

For: County Offices

FY2004 Grasslands Reserve Program (GRP)

Approved by: State Executive Director



1 Overview

A Background

Oklahoma has received \$2.3 million for the FY 2004 GRP. GRP applications are accepted on a continuous basis. All applications received by August 9, 2004, will be evaluated for the 2004 funds. Applications will be divided into four separate pools for ranking. Applicants can offer land under only one enrollment option. Allocation of 2004 funds between easements and agreements will be done after the evaluation period.

B Purpose

This notice provides information for administering the FY 2004 GRP.

2 Conducting the GRP

A GRP Program Information

The NRCS State Office has compiled Oklahoma Bulletin No. OK300-4-18 that provided NRCS field offices information on GRP. To eliminate duplication of effort and remain consistent in information provided for the field, the NRCS Bulletin is being provided in Exhibit 1 for counties to administer the program. The information shall be utilized to conduct the program.

B Program Announcement

The local FSA and NRCS shall coordinate announcement of the GRP. An example press release is contained in the NRCS Bulletin in Exhibit 1. The program shall be announced by all available means in all counties.

Disposal Date: 08-01-05 07-21-04	Distribution: County Offices
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OK Notice GRP-2

2 Conducting the GRP (continued)

C Accepting Applications and Processing

All counties shall accept GRP applications. Based on the evaluation criteria, counties shall not make discretionary decisions to not announce the program. Applications will be accepted on a continuous basis. Applications, received prior to August 9, 2004, will be evaluated for 2004 funding. Applications, received after August 9, 2004, will be retained and evaluated when additional GRP funds are received by the criteria in effect at that time.

County FSA and NRCS offices shall discuss the GRP provisions with producers and accept GRP applications on the AD-1153. Additionally, copies of the CCC-920, GRP Contract; Appendix; and the CCC-1255-GRP, Conservation Easement Deed, shall be provided to the producer based on their application (easement or agreement). FSA shall review HELC/WC and Adjusted Gross Income provisions with producers applying for GRP and complete applicable forms. Once the AD-1153 is accepted from the participant, the application shall be forwarded to NRCS for evaluation. The local NRCS will evaluate the application and provide an application ranking report to the NRCS State Office for selection of GRP contract agreements and easements. Notification of program acceptance will be issued by the NRCS State Office.

FSA will be involved in the funds control process, agreements, and issuing GRP payments.

D Funding

Oklahoma has received \$2.3 million in funding for the 2004 GRP.

United States Department of Agriculture



Natural Resources Conservation Service, State Office, 100 USDA, Suite 206, Stillwater, OK 74074-2655

(405) 742-1236

July 21, 2004

OKLAHOMA BULLETIN NO. OK300-4-18**SUBJECT: PGM – Grassland Reserve Program Information for Fiscal Year 2004**

Purpose: To provide field offices with the information necessary to communicate the availability of and policy for operating the Grassland Reserve Program in fiscal year 2004.

Expiration Date: September 30, 2004

Action Required By August 9, 2004

Secretary Veneman announced the publication of the interim final rule with a 60-day comment period for the Grassland Reserve Program (GRP) May 11, 2004. With publication of the interim final rule on May 21, 2004, NRCS and FSA were authorized to initiate activity to obligate the \$2.3 million dollars in GRP funding received this year. Much of the policy, beyond that defined in the rule, remains in draft form. However, the nature of the program requires initiation of the application evaluation process immediately to meet the obligation and reporting requirements established at the national level.

Key changes to the program for this year as identified in the interim final rule include:

- Applications will be accepted on a continuous basis with evaluation and ranking periods advertised through media and state websites.
- States' ranking criteria will consider multiple types of threats to conversion, including: cropping; invasive species; urban development; including home parcels that fragment grasslands; and other activities that threaten grassland resources and grazing operations.
- States are provided the flexibility to weight the threats to conversion within the broad national guidelines.
- Evaluate and provide consideration for enrollment that will provide protection and enhancement of habitat for species with declining populations.
- Flexibility to minimize the enrollment of high cost projects by considering cost effectiveness in the ranking criteria.

Application Evaluation Pools. For Oklahoma, all applications will be evaluated using the same application evaluation criteria. However, applications will be divided into four separate pools for ranking to provide the opportunity to select and fund the applications best serving the objectives of the program. Applicants can offer land under only one enrollment option. There is no specified funding level for each pool and no order of preference granted at this time. These ranking pools are as follows:

Pool 1 Applications for 30 year and permanent easements where the majority of the offered land resides in Canadian, Carter, Comanche, Craig, Creek, Garfield, Grady, Kingfisher, Lincoln, Logan, McClain, Osage, Muskogee, Nowata, Pottawatomie, Okmulgee, Wagoner, and Washington counties.

Pool 2 Applications for 10, 15, 20 and 30 year rental agreements where the majority of the offered land resides in Canadian, Carter, Comanche, Craig, Creek, Garfield, Grady, Kingfisher,

(MORE)

DIST: AO

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Lincoln, Logan, McClain, Osage, Muskogee, Nowata, Pottawatomie, Okmulgee, Wagoner, and Washington counties.

Pool 3 Applications for 30 year and permanent easements where the majority of the offered land resides in counties not listed in Pool 1.

Pool 4 Applications for 10, 15, 20 and 30 year rental agreements where the majority of the offered land resides in counties not listed in Pool 2.

Implementation Schedule. The implementation schedule is as follows:

- | | |
|--------------------------------------------------------------------------------------------------------------|--------------------|
| • Provide press releases for the Grassland Reserve Program with application acceptance on a continuous basis | Immediately |
| • Application evaluation cut-off date for this fiscal year | August 9, 2004 |
| • Finalize ranking of all applications and email report to NRCS State Office | August 20, 2004 |
| • Select and Notify Applicants and Field Offices | August 25, 2004 |
| • Obligate Allocation in Contracts or Easements | September 30, 2004 |

Deferred Applications. All deferred applications from prior years will have to be re-evaluated using the current revised evaluation criteria. District Conservationists will need to contact applicants to determine their desires and review their evaluations prior to entering on the attached ranking spreadsheet. All 2003 and 2004 applications must be included on the ranking list prior to submitting to the state office.

The following enclosures are provided for use in program implementation this fiscal year:

- Interim Final Rule with Request for Comments (7 CFR Part 1415). Published in the Federal Register on May 21, 2004, this provides the public notification of the interim final rule and established a 60-day comment period closing on July 20, 2004. It includes the definitions, requirements, options, application process, priorities, and payment information. This will serve as the operational guidance for the program until the final rule and program manual are issued. In contrast to a proposed rule, the publication of the interim final rule does allow the agencies to begin formal implementation of the program.
- Press Release for Local Use. The attached press release is available for local adaptation. Please tailor to meet your local needs and coordinate the release with the local FSA office. District Conservationists, Tribal Resource Conservationists, and Tribal Liaisons will ensure broad distribution of this and other program related information.
- Application for Long-Term Contracted Assistance (AD-1153). The form has been revised to accommodate application for the GRP.
- Application Evaluation Criteria and Worksheet (Effective Date 7/08/2004). The criteria used in Fiscal Year 2003 were revised following publication of the rule and in consultation with the Oklahoma State Technical Committee. These criteria reflect the priorities identified in the interim final rule and will be used for the evaluation of all deferred and new applications being considered for funding this year. The evaluation criteria may be revised when the final GRP rules and policy are issued. These criteria will be applied to applications statewide. However, applications will be grouped in to four or more funding pools for the purpose of grouping applications and approving those that provide the greatest benefits to the program.
- Conservation Easement Deed [Form CCC-1255-GRP]. This form is to be provided to landowners at the time of application for those requesting the 30-year or permanent easement options of the GRP, as appropriate. The copy provided at application is informational only. It will provide landowners with the details of the easement and requirements that will be placed on the land subject to successful enrollment in the GRP.
- Grassland Reserve Program Contract [CCC-920 and Appendix (07-01-03)]. This form will be used to execute rental agreements for the GRP. Provide a copy of this form and appendix to applicants (operators and/or owners) enrolling in the rental agreement option.

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- Rental Rates Table. This table includes the county level rental rates developed by FSA for calculating annual rental payments for GRP rental agreements. Use this table to calculate the total projected cost of the rental agreement. These rates remained unchanged from the 2003 established rates.
- Estimated Easement Acquisition Costs. This table includes the ESTIMATED cost of acquiring easements by county for permanent and 30-year easements. These are only estimates and are to be used for calculating the estimated easement acquisition costs for the application. Final easement prices will be determined by a certified land appraiser chosen by NRCS for the specific property and may vary considerably from this table. The numbers in this table are for program planning purposes only and do not represent a purchase price for any application. **DO NOT** represent this number to the landowner in any form that would indicate a value specific to their easement.
- Fact Sheet, Key Points, and Q&A. These information products are available on the web at:
<http://www.nrcs.usda.gov/programs/farmbill/2002/pdf/GRPFct.pdf>
<http://www.nrcs.usda.gov/programs/farmbill/2002/pdf/GRPKyPt.pdf>
<http://www.nrcs.usda.gov/programs/farmbill/2002/pdf/GRPQnA.pdf>
- Grassland Reserve Program Application Ranking List. This excel spreadsheet will be used to capture all applications evaluated by county for the program. Complete the worksheet and email to Ted Kuntz at Ted.Kuntz@ok.usda.gov, **no later than close of business August 20, 2004**. The applications will aggregated and assembled into evaluation pools with selection of approved applications completed by August 25, 2004.

Initiate implementation actions on the GRP immediately. Refer any questions to your respective Program Liaison or to the Programs Section.

/s/ Kevin D. Norton, Acting For

M. DARREL DOMINICK
State Conservationist

Enclosures

\$1.71 per ton lower than the previous rate.

The quantity of olive receipts for the 2003-04 crop year was reported by CASS to be 102,703 tons, but the actual assessable tonnage for the 2004 fiscal year is expected to be lower. This is because handlers are expected to divert some olives to exempt outlets on which assessments are not paid. The amount of assessable tonnage cannot be reported in this document because such information must be kept confidential to protect the business position of each of the three olive handlers.

The \$12.18 per ton assessment rate should be adequate to meet this year's expenses when combined with funds from the authorized reserve and interest income. Funds in the reserve will be kept within the maximum of approximately one fiscal period's expenses as required by § 932.40 of the marketing order.

Expenditures recommended by the committee for the 2004 fiscal year include \$633,500 for marketing development, \$360,563 for administration, and \$225,000 for research. The committee also recommended a fiscal year 2004 expenditure of \$50,000 for the development of an enhanced flavor standards program.

Budgeted expenses for these items in 2003 were \$633,500 for marketing development, \$347,090 for administration, and \$250,000 for research. There were no expenditures for the development of flavor standards and flavor-standards training for inspection personnel in the 2003 fiscal year.

Olive receipts totaled 102,703 tons for the 2003-04 crop year compared to the previous crop year's tonnage of 89,006. The committee has increased fiscal year 2004 expenses, but the increase in olive production makes the lower assessment rate possible.

The research expenditures will fund studies to develop chemical and scientific defenses to counteract a threat from the olive fruit fly in the California production area. Market development expenditures are the same because the committee's marketing program for fiscal year 2004 is similar.

The committee reviewed the budget and assessment rate, and unanimously recommended fiscal year 2004 expenditures of \$1,269,063, which reflect decreased research expenditures and increased administrative and inspection expenditures.

While deliberating this budget, the committee considered information from various sources, such as the committee's Executive, Research, and Marketing

Subcommittees. Alternate spending levels were discussed by these groups, based upon the relative costs and benefits to the olive industry of various research and marketing projects, the total quantity of assessable olives received by handlers, and other pertinent factors. Such deliberations resulted in the recommended assessment rate of \$12.18 per ton of assessable olives.

A review of historical industry information and preliminary information pertaining to the upcoming fiscal year indicates that the grower price for the 2003-04 crop year will be a weighted average of \$478 per ton for canning-size fruit and \$254 per ton for limited-use size fruit. The weighted average is calculated by the committee staff and takes into account the prices per ton offered by each handler for various sizes of the major olive varieties produced.

Approximately 85 percent of a ton of olives are canning sizes and 10 percent are limited-use sizes, leaving the balance as cull fruit. Thus, given the current anticipated grower prices, the average grower price per ton would be \$431.70. The estimated assessment revenue is expected to be approximately 2.8 percent of the average grower price. Total grower revenue on 102,703 tons would be \$44,336,885.

This action will continue in effect the decreased assessment obligation imposed on handlers. While assessments impose some additional costs on handlers, the costs are minimal and uniform on all handlers. Some of the additional costs may be passed on to producers. However, these costs are offset by the benefits derived by the operation of the marketing order.

In addition, the committee's meeting was widely publicized throughout the California olive industry and all interested persons were invited to attend the meeting and participate in committee deliberations on all issues. Like all committee meetings, the December 11, 2003, meeting was a public meeting and all entities, both large and small, were able to express views on this issue. The subcommittee meetings, as well, were public and all interested parties were encouraged to attend and provide comments. Finally, interested persons were invited to submit information on the regulatory and informational impacts of this action on small businesses.

This rule imposes no additional reporting or recordkeeping requirements on California olive handlers. As with all Federal marketing order programs, reports and forms are periodically reviewed to reduce information

requirements and duplication by industry and public sector agencies. USDA has not identified any relevant Federal rules that duplicate, overlap, or conflict with this rule.

The interim final rule was published in the **Federal Register** on February 9, 2004 (69 FR 5905). Copies of the rule were provided to all handlers. Finally, USDA and the Office of the Federal Register made the interim final rule available through the Internet. A 60-day comment period was provided for interested persons to respond to the interim final rule. The comment period closed on April 9, 2004, and no comments were received.

A small business guide on complying with fruit, vegetable, and specialty crop marketing agreements and orders may be viewed at: <http://www.ams.usda.gov/fv/moab.html>. Any questions about the compliance guide should be sent to Jay Guerber at the previously mentioned address in the **FOR FURTHER INFORMATION CONTACT** section.

After consideration of all relevant material presented, including the information and recommendation submitted by the committee and other available information, it is hereby found that this rule, as hereinafter set forth, will tend to effectuate the declared policy of the Act.

List of Subjects in 7 CFR Part 932

Marketing agreements, Olives, Reporting and recordkeeping requirements.

PART 932—OLIVES GROWN IN CALIFORNIA

■ Accordingly, the interim final rule amending 7 CFR part 932, which was published at 69 FR 5905 on February 9, 2004, is adopted as a final rule without change.

Dated: May 17, 2004.

Kenneth C. Clayton,

Acting Administrator, Agricultural Marketing Service.

[FR Doc. 04-11512 Filed 5-20-04; 8:45 am]

BILLING CODE 3410-02-P

DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

7 CFR Part 1415

RIN 0578-AA38

Grassland Reserve Program

AGENCY: Commodity Credit Corporation (CCC), United States Department of Agriculture (USDA).

ACTION: Interim final rule with request for comments.

SUMMARY: The Farm Security and Rural Investment Act of 2002 (2002 Farm Bill) amended the Food Security Act of 1985, to add the Grassland Reserve Program (GRP). The purpose of this program is to assist landowners and others in restoring and protecting eligible grassland and certain other lands through rental agreements and easements. This interim final rule sets forth how the Secretary of Agriculture (the Secretary), using the funds, facilities, and authorities of the Commodity Credit Corporation (CCC), will implement GRP to meet the statutory objectives of the program.

USDA made a determination to issue an Interim Final Rule with request for comments rather than a proposed rule in order to implement the program in fiscal year 2004 pursuant to this rule. USDA believes it is critical to put into place a rule that will guide the Department in implementing the program while at the same time provide the public with notice regarding how the program will be implemented. USDA also gave consideration to the fact that GRP implementation will be modeled after other established conservation programs. USDA is using its experiences from implementing other similar programs to develop operating procedures. USDA will consider all comments received when promulgating a final GRP rule.

DATES: The rule is effective May 21, 2004. Comments must be received by July 20, 2004.

ADDRESSES: Send comments by mail to Easement Division, Natural Resources Conservation Service, P.O. Box 2890, Washington, DC 20013-2890; or by e-mail: FarmBillRules@usda.gov; attn: Grassland Reserve Program. This rule may also be accessed via Internet through the NRCS homepage at <http://www.nrcs.usda.gov/programs/GRP> by selecting "Farm Bill" from the menu, then "Rules published in the Federal Register," and then selecting "Grassland Reserve Program." The rule may also be reviewed and comments submitted via the Federal Government's centralized rulemaking Web site at <http://www.regulations.gov>. All comments, including the name and address of each commenter, will become a matter of public record, and may be viewed during normal business hours by contacting NRCS at the address above.

FOR FURTHER INFORMATION CONTACT: Richard Swenson, Director, Easement Division, NRCS, P.O. Box 2890, Washington, DC 20013-2890; telephone:

(202) 720-1845; fax: (202) 720-4265; e-mail: richard.swenson@usda.gov, Attention: Grassland Reserve Program. Persons with disabilities who require alternative means for communication (Braille, large print, audiotope, etc.) should contact the USDA Target Center at (202) 720-2600 (voice and TDD).

SUPPLEMENTARY INFORMATION:

Regulatory Certifications

Executive Order 12866

The Office of Management and Budget (OMB) determined that this interim final rule is significant and must be reviewed by the Office of Management and Budget under Executive Order 12866. USDA conducted a cost-benefit analysis of the potential impacts associated with this Interim Final Rule.

Five options for determining State funding levels and their impacts on enrollment are examined. The first two examine alternatives for balancing GRP objectives. These options include: The Selected Option, which balances the amount of grassland, number of livestock operations, biodiversity, and landowner demand, and a continuation of FY2003 procedures, which is like the Selected Option, except for not giving consideration to landowner demand. The three additional options examine the consequences of concentrating on only a single objective, e.g., native grasslands.

The Selected Option allocates State funding as a function of State number of grazing operations, acres of grassland under the threat of conversion, biodiversity considerations, and State demand for funds, as measured by the number of offers for the GRP. This process is the same used in FY2003, except it includes consideration of interest within a State for demand for funds. This last component addresses high FY2003 participation demand.

Although the Selected Option enrolls fewer grasslands than some other options, the Selected Option distributes funds to States based on the number of grazing operations, the threat of grassland conversion to other uses, and a bio-diversity index, recognizing the implicit equality given the three program objectives by the statute. The demand component was used to capture producer willingness to participate and the quality of offers. Because this option balances the three statutory objectives, no single objective is maximized.

Copies of the analysis may be obtained from Richard Swenson, Director, Easement Division, NRCS, P.O. Box 2890, Washington, DC 20013-2890; telephone: (202) 720-1845; fax (202) 720-4265; e-mail:

richard.swenson@usda.gov, Attention: Grassland Reserve Program and electronically at <http://www.nrcs.usda.gov/programs/GRP/>.

Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994

Pursuant to section 304 of the Federal Crop Insurance Reform Act of 1994 (Pub. L. 103-354), USDA classified this rule as non-major. Therefore, a risk analysis was not conducted.

Regulatory Flexibility Act

The Regulatory Flexibility Act is not applicable to this Interim Final Rule because the Commodity Credit Corporation (CCC) is not required by 5 U.S.C. 553, or by any other provision of law, to publish a notice of proposed rulemaking with respect to the subject matter of this rule.

Small Business Regulatory Enforcement Fairness Act of 1996

This Interim Final Rule is not a major rule as defined by section 804 of the Small Business Regulatory Enforcement Fairness Act of 1996. This Interim Final Rule will not result in annual effect on the economy of \$100 million or more, a major increase in costs or prices, or significant adverse effects on competition, employment, investment, productivity, innovation, or the ability of U.S.-based companies to compete in domestic and export markets.

