



The Association of State Wetland Managers, Inc.

"Dedicated to the Protection and Restoration of the Nation's Wetlands"

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P.O. Box 2890
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March 2, 2004

Associate Director
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Dear Mr. McKay: *Dave:*

Chairman
Andrew Pelloso
Office of Water Quality
N Dept. of Environmental Mgmt.
P.O. Box 6015
Indianapolis, IN 46206-6015
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On behalf of the Association of State Wetland Managers, I would like to thank NRCS for providing the opportunity for comment on the proposed rule for the Conservation Security Program. CSP is an important new program. Working farm operations have very significant impacts on the long-term quality and quantity of aquatic habitat—lakes, rivers, streams and wetlands. For example, changes in crop rotation (and more specifically the application of nutrients) in the upper Midwest can alter the size of the hypoxia zone in the Gulf of Mexico from roughly the size of Massachusetts to the size of Montana. Historically the quantity of the Nation's wetlands was greatly reduced by drainage to expand and improve available cropland and many remaining wetlands continue to be affected by agriculture-related activities. More recently Conservation Title land retirement programs such as WRP and CRP have protected and restored over a million acres of wetlands. States have a long-term interest in maintaining and improving aquatic health in state waters, and the various programs under the Conservation Title of the Farm Bill represent a significant opportunity to partner with the Department of Agriculture, private landowners, and producers to achieve mutual goals for soil, water, and wildlife. CSP is a new and important part of NRCS' toolbox. This program is directed to supporting and rewarding the ongoing efforts of producers who are committed to installing practices and managing lands to protect soil, water quality and wildlife habitat.

Vice Chairman
Peg Bostwick
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MI Dept. of Environmental Quality
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The proposed rule reflects a thoughtful, comprehensive approach to achieving the legislative goals of the program. We offer the following comments to support that effort.

Secretary/Treasurer
Ellen Gilinsky
VA Dept. of Environmental Quality
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Richmond, VA 23240
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- 1) As NRCS works with USDA and the Administration to undertake program revisions in response to public comment, we support developing a program that anticipates funding sufficient to run a national program available to all producers. NRCS should not constrain the program rule to the restrictions imposed by this fiscal year's low funding levels. The nation badly needs a working lands program that is available to all producers and in particular rewards those producers who have managed the lands under their control in ways that go far beyond providing safe, affordable food and who have invested in maintaining lands and waters for future generations. Much of our wealth and prosperity as a nation is the direct result of the abundant natural resources that have been utilized since the time of European settlement. If our nation is going to prosper in future years, private land managers and owners must manage the lands and waters under their control, particularly working lands, in ways that ensure their long-term viability. The purpose of this program is to reward producers with this long-term vision and encourage others to aspire to similar goals. Revisions to this rule should be directed to achieving this vision.

Members at Large

Scott Hausmann
WI Dept. of Natural Resources

William Moyer
DE Dept. of Natural
Resources and Environmental
Control

Robert Piel
NJ Dept. of Environmental
Protection

Jim Powell
AK Dept. of Environmental
Conservation

- 2) The Conservation Security Program's stated intent or motto is to "reward the best and motivate the rest." NRCS needs to ensure the program clearly reflects this goal. Although this goal is not explicit in the legislation or regulations, it

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will serve as a touchstone for the public as they try to understand the merits of the program. Failure to clearly and simply demonstrate that the program does reward the best and motivate the rest has the potential to undercut the program's short and long-term public support.

3. The first year's funding is insufficient to run a national program. We recommend that CSP be implemented as a "pilot or demonstration program" for FY04. This might best be achieved by selecting "demonstration areas" throughout the country for program implementation and further, that NRCS gather information during this demonstration phase to further refine and improve the program. CSP is substantively different from other Farm Bill Programs and the flexibility to make mid-course corrections will be important. We recommend that the rule be published as an interim final rule allowing changes based on experience in anticipation of the time when it will be funded at a level sufficient to be a national program. If this process is followed, we believe there should be additional opportunity for public comment before the rule is finalized.
4. The legislation caps technical assistance at 15% of dollars spent not obligated. The 15% cap is too low for a program that requires a great deal of staff time and specialized expertise, particularly in the first years of the program when there needs to be substantial investment in developing the program, training staff, etc. While we strongly agree that it is important to maximize the financial assistance available to producers, this should not be done at a level that severely constrains the ability of the agency to carry out the program, and leads to shortfalls in enrollment opportunities, field visits and negotiations with producers, and effective oversight and monitoring of program implementation. High quality technical assistance is every bit as important to the long term success of the program as financial assistance, and under investing in technical assistance can undercut the viability of the program on a number of levels. It can limit opportunities for program enrollment, lead to the development of contracts that fail to meet the goals of the programs and even abuse and misuse of program funds on behalf of producers who do not receive technical assistance sufficient to achieve program goals. We strongly recommend that NRCS seek some sort of variance or technical correction to the legislation to increase TA funding particularly in the early years of the program. Efficiencies in TA should increase over time and may subsequently be reduced to lower levels, although it is not certain the program can be operated effectively at the 15% level.
5. When program funding levels are restricted there is merit in a watershed or regional approach. However, ASWM believes that a watershed-based approach becomes less important at higher funding levels, particularly if the program goal is to reward the best nationally. NRCS may want to consider identifying the funding level where CSP can become generally available to producers anywhere in the country who meet criteria for program enrollment.

