rewarded, and we need  
8 to provide incentives to provide additional  
9 improvement in our environmental management,  
10 which is really what this program is trying  
11 to do.

12 We recognize that NRCS is in a  
13 difficult position with the limited amount of  
14 funds that have been appropriated for the  
15 program this year and then lifting the cap in  
16 the next year.

17 It's sort of like buying clothes for a  
18 growing child. Do you buy something that  
19 fits them this year that they are going to  
20 outgrow next year, or do you buy something  
21 they can grow into and something that's going  
22 to work in the future?

23 And we think that certainly is the way  
24 most parents buy their clothes, and what we

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1 should be doing with this program is devising  
2 the rules that are going to fit with what  
3 this program is going to be in the future  
4 when the cap is lifted.

5 And, therefore, we think that one of  
6 the most important things that NRCS needs to  
7 do as soon as that appropriations bill is  
8 signed is get that supplement out that is  
9 going to make all this fit together a lot

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10 better and make a lot more sense and not have  
11 folks have to study one set of rules and then  
12 come out with another set of rules towards  
13 the end of the 60-day comment period and have  
14 to study that again and formulate more  
15 comments, so getting that supplement out very  
16 quickly.

17 Some specific comments that we have at  
18 this time -- we will submit additional  
19 comments in writing throughout the comment  
20 period, but one is eligibility.

21 The bar has been set very high, but the  
22 law states that this should be eligible for  
23 all farmers across the country, and so we  
24 need to make it realistic but effective

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1 requirements for all farmers.

2 Also, the payment structure. We  
3 support the focus on enhancement payments,  
4 but these need to be real incentives for  
5 farmers. And we question whether the  
6 incentives as they are structured now are  
7 really going to be there to get farmer  
8 interest in this program.

9 Next, the priority watersheds. It  
10 seems to me that the goal of this program in  
11 the first year should really be to give all

12 states some experience with how to apply this  
13 program in a range of farm operations that  
14 they have in their state and a range of  
15 environmental conditions that they have in  
16 their state.

17 And so let's design and let the states  
18 work through the state technical committee to  
19 identify watersheds and farms where we can do  
20 this on a pilot basis in the first year so  
21 that we are ready to roll when this program  
22 becomes fully implemented in the future  
23 years.

24 Resource concerns. In the Chesapeake

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1 region, water quality has got to be a key  
2 issue, and particularly nutrients. It's the  
3 most difficult challenge that farmers face in  
4 managing some of the environmental issues,  
5 and so there obviously needs to be good focus  
6 on that and clear and effective criteria that  
7 both farmers can understand and that are  
8 going to be effective.

9 So thank you very much, and we look  
10 forward to working with you in the future in  
11 this program.

12 MR. CARTER: Thank you, Bill. Our next  
13 speaker, Daphne Jamison.

14 MS. JAMISON: I will make my comments

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15 very brief. I am Daphne Jamison, director of  
16 the Blue Ridge Soil & Water Conservation  
17 District representing Franklin County.

18 For more than 25 years, I have been a  
19 district director. During that time, our  
20 team in Franklin County has directed millions  
21 of dollars worth of voluntary conservation  
22 efforts. Some of the landowners who did this  
23 work have received comp share for their  
24 efforts, but many have spent their own money

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1 for the programs that they did simply because  
2 they believed that it was the right thing to  
3 do.

4 As a district official and as past  
5 president of the Virginia Association of Soil  
6 & Water Conservation Districts, I am  
7 delighted that Congress passed this program.  
8 This is something that we have worked toward  
9 for a long time, and I am really interested  
10 in seeing it be successful.

11 I think that, as many people have said  
12 today, good conservation ought to be  
13 rewarded. And good conservation has been  
14 going on in this part of the country for a  
15 long time, and we would like to get some of  
16 the rewards for our farmers around here.