Environmental Analysis

An Environmental Assessment (EA) has been prepared to assist in determining whether this Interim Final Rule would have a significant impact on the quality of the human environment such that an Environmental Impact Statement (EIS) should be prepared. Based on the results of the EA, USDA proposes issuing a Finding of No Significant Impact (FONSI) before a final rule is published. Copies of the EA and FONSI may be obtained from Andree DuVarney, National Environmental Specialist, Ecological Sciences Division, Natural Resources Conservation Service, P.O. Box 2890, Washington, DC 20013-2890. The GRP EA and FONSI will also be available at the following Internet address: <http://www.nrcs.usda.gov/programs/GRP>. Written comments on the EA and FONSI should be sent to Andree DuVarney, National Environmental Specialist, Ecological Sciences Division, Natural Resources Conservation Service, P.O. Box 2890, Washington, DC 20013-2890, or submit them via the Internet to andree.duvarney@usda.gov.

Paperwork Reduction Act

Section 2702 of the Farm Security and Rural Investment Act of 2002 requires that the implementation of this provision be carried out without regard to the Paperwork Reduction Act, Chapter 35 of title 44, United States Code. Therefore, USDA is not reporting recordkeeping or estimated paperwork burden associated with this Interim Final Rule.

Government Paperwork Elimination Act

NRCS is committed to compliance with the Government Paperwork Elimination Act (GPEA) and the Freedom to E-File Act, which require government agencies in general, and NRCS in particular, to provide the public the option of submitting information or transacting business electronically to the maximum extent possible.

Civil Rights Impact Analysis

USDA has determined through a Civil Rights Impact Analysis that the issuance of this rule discloses no disproportionately adverse impacts for minorities, women, or persons with disabilities. Copies of the Civil Rights Impact Analysis is available, and may be obtained from Richard Swenson, Director, Easement Division, Natural Resources Conservation Service, P.O. Box 2890, Washington, DC 20013-2890, and electronically at <http://www.nrcs.usda.gov/programs/GRP>.

Executive Order 12988, Civil Justice Reform

This Interim Final Rule has been reviewed in accordance with Executive Order 12988, Civil Justice Reform. The rule is not retroactive and preempts State and local laws to the extent that such laws are inconsistent with this rule. Before an action may be brought in a Federal court of competent jurisdiction, the administrative appeal rights afforded persons at 7 CFR parts 614, 780, and 11 must be exhausted.

Executive Order 13132, Federalism

This Interim Final Rule has been reviewed in accordance with the requirements of Executive Order 13132, Federalism. USDA has determined that the rule conforms to the federalism principles set forth in the Executive Order; would not impose any compliance cost on the States; and would not have substantial direct effects on the States, on the relationship between the Federal Government and the States, or on the distribution of power and responsibilities on the various levels of government.

Unfunded Mandates Reform Act of 1995

Pursuant to Title II of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. 1531-1538, USDA assessed the effects of this rulemaking action of State, local, and tribal governments, and the public. This action does not compel the expenditure of \$100 million or more by any State, local, or tribal government, or anyone in the private sector; therefore, a statement under section 202 of the Act is not required.

Background

Historically, grassland and shrublands occupied approximately one billion acres, about half the landmass of the 48 contiguous United States (Richard Conner, Texas A&M, June 2001). Roughly 50 percent of these lands have been converted to cropland, urban land, and other land uses. Privately owned grasslands (pastureland and rangeland) cover approximately 526 million acres in this country (1997 National Resource Inventory (NRI)). Grasslands provide both ecological and economic benefits to local residents and society in general. Grassland importance lies not only in the immense area covered, but also in the diversity of benefits they produce. These lands provide water for urban and rural uses, livestock products, flood protection, wildlife habitat, and carbon sequestration. These lands also provide aesthetic value in the form of open space and are vital links in the enhancement of rural social stability and economic vigor, as well as being part of the Nation's history.

Grassland loss through conversion to other land uses such as cropland, parcels for home sites, invasion of woody or non-native species, and urban development threatens grassland resources. About 24 million acres of grasslands and shrublands were converted to cropland or non-agriculture uses between 1992 through 1997 (1997 National Resource Inventory).

In Fiscal Year (FY) 2003, GRP was implemented through a notice of funds availability published in the **Federal Register** on June 13, 2003 (See **Federal Register** Vol. 68, No. 114). The document explained that in FY 2003, CCC intended to use GRP to protect grazing lands from conversion, and support efforts to maintain or enhance biodiversity.

The Secretary has delegated authority to implement GRP jointly to the Administrator, Farm Service Agency (FSA), and the Chief, Natural Resources Conservation Service (NRCS). In addition, limited responsibilities associated with easement management

and general program development have been delegated to the Forest Service (FS). Activities identified in this interim rule as being conducted by the USDA or the CCC will be performed by representatives of these three agencies, as appropriate.

The GRP rental agreements and easements are designed for working agricultural lands. Therefore, the program provides incentives to protect grassland resources while enabling agricultural producers to use the forage in their agricultural operation. There are multiple enrollment duration options for both the rental agreements and easements.

In the 2002 Farm Bill Managers' Report, Congress recommended that the GRP enrollment process be modeled after the Conservation Reserve Program (CRP), 16 U.S.C.3835a and the Wetlands Reserve Program (WRP), 16 U.S.C.3837 *et seq.* Like the CRP Continuous Sign-up and the WRP, applications for program enrollment in GRP can be filed at any time throughout the year. Application selection is based on ranking and selection criteria developed at the State level, following broad National guidelines. Although the GRP rental agreements are for working lands, the rental agreements are modeled after the CRP long-term rental contracts. Likewise, the easement acquisition process is similar to that used in the WRP. With both GRP easements and rental agreements, participants will have the opportunity to utilize common management practices to maintain the viability of the grassland acreage.

The Secretary evaluated whether the GRP could be administered by partnering with third parties to acquire easements, similar to the Farm and Ranch Lands Protection Program, 16 U.S.C. 3838h and 3838i, and concluded that the GRP statute does not provide authority to do so.

The GRP statute provides broad land eligibility criteria regarding the type of grasslands that can be enrolled in the program. USDA proposes in this regulation to emphasize program implementation to preserve the Nation's most critical grassland resources, both native and natural grasslands, and shrublands.

Discussion of the Program

The Grassland Reserve Program (GRP) is a voluntary program to assist landowners and agriculture operators in restoring and protecting grassland and land that contains forbs and shrublands. The Secretary of Agriculture delegated the authority to administer GRP on behalf of the Commodity Credit Corporation, to the Chief, Natural

Resources Conservation Service (NRCS) and the Administrator, Farm Service Agency (FSA). These agency leaders are Vice Presidents of the CCC. NRCS has the lead responsibility on technical issues and easement administration, and FSA has the lead responsibility for rental agreement administration and financial activities. The Secretary also delegated authority to the Forest Service to hold easements at the option of the landowner, on properties adjacent to USDA Forest Service properties. At the State level, the NRCS State Conservationist and the FSA State Executive Director will determine how best to utilize the human resources of both agencies to deliver the program and implement National policies in an efficient manner.

The program has a statutory enrollment cap of two million acres of restored or improved grasslands. USDA may enroll an excess of two million acres in the program, providing the additional acreage does not require restoration, and the program has sufficient funding. The statute also requires that 40 percent of the program funds be used for 10-year, 15-year, and 20-year rental agreements, and 60 percent of the funds be used for 30-year rental agreements and easements.

As defined in this rule, the term "restoration" not only includes restoring grassland from cropland and other uses, but it also refers to improving lands with existing stands of grasses, forbs, and shrubs. USDA has defined "restoration" as the implementation of any conservation practice (vegetative, management, or structural) that improves the values and functions of grasslands (native and natural plant communities). The term "improves" in this context means taking an existing grassland and moving it toward a higher functioning grassland condition. The definition of restoration is found in section 1415.3 of this rule. This regulation does not define the required restored condition in order to allow for flexibility in making such determinations at the local level in accordance with local conditions and desired outcomes. USDA recognizes that restoration includes the process of establishing practices and managing the land to reach a desired grassland condition. Enrolled lands will require periodic manipulation to maximize wildlife habitat and preserve grassland functions and values over time. The "restored" grassland condition will be determined by the NRCS State Conservationist, with input from the State Technical Committee.

GRP enrollment options include easements with various durations,

including 30 years, permanent, or for the maximum duration allowed under State law; or rental agreements with a duration of 10-, 15-, 20-, or 30-years. Participants can enter into a restoration agreement in conjunction with either an easement or rental agreement, at the discretion of the USDA and if desired by the participant, to restore the ecological functions and values of these lands. The GRP statute does not authorize USDA to use restoration agreements as a stand-alone enrollment option.

As set forth in section 1415.5, land is eligible if it is privately owned land, including tribal land, and it is: (1) Grassland, land that contains forbs, or shrubs (including rangeland and pastureland); or (2) located in an area that has been historically dominated by grassland, forbs, and shrubs and has potential to provide habitat for animal or plant populations of significant ecological value if the land is retained in the current use of the land or restored to a natural condition. Lands incidental to the above described eligible lands may also be enrolled if the Secretary determines enrollment of such land is necessary for the efficient administration of a rental agreement or easement. Privately owned land does not include land owned by the Federal, State, or local government.

USDA, at the State level, based on national guidance, shall establish criteria to evaluate and rank applications for easements and rental agreements as outlined in this regulation at section 1415.8. As required by statute, emphasis will be placed on supporting grazing operations, plant and animal biodiversity, and grassland and land containing shrubs or forbs under the greatest threat of conversion.

USDA evaluated the following two approaches for allocating funds to projects. One approach is to allocate funds to States using a formula that incorporates factors associated with the program's areas of emphasis. Under this approach, each NRCS State Conservationist and the FSA State Executive Director would be given the responsibility to develop, within broad national guidelines and with input from State Technical Committees, ranking criteria against which to evaluate and select applications for funding.

Another approach is to develop national criteria and have all applications evaluated and selected nationally. Allocations would not be provided to States. USDA has used both approaches when implementing other conservation programs. Based on its experience with implementing GRP in fiscal year 2003, USDA is adopting the approach of allocating funds to States

for selection of projects at the State level. This approach allows USDA to enhance its ability to address State grassland concerns, as well as enable States to use all conservation programs in a coordinated effort to address grassland concerns, giving consideration to the entire ecosystem. USDA recognizes that this approach results in some differences between State ranking criteria, and that it may be more challenging to address specific national priorities. USDA welcomes comments on this decision. State ranking criteria will be available to the public through local USDA service centers or on the NRCS Grassland Reserve Program web site. See <http://www.nrcs.usda.gov>. Select "Programs" from the menu, then "Grassland Reserve Program." Anyone having comments on the 2003 State ranking criteria should refer the comments to the respective NRCS State Conservationist or FSA State Executive Director located in the USDA State Office. Addresses for the State offices are available at <http://www.fsa.usda.gov/pas/default.asp>. Select "Your State Office" from the menu bar.

USDA seeks public comment on the criteria and weighting factors that should be used to allocate funds to States, and the national guidance from which States develop their individual ranking criteria. In particular, USDA asks that respondents provide information on credible data that is national in scope related to grassland plant and animal biodiversity. The current allocation formula, developed by USDA at the national level, includes data from the NRI regarding pasture and rangeland conversion, prime farmland used as range or pasture, and total range and pastureland acreage. From agriculture statistics USDA uses data regarding agriculture operations. USDA also includes information from the U.S. Fish and Wildlife Service about threatened and endangered plant and animal species. The data was categorized as either being a biodiversity, conversion, or grazing operation factor. In addition, now that USDA has collected program demand data from the 2003 signup, there will be a demand factor included in the State allocation formula. Program demand data is expressed in terms of total applications received, total acres offered for enrollment, and total estimated cost of applications received. For fiscal year 2004 and beyond, demand may be reflected in terms of applications received, acreage associated with such applications, funding needs associated with unfunded applications, or a

combination of all three. USDA intends to provide equal weight to each area of emphasis (grazing operations, threat of conversion, and biodiversity of plants and animals) and the demand category in the allocation formula.

Once USDA State offices receive their allocation, FSA and NRCS, at the State level, will determine the distribution of funds within the State, with input from the State Technical Committee. FSA and NRCS may allocate funds to regions based on natural resource priority, distribute funds for easements and rental agreements based on landowner interest in the various enrollment options, or establish funding pools. If a State office lacks funds to enroll an entire project, the applicant will be provided the opportunity to reduce the amount of land offered, or change the duration of the enrollment option, providing the ranking score is not lowered below the score of the next application on the ranking list. If the applicant declines adjusting the offered acreage level, the USDA at the State level can accept the next eligible application on the list of unfunded applicants.

Easements

Section 1415.4 provides that for participation in an easement option, the applicant must be the owner of the eligible land. To grant an easement to the United States, the landowner must possess clear title to the land or be able to provide subordination agreements from third parties with interest in the land, and provide access to the property from a public road. The landowner must comply with the terms of the easement and associated restoration agreement, if one is required.

Easement payments are based on the current market value of the land less the grazing value of the land encumbered by the easement. Under the terms of the easement, in addition to the use of the forage, the landowner retains the right to grassland uses so long as such use is compatible with maintaining the viability of the grassland resources. In addition to grazing, haying, mowing, and seed production, other uses may include hunting, fishing, hiking, camping, bird watching, and other non-motorized recreational activities. Since landowners retain certain rights to grassland resources, for appraisal purposes, grazing value has been defined as grassland value. Land values will be determined through a site-specific appraisal. For 30-year easements, or an easement for the maximum duration allowed under State or tribal law, a landowner receives 30 percent of the appraised value for a

permanent easement. Easement payments may be provided in one lump sum payment at the time of closing or participants may elect to receive installment payments. Participants who elect to receive installment payments can receive no more than 10 annual payments of equal or unequal amount, as agreed to by the USDA and the landowner.

USDA has developed a standard conservation deed that the United States will use for all easements purchased under GRP. A copy of the deed may be viewed at <http://www.nrcs.usda.gov>.

Subsurface Resource Concerns

In promulgating this rule, USDA considered whether the exploration and development of subsurface resources was compatible with the purpose of GRP. The GRP statute provides that the conduct of any activity that would disturb the surface of the land covered by the GRP easement or rental agreement is prohibited, except for restoration, fire rehabilitation, and construction of fire breaks. Therefore, the extraction of subsurface resources is prohibited on all lands participating in GRP. However, subsurface resource exploration and extraction is permissible when it is accomplished remotely, that is from adjacent land not covered by a GRP easement, and when it does not result in subsidence or any other adverse effects to the surface estate. USDA finds the extraction of certain materials, such as gravel, to be inconsistent with the purposes of the program. USDA contemplated appraising land based on surface rights alone, but determined that this appraisal method prohibits USDA from restricting the disturbance of the surface when such rights are owned by the GRP participation landowner. Therefore, the easement appraisal will consider full market value rather than surface value, in those instances where the applicant owns the rights to the surface and subsurface estate.

For rental agreements, USDA is adopting subsurface resource policy similar to that of the Conservation Reserve Program. If the subsurface resources are severed and the owner of such rights decides to extract the resources, the affected land will be terminated from the rental agreement with no penalty to the participant. If the rights are not severed and the landowner participant exercises such rights, the participant will have to refund to the USDA payments received on the affected acres.

Rental Agreements

Section 1415.4 provides that landowners and other people who have general control of property may apply for enrollment in rental agreements through GRP. Applicants who are not landowners need to provide evidence of control of the property for the length of the agreement. If rental agreement payments are to be divided between the landowner and other participants or multiple landowners, the rental agreement will need to be signed by all parties, indicating their respective share of the payments.

As required by statute, rental payment amounts will not exceed 75 percent of the grazing value for the length of the agreement. Rental payments will be paid annually after the anniversary date of the agreement. Local grazing values are determined based on a methodology developed for the CRP using estimated forage production by soil type and knowledge of local rental rates. USDA will make administrative adjustments to local rates in areas where there is a dramatic difference between county rates. County rental rates will be posted in USDA Service Centers after being evaluated locally by USDA representatives to determine whether the rates generally reflect local prevailing rental rates. There may be some significant differences within a State due to elevation changes and precipitation variability.

Persons who participate in a rental agreement may offer the land for an easement, providing the duration of the easement exceeds the duration of the rental agreement, the application ranks high enough to be funded, all other eligibility criteria are met, and funds are available to acquire an easement. The easement application will be considered a new offer that will be evaluated with all other new offers. The rental agreement will be terminated upon easement closing. This policy allows USDA to obtain longer term protection on lands considered valuable for enrollment. This policy will apply to those individuals who signed up for a rental agreement in FY2003 and subsequent years.

Provisions That Apply to Both Easements and Rental Agreements

Program participants are subject to the Adjusted Gross Income Limitation set forth at 7 CFR part 1400. In summary, this limitation provides that individuals or entities that have an average adjusted gross income exceeding \$2.5 million for the three tax years immediately preceding the year the contract is approved are not eligible to receive

program benefits or payments, unless 75 percent of the adjusted gross income is derived from farming, ranching, or forestry operations. Easement or rental agreement payments received by a participant shall be in addition to any payments that the participant is otherwise eligible to receive under other Federal laws.

As required by statute, easements and rental agreements will:

(1) Permit grazing on the land in a manner that is consistent with maintaining the viability of the grassland, shrubs, forbs, and habitat for wildlife species adapted to the locality.

(2) Permit haying, mowing, or harvesting for seed production, except during the nesting season for birds in the local area that are in significant decline. When bird species are identified by USDA as needing protection during the nesting season, mowing, haying, and harvesting of grass seed will be permitted as determined by the NRCS State Conservationist in accordance with Federal and State law. In making this determination, NRCS will consult with the State Technical Committee, which includes representation from appropriate State and Federal agencies.

(3) Allow for fire rehabilitation and construction of firebreaks, fences, watering facilities, and practices that protect and restore the grasslands functions and values.

(4) Prohibit the production of row crops, fruit trees, vineyards, or any other agricultural commodities or activity that requires disturbance of the soil surface, except for those activities permitted above. Grassland and wildlife management practices and restoration activities that require disturbing the soil surface, such as light discing, will be permitted at the discretion of USDA.

Both GRP easements and rental agreements will require that the land is managed to maintain the vitality of the plant community as described in the conservation plan. The plan will take into account management practices necessary for the control of invasive species. At the discretion of USDA and subject to funding availability, landowners may include a restoration agreement with both enrollment options that will provide for: maintaining the viability of the grassland; sufficient ground cover to protect the soil from wind and water erosion; forage production for grazing animals, and wildlife habitat. The grassland restoration plan will be implemented according to the schedule developed by USDA. Restoration agreements will provide cost-share assistance for installing practices that will restore or

protect the functions and values of the grassland and shrubland. In addition to reestablishing desirable grass cover, restoration practices may include practices associated with grazing management, or other management activities designed to preserve grassland acreage, such as controlled burns. The GRP statute provides that payments may be made to the participant of not more than 90 percent for the cost of carrying out restoration measures and practices on grassland and shrubland that has never been cultivated, and not more than 75 percent on restored grassland and shrubland that at one time was cultivated. Cost-shared practices shall be maintained by the participant for the life of the practice. The life of the practice is determined by the NRCS State Conservationist, and shall be consistent with other USDA conservation programs. All conservation practices will be implemented in accordance with the NRCS Field Office Technical Guide.

Summary of Provisions and Request for Comment

USDA welcomes comments on all aspects of this Interim Final Rule. The following describes the specific requirements in each section of the regulation. Activities identified in this regulation as being conducted by USDA or the CCC, will be performed by representatives of either the Farm Service Agency, the Natural Resources Conservation Service, or the U.S. Forest Service. Additionally, USDA fully intends to use the services of third party providers identified in 7 CFR part 652.

Section 1415.1 Purpose

This section sets forth the purpose and objectives of the program. In carrying out this program, the Secretary will focus GRP resources on the following:

1. Preserving native and natural grasslands and shrublands;
2. Protecting grassland and shrubland from the threat of conversion; conversion refers to all threats, including conversion to non agriculture uses, conversion to cropland, and vegetation changes to non-grassland covers;
3. Supporting grazing operations; and
4. Maintaining and improving plant and animal biodiversity.

