July 15, 2002

Chuck Bell
USDA Natural Resource Conservation Service
430 "G" Street
Davis, CA 95616-4164

Dear Mr. Bell:

The California agricultural industry is facing increasing pressure due to the air quality challenges with which our state is burdened. We are grateful to see that the 2002 Farm Bill contains a number of provisions that could provide much relief to farmers and ranchers being asked to make costly changes in their production practices to meet air quality goals. The California Air Resources Board just adopted new and revised PM standards that are significantly lower than the federal standards. The annual $PM_{10}$ standard of 20 micrograms per cubic meter of air ($\mu g/m^3$) is less than half of the current federal standard (50 $\mu g/m^3$). The annual $PM_{2.5}$ standard of 12 $\mu g/m^3$ is below the federal counterpart of 15 $\mu g/m^3$, and the proposed but delayed 24-hour $PM_{2.5}$ standard of 25 $\mu g/m^3$ is nearly two-thirds lower than the proposed federal 24-hour $PM_{2.5}$ standard of 65 $\mu g/m^3$.

These new Ambient Air Quality Standards (AAQS) will cause extreme regulatory burdens on California businesses -- burdens that are not imposed by any other state government on its economic interests. In addition to these new AAQS, there is a significant legal inquiry underway to consider factions of agricultural operations as stationary sources. With dairies being proposed as new stationary sources, it is clear that these AAQS could be used to regulate and control emissions on entities never before included in such oversight.

The state's agricultural industry has benefited from the current EQIP program in receiving financial assistance to perform chipping and dust control on farm roads. We understand that there is a significant unmet need with submitted requests that total $410,000. We ask that an allocation be made from the remaining 2002 funds to meet this need.

In addition, it is imperative that you consider allocating $1.2 million in 2002 EQUIP funds to be used to upgrade or replace internal combustion engines used in agricultural operations. To gauge the effectiveness of such an approach, one can simply point to the overwhelming success of the state's Carl Moyer Program. Since the initial 1998/99 funding, 1878 agricultural irrigation pumps have been upgraded. As with the EQUIP funding, there are far more requests than funds available. Thousands more upgrades have been requested but no new monies have been allocated in this budget cycle due to the serious financial debt the states faces. We would respectfully urge the NRCS to adopt provisions in EQUIP that would continue the same activities as the Carl Moyer Program.

We believe the Secretary should use the discretion of the "Special Rule" to set a 75% cost/sharing rate. It is clear that chipping, dust control on roads and engine upgrade are all integral parts of what is termed "air quality management" in the Special Rule. This level of assistance is needed with the economic hardships faced by many of the state's commodities in the current cost-price squeeze. Input costs are at all time highs, while prices are at 20-year lows in some cases.

We understand that a detailed EQUIP funding request for 2003-2007 has been submitted to the NRCS Technical Committee. We want to support the activities and funding allocations that are requested. Thank you for your consideration of our concerns and look forward to working with you to see EQUIP efforts make a tremendous improvement in air quality in our state.

Sincerely,

Cynthia L. Cory
Director, Environmental Affairs

cc: USDA Secretary Ann Veneman