17                   A few concerns that I have that I have  
18                   seen so far that people have addressed, the  
19                   cap, and hopefully that will be removed. It  
20                   wasn't in the legislation. And because of  
21                   physical restraints, it was put in there, but  
22                   I agree that to make the rule apply to the  
23                   cap and then to change it is a whole lot of  
24                   work for nothing.

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1                   I mean, you know, we all hate to see  
2                   people work hard towards one thing and then  
3                   have the rules change in the middle of the  
4                   stream. So we hope that this can be worked  
5                   out before people do a whole lot of work and  
6                   then have to redo stuff.

7                   The limitation of the program to  
8                   watersheds is a problem, and I heard it  
9                   addressed in several different ways today.  
10                  And I think I tend to agree that if there has  
11                  to be some phasing in of this program that  
12                  every state has some experience with doing  
13                  it.

14                  Rather than to target it towards, you  
15                  know, a few watersheds in some state here or  
16                  there, you know, this should be a nationwide  
17                  program. That's the way it was passed in the  
18                  legislation, and I think that everybody ought  
19                  to -- to sort of dive into it slowly and work

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20 towards operating -- work towards  
21 implementing it fully.

22 I am also concerned with the burden  
23 that this would put on the staff in our  
24 localities with the NRCS and the district

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1 employees. we have heard a lot recently  
2 about technical service providers and  
3 bringing in people from private business to  
4 help do this, and I don't know where that  
5 stands locally.

6 I don't think there is a great clamor  
7 for people to come in and do this. It just  
8 seems like that the work load gets heavier on  
9 the people that are there now and on the  
10 district employees.

11 But it seems like in looking at how the  
12 rule is going to be -- how people are going  
13 to be put into a tier when a producer comes  
14 in that asks for this funding that their  
15 history is considered.

16 You know, what they have already done  
17 in the realm of conservation is a  
18 consideration, and it seems like to me that  
19 the best people to assess this are the people  
20 that are there on the ground, the district  
21 employees, the NRCS employees who have been



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1 of the Town of Wytheville with an uncle. My  
2 children represent the fifth generation to  
3 live on this land, and whether they will be  
4 able to or want to work this farm at this  
5 point is in question.

6 Six years ago we signed up for EQIP  
7 with the DMP conservation group that's on our  
8 farm, which included installation of multiple  
9 heavy equipment tires, water troughs, fencing  
10 off of some branches and a pond, planting of  
11 hardwood trees and wildlife shrubs.

12 As we are upstream from the Town of  
13 Wytheville's water intake plant, I am proud  
14 of our modest contribution to the improvement  
15 of the water quality for the town consumers.  
16 Particularly, I note that the new Pepsi  
17 bottling plant is just opening downstream  
18 from us. We were recognized for our work by  
19 the 2002 General Assembly of Virginia as a  
20 clean water farm in the New River Watershed.

21 As I am one of about 50 percent of  
22 Virginia farmers who work off the farm for  
23 income, I manage a nonprofit housing agency  
24 in town. I love the work I do, but I have a

1 limitation to how much work I can actually do  
2 on the farm.

3 I am sure you hear this kind of  
4 testimony frequently. And as you participate  
5 in this listening session, what I would like  
6 to offer is my dream of the next steps that  
7 we would take on our farm and how CSP might  
8 help us do this.

9 I am stretched very, very thin, as most  
10 farmers are, I know. Aside from dairy  
11 farmers and those of my uncle's generation, I  
12 know very few full-time farmers my age. I am  
13 something like 17 years younger than the  
14 average Virginia farmer.

15 what I need is more time to pay more  
16 attention to my land, business, and  
17 production of food for a local market to  
18 fulfill our farm's potential and my contract  
19 with it.

20 But I am dependent on all farm income  
21 for my health insurance. It would take 25  
22 percent more calf sales just to pay my health  
23 insurance, not to mention other costs of  
24 living adjustments, which are more

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1 predictable than farm income.