The Secretary has determined that it makes sense to focus the program on those grasslands and shrublands that are at greatest risk of being lost. Therefore, the overall program emphasis will be on preserving native and natural species.

After completing the FY 2003 sign-up, USDA received feedback from

conservation organizations and Congressional representatives that GRP should focus on restoring and protecting native and natural grasses, shrubs, and forbs. The statute identifies eligible land as grassland, land that contains forbs, or shrubland. It does not identify whether the program should emphasize native species, nor does it exclude certain types of grassland or shrublands from being enrolled in the program. However, USDA recognizes that grassland and shrublands that are native support an abundant diversity of plant and animal species along with other attributes. Once native grassland or shrubland is converted, it is often impractical, and sometimes impossible, to restore the land with its many attributes back to its original state. In many areas of the country where it is impractical to restore native plant species, other nonnative species have been used to serve similar purposes. Consequently, USDA proposes to emphasize protecting those eligible lands that consist of native and natural species.

Conservation organizations and Congressional representatives also expressed that USDA should use the Farm and Ranch Lands Protection Program (FRPP) to protect land subject to urban conversion pressures, and that GRP should focus on lower cost land subject to other conversion pressures outside of developing urban areas. These concerns primarily result from the high cost of easements in urban areas. The Secretary has the authority through FRPP, not GRP, to leverage Federal funds with non-Federal funds. The GRP statute does not provide the Secretary the flexibility to offer easement applicants amounts lower than the fair market value less the grazing value, nor does the USDA have the authority to share with other third parties the cost of acquiring easements. Therefore, the Secretary has been contemplating how the implementation of these two easement programs should fit together. When considering the scope of eligible lands, the amount of interest expressed by people to participate in GRP (approximately 13,000 applications offering 8.9 million acres received in FY 2003), and the limited GRP funding, the Secretary determined that USDA can preserve far greater grassland resources if GRP focuses on non-urban lands. The Secretary recognizes that in some States the primary threat to grassland is urban development, and that GRP rental agreement payment rates will provide little incentive to keep the acreage in grass cover. Since easement costs in areas with intense urban pressures tends to be quite high on a per acre basis, and

FRPP is able to leverage a large percentage of funds with non-Federal sources while GRP cannot, the Secretary may utilize FRPP easements to the extent practical on lands under extreme threat of conversion to non-agricultural uses. However, the focus of FRPP will remain protecting lands for broad agricultural use, including cropland. The Secretary intends to take a common sense approach to implementing both programs, and where it is more appropriate or strategically advantageous to protect important grassland in urbanizing areas, the USDA may use GRP to purchase easements in those areas. USDA State offices will be provided the flexibility to minimize the enrollment of high cost projects by considering cost in the State ranking criteria.

Section 1415.2 Administration

This section includes language on general program administration and policy that sets forth the role of the State Technical Committee in the development of criteria for ranking and selecting applications and addressing related technical and policy matters in the implementation of the program.

Section 1415.3 Definitions

This section defines terms used throughout the proposed rule. Some of the terms in this section such as Administrator, Chief, Commodity Credit Corporation, Cost-share, Department, etc., are not unique to GRP, and the definitions are consistent with definitions in other program regulations. For other terms, such as grassland value, grazing value, restored grassland, restoration etc. this section defines how these terms will be utilized for GRP.

Section 1415.4 Program Requirements

In this section, USDA identifies the requirements for participation in GRP. Earlier in the preamble § 1415.4(a) was referenced regarding ownership requirements. Section 1415.4(c) requires that participants follow a conservation plan that maintains the viability of the grassland regardless of the grassland use. The Secretary has determined that such a requirement is needed to carryout the purposes of GRP (see 16 U.S.C. 3830o). The level of restoration or management required in a conservation plan is established by the NRCS State Conservationist in each State, with input from the State Technical Committee.

USDA is seeking input regarding GRP project management. Under this rule, USDA is requiring participants to manage the GRP acreage to move toward a certain natural resource condition

without requiring that certain species of grasses, shrubs, or forbs be planted. This policy makes sense considering the general purpose of the authorizing statute on land eligibility and the high cost of reestablishing native grasses in some settings. Management requirements may change over the life of the easement or rental agreement based on the natural resource response to such activities. Since the GRP statute is not specific about the types of land that should be enrolled in the program, once land has been accepted into the program USDA seeks input on whether a participant should be able to maintain the current cover even if it contains a monoculture of a less desirable species, or whether a participant should be required to manage the property to move toward a certain natural resource condition. USDA is reluctant to require participants to fully restore project acreage to native species because of the extreme cost, and in some localities, it is impractical to do so. However, in instances where a grassland cover does not exist, participants will be required to establish a grassland cover with either native or natural species to the extent it is practical, as determined by the NRCS State Conservationist.

Section 1415.5 Land Eligibility

The language in this section identifies eligible land as defined in the GRP statute. The GRP statute does not restrict the amount of acreage a landowner can offer for the program or the maximum payment a person can receive over the life of the contract or otherwise. The statute does provide for a minimum acreage enrollment level.

Section 1415.5(d) provides that 40 contiguous acres is the minimum acreage offer that will be accepted in the program, however, less than 40 acres may be accepted if USDA grants a waiver. USDA recognizes that some grassland habitat is considered irreplaceable and thus has determined to provide States the discretion to determine when the 40 acre minimum requirement will be waived. Decisions associated with this waiver should be granted based on input from the State Technical Committee and local natural resource concerns. USDA policy is to ensure that NRCS State Conservationists make this determination based on all the purposes of GRP as provided for in § 1415.1. State Conservationists may consider establishing separate funding pools based on offer size.

USDA considered providing States greater flexibility to set minimum acreage levels in States where there is a strong interest in preserving very large blocks of grassland and offers below a

certain level have virtually no chance of being accepted into the program due to intense competition. However, the statute directs which lands are eligible for consideration under GRP.

Accordingly, rather than establish policy that impacts eligibility, USDA determined to address this issue through the ranking criteria at the State level. Allowances shall be made to ensure the ranking criteria does not discriminate against small or limited resource producers. USDA will periodically review the types of projects being enrolled and compare those projects with the applications being submitted for participation to evaluate whether small or limited resource producers are being routinely prohibited from participating in the program.

Section 1415.5(f) makes land ineligible if it is already protected by an easement or contract that requires the GRP applicant to maintain the grassland resources. If the existing easement or agreement is with USDA or with a program funded through USDA, USDA will look to the program rules of the existing contract or the terms of the easement to determine whether such agreement can be canceled in order to enroll the land in GRP. This policy was determined because it is not fiscally responsible to pay someone twice for the same natural resource protection. USDA welcomes comment on this policy, especially as it relates to the relationship between GRP and the Conservation Reserve Program, Environmental Quality Incentives Program and the Wildlife Habitat Incentives Program.

Section 1415(g) of the Interim Final Rule addresses the issue of third party ownership of subsurface mineral rights on land proposed for enrollment under a rental agreement or an easement. Specifically, this rule provides that such lands may be enrolled in GRP. If the third party exercises such rights during the agreement period, the agreement will be terminated without penalty on the affected land. The land may be reoffered for the program at a later date if the grassland resources are restored, subject to eligibility rules and funding at that time. For easement enrollment, such lands may only be offered if the third party subordinates its rights to the resources or if USDA determines that the risk to the grassland resources is minimal if such rights are exercised (*i.e.*, would not undermine the conservation purposes of the easement).

Section 1415.6 Participant Eligibility

This section sets forth the eligibility for participation in GRP. Only landowners may participate in the

easement option, because only landowners have the ability to convey property rights. Both landowners and tenants can participate in the rental agreement enrollment options. However, if a tenant wishes to participate without a landowner, the tenant must provide evidence of control for the duration of the agreement period.

Since the GRP is a Title XII program, all participants are subject to the conservation compliance requirements found in 7 CFR, part 12.

Section 1415.7 Application Procedures

This section provides general information about the application process. Interested applicants can file an application at any time with their local USDA Service Center.

Section 1415.8 Establishing Priority for Enrollment of Properties

This section sets forth policy for developing the ranking and evaluation criteria. The GRP statute directs the Secretary to emphasize support for grazing operations, plant and animal biodiversity, and the threat of conversion in project selection. It does not give guidance about whether any of these factors should be given greater consideration than the others.

As discussed earlier in the preamble, USDA is placing a priority on protecting native or natural grassland and shrubland in the ranking process to the extent practical, and it is providing States the flexibility to develop ranking criteria that may encourage participants to restore their land back to a natural or native plant community. Land not currently in grass or shrubs that needs to be reseeded back to a grassland or shrubland may be eligible for the program if the applicant agrees to reseed the land back to its historically dominated grassland, shrubland, or forb plant community. However, if it can be demonstrated that reseeded to appropriate introduced plant species has potential to serve as habitat for animal or plant populations of significant ecological value, such land may be enrolled in the program and reseeded can take place through a GRP restoration agreement. Lower enrollment priority may be given to smaller parcels, especially in States where protecting larger grassland parcels is more desirable from an administrative and environmental standpoint. By prioritizing the types of eligible land for funding, USDA seeks to secure maximum conservation benefits for the Federal dollar expended. USDA is seeking specific comments on this decision.

USDA does provide its offices at the State level, the flexibility to establish one or more ranking pools. Although each pool will use the State established ranking criteria, the projects within one pool will only compete with similar projects. USDA, at the State level, may determine the portion of its funds to direct to each established ranking pool. Ranking pools will be established prior to conducting a signup.

Section 1415.9 Enrollment of Easements and Rental Agreements

This section describes the process for enrollment in GRP which is similar to that used for the Conservation Reserve Program for rental agreements and the Wetlands Reserve Program for easements. This approach was suggested by Congress in the Managers Report to the authorizing statute. For rental agreement projects, land is considered enrolled when the rental agreement is approved by USDA. For easement projects, land is considered enrolled when a landowner accepts a letter of tentative acceptance by signing documentation that indicates the landowner's intent to continue with the project.

Section 1415.10 Compensation for Easements and Rental Agreements

This section sets forth the methodology for determining compensation for both easements and rental agreements. For rental agreements, the statute at 16 U.S.C. 3838p requires that USDA pay participants not more than 75 percent of the grazing values. For the FY 2003, signup period grazing values for rental agreements were determined administratively based on compensation rates for the Conservation Reserve Program. Rates were established for each county, rather than on a site specific basis. This process enabled USDA to post compensation rates for public information and minimized the administrative burden at the field level for USDA employees.

The statute provides at 16 U.S.C. 3838p that easement compensation rates be determined based on the fair market value of the land, less the grazing value of the land encumbered by the easement. USDA will use certified land appraisers to develop easement compensation rates on a site specific basis. USDA recognizes that in certain parts of the country, the cost of acquiring easements may be considerable. Therefore, the Secretary evaluated alternatives to minimize the per acre cost of enrolling projects in the program, such as establishing maximum payment rates or contract limits.

However, the Secretary determined the statute, by requiring a fair market valuation, does not permit a non-appraisal approach to valuing conservation easements.

Section 1415.11 Restoration Agreements

This section sets forth the terms and conditions under which USDA will enter into a restoration agreement. GRP does not have the authority to enroll land in restoration agreements as a separate, stand-alone enrollment option. Consequently, USDA will only enter into restoration agreements in conjunction with easements and rental agreements at the discretion of USDA, subject to available funding, and when it is supported by the participant.

Eligible practices include land management, vegetative, and structural practices and measures that will improve the grassland and shrubland ecological functions. Specific practices eligible for payment will be determined by the USDA at the State level with advice from the State Technical Committee. Limitations on cost-share rates set forth in this rule are those provided for in the GRP statute at 16 U.S.C. 3838p.

Section 1415.12 Modifications

This section describes when easements and rental agreements may be modified. For both easements and rental agreements, modifications may be made to the conservation plan by mutual agreement between the USDA and the participant as changes occur in the participant's operation and land management strategy. However, any modification must continue to ensure the viability of the grassland, and meet the other objectives of the GRP.

Section 1415.13 Transfer of Land

This section discusses the impact of transferring ownership or control of land enrolled in GRP.

Section 1415.17 Easement Administrative Delegations to Third Parties

The GRP statute at 16 U.S.C. 3838q provides that the Secretary may permit a private conservation or land trust organization, or a State agency to hold and enforce an easement, in lieu of the Secretary, subject to the right of the Secretary to conduct periodic inspections and enforce the easement. The Secretary has interpreted the word "hold" in this context to mean "administer." Prior to permitting an approved third party to hold and enforce an easement, USDA must determine that granting such permission

will result in the protection of grassland, land that contains forbs, and shrubland; the owner authorizes the third party to hold and enforce the easement; and the third party agrees to assume the costs incurred in administering and enforcing the easement, including the costs of restoration or rehabilitation of the land as required by the landowner and the third party. The intent is not to have the third party cover the costs of natural resource practices required through GRP. However, the third party must cover costs of practices that it requires above what is required by GRP. The third party must submit its intent to impose these additional requirements to USDA to determine whether they are consistent with the conservation purposes of the easement.

In GRP, the Secretary administers the easement on behalf of the United States, and may delegate the easement administrative responsibilities to a private organization or State agency under certain conditions. However, the GRP statute does not provide authority for the Secretary to convey property rights acquired under the authority of the GRP statute.

This section provides that certain private organizations, as set forth in the statute, and State agencies interested in managing and enforcing GRP easements, may apply for GRP administration. The criteria and approval process required for participation are set forth below. The application packages must include:

(1) Certification that the conservation organization or land trust is an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from taxation under section 501(a) of that Code; or is described in section 509(a)(3), and is controlled by an organization described in section 509(a)(2), of that Code.

(2) Certification that the applicant has the human and financial resources necessary to administer and enforce the easements, and that the applicant has relevant experience with easement enforcement activities.

(3) Certification that the applicant's charter expresses a commitment to conserving agriculture land, grassland, or rangeland. The application will require a summary of such commitment.

(4) Estimates in terms of acreage, number of easements, and funding requirements that the third party is willing to assume on behalf of the Secretary.

(5) Description of the human resources available to perform tasks associated with easement management and enforcement, including information about range and grassland management

for livestock and wildlife, and realty management expertise.

(6) Budgetary information that demonstrates the organization is prepared to assume the Secretary's duties.

State agencies do not have to submit information related to items (1) or (3) above. All other requested information must be included with State agency applications. Application packages will be reviewed by both the Chief, NRCS, and the Administrator, Farm Service Agency, or their designees, for suitability of the party to administer the GRP easement. This authority may be delegated to NRCS State Conservationists and FSA State Executive Directors. Multiple third party applications may be approved for each State.

Application approval means the private organization or State agency meets the Secretary's requirements for managing and enforcing easements. Since landowners must authorize a third party easement administrator, Secretarial approval does not guarantee that the approved applicant will receive GRP easements to administer. Those agencies and organizations selected to manage easements will be required to submit an annual report to the Secretary.

Sections 1415.14 Through 1415.16 and 1415.18 Through 1415.20

These sections are consistent with other conservation programs and contain standard administrative policy associated with contract violations and remedies, payments not subject to claims, assignment of payments, appeals, etc. Nonetheless, USDA welcomes comments regarding this section on land enrolled in GRP.

Other

There has been much discussion within USDA regarding the development of industrial windmills on grassland acreage. USDA is prohibiting industrial windmills on GRP acreage because the structure is unrelated to protecting the viability of the grassland acreage, it requires disturbing the soil surface in a manner that is not permitted in the GRP statute, and it would encourage people wanting to establish other types of towers on GRP acreage. The public is free to comment on this policy decision as well.

List of Subjects in 7 CFR Part 1415

Administrative practice and procedure, Agriculture, Soil conservation, Grassland, Grassland protection, Grazing land protection.

■ For the reason stated in the preamble, chapter XIV of 7 CFR is amended by adding a new part 1415 as set forth below:

PART 1415—GRASSLAND RESERVE PROGRAM

Sec.

- 1415.1 Purpose.
- 1415.2 Administration.
- 1415.3 Definitions.
- 1415.4 Program requirements.
- 1415.5 Land eligibility.
- 1415.6 Participant eligibility.
- 1415.7 Application procedures.
- 1415.8 Establishing priority for enrollment of properties.
- 1415.9 Enrollment of easements and rental agreements.
- 1415.10 Compensation for easements and rental agreements.
- 1415.11 Restoration agreements.
- 1415.12 Modifications to easements and rental agreements.
- 1415.13 Transfer of land.
- 1415.14 Misrepresentations and violations.
- 1415.15 Payments not subject to claims.
- 1415.16 Assignments.
- 1415.17 Delegation to third parties.
- 1415.18 Appeals.
- 1415.19 Scheme or device.
- 1415.20 Confidentiality.

Authority: 16.U.S.C. 3838n–3838q.

§ 1415.1 Purpose.

(a) The purpose of the Grassland Reserve Program (GRP) is to assist landowners in protecting, conserving, and restoring grassland resources on private lands through short and long-term rental agreements and easements.

(b) The objectives of GRP are to:

- (1) Emphasize preservation of native and natural grasslands and shrublands, first and foremost;
- (2) Protect grasslands and shrublands from the threat of conversion;
- (3) Support grazing operations; and
- (4) Maintain and improve plant and animal biodiversity.

§ 1415.2 Administration.

(a) The regulations in this part set forth policies, procedures, and requirements for program implementation of the GRP as administered by the Natural Resources Conservation Service (NRCS) and the Farm Service Agency (FSA). The regulations in this part will be administered under the general supervision and direction of the NRCS Chief and the FSA Administrator. These two agency leaders will:

(1) Concur in the establishment of program policy and direction; development of the State allocation formula, and development of broad national ranking criteria;

(2) Use a national allocation formula to provide GRP funds to USDA State

offices that emphasizes support for biodiversity of plants and animals, grasslands under the greatest threat of conversion, and grazing operations. The allocation formula will also include a factor representing program demand. The demand factor could be expressed in terms of applications received, acres offered, funding needs for such applications, or a combination of these elements. The allocation formula may be modified periodically to change the emphasis of any factor to reflect information about natural resource concerns. The data in the allocation formula will be updated periodically as new information becomes available.

(3) Ensure the National, State and local level information regarding program implementation is made available to the public;

(4) Consult with USDA leaders at the State level and other Federal agencies with the appropriate expertise and information when evaluating program policies and direction; and

(5) Authorize NRCS State Conservationists and FSA State Executive Directors to determine how funds will be used and how the program will be implemented at the State level.

(b) At the State level, the NRCS State Conservationist and the FSA State Executive Director are jointly responsible to:

(1) Identify State priorities for project selection, based on input from the State Technical Committee;

(2) Identify, as appropriate, USDA employees at the field level responsible for implementing the program, and the implementation process considering the nature and extent of natural resource concerns throughout the State and the availability of human resources to assist with activities related to program enrollment;

(3) Develop program outreach materials at the State and local level to ensure landowners, operators, and tenants of eligible land are aware and informed that they may be eligible for the program;

(4) Develop conservation practice cost-share rates;

(5) Administer and enforce the terms of easements and rental agreements unless this responsibility is delegated to a third party as provided in §1415.17; and

(6) With advice from the State Technical Committee, develop criteria for ranking eligible land, consistent with national criteria and program objectives and address related policy matters regarding program direction for GRP in the applicable State. USDA, at the State level, has the authority to accept or reject the State Technical Committee

recommendations; however, USDA will give consideration to the State Technical Committee's recommendations.

(c) The funds, facilities, and authorities of the Commodity Credit Corporation are available to NRCS and FSA to implement GRP.

(d) Subject to funding availability, the program may be implemented in any of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(e) The Secretary may modify or waive a provision of this part if he or she deems the application of that provision to a particular limited situation to be inappropriate and inconsistent with the environmental and cost-efficiency goals of GRP. This authority cannot be further delegated. No provision of this part which is required by applicable law may be waived.

