

**STATEMENT OF MARK REY  
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U.S. DEPARTMENT OF AGRICULTURE  
BEFORE THE HOUSE APPROPRIATIONS COMMITTEE  
SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND  
DRUG ADMINISTRATION, AND RELATED AGENCIES**

**April 3, 2008**

Madam Chairwoman and Members of the Subcommittee, I am pleased to appear before you today to present the fiscal year (FY) 2009 budget and program proposals for the Natural Resources Conservation Service (NRCS) of the Department of Agriculture (USDA). I am grateful to the Chairwoman and members of this Subcommittee for their ongoing support of private lands, voluntary conservation and the protection of soil, water, and other natural resources.

Farmers, ranchers, and other private landowners across America play a vital role in conserving our Nation's soil, water, air, and wildlife resources, while producing abundant food and fiber. Almost 75 years of "helping people help the land" gives NRCS a firm foundation to meet the challenge of balancing production agriculture with resource conservation.

## **President's Fiscal Year 2009 Budget**

The President's FY 2009 budget request for NRCS provides resources for the Agency to fulfill its ongoing mission, while ensuring that new challenges faced by landowners can be addressed.

Because of the overriding need to reduce the Federal budget deficit, NRCS, like every Federal agency, shares in the responsibility of controlling Federal spending. There are proposals in the FY 2009 Budget that will produce savings in both mandatory and discretionary accounts. These savings will enable the Administration to target funding based on need and program results.

With that said, the President's FY 2009 budget request for NRCS recognizes the vital role that natural resource conservation on private lands plays in furthering America's conservation efforts. Without productive soil, clean water and air, and farmers and ranchers who can earn a living off the land, the United States would not be the strong Nation it is today.

The President's budget is viewed in concert with the Administration's Farm Bill proposal. The proposal would add \$775 million to Farm Bill conservation programs. As a result, the FY 2009 budget request for NRCS provides \$3.4 billion in total funding - \$800.7 million in discretionary funding and \$2.6 billion in mandatory funding.

Under existing law, the President's FY 2009 budget also proposes \$181.5 million for WRP. This will allow an annual enrollment of approximately 100,000 acres and will bring total cumulative enrollment to the 2002 Farm Bill authorized enrollment cap of 2,275,000 by the end of FY 2009. The FY 2009 program funding level and acres enrolled will be established in the new Farm Bill. The Administration proposes a total FY 2009 enrollment of 250,000 acres with our Farm bill proposal.

WRP is the principal USDA program vehicle for the President's Wetlands Initiative, which calls for the restoration, protection, and enhancement of 3 million acres of wetlands over a 5-year period that began in June 2004. WRP contributes roughly one-third of all the acres toward the goals of the President's Wetlands Initiative.

Conservation Operations (CO) is the core discretionary program that supports the Department's conservation efforts with State and local entities, and provides for the conservation planning and decision support needed to successfully implement Farm Bill conservation programs. The FY 2009 budget request for CO proposes a funding level of \$794.8 million, which includes \$680.8 million for Conservation Technical Assistance (CTA), \$92.2 million for Soil Surveys, \$10.8 million for Snow Surveys, and \$10.9 million for the 27 Plant Materials Centers.

## **Administration's Farm Bill Proposals**

In January 2007, the Administration released its Farm Bill proposals. A new Farm Bill has yet to be passed, and so we continue to strongly support our recommendations from a year ago. We propose to increase mandatory conservation funding by \$7.8 billion over the 10-year baseline (2008-2017). This is a significant and needed investment to manage and conserve our natural resources.

A significant feature of our proposals is program streamlining and consolidation. In response to customer concerns, we want to improve the efficiency of our programs and decrease complexity for program participants. For example, we propose consolidating existing cost-share programs, including the Wildlife Habitat Incentives Program, into a newly designed Environmental Quality Incentives Program (EQIP) that continues and expands restoration and enhancement of fish and wildlife habitat as a program purpose. Within EQIP, we recommend a new Regional Water Enhancement Program to address water conservation and water quality projects at the watershed or irrigation basin level.

We also propose consolidation of our working lands easement programs into one Private Lands Protection Program (PLPP). This new performance-based program will use a wide range of tools to achieve water quality and quantity objectives. The PLPP would eliminate redundancy and overlaps that result in confusion among producers and less environmental benefit per dollar invested.

Finally, our proposals would help accelerate the development of private markets for the trading of ecosystem benefits associated with conservation. Our recommendations would help ensure that environmental goods and services produced by agriculture and forestry can be used as offsets in regulatory, voluntary partnership and incentive programs consistent with existing laws and regulations. Additionally, existing programs should be amended to allow for market-based and price discovery mechanisms, such as bidding and reverse auctions.

### **Building Strong Accountability Measures**

In the current budget environment, it is more important than ever to continue working diligently on improving accountability and result measurements for the funds provided by Congress. Madam Chairwoman, I am proud of the great strides NRCS has made in the past year on this effort as well as in making NRCS information more accessible to farmers, ranchers, and the general public. We have made critical updates to our business tools software that will increase the accuracy and transparency of our progress reporting systems. We have also undertaken an Agency-wide, multi-year audit to improve our financial systems.

We continue to work diligently on the Conservation Effects Assessment Project (CEAP). CEAP is a multi-agency effort to quantify the environmental benefits associated with conservation practices implemented under the 2002 Farm Bill and other related conservation programs. In 2007, work continued on the watershed component to provide detailed assessments of conservation practices including observed and modeled

environmental effects in selected watersheds. Additionally, we are making progress on the watershed studies, developing new model components and geospatial analyses at the watershed scale to improve the accuracy of model simulations and enhance predictions of practice impacts. These scientific investigations will ultimately lead to more targeted land treatment strategies that are not only more cost effective but that also focus more sharply on reducing environmental quality impairments that rural communities are currently struggling to address

### **American Customer Satisfaction Index (ACSI) Results**

One of the consistent drivers of satisfaction with NRCS programs has been the quality of NRCS staff and the customer service they provide through one-on-one interactions with customers. In order to reinforce the Agency's commitment to customer service, NRCS in FY 2007 once again contracted with the Federal Consulting Group using the American Customer Satisfaction Index (ACSI) methodology through a partnership of the University of Michigan Business School-CFI Group and the American Society for Quality to survey and analyze customer segments for selected programs. The ACSI is a national indicator of customer satisfaction.

I am proud to report that according to the ACSI, overall satisfaction with NRCS program delivery for programs evaluated in FY 2007 was typically higher than ACSI scores for the Federal Government sector.

The aggregated index for the Federal Government in 2007 was 68. Six of the seven NRCS programs evaluated in FY 2007 received a score above the Federal Government Aggregated Index. The ACSI results identify NRCS staff and the technical assistance provided as a strength that should be leveraged in order to continue the tradition of customer-focused program delivery.

### **Conclusion**

Madam Chairwoman, in summary, I believe that the Administration's FY 2009 Budget request reflects sound policy, and will provide stability to the vital mission of voluntary conservation on private lands. The Budget request reflects sound business management practices and the best way to work for the future and utilize valuable conservation dollars efficiently and wisely.

I thank members of the Subcommittee for the opportunity to appear, and would be happy to respond to any questions that Members might have.