NRCS is proposing to limit program enrollment to specific watersheds. This approach has merit particularly in the year or years where funding levels are low and the program might operate more as a demonstration or pilot project. In selecting watersheds ASWM strongly recommends that the watersheds selected clearly achieve the goal of rewarding the best and motivating the rest. Severely degraded watersheds are better addressed with programs such as EQIP, which provide cost share funding for practices intended to reverse degradation. We believe the following criteria represent the type of information that should be used to select watersheds:

- i. Historic high level of participation in watershed in "whole farm planning" on behalf of producers in the watershed
- ii. Coordinated effort by producers, state agencies, federal government etc. to address an identified problem of national, state or local significance
- iii. Data that establishes soil quality, water quality and/or wildlife habitat improvements have been achieved through efforts of the agricultural community
- iv. Strong State Technical Committee support for selection of watershed as CSP pilot watershed.
- v. Strong support from producers to undertake additional activities supported through the enhancement payments under CSP

We suggest these and other related criteria be used to identify watersheds for enrollment. Not all watersheds will meet all criteria, but those that score highest overall, with consideration given as well to geographic distribution and diversity in types of farming operations will be enrolled in the program. This provides an understandable, transparent process for watershed selection based on rewarding the best.

6. There has been considerable discussion among states concerning whether wildlife should be included with soil and water quality as part of the minimum criteria for eligibility to participate in the program. ASWM recommends the addition of wildlife as a third minimum national criteria for program enrollment. Supporting wildlife through the Conservation Title has received increasing importance in recent Farm Bills and it is important to explicitly recognize its co-equal status with soil and water quality in CSP. There have been substantial opportunities for producers to receive funding to address wildlife concerns in recent years under the Farm Bill, so many producers will be able to demonstrate their commitment to addressing wildlife concerns. The addition of wildlife will help prioritize eligibility particularly in years that funding levels for the overall program are restricted. There is

concern among states that it will be possible to achieve soil and water quality criteria through activities that are actively detrimental to wildlife and a lower priority should be given to program applicants who have achieved soil and water quality criteria through ways that reduce or eliminate wildlife habitat. Establishing wildlife as part of the minimum criteria should address that issue. We recognize the activities funded and supported historically by USDA, such as the planting of fescue, are detrimental to wildlife and such activities would not prohibit eligibility, but producers who have altered seed mixes in favor of plantings that support wildlife populations have demonstrated a higher level of commitment and deserve to be enrolled in the program ahead of those who have not addressed the importance of wildlife in their agriculture operations.

ASWM recognizes there are other important concerns such as air quality, water quantity etc. In addition to establishing clear priorities regarding the importance of wildlife and wildlife-friendly management, NRCS may want to consider a hierarchy of national/state minimum criteria for enrollment working with the state technical committees.

7. The legislation is fairly prescriptive restricting land eligibility to privately owned lands or lands under tribal control. However, in a number of states the aquatic bed of rivers, lakes, etc. is owned by the state as a matter of state law. The rule should allow implementation of enhancement activities on state lands, such as the aquatic bed, where the implementation of the enhancement activities on private lands requires activities cannot be achieved without the application on state lands. This may not be a significant problem, but, for example, monitoring and assessment activities such as water quality sampling should not be prohibited because they take place in a river, which is underlain by "state land."
8. Program participants are required to establish "proof" that they have the ability to manage lands for the life of the contract. Much agricultural land is leased and leases can change from year to year due to changes that are often unanticipated at the time of enrollment. Many of these leases have existed for long time periods without even a formal written agreement on behalf of the tenant and landowner. NRCS should clarify that it will be flexible in the criteria used to determine "proof" of the ability to manage land for the life of the contract and will renegotiate the contract if and when changes in lands leased or owned by a program participant occur. This complexity of land ownership and management may already be addressed in the proposed rule, but it needs to be further clarified to overcome concerns of potential program applicants.
9. As proposed CSP provides funding for base and maintenance payments at levels lower than the levels identified in the legislation and directs the largest proportion of the funding to enhancement payments. We think that overall this approach is correct. There is increased ability to undertake innovative practices as well as monitoring and assessment activities through enhancement payments. This flexibility does not exist in other farm bill programs and it is correct to target these activities to producers that have showed a willingness and commitment by meeting minimal criteria to be eligible to

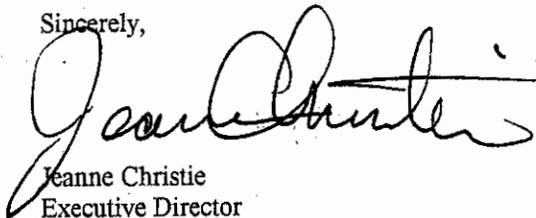
enroll in the program. We strongly support using enhancement payments to fund monitoring and assessment. This information is needed to evaluate the success of farm bill programs. In addition the ability to fund innovative practices provides opportunities to identify and test new solutions to ongoing problems. This may be particularly useful as a tool to test various methods of improving wildlife habitat. However, there is concern that if the base payment is too low, producers will not enroll in the program. We recommend perhaps guaranteeing a minimum base payment (regardless of rental rates) or providing higher levels than currently proposed for producers that have achieved the higher levels of whole farm management.