(f) No delegation in this part to lower organizational levels shall preclude the Chief, NRCS, or the Administrator, FSA, from determining any issue arising under this part or from reversing or modifying any determination arising from this part.

(g) The Chief, NRCS, may delegate at any time Federal easement administration and enforcement responsibilities to approved State Agencies, or approved private conservation or land trust organizations with the consent or at the request of the participating landowner. The USDA Forest Service may hold easements on properties adjacent to USDA Forest Service land, with the consent of the landowner.

(h) Program participation is voluntary.

(i) Applications for participation will be accepted on a continual basis at local USDA Service Centers. NRCS and FSA at the State level will establish cut-off periods to rank and select applications. These cut-off periods will be available in program outreach material provided by the local USDA Service Center. Once funding levels have been exhausted, eligible applications will remain on file until additional funding becomes available or the applicant chooses to be removed from consideration.

(j) The services of other third parties as provided for in 7 CFR part 652 may be used to provide technical services to participants.

§ 1415.3 Definitions.

Administrator means the Administrator of the Farm Service

Agency (FSA) or the person delegated authority to act for the Administrator.

Chief means the Chief of the Natural Resources Conservation Service (NRCS) or the person delegated authority to act for the Chief.

Commodity Credit Corporation (CCC) is a Government-owned and operated entity that was created to stabilize, support, and protect farm income and prices. CCC is managed by a Board of Directors, subject to the general supervision and direction of the Secretary of Agriculture, who is an ex-officio director and chairperson of the Board. The Chief and Administrator are Vice Presidents of CCC. CCC provides the funding for GRP, and FSA and NRCS administer the GRP on its behalf.

Conservation District means any district or unit of State, tribal, or local government formed under State, tribal, or territorial law for the express purpose of developing and carrying out a local soil and water conservation program. Such district or unit of government may be referred to as a "conservation district," "soil conservation district," "resource conservation district," "land conservation committee," or similar name.

Conservation plan means a record of the client's decisions and supporting information, for treatment of a land unit or water as a result of the planning process, that meets NRCS Field Office Technical Guide quality criteria for each natural resource (soil, water, air, plants, and animals) and takes into account economic and social considerations. The plan describes the schedule of operations and activities needed to solve identified natural resource problems and take advantage of opportunities at a conservation management system level. The needs of the client, the resources, Federal, State, and local requirements will be met by carrying out the plan.

Conservation practice means a specified treatment, such as a structural or land management practice, that is planned and applied according to NRCS standards and specifications.

Cost-share agreement means the document that specifies the obligations and the rights of any person who has been accepted for participation in the program.

Department means United States Department of Agriculture.

Easement means a conservation easement, which is an interest in land defined and delineated in a deed whereby the landowner conveys certain rights, title, and interests in a property to the United States for the purpose of protecting the grassland and other conservation values of the property.

Under GRP, the property rights are conveyed in a "conservation easement deed."

Easement area means the land encumbered by an easement.

Easement payment means the consideration paid to a landowner for an easement conveyed to the United States under the Grassland Reserve Program.

Field office technical guide means the official local NRCS source of resource information and interpretations of guidelines, criteria, and standards for planning and applying conservation treatments and conservation management systems. It contains detailed information for the conservation of soil, water, air, plant, and animal resources applicable to the local area for which it is prepared.

Forb means any herbaceous plant other than those in the grass family.

Grantor is the term used for the landowner that is transferring land rights to the United States through an easement.

Grassland means land on which the vegetation is dominated by grasses, grass-like plants, shrubs, and forbs. The definition of grassland as used in the context of this part includes shrubland, land that contains forbs, pastureland, and rangeland.

Grazing value means the value assigned to the grassland cover by USDA.

Improved pasture means grazing land permanently producing natural forage species that receives varying degrees of periodic cultural treatment to enhance forage quality and yields and is primarily harvested by grazing animals.

Landowner means a person or persons holding fee title to the land.

Native means a species that is a part of the original fauna or flora of the area.

Natural means a native or an introduced species that is adapted to the ecological site and can perpetuate itself in the community without cultural treatment. For the purposes of this part the term "natural" does not include noxious weeds.

Participant means a landowner, operator, or tenant who is a party to a GRP agreement. The term "agreement" in this context refers to GRP rental agreements and option to purchase agreements for easements. Landowners of land subject to a GRP easement are also considered participants regardless of whether such landowner initiated the sale of the easement to the Federal Government.

Pastureland means a land cover/use category of land managed primarily for the production of introduced forage plants for grazing animals. Pastureland

cover may consist of a single species in a pure stand, a grass mixture, or a grass-legume mixture. Management usually consists of cultural treatments: fertilization, weed control, reseeding or renovation, and control of grazing.

Permanent easement means an easement that lasts in perpetuity.

Private land means land that is not owned by a governmental entity.

Rangeland means a land cover/use category on which the climax or potential plant cover is composed principally of native grasses, grasslike plants, forbs, or shrubs suitable for grazing and browsing, and introduced forage species that are managed like rangeland. Rangeland includes lands revegetated naturally or artificially when routine management of that vegetation is accomplished mainly through manipulation of grazing. This term would include areas where introduced hardy and persistent grasses, such as crested wheatgrass, are planted and such practices as deferred grazing, burning, chaining, and rotational grazing are used, with little or no chemicals or fertilizer being applied. Grasslands, savannas, many wetlands, some deserts, and tundra are considered to be rangeland. Certain communities of low forbs and shrubs, such as mesquite, chaparral, mountain shrub, and pinyon-juniper, are also included as rangeland.

Rental agreement means an agreement where the participant will be paid annual rental payments for the length of the agreement to maintain and/or restore grassland functions and values under the Grassland Reserve Program.

Restoration means implementing any conservation practice (vegetative, management, or structural) that improves the values and functions of grassland (native and natural plant communities).

Restoration agreement means an agreement between the program participant and the United States Department of Agriculture to restore or improve the functions and values of grassland and shrubland.

Restored grassland means land that is to be converted back to grassland or shrubland.

Secretary means the Secretary of Agriculture.

Shrubland means land that the dominant plant species is shrubs, which are plants that are persistent, have woody stems, a relatively low growth habit, and generally produces several basal shoots instead of a single bole.

Significant decline means a decrease of a species population to such an extent that it merits direct intervention to halt further decline, as determined by the NRCS State Conservationist in

consultation with the State Technical Committee.

Similar function and value means plants that are alike in growth habitat, environmental requirements, and provide substantially the same ecological benefits.

State Technical Committee means a committee established by the Secretary of the United States Department of Agriculture in a State pursuant to 16 U.S.C. 3861.

USDA means the Chief, NRCS, in consultation with the Administrator, FSA or the NRCS State Conservationist in consultation with the FSA State Executive Director.

§ 1415.4 Program requirements.

(a) Only landowners may submit applications for easements. For rental agreements, the applicant must provide evidence of control of the property for the duration of the rental agreement.

(b) The easement and rental agreement shall require that the area be maintained in accordance with GRP goals and objectives for the duration of the term of the easement or rental agreement, including the conservation, protection, and restoration of the grassland functions and values.

(c) All participants in GRP will be required to implement a conservation plan approved by USDA to preserve the viability of the grassland enrolled into the program. The conservation plan will document the conservation values, characteristics, current and future use of the land, practices that may need to be applied along with a schedule for application, and a management plan.

(d) The easement and rental agreement shall grant USDA or its representatives a right of access to the easement and rental agreement area.

(e) Easement participants are required to convey title that is acceptable to the United States and provide consent or subordination agreements from each holder of a security or other interest in the land. The landowner shall warrant that the easement granted the United States is superior to the rights of all others, except for exceptions to the title that are deemed acceptable by the USDA.

(f) Easement participants are required to use a standard GRP easement developed by the Department. The easement shall grant all development rights, title, and interest in the easement area in order to protect grassland and other conservation values.

(g) The program participant must comply with the terms of the easement or rental agreement and comply with all terms and conditions of any associated restoration agreement.

(h) Easements and rental agreements will allow the following activities:

(1) Common grazing practices on the land in a manner that are consistent with maintaining the viability of natural grass and shrub species;

(2) Haying, mowing, or haying for seed production, except that such uses shall have certain restrictions determined appropriate by the NRCS State Conservationist to protect, during the nesting season, birds in the local area that are in significant decline or are conserved in accordance with Federal or State law; and

(3) Fire rehabilitation and construction of firebreaks, fences (excluding corrals), watering facilities, seedbed preparation and seeding, and any other facilitating practices, as determined by the USDA to protect and restore the grassland functions and values.

(i) Any activity that would disturb the surface of the land covered by the easement is prohibited except for common grazing management practices carried out in a manner consistent with maintaining the functions and values of grassland common to the local area, including fire rehabilitation and construction of firebreaks, construction of fences, and restoration practices.

(j) Contracts may be canceled without penalty or refund if the original participant dies, becomes incompetent, or is otherwise unavailable during the contract period.

(k) Participants may be able to convert rental agreements to an easement, providing the easement is for a longer duration than the rental agreement, funds are available, and the project meets conditions established by the USDA. Land cannot be enrolled in both a rental agreement option and an easement enrollment option at the same time. The rental agreement shall be deemed terminated the date the easement is recorded in the local land records office.

§ 1415.5 Land eligibility.

(a) GRP is available on privately owned lands, which include private and tribal land. Publicly-owned land is not eligible.

(b) Land shall be eligible for funding consideration if the NRCS State Conservationist determines that the land is:

(1) Grassland, land that contains forbs, or shrubs (including rangeland and pastureland); or

(2) The land is located in an area that has been historically dominated by grassland, forbs, or shrubs; and has potential to provide habitat for animal or plant populations of significant

ecological value, as determined by the State Conservationist in consultation with the State Technical Committee and FSA, if the land is;

(i) Retained in the current use of the land; or

(ii) Restored to a natural condition.

(c) Incidental lands, in conjunction with eligible land, may also be considered for enrollment to allow for the efficient administration of an easement or rental agreement.

(d) Forty contiguous acres is the minimum acreage that will be accepted in the program. However, less than 40 acres may be accepted if the USDA, with advice from the State Technical Committee, determines that the enrollment of acreage meets the purposes of the program and grants a waiver. USDA, at the State level, may also establish a higher minimum acreage level. USDA will review any minimum acreage requirement to ensure, to the extent permitted by law, that this requirement does not unfairly discriminate against small farmers.

(e) Land will not be enrolled if the functions and values of the grassland are protected under an existing contract or easement. The land would become eligible when the existing contract expires or is terminated, and the grassland values and functions are no longer protected.

(f) Land on which gas, oil, earth, or other mineral rights exploration has been leased or is owned by someone other than the GRP applicant may be offered for participation in the program. However, if an applicant submits an offer for an easement project, USDA will assess the potential impact that the third party rights may have upon the grassland resources. USDA reserves the right to deny funding for any application where there are exceptions to clear title on any property.

§ 1415.6 Participant eligibility.

To be eligible to participate in GRP an applicant:

(a) Must be a landowner for easement participation or be a landowner or have general control of the eligible acreage being offered for rental agreement participation;

(b) Agree to provide such information to USDA that the Department deems necessary or desirable to assist in its determination of eligibility for program benefits and for other program implementation purposes;

(c) Meet the Adjusted Gross Income requirements in 7 CFR part 1400; and

(d) Meet the conservation compliance requirements found in 7 CFR part 12.

§ 1415.7 Application procedures.

(a) Any owner or operator or tenant of eligible land that meets the criteria set forth in § 1415.6 may submit an application through a USDA Service Center for participation in the GRP. Applications are accepted throughout the year.

(b) By filing an Application for Participation, the applicant consents to a USDA representative entering upon the land offered for enrollment for purposes of assessing the grassland functions and values, and for other activities that are necessary for the USDA to make an offer of enrollment. The applicant will be notified prior to a USDA representative entering upon their property.

(c) Applicants submit applications that identify the duration of the easement or rental agreement. Rental agreements may be for 10-years, 15-years, 20-years, or 30-years; easements may be for 30-years, permanent, or for the maximum duration authorized by State law.

§ 1415.8 Establishing priority for enrollment of properties.

(a) USDA, at the National level, will provide to USDA offices at the State level, broad national guidelines for establishing State specific project selection criteria.

(b) USDA, at the State level, with advice from the State Technical Committee, shall establish criteria to evaluate and rank applications for easement and rental agreement enrollment following the guidance established in paragraph (a) of this section.

(c) Ranking criteria will emphasize support for:

(1) Native and natural grassland;

(2) Protection of grassland from the threat of conversion;

(3) Support for grazing operations; and

(4) Maintain and improve plant and animal biodiversity.

(d) When funding is available, USDA at the State level will periodically select for funding the highest ranked applications based on applicant and land eligibility and the State-developed ranking criteria.

(e) States may utilize one or more ranking pools, including a pool for special project consideration such as establishing a pool for projects that receive restoration funding from non-USDA sources.

(f) The USDA, with advice from the State Technical Committee, may emphasize enrollment of unique grasslands or specific geographic areas of the State.

(g) The FSA State Executive Director and NRCS State Conservationist, with advice from the State Technical Committee will select applications for funding.

(h) If available funds are insufficient to accept the highest ranked application, and the applicant is not interested in reducing the acres offered to match available funding, USDA may select a lower ranked application that can be fully funded. Applicants may choose to change the duration of the easement or agreement or reduce acreage amount offered if the application ranking score is not reduced below that of the score of the next available application on the ranking list.

§ 1415.9 Enrollment of easements and rental agreements.

(a) Based on the priority ranking, USDA will notify applicants in writing of their tentative acceptance into the program for either rental agreement or conservation easement options. The participant has fifteen calendar days from the date of notification to sign and submit a letter of intent to continue. A letter of intent to continue from the applicant authorizes USDA to proceed with the enrollment process.

(b) An offer of tentative acceptance into the program does not bind the USDA to acquire an easement or enter into a rental agreement, nor does it bind the participant to convey an easement, enter into a rental agreement, or agree to restoration activities.

(c) For easement projects, land is considered enrolled after the landowner signs the intent to continue. For rental agreements, land is considered enrolled after a GRP contract is approved by USDA.

(d) USDA will present a contract to the participant, which will describe the easement or rental area; the easement terms, or rental terms and conditions; and other terms and conditions for participation that may be required by CCC.

(e) For easements, after the contract is executed by USDA and participant, USDA will proceed with development of the conservation plan and various acquisition activities, which may include conducting a survey of the easement, securing necessary subordination agreements, procuring title insurance, developing a baseline data report, and conducting other activities necessary to record the easement.

(f) Prior to execution by USDA and the participant of the contract, the USDA may withdraw its offer anytime due to lack of available funds, title concerns for easements, or other

reasons. The offer to the participant shall be void if not executed by the participant within the time specified in an option to purchase agreement.

§ 1415.10 Compensation for easements and rental agreements.

(a) Compensation for easements will be based upon:

(1) The fair market value of the land less the grassland value of the land for permanent easements; and

(2) Thirty percent of the value determined in paragraph (a)(1) of this section for 30-year easements or for an easement for the maximum duration permitted under State law.

(b) For 10-, 15-, 20-, and 30-year rental agreements, the participant will receive not more than 75 percent of the grazing value in an annual payment for the length of the agreement.

(c) In order to provide for better uniformity among States, the FSA Administrator and NRCS Chief may review and adjust, as appropriate, State or other geographically based payment rates for rental agreements. NRCS State Conservationists may establish easement payment amounts on a site specific or geographic area basis.

(d) Easement or rental agreement payments received by participant shall be in addition to, and not affect, the total amount of payments that the participant is otherwise eligible to receive under other Federal laws.

(e) For easements, to minimize expenditures on individual appraisals and expedite program delivery, USDA may complete a programmatic appraisal to establish regional average market values and grazing values. The programmatic appraisals would remove the need to conduct appraisals on each parcel selected for funding.

§ 1415.11 Restoration agreements.

(a) Restoration agreements are only authorized to be used in conjunction with easements and rental agreements. NRCS, in consultation with the program participant, will determine if the grassland resources are adequate to meet the participant's objectives and the purposes of the program, or if a restoration agreement is needed. Such a determination will also be subject to the availability of funding. NRCS may condition participation in the program upon the execution of a restoration agreement depending on the condition of the grassland resources. When the functions and values of the grassland are determined adequate by NRCS, a restoration agreement will not be required. However, if a restoration agreement is required, NRCS will set the terms of the restoration agreement. The

restoration agreement will identify conservation practices and measures necessary to improve the functions and values of the grassland. If the functions and values of the grassland decline while the land is subject to a GRP easement or rental agreement through no fault of the participant, the participant may enter into a restoration agreement at that time to improve the functions and values with USDA approval and fund availability.

(b) Eligible restoration practices include land management, vegetative, and structural practices and measures that will improve the grassland ecological functions and values on native and natural, and introduced plant communities. The NRCS State Conservationist, with advice from the State Technical Committee and in consultation with FSA, will determine the conservation practices, measures, payment rates, and cost-share percentages, not to exceed statutory limits, that will be available for restoration. A list of eligible practices will be available to the public. NRCS working through the local conservation district with the program participant will determine the terms of the restoration agreement. The conservation district may assist with determining eligible practices and approving restoration agreements will not extend past the date of a rental agreement or easement.

(c) All restoration practices and measures are eligible for cost sharing. Payments under GRP may be made to the participant of not more than 90 percent for the cost of carrying out conservation practices and measures on grassland and shrubland that has never been cultivated, and not more than 75 percent on restored grassland and shrubland on land that at one time was cultivated.

(d) Restoration activities are applicable to native and natural plant communities. When seeding is determined necessary for restoration, USDA will give priority to using native seed. However, when native seed is not available, or returning the land to native conditions is determined impractical by USDA, plant propagation using species that provide similar functions and values may be utilized.

(e) Cost-shared practices shall be maintained by the participant for the life of the practice. The life of the practice shall be consistent with other USDA cost shared or easement programs. Failure to maintain the practice will be dealt with under the terms of the restoration agreement and may involve repayment of the Federal cost-share.

(f) All conservation practices will be implemented in accordance with the NRCS Field Office Technical Guide.

(g) Technical assistance will be provided by NRCS, or an approved third party, as needed by the participant.

(h) Federal cost sharing shall be adjusted so that the combined cost share by Federal and State government or subdivision of a State government shall not exceed 100 percent of the total actual cost of the restoration. The participant cannot receive cost-share from more than one Federal cost-share program for the same conservation practice.

(i) Cost-share payments may be made only upon a determination by a qualified individual approved by the NRCS State Conservationist that an eligible practice has been established in compliance with appropriate standards and specifications.

(j) Identified practices may be implemented by the participant or other designee. Payments will not be made for practices applied prior to submitting an application to participate in the program.

(k) Cost-share payments will not be made for practices implemented or initiated prior to the approval of a rental agreement or easement acquisition unless a written waiver is granted by USDA at the State level prior to installation of the practice.

§ 1415.12 Modifications to easements and rental agreements.

(a) After an easement has been recorded, no modification will be made to the easement except by mutual agreement with Chief, NRCS, and the landowner.

(b) Easement modifications may only be made by the Chief, NRCS, after consulting with the Office of General Counsel. Minor modifications may be made by the NRCS State Conservationist in consultation with Office of General Counsel. Minor modifications are those that do not affect the substance of the conservation easement deed. Such modifications include, typographical errors, minor changes in legal descriptions as a result of survey or mapping errors, and address changes.

(c) Approved modifications will be made only in an amendment to an easement which is duly prepared and recorded in conformity with standard real estate practices, including requirements for title approval, subordination of liens, and recordation.

(d) The Chief, NRCS, may approve modifications on easements to facilitate the practical administration and management of the enrolled area so long as the modification will not adversely

affect the grassland functions and values for which the land was acquired or other terms of the easement.

(e) NRCS State Conservationists may approve modifications for restoration agreements and conservation plans as long as the modifications do not affect the provisions of the easement or rental agreement and meets GRP program objectives.