2 Short of time, which I don't expect  
3 USDA or Congress can do much about, I would  
4 encourage the development of a program where  
5 long-term commitment to land conservation,  
6 full time on-farm employment, and enactment  
7 of permanent conservation issues are all tied  
8 together.

9 Good farmers want to work their land  
10 but aren't smart enough to figure all of this  
11 out. If I make a commitment to preserve my  
12 land in the future, install conservation  
13 practices, return to working on the farm to  
14 produce quality food for the local market,  
15 then the USDA should reward that with annual  
16 renewable performance-based grants to make  
17 that livelihood practical to cover those  
18 creeping costs, such as health insurance and  
19 other costs, which are rising faster than  
20 farm revenue.

21 I would envision annual income limits  
22 of a hundred, two hundred thousand would be a  
23 maximum for eligibility so as to insure the  
24 long-term sustainability of the many, many

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1 smaller family-controlled noncorporate farms.

2 I want to restore chestnut trees to our

3 bare chestnut hill, to produce hand-selected  
4 calves for a buyer at the local market, to  
5 advocate for the preservation of wells in our  
6 watershed, to grow hard winter wheat for  
7 local water mill grinding to sell to area  
8 bakers.

9 There is a model for this notion of  
10 public support of a baseline production  
11 within the federal bureaucracy. At HUD,  
12 Department of Housing and Urban Development,  
13 community-based nonprofit housing developers  
14 are eligible for performance-based grants to  
15 develop affordable housing, another  
16 commendable national goal.

17 That simple paradigm could as easily be  
18 applied to smaller family farm-based --  
19 family-based farm businesses which commit to  
20 permanent land conservation, on-farm income,  
21 and performance-based conservation practices.

22 About a dozen years ago, I had the  
23 privilege of participating in a couple annual  
24 Lisa Sayer (phonetic) grant review programs.

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1 This was just as the farmer first concept of  
2 on-farm research was taking root.

3 In the subsequent years, I think we  
4 have all benefited at many levels of policy  
5 making from that kind of shift in policy

6 making. I think rewarding those farmers that  
7 are farsighted enough to preserve our  
8 resources with performance-based grants will  
9 reap similar short- and long-term policy  
10 goals, not to mention conservation security  
11 goals.

12 I applaud you for your vision and look  
13 forward to continuing our partnership with  
14 NRCS in the future.

15 MR. CARTER: Thank you. Mr. Roy  
16 Hopkins.

17 MR. HOPKINS: My name is Roy Hopkins,  
18 and I live in Central Virginia, namely,  
19 Louisa County. And, you know, the merits of  
20 this program looks great, but I have a  
21 concern that -- a real grave concern, and I  
22 don't have the answer to it.

23 I am not sure, with the financial  
24 restraints that you work within, that you-all

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1 will have the answer for this, too.

2 You know, all programs like this should  
3 be open to everybody. And the way it looks  
4 at the present time, you know -- and I can  
5 understand that you got to set goals to  
6 certain areas on account of your financial  
7 restraints.

8 But, you know, if we take a watershed,  
9 it would only encompass probably about 2  
10 percent of the state of Virginia, any one of  
11 about, what, 47 or so watershed units. So at  
12 the present time only a small portion of the  
13 people will get the chance to be recognized  
14 and much less be rewarded.

15 You know, the merits of this thing is  
16 reward the best and motivate the rest. Well,  
17 the way we are at the present time, that's  
18 impossible because only 2 to 3 percent of the  
19 people will have that opportunity at the  
20 beginning.

21 And I can understand where we are at,  
22 but somehow or another we should set our  
23 goals so that during the duration of this  
24 program we have a chance to cover everybody.

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1 If you are going to motivate the ones  
2 who are looking at people doing a good job,  
3 they got to have an opportunity to see this.  
4 And if the program goes forward in just a  
5 small area, this will never happen statewide  
6 and nationwide. So we should look to some  
7 goals that we could cover everybody. Thank  
8 you.