The proposed rule authorizes cost-share payments although there appears to be somewhat minimal emphasis on this part of the program. There are many other opportunities for cost share payments as part of other farm bill programs. NRCS should use balance in determining the proportion of cost share reimbursed through CSP versus other programs. CSP funds activities that cannot be funded through other programs, i.e. base payments and enhancement payments, and these should be the first priority, particularly if cost share practices are well-funded through other Conservation Title programs. However, NRCS should maintain the flexibility to fund cost share practices in anticipation of redistribution of funding between conservation programs and to be able to respond to unique opportunities and challenges that may occur as part of implementing the program.

10. The CSP legislation requires compliance with Wetlands Conservation and Highly Erodible Lands program requirements. We believe this is correctly reflected in the rule and encourage NRCS to ensure that program participants are in full compliance with these provisions. If the program is intended to "reward the best" these minimum standards must be met. Public support for the program will be undermined if there is the perception that there is a lack of conservation compliance among program participants.

Thank you for the opportunity to comment. If you have any questions concerning these comments, please contact me at (207) 892-3399. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeanne Christie". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jeanne Christie
Executive Director

618

Iowa Association of Water Agencies



February 27, 2004

David McKay
Conservation Operations Division
Natural Resources Conservation Service
P.O. Box 2890
Washington, DC 20013-2890

RE: Conservation Security Program – Proposed Rules

The Iowa Association of Water Agencies (IAWA) strongly supports the concept of the Conservation Security Program (CSP) as outlined in the 2002 Farm Bill. IAWA membership represents more than 80% of the urban and rural drinking water consumers in Iowa. The members are committed to source water protection through education and alliance building through partnerships. IAWA believes in a common sense approach that balances the needs of the drinking water industry, agriculture and the environment. Over 90% of Iowa's land use is agricultural and this has a huge impact on water quality. CSP has the potential to sincerely protect Iowa's water resources.

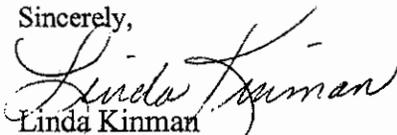
But, we are concerned with the implementation process being recommended by the U.S. Department of Agriculture for this new program.

While we strongly support the watershed limitation expressed in the proposed rule, program implementation should be made through a public rule making process. Public rule making should reflect the statutory language, congressional intent and public expectations.

We recognize that funding constraints limit the ability of USDA to fully implement the program in FY 2004. The best method to deal with the short-term funding constraints is to focus on the enhancement component, Section 1469.23(d), of CSP designed to increase conservation performance regardless of tier participation. This section outlines procedures to engage the State Conservationist and the State Technical Committee. The experience and understanding gained will help identify efficient workable procedures and guidelines for future years. These enhancement provisions will provide the mechanism to increase locally led watershed initiatives and enable producers to participate, recognize and understand performance-based approaches.

CSP is a program that our organization hopes will have long term viability and make giant steps toward improving water quality in Iowa. Thank you for the opportunity to express these views.

Sincerely,


Linda Kinman
Executive Director

Enc: Membership List

IAWA Membership List by Organization

Organization	Representative
Ankeny, City of	Belzung, Jolee
Boone, City of	Martin, Roy
Burlington Municipal Waterworks	Borden, Alan
Cedar Falls Municipal Utilities	Lukensmeyer, Jerald
Cedar Rapids Water Department	North, John
Cedar Rapids Water Department	Grapp, Shelli
Central Iowa Water Association	LaPlant, Jim
Coralville Water Department	Callahan, Kevin
Des Moines Water Works	McMullen, L.D.
Des Moines Water Works	Kinman, Linda
Ft. Dodge Public Works	Horrell, John
Ft. Madison Water Department	Dinwiddie, Larry
Iowa City Water Division	Moreno, Ed
Iowa-American Water Company	Earnhardt, Brock
Keokuk Municipal Water Works	Cole, Bill
Muscatine Power and Water	Doering, Jerry
Newton Waterworks	Palmer, L.D.
Oskaloosa Municipal Water Department	Yarkosky, Steve
Ottumwa Water and Hydro	Wilcox, Richard
Poweshiek Water Association	Lovig, Sally
Rathbun Regional Water Association	Glenn, John
Southern Iowa Rural Water Association	McIntosh, Dan
Spencer Municipal Utilities	Rodas, Leon - Drefke, Neal
Urbandale Water Department	Foust, Rich
Waterloo Water Works	Stevens, Jerry
West Des Moines Water Works	Anderson, Larry
Xenia Rural Water	Miller, Dan

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