(f) USDA may approve modifications on rental agreements to facilitate the practical administration and management of the enrolled area so long as the modification will not adversely affect the grassland functions and values for which the land was enrolled.

§ 1415.13 Transfer of land.

(a) Any transfer of the property prior to the participant's acceptance into the program shall void the offer of enrollment, unless at the option of the NRCS State Conservationist, in consultation with the FSA State Executive Director, an offer is extended to the new participant and the new participant agrees to the same easement or rental agreement terms and conditions.

(b) After acreage is accepted in the program, for easements with multiple payments, any remaining easement payments will be made to the original landowner unless USDA receives an assignment of proceeds.

(c) Future annual rental payments will be made to the successor participant.

(d) The new landowner or contract successor shall be held responsible for complying with the terms of the recorded easement or rental agreement and for assuring completion of all measures and practices required by the associated restoration agreement. Eligible cost-share payments shall be made to the new participant upon presentation that the successor assumed the costs of establishing the practices.

(e) With respect to any and all payments owed to landowners, the United States shall bear no responsibility for any full payments or partial distributions of funds between the original landowner and the landowner's successor. In the event of a dispute or claim on the distribution of cost-share payments, USDA may withhold payments without the accrual of interest pending an agreement or adjudication on the rights to the funds.

(f) The rights granted to the United States in an easement shall apply to any of its agents, successors, or assigns. All obligations of the landowner under an easement deed shall also bind the landowner's heirs, successors, agents,

assigns, lessees, and any other person claiming under them.

(g) Rental agreements may be transferred to another landowner, operator or tenant that acquires an interest in the land enrolled in GRP. The transferee must be determined by USDA to be eligible to participate in GRP and must assume full responsibility under the agreement. USDA may require a participant to refund all or a portion of any financial assistance awarded under GRP if the participant sells or loses control of the land under a GRP rental agreement and the new owner or controller is not eligible to participate in the program or refuses to assume responsibility under the agreement.

§ 1415.14 Misrepresentation and violations.

(a) Contract violations:

(1) Contract violations, determinations, and appeals will be handled in accordance with the terms of the program contract or agreement and attachments thereto.

(2) A participant who is determined to have erroneously represented any fact affecting a program determination made in accordance with this part shall not be entitled to contract payments and must refund to USDA all payments, plus interest in accordance with 7 CFR part 1403.

(3) In the event of a violation of a rental agreement or any contract directly involving the participant, the participant shall be given notice and an opportunity to voluntarily correct the violation within 30-days of the date of the notice, or such additional time as CCC may allow.

(b) Easement violations: Easement violations are handled under the terms of the easement. Upon notification of the participant, the USDA reserves the right to enter upon the easement area at any time to remedy deficiencies or violations. Such entry may be made when USDA deems such action necessary to protect important grassland and shrubland functions and values or other rights of the United States under the easement. The participant shall be liable for any costs incurred by the United States as a result of the participant's negligence or failure to comply with easement, rental agreement, or contractual obligations.

(c) USDA may require the participant to refund all or part of any payments received by the participant or pay liquidated damages as may be required under the program contract or agreement.

(d) In addition to any and all legal and equitable remedies available to the United States under applicable law,

USDA may withhold any easement payment, and cost-share payments owing to the participant at any time there is a material breach of the easement covenants, rental agreement, or any contract. Such withheld funds may be used to offset costs incurred by the United States in any remedial actions or retained as damages pursuant to court order or settlement agreement.

(e) Under an easement, the United States shall be entitled to recover any and all administrative and legal costs, including attorney's fees or expenses, associated with any enforcement or remedial action.

§ 1415.15 Payments not subject to claims.

Any cost-share, rental payment, or easement payment or portion thereof due any person under this part shall be allowed without regard to any claim or lien in favor of any creditor, except agencies of the United States Government.

§ 1415.16 Assignments.

(a) Any person entitled to any cash payment under this program may assign the right to receive such cash payments, in whole or in part.

(b) If a participant that is entitled to a payment dies, becomes incompetent, or is otherwise unable to receive the payment, or is succeeded by another person who renders or completes the required performance, others may be eligible to receive payment in such a manner as USDA determines is fair and reasonable in light of all the circumstances.

§ 1415.17 Delegation to third parties.

(a) USDA may permit an approved private conservation or land trust organization, State or other Federal agency to administer an easement with the consent or written request of the landowner. Rental agreements will not be delegated to private organizations, State, or other Federal agencies.

(b) USDA will have the right to conduct periodic inspections and enforce the easement and associated restoration agreement for any easements administered pursuant to this section.

(c) The private organization, State, or other Federal agency shall assume the costs incurred in administering and enforcing the easement, including the costs of restoration or rehabilitation of the land to the extent that such restoration or rehabilitation is above and beyond that required by the GRP conservation plan and restoration agreement. Any additional restoration must be consistent with the purposes of the easement.

(d) A private organization, State, or other Federal agency that seeks to

administer and enforce an easement shall apply to the NRCS State Conservationist for approval. The State Conservationist shall consult with FSA State Executive Director prior to approval.

(e) For a private organization to administer and enforce an easement, the private organization must be organized as required by 28 U.S.C. 501(c)(3) of the Internal Revenue Code of 1986 or be controlled by an organization described in section 28 U.S.C. 509(a)(2) of that code. In addition, the private organization must provide evidence to USDA that it has:

(1) Relevant experience necessary to administer grassland and shrubland easements;

(2) A charter that describes the commitment of the private organization to conserving rangeland, agricultural land, or grassland for grazing and conservation purposes;

(3) The human and financial resources necessary, as determined by the Chief, NRCS, to effectuate the purposes of the charter; and

(4) Sufficient financial resources to carry out easement administrative and enforcement activities.

(f) If a private organization is terminated, withdraws from the agreement to administer the easement, or the landowner submits a request in writing to terminate such agreement, the USDA will assume the responsibility upon receiving such formal notice from the organization or the landowner. Subsequent agreements for easement management with other approved private, nonprofit organizations could be entered into at the request of the landowner with approval from the NRCS State Conservationist. If the owner and the new organization fail to notify the NRCS State Conservationist of the reassignment within 30 days of termination, the easement shall revert to the control of NRCS.

§ 1415.18 Appeals.

(a) Applicants or participants may appeal decisions regarding this program in accordance with 7 CFR parts 11, 614, and 780.

(b) Before a person may seek judicial review of any action taken under this part, the person must exhaust all administrative appeal procedures set forth in paragraph (a) of this section.

§ 1415.19 Scheme or device.

(a) If it is determined by the Department that a participant has employed a scheme or device to defeat the purposes of this part, any part of any program payment otherwise due or paid such participant during the applicable

period may be withheld or be required to be refunded with interest thereon, as determined appropriate by the Department.

(b) A scheme or device includes, but is not limited to, coercion, fraud, misrepresentation, depriving any other person of payments for cost-share practices or easements for the purpose of obtaining a payment to which a person would otherwise not be entitled.

(c) A participant who succeeds to the responsibilities under this part shall report in writing to the Department any interest of any kind in enrolled land that is held by a predecessor or any lender. A failure of full disclosure will be considered a scheme or device under this section.

§ 1415.20 Confidentiality.

Appraisals are considered confidential information and are not distributed. The regulations in this part provide that any appraisals, market analysis, or supporting documentation that may be used by USDA in determining property value are considered confidential information, and shall only be disclosed as determined at the sole discretion of FSA and NRCS in accordance with applicable law.

Signed at Washington, DC on May 13, 2004.

Bruce I. Knight,

Vice President, Commodity Credit Corporation and Chief, Natural Resources Conservation Service.

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NUCLEAR REGULATORY COMMISSION

10 CFR Chapter I

Regulatory Analysis Guidelines: Final Criteria for the Treatment of Individual Requirements in a Regulatory Analysis

AGENCY: Nuclear Regulatory Commission.

ACTION: Regulatory analysis guidelines.

SUMMARY: The Nuclear Regulatory Commission (NRC) is issuing its final criteria for the treatment of individual requirements in a regulatory analysis, because aggregating or "bundling" different requirements in a single regulatory analysis could potentially mask the inclusion of an individual requirement that is not cost-justified. As a result of these new criteria, the NRC will issue Revision 4 of its Regulatory Analysis Guidelines, NUREG/BR-0058 in the near future.

U.S. Department of Agriculture		OMB NO. 0578-0013
<p>A. APPLICATION FOR LONG-TERM CONTRACTED ASSISTANCE THROUGH THE _____ PROGRAM</p>		<p>B. To be completed by NRCS; check appropriate box: <input type="checkbox"/> This transaction is for CCC <input type="checkbox"/> This transaction is for NRCS</p>
C. State: _____	D. County: _____	
1. Applicant Name and Address: _____	2. Applicant Name and Address: _____	
1 a. Phone: _____	2 a. Phone: _____	
<p>I (We) hereby apply for participation in this program and submit the following information in support of the application. I (We) hereby attest that the name(s) listed in Items 1 and 2, have complete control of the property described in Item 3 below.</p> <p>3. Description and location of farm, ranch, or other unit: _____</p>		
<p>4. The land is owned by the applicant(s): <input type="checkbox"/> Yes <input type="checkbox"/> No If the answer to Item 4 is NO, provide an explanation below: _____</p>		
<p>5. Description of area(s) needing treatment, Type and severity of problem(s), and treatment needed to correct the problem(s): _____</p>		
<p>6. I (We) understand this application does not obligate the applicant(s) or _____ to enter into a contract.</p> <p>6 a. Signature(s): _____ 6 a. Date: _____</p> <p>6 b. Signature(s): _____ 6 b. Date: _____</p>		
<p>7. The land has been evaluated and determined to be eligible for the program for which applied ownership criteria is met by the following methods: Personal Knowledge: _____ Knowledge of: <input type="checkbox"/> 7 a. Conservation District Board Members <input type="checkbox"/> 7 b. FSA Records <input type="checkbox"/> 7 c. Deed <input type="checkbox"/> 7 d. Other, explain: _____</p>		
<p>8. If application is for WRP check appropriate box. <input type="checkbox"/> 8 a. 10 Year Restoration Agreement <input type="checkbox"/> 8 b. 30-yr easement <input type="checkbox"/> 8 c. Permanent easement</p>		
<p>9. If application is for GRP check appropriate box. <input type="checkbox"/> 9 a. 10 Year Contract <input type="checkbox"/> 9 b. 15 Year Contract <input type="checkbox"/> 9.c. 20 Year Contract <input type="checkbox"/> 9.d. 30 Year Contract <input type="checkbox"/> 9.e. 30 Year Easement <input type="checkbox"/> 9.f. Permanent Easement</p>		
<p>The signature by the NRCS representative signifies a CCC-NRCS transaction as indicated above.</p>		
10. Authorizing Official for: _____	10 a. Signature: _____	10 a. Date: _____
<p>OMB DISCLOSURE STATEMENT</p> <p>According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. This valid OMB control number for this information collection is 0578-0013. The time required to complete this information collection is estimated to average .75 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection information.</p> <p>PRIVACY ACT STATEMENT</p> <p>The above statements are made in accordance with the Privacy Act of 1974 (5 U.S.C. 522a). Furnishing this information is voluntary; however, failure to furnish correct, complete information will result in the withholding or withdrawal of such technical or financial assistance. The information may be furnished to other USDA agencies, the Internal Revenue Service, the Department of Justice, or other State or Federal law enforcement agencies, or in response to orders of a court, magistrate, or administrative tribunal.</p> <p>NONDISCRIMINATION STATEMENT</p> <p>The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, or marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410 or call (202) 720--964.</p>		

GRASSLAND RESERVE PROGRAM
CRITERIA WORKSHEET

Exhibit 1

Participant: _____

Application No.: _____

Land being offered is currently being utilized as a grazing operation or hayland (excluding alfalfa or annual hay species) and is 40 ac. or larger in size. The land includes grasslands; land that contains forbs; shrubland, including improved rangeland and pastureland; or land that is located in an area that has been historically dominated by grassland, forbs, forbs and shrubland when these lands have the potential to enhance plant and animal biodiversity. Yes No [If "Yes" continue. If "no", discontinue ranking and notify the applicant the land is ineligible for the Grassland Reserve Program.]

Type of GRP agreement offered (check one): Rental Agreements 10-year 15-year 20-year 30-year
Easement 30-year Permanent

Summary of offered land (Land types other than rangeland, pastureland and grazed forest are not eligible to be offered or enrolled):

Enter nearest whole acre

Total acres offered _____ ac.

Acres of native cover (native sod—never been tilled) _____ ac.

Acres needing restoration _____ ac.

Enter to nearest whole dollar

Estimated restoration costs \$ _____ (Total cost share required for restoration)

Estimated total cost of rental agreement \$ _____ (Annual rental x total acres x length of contract)

Estimated total cost of easement \$ _____ (Estimated easement cost x total acres)

EVALUATION CRITERIA	Circle Correct Value	Score
A. THREATS TO CONVERSION		
1) Threat to conversion – parceling and fragmentation [If offered land is predominate cover of native rangeland ($\geq 75\%$), multiply points times two . DO NOT award points for land inside corporate city limits regardless of county listed.]		
Land is located in one or more listed counties (Canadian, Carter, Comanche, Craig, Creek, Garfield, Grady, Kingfisher, Lincoln, Logan, McClain, Osage, Muskogee, Nowata, Pottawatomie, Okmulgee, Wagoner, and Washington counties)	50	
Land is located in one or more listed counties (Bryan, Garvin, LeFlore, Love, Kay, Mayes, Murray, Noble, Okfuskee, Pawnee, Payne, Sequoyah, and Woodward counties)	25	
Land is not located in listed counties	0	
[If offered land is predominate cover of native rangeland ($\geq 75\%$), multiply points times two .]		Score
2) Threat to conversion – large scale utility development [Land is identified as location for wind farm – OWPI Neural Network reference map with good or excellent wind resource potential. If offered land is predominate cover of native rangeland ($\geq 75\%$), multiply points times two .]		
Land is located on reference map - $> 50\%$ of acres	30	
Land is not located on reference map or $< 50\%$ of the land offered in an identified area.	0	
		Score
3) Threat to conversion - cultivation [Percent of offered grassland suitable for cultivation. Percent of offer with soil map units having non-irrigated cropland capability classes I and II. If soil map units have predominate cover of native rangeland ($\geq 75\%$), multiply points times two .]		
75% or greater of the offered acres in cropland capability class I and II	10	
50% – 74% of the offered acres in cropland capability class I and II	5	
Less than 50% of the offered acres in cropland capability class I and II	0	
[If offered land is predominate cover of native rangeland ($\geq 75\%$), multiply points times two .]		Score
4) Threat to conversion - invasive plants [Area must have presence of, or adjacent to land with invasive species present. Musk thistle, sericea lespedeza, salt cedar (<i>Tamarix spp.</i>) and juniper.]		
Species not present or less than 30% of offered acres impacted	15	
Species present on offered acres at 30 - 50% of offered acres impacted	10	
Species present on offered acres at 51 - 75% of offered acres impacted	5	
Species present at $\geq 76\%$ of offered acres impacted	0	
		Score
Total points for threat to conversion	Total Score A.	

EVALUATION CRITERIA (continued)		Circle Correct Value	Score
		Enter score from previous page	Score
B. NON-CONVERSION CONSIDERATIONS			
1) Enrollment option selected by applicant. [Weight is assigned to the option providing the greatest opportunity to meet the long-term objectives of the program.]			
<input type="checkbox"/> Permanent easement			30
<input type="checkbox"/> 30-year easement			20
<input type="checkbox"/> 30-year rental agreement			20
<input type="checkbox"/> 20-year rental agreement			10
<input type="checkbox"/> 15-year rental agreement			5
<input type="checkbox"/> 10-year rental agreement			0
			Score
2) Acres of grazing land to be protected, restored, or enhanced [Area enrolled will have Prescribed Grazing (528A) &/or Forage Harvest Management (511) planned and maintained in the conservation plan for the life of the agreement/easement. Exclusion from easements may not exceed 1 undeveloped 2ac. site per 640 acres offered. For non-contiguous offers, assign score on the largest contiguous unit.]			
2,001 or more acres			5
601 – 2,000 acres			10
201 - 600 acres			15
40 – 200 acres			5
			Score
3) Location significance - Proximity of area offered to other protected areas such as refuges, and wildlife management areas, national forests, natural areas, or permanent conservation easements [Protected areas must be 2,500 ac. or greater in size.]			
Area is immediately adjacent to a protected area			15
Area is not adjacent, but within 1/4 mile of a protected area			8
Area is between 1/4 and 1/2 mile of a protected area			6
Area is between 1/2 and 1 mile of a protected area			4
Area is between 1 and 2 miles of a protected area			2
Area is greater than 2 miles of a protected area			0
			Score
4) Area offered includes predominately native rangeland and prairies [Area must be protected from uncontrolled livestock use by Prescribed Grazing (528A), Forage Harvest Management (511), or Use Exclusion (472) in order to receive points].			
Area offered is 75% or greater native grasslands			15
Area offered is 24% or greater introduced grasslands or abandoned cropland			0
			Score
5) Area offered will include restoration or enhancement of stream corridors/riparian zones [All riparian areas must be protected from uncontrolled livestock access by Prescribed Grazing (528A) and/or Use Exclusion (472) in order to receive points].			
Stream corridor/riparian zone will be restored <u>with</u> future protection			10
Stream corridor/riparian zone will be restored <u>without</u> future protection			0
			Score
6) Essential habitat for declining wildlife species			
Area offered is known habitat for the identified declining species and benefits to the species will occur through development of a conservation plan that addresses habitat requirements for the identified animal or plant. Conservation plan will include Upland Wildlife Habitat Management (645) addressing essential habitat needs of identified specie(s). Circle specie(s) Greater prairie chicken Lesser prairie chicken Black-tailed prairie dog			10
Benefits identified species will not occur			0
			Score
7) Total cost per acre (Calculate and score based on offer type.)			
Easement total plus restoration practices		Rental Agreements restoration costs only	
< \$50.00 ac		No restoration costs	20
\$50.00 - \$100.00 per acre		\$.01 - \$1 per acre	15
\$100.01 - \$150.00 per acre		\$1.01 - \$3.00 per acre	10
\$150.04 - \$200.00 per acre		\$3.01 - \$5.00 per acre	5
\$200.01 per acre or more		\$5.01 per acre or more	0
			Score
TOTAL POINTS FOR NON-CONVERSION CONSIDERATIONS Category B			(a)
TOTAL POINTS FOR THREAT TO CONVERSION (Total of Category A from previous page)			(b)
TOTAL POINT VALUE FOR OFFERED AREA [Add (a) + (b)]			

Evaluation Completed by: (signatures)

Designated Conservationist

Date

Applicant

Date

GUIDANCE FOR RANKING GRP APPLICATIONS

The following guidance is effective beginning July 8, 2004, and will be used for evaluating all GRP applications for funding in fiscal year 2004:

EVALUATION CRITERIA

The use of the terms native cover, native grassland, or native rangeland in this worksheet refers to land possessing native grasses, forbs and shrubs, that have never been plowed or otherwise manipulated by tillage or other similar activity.

A. THREATS TO CONVERSION – The GRP Interim Final Rule requires priority consideration be given to grasslands under the various threats of conversion. The identified threats include urbanization (parceling of grasslands), cultivation, and loss of plant and animal biodiversity.

1) Threat to conversion – urban land

Assign points in this category for land located in the counties identified in the 1997 NRI as land having greatest expansion of urban build-up 1982-1997. The identified counties are listed and include five major metropolitan areas of Oklahoma and certain other counties experiencing fragmented corridor development. Nowata and Craig counties are represented due to the predominance of tall grass prairie being fragmented by “parceling” development. Grazing lands ineligible to receive points in this category are lands residing within the corporate city limits and easement land that will include reserved land for future permanent structures except as defined in the following. Easement offers may include land reserved from easement not to exceed 1 – 2 acre area per 640 acres of offered land. If 75% or greater of the offered acres is native grassland, multiply the score times two. Land located in Oklahoma, Cleveland, Tulsa, and Rogers counties are not listed due to the high degree of existing fragmentation and the higher land values driven by intense urbanization.

