

**Statement of James R. Lyons**

Under Secretary for Natural Resources and Environment  
Before the Senate Appropriations Subcommittee on Agriculture,  
Rural Development, and Related Agencies.

Mr. Chairman, Members of the Committee. It is my pleasure to outline for you the fiscal year 1999 budget request for the Department of Agriculture's Natural Resources Conservation Service (NRCS).

The budget plan that the President recently presented to Congress is an historic proposal. Founded upon the notion that the commitment and contributions of individuals will ensure a better tomorrow, the FY 1999 budget proposal gives Congress and the Administration the opportunity to reverse three decades of budget deficits and burdening debt. In a sense, this Budget proposes to build a legacy for the American people of fiscal integrity and responsibility. It ensures our children the promising future of a productive and prosperous economy. Under this proposal, everyone has a part to play. And more than ever before, local people will be challenged to take the lead and ownership for that which they value the most.

I would like to speak today of another legacy which our 1999 Budget Proposal challenges us to begin. That is the legacy of conservation and land stewardship in America. We speak frequently about the programs and activities that we provide and attempt to quantify them in terms of dollars of financial assistance provided, and tons of topsoil that we preserve. However, we rarely take a step back and look not only at a bigger picture of the landscape, but to gaze beyond the horizon into the future of our resources. I

believe we would all like to ensure that citizens who want to help themselves will have the resources and knowledge available to meet their future needs.

As we consider the FY 1999 Budget and the personal commitment that we are asking of citizens, we find no better historic and present example of local leadership and ownership, than in America's conservation movement. In response to the alarming realization that the future viability and productivity of domestic agriculture was at stake, conservation activities on private lands were solidified and organized with a strength from which we continue to benefit. There are many parallels between the nation's response to the Dust Bowl and the current effort to balance the Federal budget. But more importantly, what I would like to talk about today, is how we proceed to the next level -- how we foster a conservation ethic in America well beyond a balanced budget, the duration of current program authorizations, or even our own tenure as public servants.

What we have learned from witnessing the success of the Conservation Partnership over sixty years is that folks want to help themselves. They only need some guidance and a helping hand from time to time. This helping and guiding hand is the foundation upon which the conservation legacy must be built. We are all familiar with the story of how a house built upon sand was swept away by the rains, while the house built upon the rocks endured. So too, conservation must be founded upon a rock-solid base that will not erode with time.

This foundation is the conservation partnership which should be bolstered and strengthened so that it may serve us for generations to come. We sometimes refer to our farm programs as tools that are used to assist the landowner build conservation practices and structures. Furthermore, we might think of our conservation field staff as the carpenters with the knowledge and skills to put those tools to work. But we all know that

we cannot build a lasting structure without a firm foundation. This groundwork is the legacy that we must preserve and strengthen for future generations.

- *Clean Water Initiative.* Perhaps no better example provides a picture of the legacy that NRCS strives to build than the Clean Water Action Plan. On October 18, 1997, the 25th anniversary of the Clean Water Act, the Vice President challenged Federal agencies to develop a clean water plan that would address three goals -- protecting public health, preventing polluted runoff, and promoting community-based watershed management. More specifically, the plan calls for specific actions including identifying sources of nitrogen and phosphorus in water; achieving a net gain of 100,000 acres of wetlands per year by 2005; and promoting “smart growth” that is compatible with clean water.

The Clean Water Action Plan, contains common sense goals that are highly valued by the public. It also reveals a clear consensus that watershed-based assistance, and the kinds of voluntary conservation work NRCS supports are a preferred approach to ensuring lasting conservation measures in communities. As a result, NRCS will have a leading role in helping achieve the goals that are part of the President’s Clean Water Initiative. On many accounts, the challenge that has been presented to Federal agencies involved in this initiative are far reaching and present a formidable task in the time frame that has been established. However, the resource of NRCS technical assistance and the program tools that are presented in this budget proposal, represent the foremost resource that is available to the public to accomplish the goal of improving water quality across the nation.

The Clean Water Action Plan will help landowners. It will encourage Federal, State and local governments to develop agreements that clarify their roles and responsibilities, enhance coordination and efficiency, and reduce duplication effort. Citizens and

landowners will realize a more streamlined process to government programs and assistance, with fewer office visits and program application forms required.

Without doubt, the environmental challenges facing agriculture with respect to water quality and availability are daunting. Every day we read or hear about concerns from across the country about the quality of drinking water supplies, conflicts over the availability of water for agricultural and urban uses, and about wildlife needing water and habitat in order to survive. For these and all the other similar issues, USDA does not accept the premise of many that places sole responsibility on agriculture. But USDA also believes that it is agriculture's primary responsibility to address these challenges aggressively and effectively.

The proposed FY 1999 budget request strives for a balance in spending that will provide farmers and ranchers with sufficient financial incentives for conservation work, including targeted land retirement, while continuing to focus on technical assistance as the basis for these activities. The budget will allow us to continue to work cooperatively with state conservation agencies, local conservation districts, and our agency's many other public and private-sector partners in assuring an adequate measure of conservation on our Nation's working land.

The following table shows the major items in this year's budget request, including CCC funded programs, and contrasts them with the comparable figures from the two prior fiscal years.

