

conservationists; and (4) evaluation and assessment of the producer's operation and maintenance needs. NRCS is proposing that, consistent with NRCS's planning procedures policy, that Conservation Security Plans will be completed by certified conservation planners. This description is consistent with technical assistance requirements for other NRCS programs. NRCS is seeking comments on which tasks would be appropriate for approved or certified Technical Service Providers.

Subpart B Contracts and Payments

Section 1469.20 Application for Contracts and Their Selection

This section provides information on the sign-up announcement, application, and selection processes. The sign-up announcements will specify additional program eligibility and contract requirements, if applicable, and information about other requirements that would be required. NRCS intends to direct each sign-up towards producers in specific watersheds that have priority environmental concerns. Only producers in the areas identified through the sign-up announcement could apply for CSP funding. Additionally, NRCS would supply information about:

1. Priority order of enrollment categories that could be funded during the sign-up;
2. Expected number of contracts NRCS expects to be able to provide;
3. Cost schedules and a list of eligible existing and new conservation practices that can receive CSP payments as enhancement or to fulfill contract requirements;
4. Any additional nationally significant resource concerns that would need to be addressed for eligibility; and
5. Schedule for applications submission and other important deadlines.

Section 1469.21 Contract Requirements

This section provides specific contract terms, including contract duration, statutory requirements, consequences of failing to fulfill the terms of the contract, information requirements, schedule of payments, the contract expiration date, and the Agency's ability to incorporate other provisions determined necessary by the Agency to satisfy the objectives of the program.

The participant agrees in the contract to maintain at least the level of stewardship identified in the benchmark condition inventory for the entire contract period, as appropriate,

and implement and maintain any new treatments required in the contract. Additionally, as a contract requirement, the participant will be required to complete additional conservation practices, measures, or enhancements as outlined in this section and in the sign-up announcement.

NRCS is proposing that CSP participants must address the following to the minimum level of treatment by the end of their CSP contract:

(1) Tier I contracts would require that in addition to the nationally significant resource concerns, additional requirements as required in the enrollment categories or sign-up announcement must be addressed over the contract acreage unless stipulated that they must be in place at the time of application;

(2) Tier II contracts would require a significant resource concern, as described in Section III of the NRCS FOTG, other than the nationally significant resource concerns, to be selected by the applicant and approved by NRCS, over the entire agricultural operation.

(3) Tier III contracts would require additional requirements as required in the enrollment categories or sign-up announcement as selected by the applicant and approved by NRCS, over the entire agricultural operation.

NRCS is seeking comment on the value of these additional requirements for Tier I and II contracts in order to maximize the environmental performance of the CSP program.

NRCS is proposing a mechanism for a participant to transition to a higher tier of participation and is seeking comment on this proposal. In the event that such a transition initiates with Tier I, only the land area in the agricultural operation that meets the requirements for enrollment in Tier I can be enrolled in the contract until the transition occurs. Upon the transition from Tier I to a higher tier of participation, the entire agricultural operation must be incorporated into the contract. All requirements applicable to the higher tier of participation would then apply. NRCS will calculate all base, existing practice, new practice one time payments, and enhancement payments using the applicable enrolled acreage at the time of the payment as planned in the contract schedule.

NRCS is proposing that as the tier transition occurs, that the contract be at the next tier for a period of no less than 18 months to ensure that the practices are functional and are being managed as an integral part of the agricultural operation.

The CSP contract may be adjusted by NRCS, and the participant, if the participant's management decisions change the appropriate set or schedule of conservation measures on the operation. If the participant cannot fulfill his CSP contract commitment, the contract calls for the participant to refund any CSP payments received with interest, and forfeit any future payments under CSP. NRCS is interested in comments on this and other concerns that the public might have on noncompliance with the CSP contract requirements.

NRCS will select certain practices that are needed to address significant resource concerns during the conservation security contract for one-time cost share payments. NRCS will also pay for certain practices needed to maintain the minimum level of treatment of significant resource concerns. NRCS may not pay for all practices needed to address the significant resource concerns on an agricultural operation.

Section 1469.22 Conservation Practice, Operation, and Maintenance

This section provides the participant responsibilities for updating and maintaining practices and contract activities and the duration of such responsibilities, as well as NRCS potential for periodic review.

Section 1469.23 Program Payments

This section provides information on how payments are calculated and potential program payment rates under the various program tiers.

CSP payments rise with increasing levels of conservation treatment within each tier and as tier levels increase. NRCS is proposing that CSP contract payments include one or more of the following components:

- (1) An annual base component for the benchmark conservation treatment;
- (2) An annual existing practice component for maintaining existing approved conservation practices;
- (3) A one-time new practice component for additional approved practices; and
- (4) An enhancement component for exceptional conservation effort and additional conservation practices or activities that provide increased resource benefits beyond the minimum level.

Each participant must fulfill all contract requirements in order to receive any payment. For example, a participant cannot decide, mid-contract, to cease enhancement activities and still continue to receive base and existing practice payments.