2) Threat to conversion – wind farms

Assign points to this category when at least 50% of the offered acres is located in an area identified as good and excellent resource potential on the Oklahoma Wind Power Initiative (OWPI) Neural Network Computer Model Map 02/22/02. The map is available at <http://www.seic.okstate.edu/owpi/WindRes/owrc.htm>.

3) Threat to conversion – cultivation

Assign points under this category based on the percent of the offered acres with soil map units having desirable classification for conversion to cropland. Cropland is not eligible for enrollment in the GRP. However, there are many acres of grassland, native and introduced, that could be converted to cropland with minimal land treatment costs by the land holders. The soil map units with the greatest potential for cropland conversion have a non-irrigated cropland capability classification of class I or II. These classifications are recorded in Section 2 of the Field Office Technical Guide, Cropland Interpretations, Land Capability and Yields per Acre of Crops Report. These tables can be accessed in the local Field Office or at http://www.ok.nrcs.usda.gov/technical/soils/county_files/index.html. If the offered cover on at least 75% of the class I and II land is historic native grasslands, multiply the assigned points by two.

4) Threat to conversion – invasive plants

Assign points under this category based on the percent of offered acres covered by the targeted invasive plant species. The specie(s) **must** be present on the offered land or the land immediately adjacent to the offered land must be infested at a concentration that poses an imminent threat to the offered acres. If the specie is not present on the offered acres or adjacent property, score zero points. Targeted species for this evaluation period include junipers, salt cedar (*Tamarix spp.*), musk thistle, and sericea lespedeza. Participants will be required to remove and maintain the control of these species for the life of the agreement. Restoration cost-share may be available for the initial treatment within two years of enrollment in the GRP. Following the initial treatment the participant will have to maintain the population of these plants at or below a 15% plant composition for the field in which they are present.

B. Non-Conversion Evaluation Considerations. The criteria in this section will be used to further evaluate applications that provide the greatest support to existing grazing operations and enhance the biodiversity through protection of the grassland resource.

1) Enrollment options selected by the applicant

Assign points in this category based on the enrollment option selected by the participant. The points are weighted to the enrollment options providing the greatest long-term protection of the grassland resource.

2) Acres of grazing lands to be protected, restored, or enhanced

Area enrolled will have Prescribed Grazing (528A) &/or Forage Harvest Management (511) planned and maintained in the conservation plan for the life of the agreement/easement. Exclusion from easements may not exceed one (1) undeveloped two (2) ac. site per 640 acres offered. Offers of less than 2 acres cannot include a reserved exclusion beyond the existing structures. Points are awarded to give preference for physical site conditions and ownership patterns that offer a likelihood that the site will retain its habitat function and values.

3) Proximity of area offered to other protected areas such as refuges, wildlife management areas, national forests, natural areas, and permanent conservation easements

Proximity to other protected grassland areas will be as measured from the closest point on the edge of the offered acreage. Other protected areas must be at least 2,500 acres in size to allow points in this category. Land enrolled in the CRP or WRP 10-year restoration agreements **do not qualify** as other protected areas for wildlife habitat under this category. WRP 30-year and perpetual easements can be considered as protected habitat areas.

4) Area offered includes predominately native rangeland and prairies

Assign points for the percent of offered land that is native grasslands that have never been tilled or re-established by planting. Abandoned cropland fields that have established native plants through natural regeneration, native range plantings, trees and introduced grasses do not contribute to the 75% criteria.

5) Area Offered Will Include Restoration or Enhancement of Stream Corridors/Riparian Zones

Assign points under this category when a stream and adjacent buffer will be protected from livestock grazing or encroachment from cropping, by fencing or use exclusion. Areas within the protected corridor/riparian area will be established to native vegetation by either natural regeneration or by planting grasses, trees, or shrubs as determined on site by NRCS field staff in consultation with the applicant. Minimum widths of protected corridors/riparian areas will be in accordance with the Standard and Specification for Riparian Forest Buffer (391) or Riparian Herbaceous Cover (390). Limited summer grazing that avoids nesting and fawning seasons and allows for fall re-growth can be planned as a wildlife management practice where habitat benefits would be achieved. Tree plantings will have livestock excluded for the entire period of establishment. Score this category only when all streams are protected and restored. Streams for this criterion are perennial streams as defined and designated on USGS topographic maps. If no perennial streams are present on the offered acres score no points in this category.

6) Essential habitat for declining wildlife or protection of threatened plant species

Assign points only when the selected declining wildlife specie(s), Greater prairie chicken, Lesser prairie chicken, and Black-tailed prairie dog, are known to be present on the offered acres. Conservation practices will be installed and maintained to the habitat needs of the specie(s). We can never be sure that the targeted species will utilize habitats maintained or enhanced by conservation practices, but we can insure that the practices will provide all or part of the habitat requirements of the species. Be sure that the wildlife habitat improvement plan will provide habitat that is suitable for use by the targeted species before assigning points under this category.

7) Cost Per Acre for Protection

Use the acres that are being offered for enrollment in the respective category. For easement offers, add the estimated total cost of the contract including easement cost and the estimated cost of restoration practices. Divide the total contract cost by the total acres of the contract to determine the appropriate points to assign the application.

For rental agreements, calculate the restoration costs per acre using only the acres that are directly benefited by cost-share practices or management practices specifically implemented for grazing land restoration when calculating the cost per acre. As an example: The landowner wants to develop a GRP plan on part of a 640-acre tract of rangeland. The plan consists of constructing a 2-acre farm pond and fencing another 10 acres of riparian buffer to exclude livestock. The total benefited area will be 12 acres. In this situation, all of the cost for constructing the pond, installing a freeze-proof tank, and fencing the area should be divided by the 12 acres included in the plan. Do not divide the cost by the entire 640 acres within the tract. However, if the same landowner also planned to construct a firebreak and use prescribed burning as a management tool on the entire tract, the cost of all practices should be divided by 640 acres. The acres used for calculating the cost per acre are crucial in assigning points under this category. Be sure the correct procedures are used.

U.S. DEPARTMENT OF AGRICULTURE
NATURAL RESOURCES CONSERVATION SERVICE

CCC-1255
GRP

Grassland Reserve Program Conservation Easement Deed

This Conservation Easement Deed ("Deed"), made this _____ day of _____, 20 __, between _____, and its successors, heirs and assigns, (hereinafter "Grantor") and the UNITED STATES OF AMERICA, and its assigns, (hereinafter "Grantee" or "United States"). Grantor and the United States are jointly referred to as the "Parties." The acquiring agency of the United States is the Natural Resources Conservation Service of the United States Department of Agriculture ("NRCS").

I. Recitals and Conservation Purposes

A. Grantor owns the property ("Property") located in _____ (County) of _____ (State) and legally described in Exhibit A attached hereto and made part of this Deed.

B. The grassland and other natural characteristics of the Property (also referred to herein as "conservation values") as well as its state of improvement, are described in a Baseline Inventory Report ("Report") prepared by Grantee with the cooperation of Grantor and attached hereto at Exhibit B. The Report describes the condition of the Property as of the date of this Deed. The Report may be used by Grantee to assure that any future changes in the use of the Property are consistent with the terms of this Deed. However, this Report is not intended to preclude the use of other evidence to establish the condition of the Property at the time this Deed is executed if there is controversy over the Property's use.

C. Grantor intends that the grassland and other conservation values of the Property be preserved and maintained. To effectuate this conservation purpose, Grantor intends to convey to Grantee the right to preserve and protect the grassland and other conservation values of the Property.

D. Acquisition of this Deed is authorized by the Grassland Reserve Program ("GRP") authorized by sections 1238N through 1238Q of Title XII of the Food Security Act of 1985, as amended. The easement rights in the above-described lands are being acquired for administration by the Secretary of Agriculture through the Natural Resources Conservation Service of the United States Department of Agriculture for the purposes of restoring and protecting grassland acreage, including shrubland, rangeland, pastureland, and other lands, and for protecting the conservation values, including wildlife habitat and water quality improvement.

NOW THEREFORE, in consideration of the sum of _____ Dollars(\$ _____), Grantor hereby grants and conveys with general warranty of title to the United States and its assigns an easement in the Property, including development

rights and access to the Property, as defined herein. It is the intent of Grantor to convey and relinquish all development rights to Grantee for the purpose of protecting the conservation values identified herein. This Deed shall constitute a servitude upon the Property so encumbered, shall run with the land and shall bind Grantor, its heirs, successors, assigns, lessees, and any other person claiming under them.

Subject, however, to any valid rights of record.

The term of this easement is [perpetual] or [____years] expiring on _____20____.

II. Purposes

It is the primary purpose of this Deed to retain the Property in grassland by conserving and restoring native and desired non-native grasses, forbs and shrubs and the preservation and protection of natural habitat, wildlife habitat, biodiversity, and other conservation values referenced in this Deed and the Report. Grazing shall be permitted consistent with these conservation purposes.

III. Permitted, Prohibited, Restricted and Reserved Activities

A. Grassland Uses of the Property. Grantor reserves the right to graze, hay, harvest for seed production, and mow. Grantor shall not hay, mow or harvest for seed during certain nesting seasons for birds whose populations Grantee determines are in significant decline. Such determinations shall be made in writing to the Grantor, or set forth within the Conservation Plan on the Property (see paragraph IV. A.). In addition, Grantor may maintain existing watering facilities (i.e. water tanks, troughs and dugout ponds) for livestock in their current location as identified in the Report. Grantor may construct or place on the Property new watering facilities for livestock with prior written approval of Grantee.

B. Quiet Enjoyment. In addition, Grantor reserves for itself and its invitees the right of quiet enjoyment and the right to convey or lease the Property and restrict public access.

C. Prohibited Acts. Grantor shall not perform, nor knowingly allow others to perform, any act, including those prohibited or restricted herein, that is inconsistent with the purposes of this conservation easement.

D. Crop Cultivation. Except for grassland uses permitted in paragraph III. A., the cultivation of crops for human or domestic animal consumption, including tree or shrub nurseries, fruit or nut producing trees, vineyards, tree farms or plantations, aquaculture, or any agricultural commodity that requires breaking the soil surface, is prohibited.

E. Topography. Altering the existing topography of the Property by digging, plowing, disking, or otherwise disturbing the surface is prohibited, except when required, as determined in advance and in writing by Grantee, to protect and enhance conservation values, and manage the grassland uses references in paragraph III. A.

F. Waste. Dumping, collecting, recycling or storing of trash, refuse, waste, sewage, or other debris is prohibited, except that animal waste may be used on the Property as fertilizer as long as such use is approved in advance and in writing by Grantee.

G. Mining. The exploration, development, mining, or extraction of soil, sand, gravel, mineral, oil, gas or any other hydrocarbon substance on the surface of the Property is prohibited. However, mineral extraction may be conducted by other than surface mining methods if it does not impact the surface of the Property and the extraction will not impair the conservation values of the Property. Any extraction permitted pursuant to this paragraph requires prior written notice to Grantee, which shall include a description of the areas within which extraction will occur and its anticipated impact. Exploration, development, mining or extraction that may result in subsidence, run off, or other surface effects on the Property is prohibited. In addition, no part of the Property will be used for the storage or processing of minerals, oil, or gas.

H. Construction of Buildings or Other Structures. Construction of buildings or other structures on the Property is prohibited. However, repair and maintenance of existing structures, as identified in the Report, are permitted at the same location and within the existing footprint of such structures. In addition, repair or replacement of existing corrals, windmills, barns, or other livestock facilities, as identified in the Report, are permitted at the same location and within the existing footprint.

I. Timber Harvesting. Trees may be cut to control insects and disease, prevent personal injury and property damage, obtain firewood for personal use, construct fences as permitted herein, and, with advance written permission of Grantee, maintain grasslands. Any commercial harvesting shall be conducted in accordance with a forest management plan as set forth in paragraph IV. C. herein.

J. Fences. Existing fences may be repaired or replaced and new fences may be built on the Property for the purposes of managing livestock in a manner that is customary in the region where the Property is located and consistent with the purposes of this Deed set forth at part II. Fences that restrict the movement of wildlife, as determined by Grantee, are prohibited.

K. Roads and Impervious Surfaces. No portion of the Property shall be paved or otherwise covered with concrete, asphalt, or any other impervious paving material, nor shall any road for access or other purposes be constructed. Existing roads may be maintained in their location and within their existing footprint as identified in the Report. However, maintenance and repair of existing roads shall not be construed to permit the paving of any existing road not already paved or otherwise covered in an impervious material.

L. Recreational Uses. Undeveloped, passive, non-motorized recreational uses, such as hiking, camping, bird watching, and hunting, are permitted as long as such uses are, as determined by Grantee, limited in scope and do not impair the conservation values of this Deed.

M. Development Rights. The Property shall not be developed except as expressly

permitted by this Deed. Subject to valid existing rights of record, all development rights associated with the Property are vested in Grantee. The Parties agree that these development rights are terminated and extinguished and may not be used on or transferred off of the Property to any other property or otherwise used.

N. Signs. Except for no trespassing signs, for sale signs, and signs identifying the owner of the Property, all other signs, advertisements, and billboards of any nature are prohibited. The permitted signs may not exceed 15 square feet in size. The Parties agree that the United States has the right to erect and maintain signs on the Property for the purpose of identifying this easement.

O. Exotic or Biologically Engineered Species. The introduction, cultivation, or use of exotic, or biologically engineered plant or animal species is prohibited on the Property without prior written approval of Grantee.

P. Subdivision. The Property may be subdivided with prior written approval by Grantee. The terms of this Deed shall apply to any subdivided parcels.

Q. Utilities. Installation, maintenance, repair, replacement, removal, or relocation of electric, gas, water and wind power facilities, sewer lines, or other public or private utilities, including telephone or other communications services over or under the Property, is prohibited, except to the extent determined by Grantee as necessary to serve the Property and uses permitted by this Deed. Notwithstanding the preceding sentence, the construction or installation of telecommunications structures, including towers, buildings, antennas, satellite and microwave dishes and any other telecommunications support facilities, is prohibited on the Property.

R. Water Rights. Grantor shall retain the right to use the water rights described in Exhibit A for the present and future use on the Property and shall not transfer, lease, sell, or otherwise separate the water rights from the Property.

S. Restoration. In furthering the conservation purposes of this Deed, Grantor may restore grasses, forbs, and shrubs on the Property if approved in advance and in writing by Grantee. In addition, Grantee shall have the right to enter the Property to undertake, at its own expense or on a cost-share basis with Grantor or other entity, to restore, protect, manage, maintain, enhance, and monitor the grassland and other conservation values of the Property.

IV. Affirmative Duties: Planning Requirements

A. Conservation Plan. The Parties agree that good resource management and land stewardship is important for present and future generations and for the protection and enhancement of grasses and other native and natural vegetation on the Property, and in furtherance of its conservation values. Grantor agrees to implement a Conservation Plan on the Property. This Conservation Plan shall be developed in consultation with and approved by NRCS and shall be updated as needed to reflect any change in use of the Property. No use shall be provided for in the Conservation Plan which is inconsistent with the provisions of this Deed.

B. Pest and Weed Control. Grantor is responsible for control of noxious weeds and pests.

C. Forest Management Plan. Commercial harvesting shall be conducted in accordance with a forest management plan prepared by a licensed, professional forester, which is approved in advance and in writing by Grantee, and which does not impair the purposes of this Deed, including the protection of animal and plant diversity. A copy of this plan shall be provided to and approved by Grantee at least one month prior to any timber harvest.

V. Enforcement and Remedies

A. Easement Management.

1. Grantee may, in its discretion, enter into an agreement with a third party to assist Grantee in carrying out its rights and responsibilities under this Deed (including any management, restoration, monitoring, or enforcement responsibilities).
2. Grantee, with the Landowner's permission, may delegate all or part of its rights or responsibilities under this Deed (including any management, restoration, monitoring, or enforcement responsibilities) to any entity Grantee determines, in accordance with 16 U.S.C. 3838q or other applicable law, has the appropriate authority, expertise, and resources necessary to carry out such delegated rights and responsibilities.

B. Enforcement.

1. Grantee has the right to prevent and correct or require correction of violations of the terms of this Deed. Grantee or Grantee's agents may enter the Property at any time to inspect for violations, including, but not limited to, assessing compliance with the Conservation Plan or other plan described in Section IV above. If Grantee finds a violation, Grantee may at its discretion take appropriate legal action in law or equity. Upon discovery of a violation, Grantee shall notify Grantor in writing of the violation. Except when an ongoing or imminent violation could, as determined by Grantee, seriously impair the conservation values of the Property, Grantee shall give Grantor written notice of the violation and 30 days to correct it before filing any legal action.
2. If Grantor fails to cure the violation within 30 days after receipt of a notice of violation, Grantee may bring an action in court to enforce the terms of this Deed, to enjoin the violation, and to require restoration of the Property to the condition that existed prior to any such injury. Where a court finds that a violation has occurred, Grantor shall reimburse Grantee for all its expenses incurred in halting and correcting the violation, including but not limited to reasonable attorneys' fees.

3. Any delay by Grantee in exercising its rights under this Deed in the event of any violation of its terms by Grantor shall not be deemed a waiver by Grantee of such rights with respect to that violation. Moreover, any failure by Grantee to discover a violation of this Deed or forbearance by Grantee in exercising its rights under this Deed in the event of any violation of its terms by Grantor shall not be deemed a waiver by Grantee of such rights with respect to any subsequent violation.

VI. General Terms

A. Access. No public access is conveyed by this Deed. Grantor maintains the right and obligation to prevent trespass and control access by the public pursuant to State and Federal law, provided that Grantee has the right of ingress and egress to the Property over Grantor's property, whether or not Grantor's property is adjacent to or appurtenant to the Property, for the exercise of Grantee's rights under this Deed. The authorized representatives of Grantee may utilize vehicles and other reasonable modes of transportation for access purposes.

B. Responsibilities of Grantor and Grantee Not Affected. Other than as specified herein, this Deed is not intended to impose any legal or other responsibility on Grantee or in any way affect any existing obligations of Grantor as the owner of the Property. For example:

1. Taxes. Grantor shall continue to be solely responsible for payment of all taxes and assessments levied against the Property.

2. Upkeep and Maintenance. Grantor shall continue to be solely responsible for the upkeep and maintenance of the Property.

C. Rights Acquired. The property rights of the United States acquired under this Deed shall be unaffected by any subsequent amendments to or repeal of the Grassland Reserve Program. If Grantor receives consideration for this easement in installments, the Parties agree that the conveyance of this easement shall be effective upon payment of the first installment.

D. Subsequent Conveyances. Grantor agrees to notify Grantee in writing of the names and addresses of any party to whom the Property is to be transferred at or prior to the time the transfer is consummated. Grantor and its successors and assigns shall specifically refer to this Deed in any subsequent lease, deed, or other instrument by which any interest in the Property is conveyed.

E. Subsequent Liens. No provisions of this Deed should be construed as impairing the ability of Grantor to use this Property as collateral for a loan, provided that any mortgage or lien associated with the loan is subject to or subordinated to this Deed.

F. Severability. If any provision of this Deed is found to be invalid, the remainder of its provisions shall remain in force.

G. Rules of Construction. This Deed shall be interpreted under the laws of the United States. Any ambiguities in this Deed and questions as to the validity of any of its specific provisions shall be resolved in favor of Grantee so as to preserve the conservation values of the Property and to give maximum effect to the purposes of this Deed.