(Dollars in Thousands)

<u>Appropriation</u> (In thousands of dollars)	FY 1997	FY 1998	FY 1999
CONSERVATION OPERATIONS	620,219	633,231	742,231
WATERSHED AND FLOOD PREVENTION OPERATIONS	226,660	101,036	49,000 <u>a</u>
RESOURCE CONSERVATION & DEVELOPMENT	29,377	34,377	34,377
WATERSHED SURVEYS AND PLANNING	12,381	11,190	<u>a</u>
<u>CCC Funding</u>			
WETLANDS RESERVE PROGRAM (WRP) <u>b</u>	99,308	218,597	123,741
WILDLIFE HABITAT INCENTIVES (WHIP)	0	30,000	20,000
ENVIRONMENTAL QUALITY INCENTIVES PROGRAM (EQIP)	200,000	200,000	300,000
CONSERVATION FARM OPTION (CFO)	0	15,000	25,000
FARMLAND PROTECTION PROGRAM (FPP)	\$ 2,000	\$ 18,000	\$ 0

a Technical Assistance for Watershed and Flood Prevention Operations and Watershed Surveys and Planning is included under the Conservation Operations Account.

b Does not include technical assistance costs funded from unobligated WRP appropriation balances; FY 1997 -\$12 million; FY 1998 - \$18 million; FY 1999 - \$ 4 million.

Now, let me describe how NRCS differs from other federal agencies and summarize the unique characteristics and assets that make it the foundation for a conservation legacy on private lands.

## BUILDING UPON THE ASSETS OF THE NATURAL RESOURCES CONSERVATION SERVICE

NRCS provides natural resources conservation assistance primarily on private lands. More than 70 percent of the land in the contiguous United States is privately owned, including virtually all of the Nation's agricultural lands. It is on the private lands where millions of individual decisions are made by farmers and ranchers, that the ultimate success of the majority of our natural resource efforts will succeed or fail in helping meet the twin goals of productive agriculture and an economically and environmentally sustainable future.

- *Technical Assistance*

The foremost tool that we use to meet our goal and the most fundamental building block of the conservation legacy is the technical assistance that our field staff and partners provide to our customers. We try hard to define what technical assistance is on many accounts. There are tables and graphs that show the number of hours that a technician spends on a number of different functions on a day to day basis, and the many types of educational, engineering, and scientific functions that they serve. In addition, NRCS will continue to work toward quantifying assistance to fulfill provisions of the Government Performance and Results Act. But really, the definition of technical assistance is quite simple. It consists of all the things that our staff do to advance our mission of conserving, improving, and sustaining natural resources.

It has been said in athletics that the great teams are the ones that do all of the “little things”. I believe that the success of NRCS and its partners are a testament to this theory. The tasks may not always be glamorous, and to a casual spectator they may very well remain overlooked. But still, all of the things NRCS staff do on a daily basis contribute greatly toward the common goal of moving the conservation effort forward. This might mean preparing a soil probe truck long before twilight to visit a rancher at the far end of the county. It might mean taking extra time to assist low-income producers to ensure that their program applications are clear and complete. Or it may entail transferring duty stations to another part of the region to assist fellow workers with Emergency Flood engineering work that could save a community. Conservation technical assistance takes many shapes and forms. However, our support of this work is fundamental to the conservation legacy we seek and ensuring the stewardship in the communities of tomorrow.

*Civil Rights.* As we speak of building a legacy of land stewardship in America, I would like to underscore the contributions that NRCS is making toward ensuring equitable service and opportunity for all customers and employees of USDA. NRCS has had a good record of ensuring diversity and opportunity in the past, however I believe we can do better. Throughout various program and technical assistance activities, NRCS will work hard to provide the necessary outreach and assistance to ensure that our customers have easy access to services. In response to the Civil Rights Action Team report, the Secretary has undertaken many steps to improve the Department’s activities and policies in this area. I am confident that NRCS will continue to seek proactive ways to better serve minority and low income customers. One of the hallmarks of the conservation assistance is that it is available to anyone, anywhere. That includes areas that are not typically designated as high workload areas based upon farm program participation, population, or other demographic factors. By offering basic and universal conservation assistance on a national basis, NRCS

offers minority and limited resource farmers a needed helping hand. Clearly, a legacy of conservation on private lands must be built with the participation of everyone.

NRCS is the only Federal agency whose major purpose is to provide conservation technical assistance to private landusers across the country. The agency's focus is on helping landowners and users achieve natural resource and environmental goals while maintaining productive and profitable operations and economically viable rural communities. NRCS has had some significant successes in the past, and the structure is designed to continue that success in the future. A few of its many assets include the following:

- *Delivery system.* NRCS has a nationwide network of professional staff at the local level that provide conservation technical assistance to owners and users of privately-owned land. This nationwide delivery system is based on a partnership that combines a Federal natural resource presence at the local level with locally sponsored and controlled conservation districts and their employees and state conservation agencies and their employees. This conservation infrastructure is interwoven and interconnected at the local, State, and Federal levels with complex relationships and program support systems that are interdependent. The local field staff provide the kind of site-specific technical assistance individual private landowners need and want.

- *Technical skills.* NRCS' natural resource specialists are trained to deliver technological support to groups and individuals quickly, efficiently, and consistently nationwide. Through our regional framework, NRCS technical staff are able to apply their knowledge of soil science, engineering, landscape architecture, agronomy, biology, range management, economics, geology, and other fields with a much greater degree of sensitivity to local conditions. NRCS field staff working in partnership with the local

conservation districts are used as a primary source of help by local people -- and often by people administering programs for other Federal, State, and local agencies. About 9,000 staff are at the local level.

- *Technical excellence.* Throughout government and private industry, NRCS specifications for soil and water conservation practices *are* the national standard. In addition, the agency is the leader in soil classification and soil mapping. Recently, in recognition of the vital importance of soil quality, NRCS has made a commitment to better understand and emphasize the fundamental role of soil quality.

- *Natural resource planning experience.* NRCS has vast experience in broad-scale planning in watersheds and other areas and site-specific planning on farms and ranches to address natural resource concerns. Effective natural resource planning in the future will require this type of planning process to develop effective solutions that meet the needs for a sustainable land and its people. NRCS is now serving as a catalyst by providing coordination to bring local people together with skilled technical people to develop and implement meaningful solutions. These planning efforts are provided through the Watershed Survey and Planning Program, the Resource Conservation and Development (RC&D) Program, and Coordinated Resource planning provided through Conservation Operations.