9 MR. CARTER: Thank you. The next  
10 speaker, Mr. Mark Palmer.

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11 MR. PALMER: Mark Palmer, Lunenburg  
12 County. I am a director on the Southside  
13 Soil & Water Conservation District.

14 Most of my questions have already been  
15 asked. One thing in mind, though: what  
16 role, if any, would the districts play in  
17 either administrative or technical services  
18 to this program?

19 I know that we helped already on the  
20 technical end in other ways, but I am just  
21 wondering what role we might, you know, play  
22 in this. And out of the 1 -- what is it, 1.8  
23 million 5 hundred producers will be selected,  
24 I am just wondering how many of those will be

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1 in Virginia. That's probably already been  
2 asked. So thank you.

3 MR. CARTER: Thank you, Mark. Our next  
4 speaker, Mr. Rupert Cutler.

5 MR. CUTLER: Chief Knight, Denise,  
6 ladies and gentlemen, my name is Rupert  
7 Cutler. I live at 2865 Jefferson Street,  
8 Southeast, in the city of Roanoke. I am a  
9 retired natural resources educator and  
10 administrator and a local elected official.

11 I am pleased that the USDA is holding  
12 one of its public listening sessions here in

13 Roanoke. I hope to convince the department's  
14 decision makers that the upper Roanoke River  
15 watershed 8-digit hydrological unit with the  
16 Carvins Cove Reservoir diversion tunnel added  
17 to it could be chosen as a selected priority  
18 watershed as defined in these rules so that  
19 farmers in the watershed and we in Roanoke  
20 who depend on drinking water will be eligible  
21 for payments in their Conservation Security  
22 Program.

23 This would encourage them to employ  
24 water quality protection practices that would

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1 make their agricultural operations  
2 environmentally benign and will help keep our  
3 region's vital public water supplies clean  
4 and safe. This approach would constitute a  
5 cooperative watershed activity.

6 The cleaner the incoming water to our  
7 water treatment plants, the less expensive  
8 the treatment is. That cost saving will be  
9 passed on to the citizens who depend on our  
10 public water supply systems.

11 I am speaking only as an interested  
12 individual, but I am a member of the city  
13 council of the City of Roanoke and  
14 co-chairman of the Western Virginia Water  
15 Authority, a new regional agency being formed

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16 by the City of Roanoke and Roanoke County to  
17 more efficiently provide clean water and  
18 wastewater treatment for both jurisdictions.

19 You are looking for help in  
20 interpreting direction from Congress that  
21 describes CSP as an entitlement program but  
22 provides, at least at this time, too little  
23 money to carry out that goal. You have come  
24 up with a term "capped entitlement" and

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1 suggested that CSP's limited resources be  
2 focused on the most pressing environmental  
3 concerns. I support that proposed  
4 eligibility criterion.

5 Let me use our Upper Roanoke River  
6 watershed plus upper Catawba Creek as an  
7 example of an area that exhibits  
8 characteristics that should make it a  
9 candidate for selection as a priority  
10 watershed.

11 We are creating a new regional water  
12 administrative entity, the Western Virginia  
13 Water Authority, to pool the water supply and  
14 wastewater treatment resources of the City of  
15 Roanoke with 95,000 population and Roanoke  
16 County with 88,000 population.

17 Let me explain where our drinking water

18 comes from. The city depends on Carvins Cove  
19 Reservoir, Falling Creek Reservoir, and  
20 Crystal Spring. The most important source,  
21 Carvins Cove, receives its raw water from  
22 Carvins Creek and by diversion tunnels from  
23 Catawba and Tinker Creeks.

24 The county depends primarily on Spring

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1 Hollow Reservoir maintained by pumping water  
2 from the Roanoke River that originates in  
3 Montgomery and Floyd Counties.

