

conservation efforts that meet high environmental standards. However, unlike other USDA conservation programs, the 2002 Act requires that CSP provides financial assistance for maintaining conservation. A clear intent of the program is to financially reward producers for significant environmental goods and services they provide to the public through their annual and ongoing conservation efforts. CSP, therefore, raises new and important issues that have not been confronted previously for traditional conservation programs.

NRCS undertook two projects to identify and better understand those elements in the design of the program that would have the most influence on its performance. In the first project, the firm, Plexus Marketing Group, was retained to conduct nine focus groups to obtain inputs from representative agricultural and stakeholder groups regarding key elements of the CSP to assist NRCS in developing program rules. In the second project, the Soil and Water Conservation Society (SWCS) organized five workshops to obtain feedback on CSP and its implementation from producers and NRCS field staff.

The Plexus focus groups were held as follows:

Three (3) were conducted in various states with a representative cross section of groups:

November 12 Columbia, MO
November 13 Modesto, CA
November 14 Macon, GA

Six (6) were held in Washington, DC with specific groups:

November 19 Agricultural Media Group
November 19 Livestock Group
November 20 Fruits & Vegetables Group
November 20 Crops Group
November 21 Wildlife and Sportsman Groups
November 21 Environmental Groups

The composition of the groups were determined by the firm with assistance from NRCS. The firm facilitated the participants through a series of questions to solicit their feedback on key issues relevant to rulemaking for the new program.

The five SWCS workshops were held in the following locations:

November 12 Billings, Montana (Montana, Wyoming)
November 14 Fort Morgan, Colorado (Colorado, Wyoming)
November 21 Defiance, Ohio (Ohio, Michigan, Indiana)
December 3 Greenville, Mississippi (Mississippi, Arkansas, Louisiana)
December 11 Fresno, California (California)

Four NRCS field staff and 12 producers participated in each workshop. Producers were selected in an unbiased manner which assured that they were not exclusively conservation-oriented or farm program participants. Producers were interviewed to solicit their feedback on key issues relevant to rulemaking for the new program.

Key Issues for Comment

The results of these two projects coupled with analyses conducted by NRCS have identified several key issues in rulemaking that will have profound effects on the performance and effectiveness with which CSP can be used to meet the objectives of the statute. The SWCS workshops, for example, identified important opportunities to simultaneously streamline and enhance the conservation performance of CSP. The focus groups, on the other hand, felt it important to do the program "right" at the onset even if it meant slowing initial implementation; further the participants were concerned about flexibility and accountability. Both groups identified concerns about the potential budget implications of the program. One of the overarching issues identified was the tension between the demand for the program and the budget concerns.

NRCS is currently analyzing in detail the information gathered through the workshops and focus groups to inform its rulemaking in regard to the key issues raised in the workshops, focus groups, and agency analyses of alternatives. Given the importance of these issues to the performance and effectiveness of CSP, NRCS is seeking additional public comment. NRCS is specifically interested in receiving public input regarding how CSP can be used to meet the objectives of the statute on the following issues:

1. The law specifies that conservation security plans address one or more "significant" resource concerns. Resource concerns may be as general as soil erosion or water quality or as specific as soil erosion by water or ground water quality. Many concerns have no practical direct measurement techniques or tools. What criteria should be used to determine what is a resource concern and whether a resource concern is significant?

2. The law requires that NRCS establish minimum requirements for three tiers of conservation effort. The minimum could be as specific as a list of minimum practices or as general as bundling of conservation measures that achieve a desired resource outcome. What should be the minimum requirements for each tier? Should

NRCS establish minimum requirements that apply to all contracts nationally? What could some of these requirements be?

3. The law requires NRCS to describe the particular practices to be implemented, maintained, or improved as part of the program. What criteria should be used to determine which practices and activities are eligible for payment under the program? Should specific practices or activities receive priority for payment under the program? To what extent should sets of practices and activities be accorded priority for payment under the program?

4. The law restricts the maximum base payment to a percentage of the total contract cap (*i.e.* 25 percent for Tier I and 30 percent for Tiers II and III). What should be the balance of the base payment, maintenance cost-share payment and enhancement payment to reward the steward and attain additional conservation benefits?

5. The law uses the extent of the agricultural operation covered by the contract as a primary distinction between Tiers I and II. Tier I covers the "enrolled portion of the agricultural operation", while Tiers II and III cover "the entire agricultural operation." With the variety of ownership and landowner-tenant relationships which change over time across the country, how should "agricultural operation" be defined?

6. The law specifies the eligible land for payment purposes as cropland, grassland, prairie land, and rangeland as well as forestland that is an incidental part of the agricultural operation. Should noncropped areas, such as turn rows or riparian areas, that are part of the agriculture operation be included for conservation treatment? Should farmsteads, ranch sites, barnyards, feedlots, equipment storage, material-handling facilities, and other such developed areas be considered part of the "agricultural operation"? What criteria should be used to determine those areas of a farm or ranch that might legitimately be excluded from the "agricultural operation"?

7. The law specifies that NRCS make a base payment as part of a conservation security plan using either the 2001 national rental rate for a specific land use or another appropriate rate that assures regional equity. How should NRCS determine the base payment? If an alternative to the national rental rate is used, how should it be constructed? Should the payments be determined at the national, state or local levels?

8. The law provides for an enhanced payment if an owner or operator does one or more of the following: (a)