- *Partnerships and volunteerism.* Since its creation, NRCS has operated through voluntary cooperative arrangements with individuals, the private sector, and Federal, State, and local governments. The value of NRCS technical assistance is recognized by local and State partners; equally, we recognize the invaluable contribution of volunteers, who contribute immeasurably to conservation efforts. Americans from all walks of life have freely and generously given of their time to the volunteer arm of NRCS, known as the

Earth Team. In fact, in FY 1997, some 15,518 NRCS Earth Team volunteers donated 534,668 hours to conservation efforts. As calculated by the Points of Light Foundation, this equates to an additional \$8,300,000 in direct assistance to private landowners for natural resource protection, an increase of nearly 30 percent from FY 1996.

- *Local people as decision-makers.* When NRCS provides conservation and program assistance, the agency works under mutual agreements with some 3,000 conservation districts that are established under state law. About 17,000 local conservation district supervisors provide the agency with invaluable guidance. The NRCS cooperative team structure is an established and practical example of how Federal programs can be managed with local guidance at the local level. It is crucial to remember that the agency's approach is a voluntary one. Our professionals provide options for problem-solving -- developed in conjunction with customers, but it is the customers who make the final decisions.

- *Leverage.* State and local governments contribute substantially, with both people and dollars complementing NRCS technical assistance.. Without NRCS technical assistance, which greatly enhances the value of State and local efforts, these funds almost certainly would not have been spent on natural resource protection. In a sense, this cooperation constitutes a two-way leveraging: State and local programs and NRCS benefit from each other's involvement.

Now I will describe our programs and plans for FY 1999.

## PROGRAM EFFECTS AND THE FY 1999 BUDGET REQUEST

The activities of the Natural Resources Conservation Service serve the Nation in numerous ways and provide many indirect benefits. The programs and services provided by NRCS involve direct assistance to landowners on an individualized basis. However, this assistance results in even greater benefits for the public at large that encompass ensuring potable drinking water, cleaner air, and a sustainable supply of productive land. In many instances, NRCS involvement spurs local investment and as a result, enhances local economic activities as well. In other cases, NRCS is simply present to help landowners help themselves. By supporting voluntary conservation and fostering stewardship, the agency ensures support that is not available or provided by other government or private entities. In addition, NRCS serves as a vital link between the science of resource conservation and the practice of land stewardship on the ground. The data and expertise which the agency offers, are truly a treasure for the communities around the country that turn to NRCS everyday for help. These services are an essential component of the conservation fabric of the Nation. I will briefly highlight several for you.

*CONSERVATION OPERATIONS* is the foundation for most of the agency's activities. Conservation Operations represents a long-standing and historical partnership of interests all working in a concerted effort toward a sustainable and productive nation. The following programs and initiatives are funded through conservation operations and represent the legacy of conservation on private lands:

- *AMERICA'S PRIVATE LANDS CONSERVATION* is the cornerstone for most agency activities. This account (formerly Conservation Technical Assistance) has been renamed to more accurately represent its uniqueness as the sole federal conservation technical assistance program on private lands. The FY 1997 appropriations were \$529,150,000; and the FY 1998 comparable appropriations are \$541,739,000. The FY 1999 budget request is \$589,110,000.

The proposed funding levels represent support to the functions and activities that are vital to meeting the mission of conserving, improving, and sustaining our natural resources for the future. Conservationists on the ground are under increasing demand for their services, as they tackle new programmatic responsibilities while retaining a commitment to the community for providing basic assistance to landowners in need. It is our goal to ensure NRCS staff support to grassroots watershed partnerships and the development of conservation plans for communities. Throughout the nation, NRCS conservationists facilitate and enable local action. Technical assistance funding ensures the presence of these individuals and promotes voluntary conservation.

During fiscal year 1997, NRCS assisted approximately 800,000 private landowners in preparing conservation plans and implementing conservation systems, as well as providing assistance to units of government in developing area wide conservation plans and goals. This resulted in conservation treatment on over 100 million acres of land, including cropland, rangeland, pastureland, woodland, and other land. While the Federal Agriculture Improvement and Reform Act (1996 Act) has provided valuable new tools to assist landowners with their needs, the workload associated with support for the Conservation Reserve Program (CRP), the Agriculture Market Transition Act (AMTA) and several others will place further demands on our field staff. Also, because both agriculture and the environment are constantly changing, the agency and programs are constantly evolving.

NRCS is regularly required to provide new plans and conservation systems as land use and the needs of the landowner change. Our proposed increase in funding for America's Private lands Conservation is reflective of the increased need.

The proposed funding level for Conservation Operations also represents a continued cooperative effort between NRCS and its conservation partners including Conservation Districts, Resource Conservation and Development Councils, and other non-profit and community action groups. The relationship between NRCS and its partners represents a catalyst that empowers local people to become involved in conservation activity. In addition, the funds that are appropriated by Congress are leveraged and matched by the hard work and resources of the thousands of partners and volunteers in virtually every aspect of NRCS operations. The budget request calls for \$20 million to be set aside for Partnership Grants in support of the President's Clean Water Initiative. The grants will be used to strengthen the leadership of locally-based institutions through the hiring of non-federal watershed coordinators. The goal of this activity will be to improve water quality in watersheds that show particular signs of degradation.

In the past decade, major strides have been made in reducing erosion; improving soil and water quantity and quality, air quality, pasture and range conditions; improving and conserving wetlands and woodlands; enhancing fish and wildlife habitat; and reducing upstream flooding. We are proud of the gains that have been made. While the combined value of education, technical and financial assistance is well illustrated, more remains to be done. The proposed level of technical assistance funding will accelerate building the legacy of land stewardship that will benefit the Nation for generations to come.

