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January 30th, 2009

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Robin Heard, Director USDA, NRCS Easement Program
Wetlands Reserve Program Comments
P.O. 2890, Rm 6819-S
Washington, DC, 20013

SUBJECT: Docket # NRCS-IFR-08012

1) I have read the 7 CFR Part 1467, WRP interim final rule. I request that you consider the following comments. I have recently retired as the Chief Appraiser for the USDA-FSA and have been working with NRCS for approximately the past ten years on land values, appraisals, and appraisal reviews. I have seen your program change to the better with the correct appraisal format using the Uniform Appraisal Standards for Federal Land Acquisitions-- UASFLA (yellow book). The propose change of regulations is a step back wards. In my past reviews I saw the land owners getting values on poor wetland type land, much in woods that was never farmed and could not be farmed and receiving values in the upper range of cropland values. The land with this type of land were selling for much lower –reflective for the type of land use that was much inferior to the good cropland. The yellow book appraisal and review system corrected much of this abuse of the taxpayer's money.

2) The economic analysis is flawed. You relied heavily on program managers-not appraisers. It appears program managers in my area try to pay the land owner as much as possible— above market value for the type of land category. Relying on their input is bias.

3) There was a reason that USDA Inspector General's Office (OIG) recommended using the Uniform Appraisal Standards for Federal Land Acquisitions. OIG found that NRCS was paying too much for the type of land suitable for the WRP program. OIG recommended the UASFLA standard that all of the Federal Agencies were required to use. The Department of Justice worked with various appraisers to set forth these UASFLA standard that OIG had recommend to correct the over valuation problem.

4) Just because NRCS program managers felt that post FY 2007 valuation methodology was the reason that land values fall below the State's cap, and less land was offered for WRP does not mean that the valuation method FY 2007 is incorrect. The State's land caps many times are equal to the best cropland, not the type of land composing the type of land eligible for the WRP. There was a reason as recommended by OIG to use the correct land valuation methodology.

5) The area wide market analysis is an average, and not specific to the land involved. Some may be under paid (unlikely in my reviews), but others with inferior type of land use will be

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over vaid. Program Mangers and land owners preference as stated above in their desire to pay more for marginal land is actually worth

6) If area wide market analysis method is used, I suggest two agriculture appraisers and one yellow book review appraiser make up the board setting up the States cap rates for the land valuation for the type of land use comprising the WRP program.

7) Section 1467.2(c) needs to have two agriculture appraisers and one yellow book review appraiser as part of the State Technical Committee.

8) Section 1467.8 should keep the UASFLA **and USPAP** as the standard in determining the consideration to be paid.

9) If Section 1467.8 is to ignore OIG recommendation to use UASFLA (ii). The geographic area rate cap determination or the area-wide market analysis or survey is to have at least two qualified agriculture appraisers and one approved yellow book review appraiser to gather the land values using land sales with similar land wetland type hydric soils to present and sit on the State Technical Review Board in developing the land valuations.

Sincerely,

Edward P. Lauhy

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