

resource concerns addressed by this program.

Section 1466.2 describes the roles of NRCS, FSA, other agencies, the State Technical Committees, and Local Work Groups. This section has been changed to reflect the Department's streamlining initiative. Specifically, with the delegation of EQIP to NRCS, § 1466.2(a)–(d) of the current rule, which described FSA's roles and responsibilities, has been eliminated. In § 1466.2(b), NRCS and FSA will consult at the national level on program and policy decisions and FSA may continue to have an advisory capacity in the administration of EQIP by participating on the State Technical Committees and Local Work Groups.

NRCS is clarifying the roles and responsibilities of State Technical Committees and Local Work Groups in § 1466.2 (c). While EQIP is administered by NRCS and all program decisions are made by NRCS, some decisions, such as determination of eligible practices and cost-shares rates and development of the ranking process, may be delegated to the State Conservationist. The State Conservationist will use advice of the State Technical Committee to make these decisions. The State Conservationist can, in turn, make a final decision or delegate the authority to a Designated Conservationist at the regional or local level. The Designated Conservationist will use advice from a Local Work Group to make decisions delegated to their level. Additional information regarding NRCS policy for State Technical Committees and Local Work Groups can be found at http://policy.nrcs.usda.gov/scripts/lpsiis.dll/M/M_440_501.htm.

Section 1466.3 sets forth definitions for terms used throughout the part. Several new definitions, including comprehensive nutrient management plan, limited resource farmer or rancher, beginning farmer or rancher, priority natural resource concerns, National priorities, National measures, Conservation Innovation Grants, EQIP plan of operations, and technical service providers are proposed to address statutory changes and administrative changes resulting from the Department's streamlining initiative. Other terms, such as agricultural operation, conservation district, and wildlife have been proposed to provide greater clarity. Because the administration of EQIP has been delegated to NRCS, definitions related to FSA, such as Administrator and Farm Service County Committee have been removed from this section. We are also proposing to eliminate definitions for Conservation Management System, Conservation

Plan, Livestock related Natural Resource Concerns, National Conservation Priority Area, Priority Area, and Private Agribusiness Sector, Resource management system, unit of concern, and vegetative practice because these terms are no longer used in the proposed regulatory language.

A definition for the comprehensive nutrient management plan (CNMP) is included because it is specifically authorized by the 2002 Act. The definition is included to provide the technical base and is the same that NRCS uses in its Comprehensive Nutrient Management Planning Technical Guidance which is part of the NRCS National Planning Procedure Handbook.

Section 1240B of the 1985 Act, as amended by the 2002 Act, gives the Secretary the authority to increase the cost-share rate up to 90 percent for Limited Resource Farmers and Ranchers and beginning farmers or ranchers. NRCS proposes to use two criteria to define a limited resource producer or rancher. Specifically, a Limited Resource Producer or Rancher is a person with direct or indirect gross farm sales not more than \$100,000 (to be increased starting in FY 2004 to adjust for inflation) and a total household income at or below the national poverty level for a family of four, or less than 50 percent of county median household income (to be determined annually), in each of the previous two years.

NRCS will use a definition for Beginning Farmer or Rancher that is consistent with the USDA definition of that term under section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)) as found at 7 CFR 1941.4. NRCS is proposing to define a Beginning Farmer or Rancher as an individual or entity who has not operated a farm or ranch, or who has operated a farm or ranch for not more than 10 years and will materially and substantially participate in the operation of the farm or ranch. In the case of a contract with an individual, individually or with the immediate family, material and substantial participation requires that the individual provide substantial day-to-day labor and management of the farm or ranch, consistent with the practices in the county or State where the farm is located. In the case of a contract made with an entity, all members must materially and substantially participate in the operation of the farm or ranch. Material and substantial participation requires that the members provide some amount of the management, or labor and management necessary for day-to-day

activities, such that if the members did not provide these inputs, operation of the farm or ranch would be seriously impaired. For an entity to be defined as a Beginning Farmer or Rancher, all members of the entity must qualify. This regulation interprets the maximum length of farming experience allowable for Beginning Farmer or Rancher to be 10 consecutive years.

In order to assure consistency of program implementation, new definitions have been included for National priorities, National measures and priority natural resource concerns.

A definition of Conservation Innovative Grants is defined in this section because it is specifically authorized by the 2002 Act. This definition is included to provide guidance as to what these grants will be used for.

The 2002 Act authorizes NRCS to use certified Technical Service Providers for providing technical assistance, a definition of who qualifies as a TSP is included. A definition of the EQIP plan of operations is included to clarify to producers what is required to be eligible for EQIP assistance. A discussion of the EQIP plan of operations is included in § 1466.9.

Section 1466.4 is a new section that lists and describes how National priorities will be used to implement EQIP. Regulatory language related to Program Requirements found in § 1466.4 of the current EQIP rule has been moved to § 1466.7 in this proposal.

NRCS has established National priorities and measures to guide the allocation of EQIP funds and assist in the prioritization of EQIP applications. The National priorities are listed in § 1466.4(a) and § 1466.4(b) describes how NRCS will use the National priorities to implement the program at the state and local level. The Chief intends to review these National priorities and measures annually, utilizing input from the public and affected stakeholders and Federal agencies, and make revision as required to address emerging resource issues. Information and updates about the National priorities and measures will be provided to the State Conservationists through revisions to the EQIP manual.

Section 1466.5 is a new section that describes program management including National funding allocation. In § 1466.5 of the current rule priority areas and significant statewide natural resource concerns have been deleted from the regulatory language of this proposal.

This section describes the first key component in "optimizing environmental benefits", the allocation