•*Year 2000.* One of the necessary steps toward a legacy for conservation is to ensure that our technical tools and information infrastructure will be available for years to come. Many concerns have been raised with respect to information technology of NRCS and other USDA agencies. I am happy to report that all NRCS systems will meet the Office of Management and Budget target compliance date of March 1999. NRCS has 15 critical information technology systems. Renovation has been completed for eleven of these systems and are currently undergoing validation testing to ensure that they are compliant. The remaining four systems are being reengineered and will be completed by March, 1999.

• *Highly Erodible Land Conservation (HELC).* Since 1985, NRCS has devoted a significant portion of its technical assistance resources to helping farmers and ranchers meet the highly erodible land conservation provisions. With NRCS technical assistance, more than 1.7 million plans have been prepared covering about 142 million acres of highly erodible land, and 95 percent of those plans were implemented by the mandated deadline of December 31, 1994. Between 1985 and 1995, technical assistance was provided to nearly one million decision-making land owners and users each year; one result is that soil erosion has been reduced by over a billion tons annually. By the end of FY 1995, all the highly erodible plans were installed. The Federal Agriculture Improvement and Reform Act of 1996 provided amendments that have made HELC compliance requirements more farmer friendly and have provided USDA with additional options in assisting producers with compliance status, reduced the burden of complying with the HELC provisions and have provided USDA with additional tools to use in working with producers.

However, all producers who receive USDA program benefits must fully apply a conservation plan or use an approved conservation system on highly erodible land.

Therefore, NRCS continually assists producers in developing plans for land that they acquire and in making changes in their current plans so that their practices may reflect changes in cropping systems, weather conditions, and economic incentives. Our experience has shown that approximately 20 percent of producers will change their conservation systems each year. This figure may be slightly higher in the next few years as producers begin to respond to market signals as a result of the Agricultural Market Transition Act Program (AMTA).

- *Wetland determinations and certifications.* The 1996 Farm Bill changed Swampbuster to give farmers greater flexibility in complying with wetland conservation requirements and in making wetlands more valuable and functional. As a result, NRCS now determines areas subject to Swampbuster and responds to requests from farmers who plan activities that may adversely impact wetlands. NRCS certifies wetland determinations only upon request when clients propose a project to alter the hydrology or bring new land into production. Responding only to “need” ensures that requests from clients are serviced in a timely manner and that certifications are conducted where absolutely necessary. Certified determinations stay in effect as long as the land is used for agricultural purposes (unless a violation occurs) or until the owner or operator requests a review after natural events change the topography or hydrology of an area. Under the terms of the 1994 Wetlands Memorandum of Agreement (MOA), certified wetland determinations will be valid for both Swampbuster and 404 of the Clean Water Act (CWA). Landowners have continued to request a number of certified wetland determinations and these requests are expected to increase as these issues continue to play themselves out in Congress. Also, the enrollment in AMTA generated requests to NRCS for over 25,000 new wetland determinations.

Aside from determinations, changes initiated by the 1996 Act have increased the activities of NRCS in wetland mitigation. NRCS provides assistance to landowners who wish to enhance existing wetlands, restore former wetlands, and create new wetlands to offset loss from planned conversions or alterations. These options, while creating increased opportunity and flexibility for landowners, require a great deal of attention by NRCS field staff, who assess the function and values of individual wetlands and provide the customer with technical assistance in every phase of the mitigation process. Other changes by the 1996 Act include policies in determining if a planned activity will have a minimal or inconsequential effect on wetland functions, and also revises the concept of abandonment. When done under an approved conservation plan, landowners with farmed wetlands and farmed wetland pastures may allow an area to revert to wetland status and convert it back at a future date without violating Swampbuster. Thus far, interest and participation in these wetland activities has been widespread among landowners. While NRCS welcomes the opportunity to provide landowners with additional services and flexibility, marked workload increases are seen throughout the Nation.

- *Grazing Land Conservation Initiative (GLCI)*. This grassroots-driven initiative has helped NRCS better define the resource needs and benefits generated when grazing lands are improved. NRCS has been requested by this group to continue technical assistance to livestock producers on private grazing lands. Grazing lands include rangelands, pasture, hayland, and grazed forestlands.

Natural Resources Inventory (NRI) analysis of range vegetation shows that over 15 percent of non-Federal rangelands are in poor condition; over 44 percent are in fair condition; 34 percent in good condition; and only 6 percent in excellent condition. The NRI indicates that 75 percent --nearly 299 million acres -- of non-Federal rangelands need conservation treatment. Properly managed grazing land represents a renewable resource

for producing food and fiber. Vegetative cover on well-managed grazing lands contributes to: 1) increased water quality and quantity; 2) improved wildlife habitat; 3) reduced soil erosion and sedimentation; and 4) improved riparian areas. For FY 1999, an additional \$3 million is requested for NRI needs associated with Land Health Monitoring and assessment work in support of the President's Clean Water Initiative. This effort will enable NRCS to develop baseline assessments, integrate compatible inventories, and evaluate program impacts.

In addition, livestock management means better management of waste nutrients as well. No doubt, over the course of 1997, there was a heightened awareness on the part of the public about issues of animal agriculture and waste management. Conservation Operations will continue to support technical assistance for these unmet conservation needs and will provide additional assistance within current funding levels as the field level workload permits. In FY 1998, NRCS was able to continue support for a Grazing Land Conservation Coordinator position in each of the fifty states. This position helps us to provide multi-resource technical assistance to support grazing lands conservation and water quality improvement on rangelands and begin the process of rebuilding the agency's expertise in rangeland conservation, a capability demanded by our customers.