H. Environmental Warranty. Grantor warrants that it has no actual knowledge of any release or threatened release of hazardous substances, hazardous wastes, toxic or hazardous material, pollutants, or contaminants on the Property, as such substances, wastes, and materials are defined by applicable Federal, State, and local Environmental Laws. For purposes of this Deed, the term "Environmental Laws" shall mean all Federal, State, and local laws, including statutes, regulations, ordinances, codes, rules, and other governmental restrictions and requirements relating to hazardous substances, hazardous waste, toxic, or hazardous material, pollutants or contaminants, including but not limited to the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; and the Clean Water Act, 33 U.S.C. § 1251 et seq. Grantee, in purchasing the Conservation Easement and related interests described herein, assumes no affirmative obligations whatsoever for the management, supervision, or control of the Property or of any of the activities or day-to-day operations on the Property. Grantor shall be exclusively responsible to pay for or to perform all claims, costs, expenses, fines, penalties, fees, sanctions, investigations, cleanup, restoration, or response or corrective action under applicable Environmental Laws arising from or out of any such release or threatened release of hazardous substances, hazardous wastes, toxic or hazardous material, pollutants, or contaminants on the Property.

I. Indemnification. Grantor shall indemnify and hold harmless Grantee, its employees, agents, assigns, and successors for any and all liabilities, claims, demands, losses, expenses, damages, fines, fees, penalties, suits, proceedings, actions and costs of actions, sanctions asserted by or on behalf of any person or governmental authority, and other liabilities (whether legal or equitable in nature and including, without limitation, court costs and reasonable attorneys' fees and attorneys' fees on appeal) to which Grantee may be subject or incur relating to the Property, including but not limited to negligent acts, the breach by Grantor of any representation, warranty, covenant, or agreements contained in this Deed, violations of any Federal, State, or local laws, including all Environmental Laws, and liability associated with the use or misuse, handling or mishandling, storage, spillage, discharge, seepage into surface or ground water, or release or threatened release of hazardous substances, hazardous wastes, toxic or hazardous material, pollutants, or contaminants.

J. Notices. Any notices required by this Deed shall be in writing and personally delivered or sent by certified mail, return receipt requested, to Grantor and Grantee.

K. No Merger. If Grantee at some future time acquires the underlying fee title in the Property, the interest conveyed by this Deed will not merge with fee title but will continue to exist and be managed as a separate estate.

L. Acceptance. The signature below of Grantee's authorized representative constitutes acceptance of the rights and responsibilities conveyed by this Deed to the United States.

M. Captions. The captions used in this Deed have been inserted solely for convenience of reference. They are not part of this Deed and shall have no effect upon its interpretation.

N. Rights and Obligations. All provisions of this Deed apply to Grantor or Grantee and their respective agents, heirs, executors, administrators, assigns, and any other successors.

TO HAVE AND TO HOLD, this Conservation Easement Deed is granted to the United States of America and assigns. Grantor covenants that it is vested with good title to the Property and shall warrant and defend the same on behalf of the United States against all claims and demands. Grantor covenants to comply with the terms and conditions enumerated in this Deed governing use of the Property, and adjacent lands for access to the Property, and to refrain from any activity that is restricted, prohibited or inconsistent with the purposes of this Conservation Easement Deed.

Dated this _____ day of _____, 20____.

Landowner(s) _____

State of _____

County of _____

I _____, being the duly authorized representative of the United States Department of Agriculture, Natural Resources Conservation Service, do hereby accept this Conservation Easement Deed with respect to the rights and duties of the United States.

Acknowledgment

In the State or Commonwealth of _____, County, Borough or Parish of _____, on this _____ day of _____, 20____, before me, the undersigned, a Notary Public in and for said jurisdiction, personally appeared _____ to me known to be the person(s) described in and who executed the foregoing instrument, and acknowledged that _____ executed the same as _____ free act and deed.

IN TESTIMONY WHEREOF, I have hereunto my hand and Notarial Seal subscribed and affixed in said jurisdiction, the day and year above written.

(NOTARIAL SEAL)

Notary Public

My Commission Expires:

This instrument was drafted by the Office of the General Counsel, U.S. Department of Agriculture, Washington, D.C. 20250-1400.

This form is available electronically.

CCC-920
(07-01-03)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

GRASSLAND RESERVE PROGRAM CONTRACT

8A. COUNTY OFFICE ADDRESS (Include Zip Code):	1. ST. & CO. CODE & C/D	2. CONTRACT NUMBER	
	3. ACRES FOR ENROLLMENT	4. FARM NUMBER	
8B. TELEPHONE NUMBER (Include Area Code):	5. TRACT NUMBER(S)		
	6. OFFER (Select one)		7. CONTRACT PERIOD FROM: (MM-DD-YYYY) TO: (MM-DD-YYYY)
	Contract Type		
	10 Year		
	15 Year		
20 Year			
	30 Year		

THIS CONTRACT is entered into between the Commodity Credit Corporation (referred to as "CCC") and the undersigned owner(s), on the farm identified above. The undersigned person or persons may hereafter collectively be referred to as "the Participant". The Participant agrees to place the designated acreage into the Grassland Reserve Program ("GRP") for the stipulated contract period from the date the Contract is executed by the CCC or other use set by CCC. The Participant also agrees to implement on such designated acreage the Conservation Plan developed for such acreage and approved by the CCC and the Participant. Additionally, the Participant and CCC agree to comply with the terms and conditions contained in this Contract, including the Appendix to this Contract, entitled Appendix to CCC-920, Grassland Reserve Program Contract (referred to as "Appendix"). Return of the Appendix and any addendum there to are incorporated into this contract by reference and are binding upon the participant. **BY SIGNING THIS CONTRACT PRODUCERS ACKNOWLEDGE RECEIPT OF THE FOLLOWING FORMS: CCC-920; CCC-920 Appendix and any addendum thereto; and if applicable, CCC-921.**

9A. Rental Rate Per Acre \$ _____ 9B. Annual Contract Payment \$ _____ 9C. First Year Payment \$ _____	10. Conservation Practices (See Page 2 for additional space)				
	A. Tract No.	B. Field No.	C. Practice No.	D. Acres	E. Total C/S

11. PARTICIPANTS

A(1). NAME AND ADDRESS (Include Zip Code):	(2) SHARE %	(3) SOCIAL SECURITY NUMBER:	(4) SIGNATURE	DATE (MM-DD-YYYY)
B(1). NAME AND ADDRESS (Include Zip Code):	(2) SHARE %	(3) SOCIAL SECURITY NUMBER:	(4) SIGNATURE	DATE (MM-DD-YYYY)
C(1). NAME AND ADDRESS (Include Zip Code):	(2) SHARE %	(3) SOCIAL SECURITY NUMBER:	(4) SIGNATURE	DATE (MM-DD-YYYY)
A. SIGNATURE OF CCC REPRESENTATIVE			B. DATE (MM-DD-YYYY)	

12. CCC USE ONLY - Payments according to the shares are approved.

NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a). The authority for requesting the following information is the Farm Security and Rural Investment Act of 2002, (Pub. L. 107-171) . The information will be used to determine eligibility for program benefits. Furnishing the requested information is voluntary, but failure to furnish the requested information will result in a determination of ineligibility. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal law enforcement agencies, and in response to a request by a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided. **RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.**

The authority for collecting the following information is Pub. L. 107-171. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D. C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

This form is available electronically.

CCC-920 (Appendix)
(07-08-03)

See CCC-920 for Privacy Act and Public Burden Statements.

U. S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

APPENDIX TO
GRASSLAND RESERVE PROGRAM (GRP) – CONTRACT

The U.S. Secretary of Agriculture delegated the authority to administer GRP, on behalf of the Commodity Credit Corporation (CCC), to the Administrator, Farm Service Agency and the Chief of the Natural Resources Conservation Service. These agency leaders are Vice Presidents of the CCC. Activities described as being performed by CCC will be performed by representatives of these agencies.

1 DEFINITIONS

The following definitions are applicable to the Grassland Reserve Program contract:

- A **GRP Contract** is comprised of the CCC-920, this Appendix, and any applicable conservation plan. This Contract is entered into between the CCC and the participant. This Contract sets forth the terms and conditions for participation in GRP and receipt of GRP payments.
- B **Conservation Plan** means a record of the participant's decisions, and supporting information, for the conservation treatment of a unit of land or water, and includes the schedule of operations, activities, and estimated expenditures, if needed to solve identified natural resource concerns.
- C **Cost Share** means the financial assistance from CCC to the participant to share the cost of installing a conservation practice through a restoration agreement.

2 AGREEMENT

- A The participant agrees to place eligible land into GRP for the period specified on the CCC-920 from the date the contract is executed by CCC; and agrees to manage the land subject to this agreement for the contract period.
- B Further, the participant agrees:
 - (1) To forego the production of crops (other than hay), fruit trees, vineyards, or any other agriculture commodity that requires breaking the soil surface; and any other activity that would disturb the surface of the land covered by the agreement.
 - (2) That starting any financial assistance practice before the contract is executed may result in the participant being unable to receive financial assistance for such practices. Participants may only receive financial assistance for practices initiated prior to this agreement upon the approval of the NRCS State Conservationist and when the participant is enrolled in the GRP and the practices meet NRCS standards and specifications outlined in the Field Office Technical Guide.
 - (3) That all conservation practices listed on the CCC-920 will be completed within the time specified in the agreement and maintained for the required practice lifespan when restoration is required. If during the construction of any practices a previously unidentified archeological or historic site(s) is discovered, the participant shall discontinue work in the general area of the site and notify USDA immediately.
 - (4) To comply with the terms of the attached conservation plan, including required grazing management activities. In addition, the participant agrees to control on land subject to a GRP contract, all weeds, insects, pests, and other undesirable species to the extent necessary to ensure that the establishment and maintenance of the ground cover.

- (5) Not to undertake any action on land under the participant's control, which tends to defeat the purposes of the contract, as determined by CCC.
- (6) To the suspension of any existing cropland base and allotment history for the land subject to this agreement, if applicable.
- (7) To comply with all Federal, State, and local laws that apply to the contract, including securing any needed local, State and federal permit prior to commencing activities.
- (8) To provide access to representatives of CCC to review the effectiveness of this agreement during the agreement period.

C CCC Agreement:

- (1) CCC agrees to permit:
 - (a) The participant to continue common grazing practices, including maintenance and necessary cultural practices, on land in a manner that is consistent with maintaining the viability of grassland, forbs, and shrub species common to the local area, as determined by the NRCS State Conservationist.
 - (b) Haying, mowing, or harvesting for seed production, subject to the appropriate restrictions during the nesting season for birds that are in significant decline or those that are protected under Federal or State law. Appropriate restrictions will be determined by the NRCS State Conservationist.
 - (c) Fire rehabilitation and construction of fire breaks and fences.
- (2) CCC agrees to provide technical assistance to develop with the participant, a conservation plan to address the resources of concern on eligible acreage.
- (3) CCC agrees to provide annual payments in amounts in amounts, percentages, and on the anniversary date identified on the CCC-920. Payments for conservation practices will be provided upon certification by the NRCS State Conservationist.

3 PAYMENTS

- A** Payments for conservation practices will be made using the cost method and cost-share rate specified on the CCC-920. CCC will not make cost-share payments in excess of 90 percent of the actual or average cost of establishing the eligible practice.
- B** Significant increases to cost-share payments may only be made at the cost specified on the USDA cost list in effect at the time the practice is initiated and upon execution of a modification of this agreement.
- C** Any payment or portion thereof due any participant will be made by CCC without regard to any question of title under State law and without regard to any claim or lien which may be asserted by a creditor, except agencies of the U.S. Government. Offsets for debts owed to agencies of the U.S. government shall be made prior to making any payments to participants or their assigns.
- D** In order to be reimbursed for technical services approved under this agreement and performed by a certified Technical Service Provider ("TSP") hired by the participant, a participant must execute a request for payment in the form of an Application for Payment form, AD-1161. The participant must also submit to NRCS an invoice from the TSP for the work performed as well as any documentation NRCS may require in order to ensure that the technical services were carried out in accordance with NRCS requirements and specifications.

4 VIOLATIONS

Upon a violation of the terms or conditions of this agreement:

- A** The agreement shall remain in force; and
- B** CCC may require the participant to refund all or part of any payment received, with interest, as determined appropriate by CCC.

5 ERRONEOUS REPRESENTATION AND SCHEME AND DEVICE

- A** A participant who is determined to have erroneously represented any fact affecting a determination with respect to this GRP contract, adopted a scheme or device which tends to defeat the purposes of the contract, or made any fraudulent representation with respect to this contract will not be entitled to payments or any other benefits made in accordance with this contract and the participant must refund to CCC all payments received by such participant, plus interest as described in paragraph 5B.
- B** Unless CCC regulations provide otherwise, refunds determined to be due and owing to CCC will bear interest at the rate which CCC was required to pay for its borrows from the United States Treasury on the date of the disbursement by CCC of the monies to be refunded. Interest will accrue from the date of such disbursement by CCC.
- C** The remedies provided under paragraph A above shall be applicable in addition to any remedies under criminal and civil fraud statutes, including U.S.C. 268, 287, 371, 641, 1001; 15 U.S.C. 714m; and 31 U.S.C. 3729, or any other remedy available under law.

6 NOTIFICATION OF CHANGES TO THE TERMS AND CONDITIONS OF THIS CONTRACT

CCC agrees that, if any changes of any terms and conditions of this contract, become necessary, including changes necessary to reconcile the practices on the CCC-920 with those specified in the conservation plan, CCC will notify in writing the persons signing the CCC-920 of the proposed change and such persons will be given 30 days from the date of notification to agree to the revised terms and conditions or terminate the agreement without penalty. The participant agrees that failure to notify CCC within 30 days may constitute agreement with revised terms. Any changes to the GRP contract must be in writing.

7 TERMINATION OF CONTRACT; JOINT LIABILITY

- A** CCC may terminate this contract if the participant:
 - (1) Violates the terms and conditions of the contract; or
 - (2) Transfers ownership or control of the land subject to this agreement and the transferee refuses to assume the obligations with respect to the transferred acreage.
- B** If CCC terminates the contract, CCC may require that the participant:
 - (1) Refund in whole or in part, together with interest, annual rental payments and any applicable cost-share payments; and
 - (2) Reimburse CCC the cost and expenses associated with contract implementation, enforcement and termination of the agreement.
- C** If CCC determines that the nature or extent of the participant's action does not warrant termination, CCC may require the participant to accept adjustments in future payments as determined appropriate by CCC. CCC may consider a participant's failure to accept such adjustment as reason to terminate the agreement.
- D** All participants who sign the CCC-920 shall be jointly and severally liable for compliance with such terms and conditions.

8 CHANGES TO CONTRACT

In the event a statute is enacted or a regulation published during the period of this agreement which would materially change the terms and conditions, CCC may require the participants to elect between a modification of the contract or termination.

9 APPEAL RIGHTS

Participant(s) may appeal an adverse decision pursuant to the appeal procedures set forth at 7 CFR Parts 614, 11, and/or 780 or any successor provisions. Pending the resolution of an appeal, no payments shall be made under this agreement.

10 COMPLIANCE WITH APPLICABLE LAWS

A Participant(s) agree to carry out this agreement in accordance with all applicable federal statutes and regulations.

11 EXAMINATION OF RECORDS

Participant(s) agree to give the CCC, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to this agreement. Participant(s) agree to retain all records related to this agreement for a period of three years after completion of the terms of this agreement in accordance with the applicable OMB Circular.

12 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS – PRIMARY COVERED TRANSACTIONS (7 CFR 3017)

A The Participant certifies to the best of its knowledge and belief, that the participant and his or her principals:

- (1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
- (2) Have not within the three-year period preceding this agreement had a criminal conviction or civil judgment rendered against them for commission of fraud in connection with obtaining, attempting to obtain, or performing a public (federal, state or local government) contract, including violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses listed in paragraph 14A(2) of this certification; and
- (4) Have not within the three-year period preceding this agreement had one or more public contracts (federal, state or local) terminated for cause or default.

B If the participant is unable to certify to any of the statements in Section A, the participant shall attach an explanation to this agreement.

13 DRUG-FREE WORKPLACE (7 CFR 3017 SUBPART F)

By signing this agreement, the Participant is providing the certification, as appropriate, set forth below. If it is later determined that the participant knowingly rendered a false certification, or otherwise violated the requirements of the Drug-Free Workplace Act, the NRCS may take action authorized under the Drug-Free Workplace Act, in addition to any other remedies available to the United States.

14 CERTIFICATION: (PARTICIPANTS(S) OTHER INDIVIDUALS)

A The Participant certifies that it will provide a drug-free workplace by:

- (1) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

- (2) Establishing an ongoing drug-free awareness program to inform employees about:
 - (a) The danger of drug abuse in the workplace;
 - (b) The participant's policy of maintaining a drug-free workplace;
 - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
- (3) Making it a requirement that each employee to be engaged in the performance of the agreement be given a copy of the statement required by paragraph 16A(1);
- (4) Notifying the employee in the statement required by paragraph 16A(1) that, as a condition of employment under the agreement, the employee will—
 - (a) Abide by the terms of the statement; and
 - (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such a conviction.
- (5) Notifying NRCS in writing, within ten calendar days after receiving notice under paragraph 16(4)(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every agreement officer or other designee on whose agreement activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected agreement;
- (6) Taking one of the following actions, within 30 calendar days of receiving notice under paragraph 16(4)(b), with respect to any employee who is so convicted—
 - (a) Taking appropriate personnel action, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement, or other appropriate agency.
- (7) Making a good faith effort to maintain a drug-free workplace through implementation of paragraphs (12) through (6).

B The participant may insert in the space provided below the site(s) for the performance of work done in connection with the specific agreement. Place of Performance (Street address, city, county, state, zip code):

Check _____ if there are workplaces on file that are not identified here.

15 CERTIFICATION: (FOR PARTICIPANT(S) WHO ARE INDIVIDUALS)

- A** The participant certifies that, as a condition of the agreement, he or she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the agreement;
- B** If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any agreement activity, he or she will report the conviction, in writing, within 10 calendar days of the conviction, to every agreement officer or other designee responsible for the agreement, unless the Federal agency designates a central point for the receipt of such notices. When notice is made to such a central point, it shall include the identification number(s) of each affected agreement.

16 CERTIFICATION REGARDING LOBBYING (7 CFR 3018) (APPLICABLE IF THIS AGREEMENT EXCEEDS \$100,000)

A The participant certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the participant, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form – LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.
- (3) The participant shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

B This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. Section 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 and Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.