4 These facilities will become the  
5 responsibility of the western Virginia water  
6 Authority on about July 1, 2004.

7 It is anticipated that eventually the  
8 two major reservoirs will be interconnected  
9 so that water pumped from the Roanoke River  
10 at Spring Hollow can be transferred to  
11 Carvins Cove, and then a pumping station may  
12 be built on Smith Mountain Lake on the  
13 Roanoke River below Roanoke bounded by  
14 Franklin and Bedford Counties to bring  
15 additional water into the Roanoke City and  
16 County water supply system.

17 Thus, it is obvious that the actions of  
18 farmers on the Upper Roanoke River, the Smith  
19 Mountain Lake Watershed, and the Upper  
20 Catawba Creek watershed, with respect to

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21 whether or not they employ soil and water  
22 conservation practices, such as fencing  
23 livestock out of streams, providing  
24 alternative stock water sources, and

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1 replanting stream banks, will have a direct  
2 bearing on the quality of the water received  
3 by the water supply system administered by  
4 the western Virginia Water Authority on the  
5 cost of public water treatment at its  
6 facilities.

7 There is an opportunity here to  
8 demonstrate the value of partnerships in  
9 optimizing the use of federal funds. Active  
10 partners potentially include local  
11 governments, conservation agencies of the  
12 Commonwealth of Virginia, research faculty  
13 from Virginia Tech, local land trusts that  
14 could hold conservation meetings, and soil  
15 and water conservation districts as well as  
16 the farmers themselves.

17 We are ready here in the Roanoke Valley  
18 to demonstrate how the Conservation Security  
19 Program can make more secure the lives of  
20 both our rural and urban residents as  
21 envisaged by its resident sponsors, including  
22 our Congressman, Agriculture Committee

23 VAt transcripts  
Chairman Bob Goodlatte.

24 So I hope that you will include the  
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1 potential benefits of the upstream  
2 conservation group to downstream urban water  
3 users in your watershed selection criteria.  
4 Thank you very much.

5 MR. CARTER: Thank you, Mr. Cutler.  
6 Our next speaker, Mr. Michael Beahm, and you  
7 may want to spell that for the reporter. I  
8 apologize if I mispronounced it.

9 MR. BEAHM: Michael Beahm, B-E-A-H-M.  
10 I am a beef producer from Botetourt and  
11 Roanoke Counties. I also serve as treasurer  
12 for our Mt. Castle Soil & Water Conservation  
13 District and president of the Botetourt  
14 County Farm Bureau.

15 I don't think I could add much to what  
16 has been said already this afternoon. I  
17 think, by and large, everybody has hit on  
18 some very good important topics that need to  
19 be addressed.

20 Once again, as so many others have  
21 said, I commend the USDA NRCS for putting  
22 together a program that has potential to  
23 benefit some users that don't normally  
24 receive much benefit, in particular, your

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1 forage and grassland producers, people that  
2 run livestock.

3 Especially in the western part of this  
4 state of Virginia, so many of the programs  
5 just have no place or no opportunity for  
6 utilization out this way.

7 As much as we complain about government  
8 and taxes and so forth, we don't hesitate to  
9 take advantage when there are moneys  
10 available. And I know everyone that's in the  
11 ag production business can certainly take  
12 advantage of these.

13 One or two topics that I would like to  
14 express concern about. As I understand, and  
15 I certainly don't know much about this  
16 program at this time, there is a  
17 self-evaluation process where producers can  
18 sort of screen themselves to determine their  
19 eligibility.

20 I hope this is addressed in a manner  
21 that is a combination of being both simple  
22 and fair, simple enough and easy enough to  
23 fill out in a relatively short amount of time  
24 and without a whole lot of documentation that

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1 might not be readily and easily available.

2 Also, that this is something that's  
3 done fairly across the board. The same rules  
4 apply here as do in Nevada or Mississippi or  
5 wherever, too, because it looks to me like  
6 this would be an opportunity for some  
7 manipulation of this program.

8 Again, I would also -- several other  
9 people have addressed, too, and expressed  
10 concern of who and where and how exactly it  
11 will be administered. Will the local soil  
12 and water conservation district or the local  
13 FSA board have some oversight and some  
14 ability to -- to adjust and help the  
15 producers in their local area?