- *Urban Conservation*

Another area of attention has been the work of NRCS in urban and suburban conservation. Natural resources do not recognize the boundary between urban and rural areas and to ignore their interaction within a watershed would not do justice to either. The watershed approach to resource conservation has been widely acclaimed and highly successful. However, when we begin to examine and work to rehabilitate the health of a watershed we must include all contributing factors that may be present, including community and residential elements. The efforts of NRCS are aimed to improve water

quality and protect our natural resources while maintaining and enhancing production. The demand for assistance with issues such as water quality and soil erosion prevention are matters that effect everyone, and workable solutions must include the participation of everyone. NRCS has had great success in utilizing the science and technology that it has gained in its 60 year history to all types of resources in many settings. Likewise, the expertise in soil and water quality that the agency has gained is well suited and easily applied to help communities realize their goals for ecosystem health. We will continue to work together as neighbors to achieve actual goals.

- *Snow survey and water supply forecasts* provide western states and Alaska with vital information on summer water supplies. The FY 1997 appropriation was \$5,835,000; the FY 1998 appropriation is \$5,835,000; and the FY 1999 request is \$5,990,000. NRCS field staffs provide necessary leadership, standardization of procedures, and automation to a partnership of Federal, State, and local personnel to collect snow-pack data from more than 1,200 remote high mountain sites. Data are collected with many partners, including Conservation Districts, Bureau of Indian Affairs, Bureau of Land Management, Forest Service, the National Weather Service, Army Corps of Engineers, Bonneville Power Administration, and many State and local entities both public and private. After compiling and analyzing the data, NRCS is able to provide snowpack estimates and water yield on a monthly basis throughout the snow melting period. The knowledge gained through this effort supports critical decisions on billions of dollars of agricultural production, municipal water supply, hydroelectric and industrial water supply, flood control, and water flow requirements for fish and wildlife. This modest program contributes substantially to the economic and environmental well-being of a very large part of the country.

- *Soil Surveys* provide the public with local information on the uses and capabilities of their soil resources. The FY 1997 appropriation was \$76,409,000; the

FY 1998 appropriation is \$76,409,000; and the FY 1999 request is \$78,323,000. Soil surveys are based on scientific analysis and classification of soils and are used to determine land capabilities and conservation treatment needs. The published soil survey for a county or designated area includes maps and interpretations with explanatory information that is the foundation of resource policy, planning and decision-making for Federal, State, county, and local community programs. Homeowners and landowners also use soil survey information when making decisions. Soil surveys are conducted cooperatively with other Federal agencies, land grant universities, State agencies, and local units of government, many of whom contribute funds and staff.

Soils information has been gathered over many years and is primarily contained in published soil survey manuscripts and maps. There is a need for digital soils data for use in geographic information systems (GIS). NRCS has the leadership role for coordinating the development, maintenance, and distribution of a modernized digital soils data base. Geographically referenced digitized soil survey data, along with orthophotography will provide the accurate reference base needed for computer-assisted conservation, natural resource planning, and for geographic referenced data sharing. In addition, digitizing the soil surveys provides efficiency when updating and maintaining the soil survey data.

Funding opportunities are constrained for all agencies; therefore, NRCS is aiming to expand the resources available for all. The budget includes \$20 million for bonus payments rewarded to those States that increase their conservation spending and/or maintain spending above a specified threshold. By leveraging these incentive payments, conservation funds from State and private sources can be increased. Also, to further increase contributions, the budget proposes that NRCS collect user fees for certain products and services.

• *Plant Material Centers* assemble and test plant propagation and the usefulness of plant species for biomass production, carbon sequestration, erosion reduction, wetland restoration, water quality improvement, stream bank and riparian area protection, coastal dune stabilization, and to meet other special conservation treatment needs. The Plant Materials Centers also focus on the important role of native species in ecosystem functions. The FY 1997 appropriation was \$8,825,000; the FY 1998 appropriation remained at \$8,825,000; and the FY 1999 budget request is \$7,825,000. This reduced level requested for Plant materials Centers reflects the conclusion of an extensive renovation and modernization efforts that were started in 1994. Plant materials represent inexpensive, long-term conservation solutions to many environmental and natural resource problems and their maintenance costs are usually low. Many landowners and managers willingly use plant materials, if available, to meet their conservation needs.

The work at the 26 centers is carried out cooperatively with State and other Federal agencies, commercial businesses, and seed and nursery associations. Plant Materials Centers play an important research and development roles since most commercial nurseries will not develop new plant materials due to limited markets, but will grow and market the stock once a dependable plant has been developed. After species are proven, they are released to the private sector for commercial production.

• *Water Resources Assistance* is a new account under Conservation Operations for FY 1999. Water Resources Assistance contains the technical assistance dollars that have been previously included in the Watershed and Flood Prevention account. The FY 1999 requested funding level for Water Resources Assistance is \$ 70,983,000. This is a \$ 9.8 million increase from FY 1998. This requested funding level would enable approximately 92 Federal watershed coordinators to develop project work plans; coordinate volunteers, projects, and watershed council activities in 40 priority watersheds.

The funding request for FY 1999 also includes an increase of \$ 1 million to evaluate the condition of the aging infrastructure created by previous works of improvement installed under our watershed programs and to help sponsors implement environmentally acceptable and economically justified watershed projects in a timely manner. NRCS has assisted project sponsors to install over 15,000 individual measures since 1944. An integral part of many of these projects was structures for flood and water control, municipal and industrial water supply, and recreation. Since their installation, conditions surrounding the structures have changed due to an increase in population, residences built below the structures, upstream land use changes, and changed Federal and State dam safety regulations. By FY 2000, approximately 2,000 of the aging structures could require significant restoration. The safety and stability of these installations are in question with serious threats posed to life and property. Clearly, there are major public health, safety, and environmental risks that must be addressed so that a legacy of sound watershed projects can be ensured.

