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**ATTACHMENT 2**  
**EXCERPTS FROM COMMENTS SUBMITTED FEB. 18, 2003**  
**ON INTERIM RULE FOR TSP PROGRAM**

April 11, 2003

Melissa Hammond  
Technical Service Provider Coordinator  
Natural Resources Conservation Service  
U.S. Department of Agriculture  
P.O. Box 2890  
Washington, D.C. 20013

Dear Melissa:

Here are some excerpts from my February 18, 2003 letter commenting on the interim TSP rule. I've included these excerpts since they underscore the points discussed in Attachment 1, and provide additional background on why we feel the way we do about these points.

**CONSIDER PROVIDING TSPS WITH UP FRONT FUNDING**

A considerable amount of initial groundwork is necessary for a producer to investigate the conservation programs that may be available to him or her, and to prepare applications to participate in these programs.

Rarely do producers have the time – or patience – to consider how different programs might be coordinated, coupled together or blended to leverage the investment of funds and to create efficiencies in the delivery of services that a producer can render to enhance the environmental resources on his or her property.

Assistance in investigating different programs, gathering the base-line information necessary for enrolling in a specific program and drafting conservation management plans necessary to apply for many programs has traditionally come from the staff of government agencies.

But this has caused bottlenecks. There often are many more requests for assistance than a conservation agency's limited staff can honor in a timely manner.

Also, the vast majority of federal and state conservation programs are designed and set in law one at a time, by different agencies, for specific purposes (and sometimes, specific regions of the country), and also must be applied for, administered, monitored, managed and reported on *one at a time*.

Altogether, the Federal Government has almost *600 different programs* that provide funding for agriculture, conservation, environmental restoration, research, education, training, small business assistance, and rural economic & community development. States have an array of additional programs.

These programs can help producers:

- Improve profitability -- by generating new, ongoing sources of additional revenue,
- Maintain landowner equity,
- Improve compatibility with the environment, and
- Install practices that will reduce operating expenses and help agriculture, ranching and forestry operations become more efficient.

But, first, producers must find out about these programs – and apply for them. Several of the programs contained in the farm bill have proven to be popular with producers and have been oversubscribed in the past. But even with additional funding, producers are unlikely to participate in more than one or two programs at a time.

There's a simple reason for this. If producers are to remain in business, they must first of all keep their minds on business. They cannot (and traditionally have not chosen to) chase after a lot of different programs ... from different agencies and levels of government ... for a dollar here and a dollar there.

Several conservation programs provide funding for technical assistance to allow producers to make use of the expertise that is available from private crop consultants, scientists, and engineers, and to obtain training in conservation management, **but these funds become available only after the producer has applied for – and been accepted for participation in – a program.**

There is a great need for “start-up” funding to help producers:

- investigate the myriad programs available;
- assess the conservation opportunities and needs on their property;
- consider the willingness and capacity of the landowner and/or operator to participate in different programs;
- apply for multiple programs that can be coordinated, coupled or blended together *to leverage existing funding – and the opportunities for enhancing environmental resources*;
- adjust these programs to the local conditions found on the property; and
- “learn the ropes” as they install and implement initial practices.

The TSP rule offers an opportunity to provide producers with this “start-up” funding so they can obtain technical assistance *early on, before normal program funding streams start from other programs*, when the producer is making critical decisions about which programs they can afford to explore and consider enrolling in, or if they can even afford the time to consider enrolling in *any* programs.

There is a great need to “fill the gap” between traditional conservation funding sources and the private landowner, so private landowners will have a greater capacity to utilize the programs available – and to use them in a more effective, cost-efficient and beneficial manner. The Technical Service Provider program could do this, if properly designed.