USDA-Oklahoma

**GRASSLAND RESERVE PROGRAM
RENTAL RATES
Fiscal Year 2003**

July 7, 2003

County	GRP Rental Rates
Adair	\$8.75
Alfalfa	\$8.75
Atoka	\$7.75
Beaver	\$7.00
Beckham	\$7.50
Blaine	\$8.25
Bryan	\$7.88
Caddo	\$8.25
Canadian	\$8.25
Carter	\$7.50
Cherokee	\$9.25
Choctaw	\$7.75
Cimarron	\$6.00
Cleveland	\$8.38
Coal	\$7.88
Comanche	\$7.75
Cotton	\$7.50
Craig	\$11.50
Creek	\$8.75
Custer	\$7.88
Delaware	\$10.00
Dewey	\$7.75
Ellis	\$7.50
Garfield	\$8.88
Garvin	\$7.75
Grady	\$8.25
Grant	\$8.75
Greer	\$7.50
Harmon	\$7.50
Harper	\$7.50
Haskell	\$7.75
Hughes	\$8.25
Jackson	\$7.50
Jefferson	\$7.50
Johnston	\$7.75
Kay	\$9.50
Kingfisher	\$8.25
Kiowa	\$7.75
Latimer	\$7.75
LeFlore	\$8.13
Lincoln	\$8.25
Logan	\$8.25
Love	\$7.50
McClain	\$8.50
McCurtian	\$7.88
McIntosh	\$8.25
Major	\$8.25
Marshall	\$7.75
Mayer	\$10.00
Murray	\$7.75
Muskogee	\$8.25

County	GRP Rental Rates
Noble	\$9.25
Nowata	\$10.50
Okfuskee	\$8.25
Oklahoma	\$8.25
Okmulgee	\$8.25
Osage	\$10.00
Ottawa	\$11.50
Pawnee	\$9.75
Payne	\$8.25
Pittsburg	\$7.88
Pontotoc	\$7.75
Pottawatomie	\$8.50
Pushmataha	\$7.75
Roger Mills	\$7.50
Rogers	\$10.00
Seminole	\$8.25
Sequoyah	\$8.50
Stephens	\$7.75
Texas	\$6.50
Tillman	\$7.63
Tulsa	\$9.25
Wagoner	\$9.25
Washington	\$10.50
Washita	\$7.88
Woods	\$8.25
Woodward	\$7.75

July 7, 2003

Grassland Reserve Program

**Estimated Permanent and 30-Year Per Acre Easement Values
(7 % Interest Rate)**

FIPS	County	Oklahoma Land Value Regions	Pasture Sales Per Acre 2001	Oklahoma Pasture Rental Rates	Estimated Fair Market Value	Estimated Annual Grazing Value	Estimated Perpetuity Grazing Value	Estimated 30-Year Grazing Value	Estimated Permanent Easement Value	Estimated 30-Year Easement Value
A	B	C	D	E	F	G	H	I	J	L
40001	ADAIR	East Northeast	\$ 857	East	\$ 10.57	\$ 857	\$ 10.57	\$ 151	\$ 131	\$ 706
40003	ALFALFA	North Central	\$ 842	North Central	\$ 11.72	\$ 842	\$ 11.72	\$ 167	\$ 145	\$ 675
40005	ATOKA	Southeast	\$ 612	East	\$ 10.57	\$ 612	\$ 10.57	\$ 151	\$ 131	\$ 461
40007	BEAVER	Panhandle	\$ 272	Northwest	\$ 7.67	\$ 272	\$ 7.67	\$ 110	\$ 95	\$ 162
40009	BECKHAM	Southwest	\$ 251	Southwest	\$ 9.86	\$ 251	\$ 9.86	\$ 141	\$ 122	\$ 110
40011	BLAINE	West-Northwest	\$ 483	Northwest	\$ 7.67	\$ 483	\$ 7.67	\$ 110	\$ 95	\$ 373
40013	BRYAN	Southeast	\$ 612	East	\$ 10.57	\$ 612	\$ 10.57	\$ 151	\$ 131	\$ 461
40015	CADDO	South Central	\$ 604	Southwest	\$ 9.86	\$ 604	\$ 9.86	\$ 141	\$ 122	\$ 463
40017	CANADIAN	North Central	\$ 842	North Central	\$ 11.72	\$ 842	\$ 11.72	\$ 167	\$ 145	\$ 675
40019	CARTER	South Central	\$ 604	Southwest	\$ 9.86	\$ 604	\$ 9.86	\$ 141	\$ 122	\$ 463
40021	CHEROKEE	East Northeast	\$ 857	East	\$ 10.57	\$ 857	\$ 10.57	\$ 151	\$ 131	\$ 706
40023	CHOCTAW	Southeast	\$ 612	East	\$ 10.57	\$ 612	\$ 10.57	\$ 151	\$ 131	\$ 461
40025	CIMARRON	Panhandle	\$ 272	Northwest	\$ 7.67	\$ 272	\$ 7.67	\$ 110	\$ 95	\$ 162
40027	CLEVELAND	South Central	\$ 604	Southwest	\$ 9.86	\$ 604	\$ 9.86	\$ 141	\$ 122	\$ 463
40029	COAL	Southeast	\$ 612	East	\$ 10.57	\$ 612	\$ 10.57	\$ 151	\$ 131	\$ 461
40031	COMANCHE	Southwest	\$ 251	Southwest	\$ 9.86	\$ 251	\$ 9.86	\$ 141	\$ 122	\$ 110
40033	COTTON	Southwest	\$ 251	Southwest	\$ 9.86	\$ 251	\$ 9.86	\$ 141	\$ 122	\$ 110
40035	CRAIG	Northeast	\$ 671	East	\$ 10.57	\$ 671	\$ 10.57	\$ 151	\$ 131	\$ 520
40037	CREEK	Northeast	\$ 671	East	\$ 10.57	\$ 671	\$ 10.57	\$ 151	\$ 131	\$ 520
40039	CUSTER	West-Northwest	\$ 483	Northwest	\$ 7.67	\$ 483	\$ 7.67	\$ 110	\$ 95	\$ 373
40041	DELAWARE	East Northeast	\$ 857	East	\$ 10.57	\$ 857	\$ 10.57	\$ 151	\$ 131	\$ 706
40043	DEWEY	West-Northwest	\$ 483	Northwest	\$ 7.67	\$ 483	\$ 7.67	\$ 110	\$ 95	\$ 373
40045	ELLIS	West-Northwest	\$ 483	Northwest	\$ 7.67	\$ 483	\$ 7.67	\$ 110	\$ 95	\$ 373
40047	GARFIELD	North Central	\$ 842	North Central	\$ 11.72	\$ 842	\$ 11.72	\$ 167	\$ 145	\$ 675
40049	GARVIN	South Central	\$ 604	Southwest	\$ 9.86	\$ 604	\$ 9.86	\$ 141	\$ 122	\$ 463
40051	GRADY	South Central	\$ 604	Southwest	\$ 9.86	\$ 604	\$ 9.86	\$ 141	\$ 122	\$ 463
40053	GRANT	North Central	\$ 842	North Central	\$ 11.72	\$ 842	\$ 11.72	\$ 167	\$ 145	\$ 675
40055	GREER	Southwest	\$ 251	Southwest	\$ 9.86	\$ 251	\$ 9.86	\$ 141	\$ 122	\$ 110
40057	HARMON	Southwest	\$ 251	Southwest	\$ 9.86	\$ 251	\$ 9.86	\$ 141	\$ 122	\$ 110
40059	HARPER	West-Northwest	\$ 483	Northwest	\$ 7.67	\$ 483	\$ 7.67	\$ 110	\$ 95	\$ 373
40061	HASKELL	Southeast	\$ 612	East	\$ 10.57	\$ 612	\$ 10.57	\$ 151	\$ 131	\$ 461
40063	HUGHES	Southeast	\$ 612	East	\$ 10.57	\$ 612	\$ 10.57	\$ 151	\$ 131	\$ 461
40065	JACKSON	Southwest	\$ 251	Southwest	\$ 9.86	\$ 251	\$ 9.86	\$ 141	\$ 122	\$ 110

USDA-Oklahoma

July 7, 2003

Grassland Reserve Program

**Estimated Permanent and 30-Year Per Acre Easement Values
(7 % Interest Rate)**

FIPS	County	Oklahoma Land Value Regions	Pasture Sales Per Acre 2001	Oklahoma Pasture Rental Rates	Oklahoma Pasture Rental Rates	Estimated Fair Market Value	Estimated Annual Grazing Value	Estimated Perpetuity		Estimated 30-Year Grazing Value	Estimated Permanent Easement Value	Estimated 30-Year Easement Value
								F	G			
A	B	C	D	E	F	G	H	I	J	K	L	
40067	JEFFERSON	South Central	\$ 604	Southwest	\$ 9.86	\$ 604	\$ 9.86	\$ 141	\$ 122	\$ 463	\$ 144	
40069	JOHNSTON	Southeast	\$ 612	East	\$ 10.57	\$ 612	\$ 10.57	\$ 151	\$ 131	\$ 461	\$ 144	
40071	KAY	North Central	\$ 842	North Central	\$ 11.72	\$ 842	\$ 11.72	\$ 167	\$ 145	\$ 675	\$ 209	
40073	KINGFISHER	North Central	\$ 842	North Central	\$ 11.72	\$ 842	\$ 11.72	\$ 167	\$ 145	\$ 675	\$ 209	
40075	KIOWA	Southwest	\$ 251	Southwest	\$ 9.86	\$ 251	\$ 9.86	\$ 141	\$ 122	\$ 110	\$ 39	
40077	LATIMER	Southeast	\$ 612	East	\$ 10.57	\$ 612	\$ 10.57	\$ 151	\$ 131	\$ 461	\$ 144	
40079	LE FLORE	Southeast	\$ 612	East	\$ 10.57	\$ 612	\$ 10.57	\$ 151	\$ 131	\$ 461	\$ 144	
40081	LINCOLN	Northeast	\$ 671	East	\$ 10.57	\$ 671	\$ 10.57	\$ 151	\$ 131	\$ 520	\$ 162	
40083	LOGAN	North Central	\$ 842	North Central	\$ 11.72	\$ 842	\$ 11.72	\$ 167	\$ 145	\$ 675	\$ 209	
40085	LOVE	South Central	\$ 604	Southwest	\$ 9.86	\$ 604	\$ 9.86	\$ 141	\$ 122	\$ 463	\$ 144	
40093	MAJOR	West-Northwest	\$ 483	Northwest	\$ 7.67	\$ 483	\$ 7.67	\$ 110	\$ 95	\$ 373	\$ 116	
40095	MARSHALL	Southeast	\$ 612	East	\$ 10.57	\$ 612	\$ 10.57	\$ 151	\$ 131	\$ 461	\$ 144	
40097	MAYES	Northeast	\$ 671	East	\$ 10.57	\$ 671	\$ 10.57	\$ 151	\$ 131	\$ 520	\$ 162	
40087	MCCLAIN	South Central	\$ 604	Southwest	\$ 9.86	\$ 604	\$ 9.86	\$ 141	\$ 122	\$ 463	\$ 144	
40089	MCCURTAIN	Southeast	\$ 612	East	\$ 10.57	\$ 612	\$ 10.57	\$ 151	\$ 131	\$ 461	\$ 144	
40091	MCINTOSH	Northeast	\$ 671	East	\$ 10.57	\$ 671	\$ 10.57	\$ 151	\$ 131	\$ 520	\$ 162	
40099	MURRAY	Southeast	\$ 612	East	\$ 10.57	\$ 612	\$ 10.57	\$ 151	\$ 131	\$ 461	\$ 144	
40101	MUSKOGEE	Northeast	\$ 671	East	\$ 10.57	\$ 671	\$ 10.57	\$ 151	\$ 131	\$ 520	\$ 162	
40103	NOBLE	North Central	\$ 842	North Central	\$ 11.72	\$ 842	\$ 11.72	\$ 167	\$ 145	\$ 675	\$ 209	
40105	NOWATA	Northeast	\$ 671	East	\$ 10.57	\$ 671	\$ 10.57	\$ 151	\$ 131	\$ 520	\$ 162	
40107	OKFUSKEE	Northeast	\$ 671	East	\$ 10.57	\$ 671	\$ 10.57	\$ 151	\$ 131	\$ 520	\$ 162	
40109	OKLAHOMA	North Central	\$ 842	North Central	\$ 11.72	\$ 842	\$ 11.72	\$ 167	\$ 145	\$ 675	\$ 209	
40111	OKMULGEE	Northeast	\$ 671	East	\$ 10.57	\$ 671	\$ 10.57	\$ 151	\$ 131	\$ 520	\$ 162	
40113	OSAGE	Northeast	\$ 671	East	\$ 10.57	\$ 671	\$ 10.57	\$ 151	\$ 131	\$ 520	\$ 162	
40115	OTTAWA	Northeast	\$ 671	East	\$ 10.57	\$ 671	\$ 10.57	\$ 151	\$ 131	\$ 520	\$ 162	
40117	PAWNEE	Northeast	\$ 671	East	\$ 10.57	\$ 671	\$ 10.57	\$ 151	\$ 131	\$ 520	\$ 162	
40119	PAYNE	North Central	\$ 842	North Central	\$ 11.72	\$ 842	\$ 11.72	\$ 167	\$ 145	\$ 675	\$ 209	
40121	PITTSBURG	Southeast	\$ 612	East	\$ 10.57	\$ 612	\$ 10.57	\$ 151	\$ 131	\$ 461	\$ 144	
40123	PONTOTOC	Southeast	\$ 612	East	\$ 10.57	\$ 612	\$ 10.57	\$ 151	\$ 131	\$ 461	\$ 144	
40125	POTTAWATOMIE	Northeast	\$ 671	East	\$ 10.57	\$ 671	\$ 10.57	\$ 151	\$ 131	\$ 520	\$ 162	
40127	PUSHMATAHA	Southeast	\$ 612	East	\$ 10.57	\$ 612	\$ 10.57	\$ 151	\$ 131	\$ 461	\$ 144	
40129	ROGER MILLS	Southwest	\$ 251	Northwest	\$ 7.67	\$ 251	\$ 7.67	\$ 110	\$ 95	\$ 141	\$ 47	
40131	ROGERS	Northeast	\$ 671	East	\$ 10.57	\$ 671	\$ 10.57	\$ 151	\$ 131	\$ 520	\$ 162	

Grassland Reserve Program

July 7, 2003

Estimated Permanent and 30-Year Per Acre Easement Values
(7 % Interest Rate)

FIPS	County	Oklahoma Land Value Regions	Pasture Sales Per Acre 2001	Oklahoma Pasture Rental Rate Regions	Oklahoma Pasture Rental Rates	Estimated Fair Market Value	Estimated Annual Grazing Value		Estimated Perpetuity Grazing Value		Estimated 30-Year Grazing Value	Estimated Permanent Easement Value	
							H	I	J	K		L	
A	B	C	D	E	F	G	H	I	J	K	L		
40133	SEMINOLE	Northeast	\$ 671	East	\$ 10.57	\$ 671	\$ 10.57	\$ 151	\$ 131	\$ 520	\$ 162	\$ 520	\$ 162
40135	SEQUOYAH	East Northeast	\$ 857	East	\$ 10.57	\$ 857	\$ 10.57	\$ 151	\$ 131	\$ 706	\$ 218	\$ 706	\$ 218
40137	STEPHENS	South Central	\$ 604	Southwest	\$ 9.86	\$ 604	\$ 9.86	\$ 141	\$ 122	\$ 463	\$ 144	\$ 463	\$ 144
40139	TEXAS	Panhandle	\$ 272	Northwest	\$ 7.67	\$ 272	\$ 7.67	\$ 110	\$ 95	\$ 162	\$ 53	\$ 162	\$ 53
40141	TILLMAN	Southwest	\$ 251	Southwest	\$ 9.86	\$ 251	\$ 9.86	\$ 141	\$ 122	\$ 110	\$ 39	\$ 110	\$ 39
40143	TULSA	Northeast	\$ 671	East	\$ 10.57	\$ 671	\$ 10.57	\$ 151	\$ 131	\$ 520	\$ 162	\$ 520	\$ 162
40145	WAGONER	Northeast	\$ 671	East	\$ 10.57	\$ 671	\$ 10.57	\$ 151	\$ 131	\$ 520	\$ 162	\$ 520	\$ 162
40147	WASHINGTON	Northeast	\$ 671	East	\$ 10.57	\$ 671	\$ 10.57	\$ 151	\$ 131	\$ 520	\$ 162	\$ 520	\$ 162
40149	WASHITA	Southwest	\$ 251	Southwest	\$ 9.86	\$ 251	\$ 9.86	\$ 141	\$ 122	\$ 110	\$ 39	\$ 110	\$ 39
40151	WOODS	West-Northwest	\$ 483	Northwest	\$ 7.67	\$ 483	\$ 7.67	\$ 110	\$ 95	\$ 373	\$ 116	\$ 373	\$ 116
40153	WOODWARD	West-Northwest	\$ 483	Northwest	\$ 7.67	\$ 483	\$ 7.67	\$ 110	\$ 95	\$ 373	\$ 116	\$ 373	\$ 116

- A Federal Information Processing Standards Code
- B Oklahoma Counties
- C Groups of Oklahoma Counties displayed in the Source Publication (D below).
- D Oklahoma Land Values 1971 - 2001, Darrel Kletke, Department of Agricultural Economics, Oklahoma State University, for the Oklahoma Chapter, American Society of Farm Managers and Rural Appraisers, October 25, 2002.
- E Groups of Oklahoma Counties displayed in the Source Publication (F below).
- F Dollars Per Acre Per Year from Oklahoma Pasture Rental Rates: 2002-2003, Damona Doye, Darrel Kletke, Bart L. Fischer, OSU Extension and Department of Agricultural Economics, Oklahoma State University.
- G Estimated Fair Market Value equals Average of 2001 Pasture Land Sales by Oklahoma Region.
- H Estimated Annual Grazing Values equals the Average of Pasture Rental Rates in Oklahoma Pasture Rental Rate Regions.
- I Present Value of an Annuity of 1 Per Year in Perpetuity at 7 Percent Interest (14.28571) times Estimated Fair Market Value of Land.
- J Present Value of an Annuity of 1 Per Year for 30-Years at 7 Percent Interest (12.40904) times Estimated Fair Market Value of Land.
- K Estimated Fair Market Value of Land minus Estimated Perpetuity Grazing Value
- L Estimated Fair Market Value of Land minus Estimated 30-Year Grazing Value times 30 Percent.

Press Release



Your Name
Your Title
Your Phone Number

for immediate release

Your Office
Your Address
Your City, State, and Zip Code

Announcement of Grassland Reserve Program Availability

(Enter DC's name) District Conservationist, Natural Resources Conservation Service (NRCS), announces the availability of funding for the Grassland Reserve Program (GRP). The 2002 Farm Bill amended the Food Security Act of 1985 to include authorization for this program. The Grassland Reserve Program (GRP) Interim Final Rule was published on May 20, 2004, with a funding level of \$70 million for 2004 and is available for all counties in Oklahoma. Oklahoma has received \$2.3 million to enroll land in the program.

"Grasslands provide critical ecological benefits and play a key role in environmental quality, as well as contributing to the economies of many rural areas," said (Enter DC's last name). "This voluntary program helps protect valuable grasslands from conversion to other land uses, thus helping to ensure this national resource is available to future generations." For the first time, the U.S. Department of Agriculture will direct financial resources and technical expertise to help landowners protect and restore these lands.

The NRCS, Farm Service Agency (FSA), and Forest Service are coordinating the implementation of GRP, which helps landowners restore, protect, and rehabilitate grassland, rangeland, pastureland, shrubland, and certain other lands. The program will conserve vulnerable grasslands by protecting them from conversion to cropland or other uses and conserve valuable grasslands by helping to maintain viable ranching operations.

When properly managed, grasslands and shrublands can result in cleaner water, healthier riparian areas, and reduced sediment in streams and other water bodies. These lands are vital for the production of forage for domestic livestock and provide essential habitat elements for maintaining healthy wildlife populations. These lands also improve the aesthetic character of the landscape and provide scenic vistas, open space, recreational opportunities, and soil erosion protection.

GRP offers producers several enrollment options: permanent easements, 30-year easements, rental agreements (10, 15, 20 or 30-year duration), and restoration agreements. To participate in GRP, offers must be private land that includes at least 40 contiguous acres.

"We are accepting applications for participation in the GRP program on a continuous basis," adds (enter DC's last name). Applications must be received by August 2, 2004, to be considered for evaluation and funding this fiscal year. Evaluated applications will be grouped into four pools for the state and selected for funding by August 18, 2004. Priority resource issues for this application period include the threat of conversion to other land uses, primarily fragmentation through parceling and cultivation. Consideration is also given for risk to invasive plants and loss of biodiversity. Applications will be evaluated according to evaluation criteria developed for Oklahoma. The criteria are available at your local NRCS office or on the web at www.ok.nrcs.usda.gov. Successful applicants with high priority resource concerns will be contacted to develop contracts to obligate the current funding allocation. Unfunded applications will be maintained for future funding consideration if the applicant chooses to remain on the waiting list. While maintaining these deferred applications for future consideration, NRCS will continue to work with producers to implement their conservation plans.

Individual producers that have high priority resource concerns and are interested in participation in GRP may apply at any time at your local NRCS, (enter Conservation District's name), or FSA office at (enter address) or by calling (enter phone number). Additional information, including Federal Register notices and rules, is also available at <http://www.nrcs.usda.gov/programs/farmbill/2002>.

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