



A bimonthly update on what's happening

COOPERATIVE CONSERVATION NEWS



In an effort to communicate our progress and achievements with you on a more regular basis, the President's Cooperative Conservation Task Force is introducing the Cooperative Conservation News. Sent at least six times per year, the newsletter will keep you apprised of our efforts to implement Executive Order 13352 *Facilitation of Cooperative Conservation* (Order).

A COOPERATIVE CONSERVATION APPROACH TO POLICY DEVELOPMENT

Since issuance of the Order in 2004, the Departments of Defense, Interior, Agriculture, Commerce, and the Environmental Protection Agency have been working to implement the President's vision for Cooperative Conservation in a manner that reflects the input and advice of a broad spectrum of non-federal partners. We've gathered this advice through many forms of outreach including the White House Conference on Cooperative Conservation, more than fifty Farm Bill Forums, over two dozen Cooperative Conservation Listening Sessions and countless meetings held throughout the country. A number of successful proposals and projects have resulted from the input and advice gathered through this extensive public outreach.



Today, we are pleased to announce two new proposals that were developed as a direct result of this collaborative approach.

2007 FARM BILL

The President's **2007 Farm Bill proposal includes an additional \$7.8 billion to conserve and protect our natural resources.** For example, the 2007 Farm Bill will advance Cooperative Conservation by:

- **Increasing by 50% the acreage to gain protection under the Wetlands Reserve Program from 2.3 to 3.5 million acres.** With this increase in acreage, a total of 250,000 acres will be made available for enrollment annually. This will help achieve and sustain

the President's commitment to create, improve and protect at least three million acres of wetlands between Earth Day 2004 and 2009.

- **Creating a Regional Water Enhancement Program (RWEF) with an additional \$1.75 billion in funding over ten years.** This program will invest \$175 million per year for large scale, coordinated water conservation projects. A recurring theme raised during the White House Conference and later meetings was the need for a mechanism that would unify multiple neighboring landowners to work collaboratively to improve water quality and quantity on a watershed scale. The RWEF grants will focus on working agricultural lands including crop, pasture, grazing, and orchard lands. Performance incentives will encourage large groups of landowners, water districts, municipalities and non-profit organizations to coordinate and deliver results.
- **Sustaining the Conservation Reserve Program** at the current acreage limit and focusing program benefits on lands that provide the greatest environmental benefit. This plan also gives priority to whole-field enrollment for lands utilized for biomass production for energy.

The Farm Bill is a cornerstone of American conservation and we are confident that these 2007 proposals will achieve success because they represent what can be achieved through a commitment to Cooperative Conservation.

CONSERVATION TAX INCENTIVES

President Bush's 2008 budget includes tax incentives that promote voluntary land conservation and provide an economic benefit for family farmers and ranchers.

On August 17, 2006, President Bush signed into law a provision that significantly expanded federal tax incentives for conservation related donations. Specifically, the new law raises the deduction a landowner can take for donating a conservation easement from 30 percent of his or her income to 50 percent and to 100 percent for qualifying ranchers and farmers. The law also extended the carry-forward period for the donor to take the deductions from 5 to 15 years.



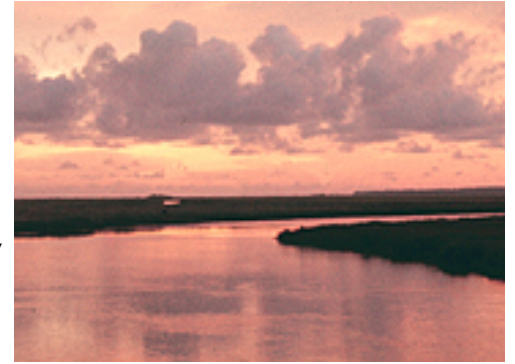
By placing a premium on the donation of easements, these tax incentives bolster voluntary land conservation while protecting the heritage and livelihood of our nation's farmers and ranchers.

However, the new law limits these important incentives to donations made during 2006 and 2007. Permanent extension of the benefits will allow time for the education and outreach necessary to build awareness and acceptance of conservation easements and will provide legal certainty for those wishing to undertake long term projects. In addition, the President's extension of these incentives will:

- **Level the playing field for donors with moderate incomes:** The new incentives allow landowners with moderate incomes to get the same deductions that donors with higher incomes already realize for the exact same donations. This economic incentive

will empower more landowners to decide the fate of their property, keeping more working lands working and more family farms and ranches in tact.

- **Further the Administration's commitment to conservation and environmental stewardship:** In order to qualify for the new incentives, donors must meet existing Tax Code requirements for conservation related donations. For instance, the easements donated must be permanent and enforced in a manner that protects and improves the conservation values of the property.
- **How it works:** A rancher who earns \$50,000 a year raising livestock on a ranch appraised at \$2 million donates a conservation easement worth \$1 million. Under the old law, the rancher would only be able to take \$90,000 in deductions over six years, despite reducing his or her property value by 50%. With the benefit of the new incentives, the same rancher will be able to realize up to \$800,000 in deductions over a period of sixteen years.



These important proposals were developed as a result of our collective commitment to furthering Cooperative Conservation. We look forward to continuing to work with you going forward, united by a common goal of seeing these proposals to fruition.

Please visit www.cooperativeconservation.gov and click on “Contact Us” to share your comments and ideas or to request additional information.