•*Watershed and Flood Prevention Operations* is the first and only national program that helps local organizations plan and install watershed-based projects on private lands. It provides site-specific technical expertise and locally based watershed planning and financial assistance for plan implementation. The Watershed Program provides a process to solve local natural resource problems and avoid excessive regulation. FY 1997 funding for PL-534 and PL-566 was \$101,036,000; the FY 1998 financial assistance funding was \$51,036,000; and the FY 1999 request is \$49,000,000. The difference from FY 1998 levels is due to a shift of technical costs to the Conservation Operations account and the presentation of financial assistance activities under Watershed and Flood Prevention Operations. The authorized purposes of watershed projects include watershed protection, flood prevention, water quality improvements, soil erosion reduction, irrigation water

management, sedimentation control, fish and wildlife habitat enhancement, wetland creation and restoration, and public recreation. The program empowers local people as decision-makers, builds partnerships and requires local and State funding contributions and ownership.

We aim to focus resources to address the backlog of approved watershed infrastructure projects. NRCS recognizes the need to meet currently unfunded commitments to stakeholders and sponsors. Currently, there are over \$ 1.5 billion in need for P.L. 566 and P.L. 534 projects combined. Local sponsors have demonstrated their support and await action by their Federal partner to do the same. The process of allocating funding to approved projects will be based on a competitive process that funds those projects with the highest environmental and commercial benefits, which will enhance NRCS's ability to succeed in its strategic plan.

- *The Emergency Watershed Protection (EWP)* program provides assistance to reduce hazards to life and property in watersheds damaged by severe natural events. An emergency is considered to exist when floods, fires, droughts, or other natural disasters result in life and property being endangered by flooding, erosion, or sediment discharge. In calendar year, 1997, EWP was employed in 26 states providing disaster assistance including hurricane, flood, and fire rehabilitation.

Technical and financial assistance under the EWP program is available for small-scale, localized disasters not necessarily declared as national in scope. Among the emergency activities, generally performed with temporarily employed local labor, are disaster cleanup and subsequent rebuilding; restoring stream corridors, wetland and riparian areas; establishing quick vegetative cover on denuded land, steep land, and eroding banks; opening dangerously restricted channels; repairing diversions and levees, and

assisting the Federal Emergency Management Agency when it plans and relocates communities away from floodplains.

•*Resource Conservation and Development (RC&D)* is a program initiated and directed at the local level by volunteers. The FY 1997 appropriation was \$29,377,000; the FY 1998 appropriation is \$34,377,000; and the FY 1999 budget request remains at \$34,377,000.

Each RC&D area encompasses multiple communities, various units of government, municipalities, and grassroots organizations. The RC&D's represent a creative approach for helping citizens address multi-jurisdictional natural resource and community development issues. NRCS provides coordination to the program which serves as a catalyst for these civic oriented groups to share knowledge and resources, and it leverages public and private funds to solve common problems -- including economic development -- in a given area. Assistance is obtained from the private sector, corporations, foundations, and all levels of government. Historically, every dollar of NRCS technical and financial assistance for this program and applied directly to local projects, has been matched by about \$13 from other sources. By fostering local ownership and self sustenance for conservation and rural development projects, we believe that RC&D will contribute greatly to the legacy of locally-led action. The 1999 request will support the 290 RC&D areas currently authorized as well as any new area authorizations made in 1998.

*Commodity Credit Corporation Programs.* NRCS also administers, on behalf of the Commodity Credit Corporation (CCC), several cost-share programs, including those set forth in the Federal Agriculture Reform and Improvement Act of 1996 (1996 Act) and also provides technical assistance to individuals and groups participating in the Conservation Reserve Program, which is administered by the Farm Service Agency. The conservation programs provided by the 1996 Act, which NRCS administers on behalf of CCC, include the Environmental Quality Incentives Program (EQIP), Wildlife Habitat Protection Program (WHIP), Farmland Protection Program (FPP), and Conservation Farm Option (CFO). The 1996 Act also amended the Food Security Act of 1985, to the continued implementation of the Wetlands Reserve Program (WRP) which NRCS administers on behalf of CCC.

The *Environmental Quality Incentives Program (EQIP)* provides in a single, voluntary program flexible technical, financial, and educational assistance to farmers and ranchers who face serious threats to soil, water, and related natural resources on agricultural land and other land, including grazing lands, wetlands, forest land, and wildlife habitat. Assistance is provided in a manner that maximizes environmental benefits per dollar expended, while assisting producers with issues such as local environmental laws or community identified environmental needs.

Funds of the CCC are used to fund the assistance provided under EQIP. For fiscal year 1998, \$200 million was available to implement the EQIP. The program is primarily available in priority conservation areas throughout the Nation. The priority areas consist of watersheds, regions, or areas of special environmental sensitivity or having significant soil, water, or related natural resource concerns. For Fiscal Year 1997,

nearly 71 percent of the EQIP financial assistance funding was provided within priority areas. The process for selecting these priority areas begins with the local conservation district(s) convening local work groups, which are a partnership of the conservation district, NRCS, Farm Service Agency, Farm Service Agency county committees, Cooperative Extension Service, and other state, local, and tribal entities with an interest in natural resources conservation. They develop proposals for priority areas, develop ranking criteria to be used to prioritize producer's applications for EQIP, make program policy recommendations, and other related activities. The priority areas recommended to NRCS by the local work group are submitted to the NRCS State Conservationist, who with the advice of the State Technical Committee sets priorities for the program, including approval of priority areas. Over 600 priority areas were approved by the State Conservationists and about 550 of these were funded. Funds are made available to the States based upon the quality of the priority area proposal, local initiatives, and the environmental needs of the affected areas.