16 Because I think, again, there are so  
17 many local issues that apply that it -- it's  
18 hard to make one place fit all without that  
19 local input.

20 Also, so much has been said again  
21 relative to the watershed units, the  
22 hydrological units. Again, consider them  
23 that they be utilized in as fair and  
24 efficient manner as possible, because, again,

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1 with so many of the programs that I have seen  
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2 go through the soil and water conservation  
3 districts here, there are people that are  
4 eligible just because they have land on one  
5 side of the road whereas the other side of  
6 the road has a different set of criteria.

7 So I urge the program to continue to be  
8 evaluated. Make it fair. Make it simple.  
9 And I do appreciate the possibility that this  
10 program has to bring about. Thank you.

11 MR. CARTER: Thank you. Our last  
12 speaker registered to speak is Mr. Wesley  
13 Kent. Mr. Kent?

14 well, that concludes all of the  
15 speakers that have registered to speak today.  
16 I will turn it back over to Denise.

17 MS. DOETZER: Before I turn it over to  
18 the chief to make the conclusion remarks, I  
19 would like to thank everyone again. We do  
20 appreciate your input. It has been very  
21 helpful to hear your comments today. I would  
22 like to thank our listening folks up here  
23 from headquarters, Craig for the excellent  
24 presentation. I certainly learned a lot

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1 today also.

2 So there is quite a bit in this bill,  
3 and it has been mentioned by many. And we

4                   VATranscripts  
will have the opportunity now for the next 60  
5 days to absorb this information in this bill.

6                   It is exciting, and we will certainly  
7 be looking at the comments very, very  
8 seriously and taking them into consideration.

9                   And with that, I would like to turn it  
10 over to the chief for the conclusion remarks.

11                  MR. KNIGHT: I really appreciate  
12 everybody being here today, the time,  
13 commitment. It's visible the kind of work  
14 that folks have obviously engaged in, the  
15 commitment to come well across the state,  
16 folks from North Carolina and others, to make  
17 it a chance to be here.

18                  The fact is many of you spent obviously  
19 some evenings working on the rule, reading  
20 the rule, and preparing your comments, and  
21 that evidence and that commitment you-all  
22 have to conservation in this process is very,  
23 very significant and it's very notable. I  
24 think I made about seven pages worth of notes

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1                  here.

2                   And I will tell you. This has been an  
3 educational process for me, and I hope it is  
4 for you-all as well.

5                   One of the most difficult things for me  
6 is to actually sit, listen, and not comment

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7 or react. And for those of you that have  
8 been somewhat puzzled by this process, we are  
9 constrained by the legal requirements of the  
10 regulatory process that we are in right now.  
11 And so we can't enter into a -- legally enter  
12 into a dialogue about what is going on.

13 I did make a couple of notes on things,  
14 though, that I believe I am fully within  
15 parameters to attempt to clarify in a couple  
16 of the comments that may -- I may raise more  
17 questions, I may cause more problems, but I  
18 want to attempt to clarify to make sure that  
19 folks are able to keep these in mind.

20 Even though you may have made an oral  
21 comment today, you still have the ability to  
22 file a formal written comment before the  
23 March 2 time frame.

24 There are several things that I will

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1 mention as we go through this process. A  
2 couple of folks have talked about the need  
3 for a supplement assuming the passage of the  
4 omnibus, and that is a -- that is a giant  
5 leap.

6 There may or may not need to be a  
7 supplement to this rule. We will only know  
8 that after we have been able to really assess



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12 had a level of penetration or participation  
13 within the watershed.

14 That watershed may or may not be the  
15 same size as the HUD only for the enhancement  
16 practices, and an individual producer would  
17 have the ability to pick and choose which  
18 enhancements they would want to write into  
19 their particular contract.

20 That was an important thing that I  
21 thought I should go ahead and clarify as we  
22 are going through this process.

