

maintain approved vegetative or tree covers.

Native seed and vegetation species that are suited to the soil and climatic conditions of a site provide high wildlife benefits. Accordingly, FSA encourages the use of native vegetation whenever suitable. The CRP application selection criteria (*i.e.*, the Environmental Benefits Index (EBI)) gives greater weight to contract offers that devote acreage to native seeds and plantings that are consistent with the ecosystem (discussed below). In some cases, however, critical area planting (*e.g.*, land that is severely sloped or has high potential for erosion) may require the use of introduced vegetation species because they can stabilize the soil more quickly in order to protect the soil and water resources. In addition, introduced species may be easier to establish and provide more cost-effective conservation covers.

In determining the amount of annual rental payments to be paid, CCC considers, among other things, the amount necessary to encourage owners or operators of eligible land to participate in the CRP. The maximum rental payment CCC will pay reflects site-based soil productivity, prevailing local cash-equivalent rental rates, and maintenance costs. Offers to participate in the CRP are submitted in such a manner as the Secretary prescribes. Requests for rental payments greater than the amount that CCC determines to be reasonable for the area and soil type are automatically rejected. In order to maximize the environmental and conservation benefit of the funds to be expended, conservation practices and the land for which offers may be accepted may vary as conditions change.

CCC conducts periodic, competitive general signups in which all offers are ranked competitively based on their environmental benefits considering the cost of the contract. The acceptability of such offers is determined by a formula based upon a number of environmental factors and benefits. Along with the cost of enrolling the acreage, these factors are used to construct an EBI to compare offers.

CCC scores general signup offers using the EBI, which measures the anticipated environmental benefits from several factors and costs. The Department has used an EBI to prioritize and rank CRP offers since the tenth signup in March 1991. It was developed to comply with the section 1234(c) of the 1985 Act. The goal of the EBI is to provide a relative rank order of submitted offers based on environmental factors and cost in a

uniform and consistent manner for all offers. In addition, the EBI provides incentives to increase cost-effectiveness. Ultimately, the EBI is used to rank the anticipated environmental benefits from each CRP offer.

The EBI considers a number of environment factors, including water quality, soil erosion, air quality, and enduring benefits. In addition to these factors, wildlife and the quality of vegetation for wildlife habitat are factors in the ranking criteria. Because native grasses generally offer better habitat than introduced grasses, the FSA has revised the EBI selection criteria to give greater weight to the use of native seed and vegetation species. This provides incentives for producers to offer and use native species in their CRP contracts.

The effect of the greater EBI weight given for using species can be seen by examining the change in the proportion of CRP enrolled acres planted in native grasses. In 1993, when there were nearly 30 million acres of grass in the CRP, only 28 percent of these acres were planted in native grasses. Since 1998, 67 percent of the grasses established under new CRP contracts used native grasses.

Since 1996, between 70,000 and 280,000 offers were received during each four- to six-week signup period. Environmental data were collected for each of the EBI ranking factors and subfactors. Each offer was assigned a point score based upon the relative environmental indices scores. All offers were ranked in comparison to all other offers and the selections were made from that ranking.

CCC also conducts continuous, non-competitive signup of certain acreage. Under the CRP continuous signup process implemented in September 1996 and the Conservation Reserve Enhancement Program (CREP) signup process implemented in February 1997, only those practices determined to have relatively high environmental benefits are eligible. Acreage determined to be eligible for the continuous CRP or CREP signup is automatically accepted if all other eligibility requirements are met. Continuous signup affords farmers and ranchers the management flexibility in implementing certain working lands conservation practices on cropland such as filter strips, riparian buffers, shelterbelts, field windbreaks, living snow fences, grass waterways, shallow water areas for wildlife, salt-tolerant vegetation and practices to protect certain approved public wellhead protection areas. These practices are designed to achieve significant environmental benefits, giving participants a flexible option to enroll acres on a continuous basis to help

protect and enhance wildlife habitat, improve air quality, and improve the condition of streams, rivers, and permanent water bodies. While acreage is accepted on a non-competitive basis, the practices provide environmental benefits that likely would consistently exceed the highest EBI score making this acreage acceptable for enrollment under a general signup.

Further, CCC may enter into a CREP agreement with States, Tribes, local governments, or private entities to use the CRP to cost-effectively address specific conservation and environmental issues of the State and the nation. Proposals, developed locally and submitted for approval by the Secretary, must address resource concerns, provide for cooperation with the CREP partners, present clear program goals with measurable objectives, and detail non-federal financial contributions.

The 2001 Agricultural Appropriations Act amended the 1985 Act and authorized a Farmable Wetlands Pilot Program (FWP) to enroll in the States of Iowa, Minnesota, Montana, Nebraska, North Dakota, and South Dakota certain wetlands and buffer acreage on a pilot basis. Enrollment under this pilot could not exceed 500,000 acres for all States and 150,000 acres in any State. The maximum enrollment for both the wetland and buffer acreage could not exceed 40 acres per tract. Also, wetlands could not exceed five acres in size to be eligible for enrollment. Acreage enrolled must be cropland that has a cropping history in at least three of the most recent ten years. Acreage offered under this pilot uses the CRP's continuous signup procedures.

On December 6, 2001, CCC published a proposed rule (66 FR 63339) that proposed a series of amendments that, if adopted, would make certain orchard lands, vineyards, berry lands, and hay lands eligible for enrollment, provide for acquisition of private sector technical assistance and make minor technical and clerical adjustments to the regulations. This action was taken to allow producers greater flexibility in enrolling in the CRP and enhance the environmental benefits under the CRP. CCC proposed that for the continuous signups held for the CRP and for enrollments in the CREP, certain orchard lands, vineyards, berry fields, and hay land be permitted to be enrolled. The 2002 Farm Bill broadened land eligibility to include hay lands if the land is otherwise cropland that has been devoted to a conserving use and expanded authority for the use of private-sector and other technical service providers. These provisions are