The program has been very successful. We received nearly 60,000 applications in FY1997. NRCS estimates that it would require over \$550 million to fully fund all of the applications received last year, alone, which is three times the available financial assistance funds. After NRCS ranked the applications based on criteria developed at the local and state level, FSA county committees approved over 22,000 long-term contracts with farmers and ranchers. The EQIP financial assistance on these contracts will exceed \$174 million.

Based on the fact that requests for assistance far exceed available funding, there is a need to continue to prioritize and focus our efforts so that we meet our Congressional mandate to maximize environmental benefits per dollar expended. We expect that in FY 1999, continued interest in animal nutrient management will spur an increase in EQIP participation in this area. The nutrient management focus of the program will help meet

national objectives of water quality, while involving farmers and ranchers in voluntary and cooperative solutions. Utilizing inventory and assessment tools, NRCS will continue to build the capacity of local communities to inventory and assess their watersheds to identify needs for nutrient management and priorities for conservation treatment. In addition, EQIP outreach, education, and information efforts will include working with conservation partners to launch efforts within priority watersheds to inform landowners and communities of the opportunities to improve water quality and agriculture production through soil conservation and nutrient management. The 1999 budget proposal seeks by proposed legislation to increase funding for EQIP by a total of \$350 million through Fiscal Year 2003. NRCS would receive an additional \$100 million in FY 1999 and FY 2000, and \$50 million in each subsequent fiscal year through 2003. The increased funding would be directed toward technical, financial, and educational assistance to farmers in addressing problems associated with agricultural runoff and would support the President's Clean Water Initiative. The request will also help with increased assistance to minority and limited resource farmers to ensure participation in the program. The technical assistance component would be funded initially at the 10 percent level.

The *Wildlife Habitat Incentives Program (WHIP)* provides for implementing wildlife habitat practices to develop upland wildlife habitat, wetland wildlife habitat, threatened and endangered species habitat and aquatic habitat. WHIP provides a significant opportunity to restore native habitat, help landowners understand how to best meet their own needs while supporting wildlife habitat development, and to develop new partnerships with State wildlife agencies, nongovernmental agencies and others.

WHIP is a solely voluntary program, whose projects encompass a wide array of wildlife practices. Projects performed under the program include advancing the following measures: upland wildlife habitat, wetland wildlife habitat, threatened and endangered

species habitat, fishery habitat and other approved activities. The budget proposal assumes 171,400 acres enrolled in FY 1998 and an additional 114,300 acres enrolled in FY 1999.

State NRCS offices have made an enormous effort to develop partnerships and outreach methods with government and private organizations to develop a program that targets specific state concerns. We propose to continue to facilitate development of the program in a fashion to ensure the greatest amount of success for wildlife for the funds appropriated. Based upon proposals currently on hand, NRCS anticipates that program funding needs continue to mount as the public becomes more aware of its successes and the multiple benefits that it offers. The FY 1999 budget request assumes continued funding of WHIP at \$20 million. This level would conclude the authority granted under the 1996 Act.

The *Farmland Protection Program (FPP)* protects prime or unique farmland, lands of State or local importance, and other productive soils from conversion to nonagricultural uses. It provides matching funds to leverage funds from States, Tribes, or local government entities that have farmland protection programs. The FPP establishes partnerships with State, Tribes, and local government entities to acquire conservation easements or other interests in land. It protects strategic farmland from urbanization. It ensures that the valuable farmlands are preserved for future generations and also helps maintain a healthy environment and sustainable rural economy.

The easement acquisition is on a voluntary basis. Qualifying farmland must: (1) have a pending offer from a State, Tribe, or local farmland protection program; (2) be large enough to sustain agricultural production; (3) be accessible to markets for what the land produces; (4) have adequate infrastructure and agricultural support services; (5) have surrounding parcels of land that can support long-term agricultural production; and (6)

experience urban development pressure. When selected, a conservation plan consistent with other conservation programs is required for each farm.

The FPP was authorized in the 1996 Farm Bill. During Fiscal Year 1996, 53 entities from 20 States submitted proposals requesting Federal matching funds of \$130 million for 628 farms with 176,000 acres of valuable farmland at an estimated easement value of \$330 million. \$14.5 million of CCC funds were provided to match 37 government entity programs. That allocation will lead to the protection of approximately 76,000 acres of valuable farmland on 203 farms with an estimated easement value of \$116 million in 17 States once all easement acquisitions have been completed. Experience in the first request for proposals for the FPP indicates that demands are almost 10 times greater than the available Federal matching funds.

For Fiscal Year 1997, \$2 million was approved by Congress for use from CCC funds to purchase development rights from farmers and ranchers. In fiscal year 1998, the \$18 million approved by Congress exhausted the original authorized funds for the program.

The *Conservation Farm Option (CFO) pilot program* provides producers of wheat, feed grains, cotton, and rice who are enrolled in AMTA one consolidated USDA conservation program payment, in lieu of the many conservation programs that are available. Producers must implement a conservation plan that addresses soil, water, and related resources, water quality, wetlands, and wildlife habitat. The statute provides broad discretion in designing CFO pilots, and provides the opportunity to tap local agricultural initiatives and innovations for improving environmental quality.

We envision CFO as an opportunity to test the feasibility of innovative program delivery processes and innovative solutions to environmental concerns. We look to the locally-led effort to provide the ideas for innovative pilots. The innovations tested through the CFO may well be the basis for changes in statutory authorities for conservation programs into the 21st century. In fiscal year 1998, pilots will be determined through a Request For Proposal in the Federal Register. Funding for the CFO is provided through the Commodity Credit Corporation. The fiscal year 1998 funding for CFO is \$15,000,000. For fiscal year 1999, we are requesting authority for \$25,000,000 in CCC program funds, as authorized by the 1996 Act.