## RECOMMENDATIONS

### Here are some suggestions on how this could be done:

1. Require that TSPs contact NRCS before working with any producer;
2. Require that TSPs develop a Memorandum of Understanding (MOU) with NRCS that sets forth the working relationship between the TSP and NRCS, and all the obligations and responsibilities of the TSP;
3. Require that TSPs submit a specific "Scope of Services" for each landowner (and/or operator, as appropriate) that the TSP intends to work with. The Scope of Services should list the initial services to be provided to the producer by the TSP (say, over an initial period of 3 months) and the payment that will be paid to the TSP for these services;
4. This Scope of Services must be reviewed, negotiated with the TSP (if necessary) and approved by NRCS prior to commencement of work by the TSP with the producer. If the TSP begins work prior to approval of the Scope of Services, NRCS will not be obligated to make any payments to the TSP for those services.
5. Require that the TSP submit periodic progress reports and a revised and updated Scope of Services as work progresses with a producer, and as details about the services (and opportunities) to be provided to the producer become more fully developed.
6. NRCS should provide a standardized MOU and sample "Scope of Services" for TSPs to use in developing the documents listed in 1-5, above.

This approach would allow TSPs to be used to EXPAND and EXTEND the capabilities of the current delivery system.

For example, there may be costs involved for services which NRCS currently does provide and which will be a critical element in ensuring TSPs don't just repeat what's been done in the past, but can expand the scope and extent of conservation program delivery to private landowners. I agree that costs for services that NRCS does provide should not be exceeded. But in looking at these NRCS costs, it will be important to not just look at direct costs for providing services, but to look as well at all *indirect* costs for administration, overhead, etc. which TSPs also will incur.

It also should be remembered that one size does not fit all. Even individual properties in the same area are different – and may require different services and different rates to address conservation needs and opportunities. That's why a Scope of Services can work well in this situation. It has the necessary flexibility to address conservation delivery on a property-by-property basis. It can be adjusted as time goes on and as more is learned about the property – and what needs to be done to respond appropriately and adequately to conservation needs and opportunities. Everything about each individual "service" also can be precisely defined:

- the purposes and objectives of each service
- what the TSP will do
- how the TSP will do it
- when the TSP will do it
- what standards or criteria must be met in the performance of each service
- how performance will be measured
- what criteria (or market prices) will be used for calculating payments
- what type of reporting will be required
- what monitoring and spot-checking will take place
- how results will be evaluated
- what steps will be taken if performance does not meet specific criteria

*[End of excerpt]*

In the vast majority of cases, this is how services are negotiated and sold in the private market place.

- A client approaches a service provider with a need.
- The service provider describes those needs in series of measurable deliverables.
- Prices and timelines are established based on a specific list of criteria that must be followed to provide each deliverable, including the time, materials, travel and levels of expertise required for each deliverable.
- Estimates from different service providers can be compared by the client, based on the criteria used to describe and define each deliverable.
- If something comes up during performance of the service that was not contained or considered in the original criteria, the criteria can be adjusted to accommodate new conditions, requests or requirements.
- The timeline and price also can be adjusted accordingly, and reviewed and discussed thoroughly with the client, before a decision is made on how to proceed.

This process provides *accountability*. At the same time, it provides the necessary *flexibility* to ensure that unforeseen circumstances and changes can be accommodated, and obstacles can be overcome, without affecting the quality of the work to be performed.

I hope USDA will give serious consideration to requiring that all TSPs enter into MOUs with the NRCS and that each project carried out by a TSP be based on a detailed Scope of Services. This will provide complete accountability. It also will allow TSPs to make adjustments in the ways in which practices are to be implemented or installed, in the times and costs estimated, and in the services to be performed, if conditions encountered on the property warrant such adjustments.

A policy requiring fixed prices for services, which cannot be changed through an amendment to a Scope of Services, could have the same impact upon conservation that “managed care” has had on the health care industry. Instead of promoting an efficient pricing structure, it is much more likely to have a negative impact, by requiring that conservation activities be curtailed, or performed in a substandard way, if unforeseen conditions or circumstance require more time, greater expertise or more materials than originally estimated. This is because “you don’t know what you don’t know until you get out and start working on a property.”

Sincerely,



Craig Evans  
President

**See cover letter for members of the Conservation Delivery Team contributing to this letter**  
Conservation Delivery Team website: [http://privatelands.org/FSP/FSP\\_partners.htm](http://privatelands.org/FSP/FSP_partners.htm)