



National Association of State Conservation Agencies

March 1, 2004

NASCA

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Roland B. Geddes

Mr. David McKay
Conservation Planning Team Leader
Conservation Operations Division
USDA NRCS
P.O. Box 2890
Washington, DC 20013 - 2890

RE: Conservation Security Program

Dear Mr. McKay,

The National Association of State Conservation Agencies (NASCA) is a non-profit voluntary organization of 55 state executive agencies responsible for the protection of soil, water, and other natural resources. NASCA appreciates the opportunity to comment on the Conservation Security Program rule. Several of our members including those from MD, IA, MI, and NV will be submitting more specific comments. We have consistently supported the original intent of this legislation as fair to all and especially beneficial to those landowners that produce specialty crops and do not qualify for federal financial assistance under conventional commodity programs.

NASCA is concerned that NRCS' proposed rule does not accurately follow the intent of the law as authorized by Title XII, Chapter 2, Subchapter A of the Food Security Act of 1985, as modified by the Farm Security and Rural Investment Act of 2002. We understand that the program was converted from an uncapped entitlement program to a "capped entitlement" program to be funded at \$3.8 billion over 10 years. As a result, NRCS has proposed a more restricted program with lower limits on cost-share rates and base payments.

The recent enactment of the 2004 Consolidated Appropriations Bill restored the CSP to an uncapped entitlement as originally intended. We strongly suggest that NRCS either revise or replace this rule to reflect this fact, and act to further reduce or eliminate the

restrictions accordingly. Examples of these revisions would include:

- ◆ Allow open enrollment to all producers;
- ◆ Provide full cost-share, maintenance and base payments;
- ◆ Remove the limitations on types of practice eligible for payments;
- ◆ Return the CSP to a true awards program by allowing producers to use CSP to address resource concerns after enrollment.

Once again, NASCA is in full support of the original intent of this legislation. NRCS now has another chance to construct the rule to promote an uncapped, national program and we encourage the agency to whatever is necessary to achieve that goal. It may be more appropriate to alter the present draft rule by means of a supplemental rule.

Thank you for allowing NASCA to submit these comments. We look forward to continuing our productive relationship with NRCS. Please direct any questions to Jim Cox, our Executive Director.

Sincerely,

A handwritten signature in black ink that reads "Robert Baldwin" followed by a stylized flourish.

Robert Baldwin, President, NASCA

CC: NASCA Board



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COASTAL STATES ORGANIZATION

FOUNDED IN 1970 TO REPRESENT THE GOVERNORS OF THE THIRTY-FIVE COASTAL STATES, TERRITORIES, AND COMMONWEALTHS ON COASTAL, GREAT LAKES, AND OCEAN AFFAIRS.

HALL OF THE STATES, SUITE 322, 444 NORTH CAPITOL STREET, NW, WASHINGTON, D.C. 20001 (202) 508-3860 FAX (202) 508-3843

March 2, 2004

David McKay
Conservation Planning Team Leader
Conservation Operations Division
Natural Resources Conservation Service
P.O. Box 2890
Washington, D.C. 20013

By Email: david.mckay@usda.gov / Original in Mail

Re: Conservation Security Program

On behalf of the Coastal States Organization, I would like to thank the Natural Resources Conservation Service (NRCS) for its dedication to working lands conservation and for providing the opportunity to comment on the Conservation Security Program proposed rule. The Coastal States Organization (CSO) was established in 1970 to represent the Governors of the nation's 35 coastal states, commonwealths and territories on legislative and policy issues relating to the sound management of coastal, Great Lakes and ocean resources.

Agricultural activities – both upstream and in the coastal zone – are of great interest to coastal managers. The most recent *National Water Quality Inventory* reports that agricultural nonpoint source (NPS) pollution is the leading source of water quality pollution and the source of impairment for over 2,800 square miles of the nation's estuaries. NPS pollution introduces chemicals and toxins into coastal waters, reduces biological productivity and water clarity, and increases the occurrence of disease in marine species. The impacts of excessive nitrogen from NPS pollution are witnessed each summer when over 7,000 square miles of the Gulf of Mexico become so depleted of oxygen that the waters cannot sustain most marine life. NPS pollution also impacts coastal economies and their water-dependent industries. In 2000, poor water quality resulted in 14,168 beach closings and advisories, and closed over 5 million acres of valuable shellfish beds, costing states and localities billions of dollars in lost revenues.

Efforts to control nonpoint source pollution will greatly benefit from a working lands conservation program that is available to all producers and rewards those producers who have managed their lands in ways that go beyond providing safe and affordable food and who have invested in maintaining lands and waters for future generations. We hope the Conservation Security Program will be a comprehensive working farmland conservation program that rewards producers and encourages others to aspire to similar conservation goals.



Overall Comment

CSO supports the Conservation Security Program's stated objective to "reward the best and motivate the rest." NRCS needs to ensure the program and its regulations clearly reflect this objective. The program must identify and reward farmers and ranchers who are meeting the highest standards of conservation and environmental management on their operations. Failure to demonstrate this objective and to carefully consider certain implementation provisions, such as priority watersheds, may result in undercutting the program's short and long term public support.

Priority Watersheds: Serving as a Pilot or Demonstration Program

CSO is concerned that the Proposed Rule is focused on restricting the opportunity of CSP based upon existing budget limitations rather than implementing the CSP as envisioned by Congress and signed into law. Selection of priority watersheds at the national level seems inconsistent with the importance NRCS has placed on "locally led conservation." Selection of priority watersheds will immediately eliminate many parts of the country from participating in what was intended to be a nationwide program.