23 The couple of other items that I might  
24 mention, one of the important things for us

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1 to receive comments as well on from folks  
2 will be the self-assessment process that an  
3 individual producer will need to do, and we  
4 will be further along with that in fairly  
5 short order.

6 One of the speakers mentioned, and I am  
7 quite cognizant of the fact, that we have a  
8 limitation on how much can be expended by the  
9 agency in delivery of the program. So in  
10 that concept we cannot spend more than 15  
11 percent of the moneys for the program on  
12 delivery of it. That is lower than what it  
13 normally costs to deliver our other programs.

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14 That means that we have to find a  
15 different means of delivery, and one of the  
16 things that's being considered is to set up a  
17 platform whereby an individual producer can  
18 do a self-assessment so that your  
19 self-assessment becomes the basis from which  
20 the CSP application can be taken from.

21 That can be a web-based  
22 self-assessment. It can also be a paper  
23 self-assessment, which will be very important  
24 to insure that it is available whether or not

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1 you are computer savvy and have a computer or  
2 whether you would prefer to work with paper.  
3 But that's one of the things we will need  
4 comments from you on, on how to move forward  
5 with that.

6 Those are a couple of the  
7 clarifications I felt it was very important  
8 to point out. Craig, any other  
9 clarifications that --

10 MR. DERICKSON: Those are the two  
11 issues I was thinking of.

12 MR. KNIGHT: Okay. And I want to again  
13 repeat my appreciation for those comments. I  
14 listened very carefully. You have got a good  
15 lengthy time period for the comments. These  
16 comments are very, very important.

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17                   One of the reasons we are doing the  
18 listening sessions is that we have gone  
19 through over the last year several rules and  
20 regulations.

21                   And as I looked through the kind of  
22 comments associated with the programs we have  
23 had for a while, EQIP, WRP, as I looked over  
24 those comments and tried to assess on how to

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1                   move forward on a managing agency, it's very  
2 clear to me that if we launch a new program  
3 that's as innovative as this, the bends and  
4 mods and modifies and changes in the way the  
5 agency and the farm community does business  
6 as it pertains to conservation, such as the  
7 Conservation Security Program, we need to be  
8 more dynamic in the outreach than a simple  
9 passive printing in the Federal Register and  
10 wait for the comments to come in.

11                   That's why we are going out with these  
12 listening sessions. There will be more  
13 around the country. There are nine others  
14 that are going to occur. There may be more  
15 that occur at the state level.

16                   But this has been a very important and  
17 vibrant kickoff of this, and I appreciate  
18 very much your participation in this process

19                   VATranscripts  
today. Thank you.  
20                   MS. DOETZER: That concludes our  
21                   program for today. And, again, many thanks.  
22                   Safe passage home. And we will accept any  
23                   written comments today.  
24                   (The Session was adjourned at 3:43 p.m.)

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1                   C E R T I F I C A T E  
2                   COMMONWEALTH OF VIRGINIA  
3                   CITY OF ROANOKE  
4                   I, Mary J. Butenschoen, RPR, Notary Public in  
5                   and for the Commonwealth of Virginia, at Large, do  
6                   hereby certify that the proceedings were by me reduced  
7                   to machine shorthand, afterwards transcribed by me by  
8                   means of computer, and that to the best of my ability  
9                   the foregoing is a true and correct transcript of the  
10                  proceedings as aforesaid.  
11                  I further certify that these proceedings were  
12                  taken at the time and place specified in the foregoing  
13                  caption.  
14                  I further certify that I am not a relative,  
15                  counsel or attorney for either party, or otherwise  
16                  interested in the outcome of this action.  
17                  IN WITNESS WHEREOF, I have hereunto set my hand  
18                  at Roanoke, Virginia, on the 17th day of January,  
19                  2004.  
20  
21

VATranscripts

MARY J. BUTENSCHOEN, RPR  
NOTARY PUBLIC

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23 My Commission expires May 31, 2005

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