*WETLANDS RESERVE PROGRAM (WRP)* is a voluntary incentive program to assist owners of eligible lands to restore and protect wetlands and necessary adjacent upland areas. The Federal Agriculture Improvement and Reform Act of 1996 (the 1996 Act), re-authorized the WRP to be funded under the Commodity Credit Corporation (CCC) beginning FY 1997, extended the duration of the program to 2002, added cost-share agreements, and restructured the contract payment terms and length.

WRP preserves, protects, and restores valuable wetlands mainly on marginal agricultural lands where historic wetlands functions and values have been either totally depleted or substantially diminished. Wetland restoration of such marginal lands provides landowners with a financial alternative to continued attempts to produce agricultural products on such high risk lands. Program delivery is designed to maximize benefits to wildlife, to provide for water quality and flood storage benefits, and to provide for general aesthetic and open space needs. Many of the WRP project sites are within areas that are frequently subjected to flooding and the flood storage being provided will lessen the severity of future flood events. The WRP is making a substantial contribution to the restoration of the nation's migratory bird habitats, especially for waterfowl.

The WRP is a mandatory program from a budget perspective but is offered to program participants on a strictly voluntary basis. Under the WRP, the Secretary of Agriculture acquires permanent easements and 30-year easements, enters into restoration cost-share agreements/contracts, provides for overhead costs associated with the cost of purchasing an easement or establishing an agreement, develops wetland restoration plans, cost-shares the restoration, and monitors the maintenance of the easements and agreements. Close cooperation with other Federal and State agencies and private conservation entities is an integral aspect of program delivery. The State Conservationist, in cooperation with the State Technical Committee, is responsible for WRP implementation and operations.

Beginning in FY 1997, the program was funded under the Commodity Credit Corporation (CCC). The FY 1997 program provided \$99,000,000 in CCC financial assistance funds to enroll approximately 125,000 acres involving more than 700 individual projects. The FY 1998 program will provide \$218,597,000 in financial assistance to enroll approximately 212,000 acres. In FY 1999, we propose enrolling an additional 164,000 acres at a cost of \$123,741,000. Technical assistance funding for FY 1998 will be funded from FY 1996 unobligated appropriated funds under the old WRP account due to the limitation on CCC reimbursements. Technical assistance funding for FY 1999 will include both unobligated appropriated funds (\$4,000,000) and CCC funds (\$11,059,000).

From inception of the program in 1992 through 1997, interest in the program has been exceptional, providing approximately 449,250 acres enrolled in the program through the end of FY 1997, and coupled with the FY 1998 and FY 1999 program sign-ups, approximately 825,450 are expected to be enrolled by the end of FY 1999 through use of FY 1997 and FY 1998 CCC funding. We expect to reach the 975,000 acre enrollment goal mandated by the 1996 Act in FY 2000, two years ahead of deadline. Historically, there

have been more than five fold as many acres offered than the program could enroll. The FY 1998 sign-up was the fifth that has occurred under WRP since FY 1992. The FY 1998 effort provided landowners with the continuous opportunity to seek enrollment in the program. States periodically rank all unfunded offers and seek allocation of funding for the highest ranked offers. By following this process, the maximum opportunity for landowner participation is provided and the WRP is assured of having the best possible list of ranked offers available for funding during the year.

In response to the 1996 Act, the FY 1997 sign-up is separated into three components (i.e., permanent easements, 30-year easements, and cost-share agreements). Enrollment is targeted to achieve a balance, to the extent practicable, of each component. The level of enrollment established for 1998 is 212,000 acres with a requirement that the initial 32,000 acres of easements be limited to 30-year duration. Thus far, approximately 48,596 acres of 30-year easements have been enrolled. This enrollment was completed before the enrollment of permanent easements was initiated. The 48,596 acres represents approximately 60 percent of the 30-year easement offers that have been received. We would expect during FY 1998 to easily fulfill the 75,000 acre enrollment that is called for in statute. Approximately 50,980 acres of permanent easements have been enrolled. This represents approximately 32 percent of the permanent easement offers. Approximately 4,154 acres of restoration cost-share agreements have been enrolled. This represents approximately 100 percent of cost-share agreement offers.

Under the continuous sign-up process the backlog lists for each of the program components will continue to be updated. Once the FY 1998 enrollment process is completed, these lists will be available for immediate use in selection of the 1998 enrollment.

## **Conclusion**

It is clear that as we consider the appropriations for the private lands conservation as part of the 1999 budget, that we stand at a crossroads. We have been granted a wealth of tools and resources, and have willing partners and customers to put them to work. We have the opportunity to establish a foundation for the future of conservation -- fulfilling our commitment to the resources, while ensuring healthy and productive land is within our reach. Even more, we can instill a conservation ethic that will endure for generations.

However, these policy and financial commitments become moot unless the Department of Agriculture and NRCS, its lead conservation agency, have sufficient resources to deliver the technical assistance that farmers and ranchers time and again say they need to take advantage of the conservation opportunities now confronting them. Our partners in State and local governments and the private sector, responding to widespread public support for environmental protection efforts, have increased their financial commitments to conservation on private land in recent years. At the same time, they look to the federal government for a continuing commitment to technical assistance for private land and private landowners, not the diminishing commitment in real dollars that has been the trend over the past two decades. It is this technical assistance that, when coupled with the contributions of our many public and private-sector partners, will allow us to realize the full promise of the 1996 farm bill and to look beyond. Given the needed resources in this appropriation request, together we can ensure a conservation legacy for future generations.

That concludes my statement. I am looking forward to working with you in the months ahead to review the proposal and work together to maximize service to our customers and help them be good stewards of the land. I will take any questions that members of the committee might have.