If financial and technical assistance is insufficient to run a national program, as is the case in FY 04, CSO recommends that the CSP be implemented as a "pilot or demonstration program" and that priority watersheds be selected. A pilot program will allow NRCS to gather information to refine and improve the program. The flexibility to make mid-course corrections will be important given that the CSP is substantively different from other Farm Bill Programs. To permit necessary flexibility, we recommend that the rule be published as an Interim Final Rule and that an opportunity for additional public comment be provided before the Final Rule is published.

In selecting priority watersheds, CSO recommends that the watersheds selected clearly achieve the objective 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. In addition, the process for watershed selection should be understandable, transparent, and accommodate state input in the development of the participation criteria.

Further, CSO hopes that as future funding for the CSP is increased, meaningful financial incentives for conservation will be restored. The proposed cost share assistance rates are lower under the CSP than any other USDA conservation programs. Base payments, the basic incentive to sign up for the program and design and maintain conservation practices have been reduced significantly from the level established by the law. Enhancement payments for exceptional conservation efforts should also be increased. As proposed, they cover just 10-20 percent of a farmer's out-of-pocket costs. Practices that provide multiple environmental benefits should be rewarded at a higher rate.

Land Eligibility

The legislation prescriptively restricts land eligibility to privately owned lands or lands under tribal control. 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. This is especially important where conservation goals cannot be achieved without enhancement activities on state lands. In these instances, there is an overriding public benefit regardless of the ownership.

Wildlife Criteria

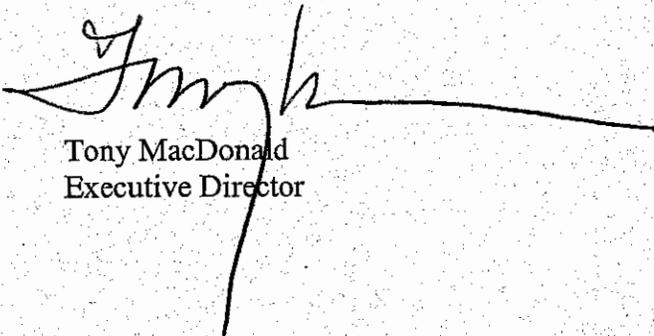
CSO recommends including wildlife as an equal criterion to soil and water. There is concern among states that it is possible to achieve soil and water quality criteria through activities that are detrimental to wildlife habitat, such as the planting of invasive species. Producers who have demonstrated a higher level of commitment by supporting wildlife habitat in their agricultural operations be enrolled in the program ahead of those who have only addressed soil and water. Additionally, lower priority should be given to program applicants who have achieved soil and water quality criteria through ways that reduce or eliminate wildlife habitat.

Wetlands Conservation and Highly Erodible Lands

The CSP legislation requires compliance with Wetlands Conservation and Highly Erodible Lands program requirements. CSO believes this is correctly reflected in the rule and encourages 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 remarks, please do not hesitate to contact me at (202) 508-3860.

Sincerely,

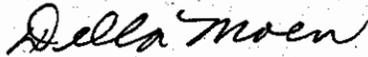


Tony MacDonald
Executive Director

2/27/04

I am writing in support of the official position of the AISWCD regarding the proposed CSP rules, statement included below.

Thank you for your attention.
Sincerely,



Della Moen, Director
Stephenson SWCD Board
2418 Glenview Dr.
Freeport, IL 61032

The Association of Illinois Soil and Water Conservation Districts (AISWCD), representing Illinois' 98 County Soil and Water Conservation Districts (SWCDs), fully supports the purpose and objectives of the Conservation Security Program (CSP). It is the belief of the AISWCD that the CSP, if fully funded and implemented, will have a tremendous beneficial impact on conserving the nation's soil, water and other natural resources. Congress and the Administration are to be congratulated for their efforts to develop a new and innovative approach to conserving our natural resources and thereby ensuring the sustainability of the country's food and fiber production. In addition, the USDA-Natural Resources Conservation Service (NRCS) is to be commended for preparing proposed rules that as closely as possible reflect the intent of Congress for the CSP.

The AISWCD would like to offer the following comments or suggestions regarding some of the proposed CSP rules:

Authorized Funding Level For CSP- The CSP was originally envisioned as a \$7 billion program in the current Farm Bill. Currently, funding is capped at \$3.77 billion over 10 years, or about one-half of the originally proposed amount. The proposed rule was written with this funding limitation in mind. The House, in their FY2004 version of the budget has removed the funding cap and restored the original funding level. If supported by the Senate, the restoration of funding would require some significant changes in the proposed rule.

Availability of CSP to All Producers- The proposed rule, with significantly reduced funding levels in mind, limits the availability of the CSP to only high priority watersheds nationwide. The intent of the CSP as originally proposed was to make it available to all producers. If full funding authorization is restored for the CSP, the proposed rule should be amended to make the CSP available to all producers.

CSP Base Payments- It is suggested that the calculation of base payments be made on the best available information on land rental rates. Rental rates used to calculate base payments should under no circumstances be less than the national average rental rate.

Cost-Share Percents- It is recommended that, for consistency, cost-share payments be at the same rates as recommended by the State Technical Committee in each state for other Farm Bill programs. The State Technical Committees should be given the opportunity to discuss and recommend a cost-share rate to the State Conservationist.

Conservation Practices- It is recommended that all conservation practices recommended by the State Technical Committee for eligibility in other Farm Bill programs, such as EQIP, also be eligible for the CSP. The State Technical Committee should be given the opportunity to discuss and recommend eligible practices to the State Conservationist.

Thank you for the opportunity to comment on the proposed rules for CSP.

Respectfully submitted by,

Terry Davis
AISWCD President