

National Bulletin:	300-6-46	July 14, 2006
Subject:	LTP – Conservation Security Program (CSP) Contract Improvement Modification Request Period	

**Purpose.** To announce the process and constraints that will be used to allow fiscal year (FY) 2004 and FY 2005 CSP contract participants to request contract improvement modifications during the Modification Request Period,

August 1, 2006 through September 15, 2006.

**Expiration Date.** September 30, 2007

**Background.** Based on the President's proposed FY 2007 budget and funds needed to satisfy financial and technical assistance obligations in existing CSP contracts, the Agency will proceed with allowing FY 2004 and FY 2005 CSP contract participants to request certain contract improvement modifications, with the projection that a portion of the FY 2007 appropriation will be available for contract improvement modification approvals.

**Participants who may request contract improvement modifications will be informed there is no certainty of the FY 2007 CSP funding level, or of the amount of funds that will be available for contract improvement modification approvals.** In order to limit budget exposure, constraints will be placed on the types of modification requests that will be allowed. The Agency will also reserve the option to prorate the FY 2007 payments for the contract improvements added by approved modification.

**Explanation.** FY 2004 and FY 2005 CSP contract participants that meet the identified constraints listed below may request the following types of contract improvement modifications during the Modification Request Period, August 1, 2006 through September 15, 2006. Requests from FY 2004 and FY 2005 CSP contract participants for contract improvement modifications that are outside these constraints and types of modifications will not be accepted during this Modification Request Period.

Modification Type	Constraint
* Tier Transition	Contract modifications will be allowed to advance tiers on the operating unit identified in the benchmark agricultural operation delineation and still under the participant's control. The addition of land identified in the benchmark agricultural operation that will not result in a transition from a Tier I contract to a Tier II or Tier III contract will not be allowed during this modification period.
* Adding Newly Acquired Land	For Tier III contracts and those contracts that are advancing to Tier III during this modification period, contract modifications will be allowed to add newly acquired land. A modification request to add newly acquired land will trigger the need to update a participant's agricultural operation delineation to include all newly acquired agricultural land under their control. No newly acquired land will be added to Tier I or Tier II contracts during this modification period, unless they are advancing to Tier III.
Adding Enhancements	For Tier III contracts and those contracts that are advancing to Tier III during this modification period, contract modifications will be allowed to add new enhancements that have been established, or that are planned for future application. No new enhancements will be added to Tier I or Tier II contracts that are not advancing to a Tier III contract during this modification period.

\* Any land added to a contract by modification (either land within the benchmark agricultural operation delineation of a Tier I contract advancing to a Tier II or Tier III contract, or newly acquired land) must meet:

- The minimum level treatment requirements in the sign-up announcement from the year the contract was approved, and
- The criteria for the lowest enrollment category funded during the sign-up when the contract was approved.  
*Lowest Enrollment Categories from CSP Sign-ups*  
2004 – Category H  
2005 – Category C

Detailed instructions for entering modifications into ProTracts will be provided to States prior to the modification period. These modification requests will be held as pending until the FY 2007 budget level is known. **Contracting officers are not to approve any contract improvement modifications.** The contract improvement modification approval step will be completed at the National level.

Based on FY 2007 CSP funding level, the Agency intends to approve all the contract improvement modification requests that meet the identified modification types and constraints. The payments for approved contract improvement modifications will begin in FY 2007. If modification request dollars exceed available funds, the FY 2007 payments for the contract improvements added by approved modification will be prorated. This prorating to accommodate modification approvals will apply only to the FY 2007 year of CSP contract payments.

All FY 2004 and FY 2005 CSP contract participants will be notified of the opportunity and process to request contract improvement modifications by certified mail, using the attached notice. A news release has also been posted to the Web site and will be used to announce the Modification Request Period.

For States who have been working with a technical sponsor to offer enhancements for on-farm conservation research, demonstrations, or pilot projects, the Modification Request Period will also provide a chance to modify those activities into FY 2004 through FY 2005 CSP contracts. Additional details on that process will be forthcoming.

**Contact.** If you have any questions, please contact the Branch Chief, Stewardship Programs Branch, at (202) 720-3524.

/s/

THOMAS W. CHRISTENSEN  
Deputy Chief for Programs

[Attachment](#)

## CERTIFIED MAIL – RETURN RECEIPT REQUESTED

July 17, 2006

«DecisionMakerDeliveryAddress»

«DecisionMakerCity», «DecisionMakerState» «DecisionMakerZipCode»

I am pleased to announce that the Natural Resources Conservation Service (NRCS) will allow 2004 and 2005 CSP contract participants to request changes to their contracts through modifications. Before proceeding, please be advised of the following.

- This decision is based on the President's proposed Fiscal Year (FY) 2007 budget.
- **There is no certainty of the FY 2007 CSP funding level, or the amount of funds that will be available for contract improvement modification approvals.**
- Constraints will be placed on the types of modification requests that will be accepted.
- It may be necessary for NRCS to reduce the payments on the modifications if the request for improvements to the contracts exceeds available funding.

2004 and 2005 CSP contract participants that meet the constraints identified below may request the following types of changes to their contracts between August 1, 2006 and

September 15, 2006. Requests from FY 2004 and FY 2005 CSP contract participants for contract improvement modifications that are outside these constraints and types of modifications will not be accepted during this modification request period.

### **Modification Type Constraint**

#### **Tier Transition**

Contract modifications will be allowed to advance tiers on the operating unit identified in the benchmark agricultural operation delineation and still under the participant's control. The addition of land identified in the benchmark agricultural operation that will not result in a transition from a Tier I contract to a Tier II or Tier III contract will not be allowed during this modification period.

#### **Land**

For Tier III contracts and those contracts that are advancing to Tier III during this modification period, contract modifications will be allowed to add newly acquired land. A modification request to add newly acquired land will trigger the need to update a participant's agricultural operation delineation to include all newly acquired agricultural land under their control. No newly acquired land will be added to Tier I or Tier II contracts during this modification period, unless they are advancing to Tier III.

#### **Adding Enhancements**

For Tier III contracts and those contracts that are advancing to Tier III during this modification period, contract modifications will be allowed to add new enhancements that have been established, or that are planned for future application. No new enhancements will be added to Tier I or Tier II contracts that are not advancing to a Tier III contract during this modification period.

*\* Any land added to a contract by modification (either land within the benchmark agricultural operation delineation of a Tier I contract advancing to a Tier II or Tier III contract, or newly acquired land) must meet:*

- *the minimum level treatment requirements in the sign-up announcement from the year the contract was approved, and*
- *the criteria for the lowest enrollment category funded during the sign-up when the contract was approved.*

*Lowest Enrollment Categories from CSP Sign-ups*

*2004 – Category H*

*2005 – Category C*

These modification requests will be held as pending until the FY '07 budget level is known. NRCS will make decisions on modification approval based on the FY 2007 CSP funding level. Contract modifications, if approved, will not take effect until some time after October 1, 2006.

The payments for approved modifications will begin in FY 2007. If there is not enough available funding, the 2007 payments for the contract improvements will be reduced proportionally. This prorating to accommodate modification approvals will apply only to the FY 2007 year of CSP contract payments.

Participants who submit modification requests will be notified of the NRCS decision on their request. I appreciate your continued natural resource stewardship. Please contact me if I can be of further assistance.

Sincerely,

<Enter DC Name>

DISTRICT CONSERVATIONIST

cc:

NRCS Approving Official