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Transcriber's Office

Natural Resources Committee
April 05, 2007

[CONFIRMATION]

The Committee on Natural Resources met at 8:30 a.m., on Thursday, April 5, 2007, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on gubernatorial appointments. Senators present: LeRoy Louden, Chairperson; Carol Hudkins, Vice Chairperson; Tom Carlson; Mark Christensen, Annette Dubas; Deb Fischer; Gail Kopplin; and Norman Wallman. Senators absent: None.

SENATOR LOUDEN: Good morning, everyone, we'll get the confirmation hearings started for the three appointees to the Environmental Trust Board. First, I'll have introductions. To my right is Senator Norm Wallman, from Cortland; next to him is Senator Gail Kopplin, from Gretna; to my right here is Jody Gittins, legal counsel for the Natural Resources Committee; to my left is vice chairman of the Natural Resources Committee, Senator Carol Hudkins, from Malcolm; and to her left is Senator Deb Fischer, from Valentine. And on the end is our committee clerk, Barb Koehlmoos. Today our pages are Karim from Lincoln, and Laura from Grant, Nebraska. I was hoping Laura was from Grant County when they just said Grant (laughter), but it's Grant, Nebraska, but we won't hold that against you. Joining us now is Senator Carlson, from Holdrege, a member of the Natural Resources Committee. With that we have the three appointments today. I'll dispense with the usual instructions on what you have to sign in and do all that because most all you have to do, is turn your cell phones down so they don't ring and go from there. And then of course, you've completed the green sign-in sheets. Today when you begin your testimony, just please state and spell your name for the record. Tell us a little bit about yourself and your background, and any particular interests you have in serving on the board, and anything else you might like us to know. I underline that, what you want us to know. If you have handout material, give it to the page and she will circulate it to the committee. With that we'll take testimony from the first "confirnee," John Campbell. [CONFIRMATION]

JOHN CAMPBELL: (Exhibit 1) Well, good morning, Senators, my name is John Campbell. I'm from Omaha, at least for right now. Carol knows I used to be in her district out in Saunders County. I'm originally from North Platte. Went to high school in North Platte. Went to the University of Nebraska and majored in animal science and range management. Then I went to work for someone you all probably know and love, Virginia Smith. I worked for her out in Washington for five years. My interest in natural resources rose, really peaked, in 1985 when I was working for the Senate Agriculture Committee. Senator Helms was the chairman then. And that was the year that we authored the Conservation Reserve. We authored Swamp Buster, Sodbuster, Conservation Compliance--all of that was in 1985. I was part and parcel of writing all of that legislation. I worked for Mrs. Smith on the Appropriations Committee, so I had a lot of interaction with folks back in the state as well as nationally. Then I did a postgraduate degree in Australia in agricultural economics. I came back to Washington, D.C., after

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that. I worked again on the Senate Agriculture Committee for Senator Boschwitz, from Minnesota. Then I went down to the USDA and was a Deputy Undersecretary of Agriculture in the first Bush administration, and was responsible for administering the programs that I had written in Congress. I got an eye-opener as to the complications that come from--the difference between writing statute and administering it--there's a wide gulf there, so I got a new appreciation for the complexity of the programs. Then I had an opportunity to come back home to Nebraska working for Ag Processing, we're a soybean processing cooperative headquartered in Omaha. When I arrived at AGP, we had no renewable fuels business. One of the my first responsibilities was to research and lay the groundwork for the Hastings ethanol plant which we built in 1995. We first ran that plant in 1996, just in time for \$5 corn. So what we are going through right now is deja vu for us a little bit; we've been there and done that. Then the year after that we built our first biodiesel plant which was the first biodiesel plant built in North America, up in Sergeant Bluff, Iowa. So I have greatly enjoyed the last 15 years here in Nebraska working for farmers through their coop in AGP, and have greatly enjoyed my first term on the Nebraska Environmental Trust. I have learned an enormous amount about what's going on, on the ground, with conservation in the state. So with that, I'd welcome any questions you might have. [CONFIRMATION]

SENATOR LOUDEN: Questions for John? Senator Carlson. [CONFIRMATION]

SENATOR CARLSON: Senator Louden. John, with your background, I'd like a concise 60-second detailed answer on how you'd solve the water problem (laughter). [CONFIRMATION]

JOHN CAMPBELL: Well, simple isn't necessarily...you know it's...you might be familiar with the concept called "the tragedy of the commons." And part of our problem, I think, is the fact that with surface water we have a long trail of ownership rights, property rights, that are associated with surface water. And I think that helps us actually, you know, if someone owns it, they don't waste it. With groundwater, we haven't really established that yet. And so we've got a, use it or lose it, pump it as fast as you can, drill the wells before you can't. And I just think, we've come a long ways understanding the hydrology in this conjunctive use. Now we need to have conjunctive responsibility. And I think we're going that way. That's probably my 60 seconds. [CONFIRMATION]

SENATOR CARLSON: I didn't even expect an answer, (laughter) but I appreciate that. And I believe you deserve to be reappointed. [CONFIRMATION]

JOHN CAMPBELL: Thank you. [CONFIRMATION]

SENATOR LOUDEN: I'll mention at this time that Senator Mark Christensen, a member of the Natural Resources Committee, has joined us. Other questions for John? Senator Fischer. [CONFIRMATION]

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SENATOR FISCHER: Thank you, Chairman Loudon. Mr. Campbell, this is a reappointment, correct? [CONFIRMATION]

JOHN CAMPBELL: Correct. [CONFIRMATION]

SENATOR FISCHER: The number of requests you see for grants from the Environmental Trust Fund, how does that compare to the number that you approve? [CONFIRMATION]

JOHN CAMPBELL: I wouldn't know exactly; Mark could give us an exact number. We probably fund, what, half, Mark? [CONFIRMATION]

MARK BROHMAN: Or a little more. [CONFIRMATION]

JOHN CAMPBELL: A little more than half of what we receive. Over the years, of course, as the knowledge about the fund has grown, there's more and more applications. So as we go forth, probably that ratio will slide. In the beginning I think they didn't quite even have enough applications, so just about everything got funded--maybe some things that might not have been funded today because of the quality of the applications has improved dramatically. [CONFIRMATION]

SENATOR FISCHER: And how do you decide who receives a grant? [CONFIRMATION]

JOHN CAMPBELL: Well, we have a fairly elaborate system. First of all, we as a board, have a grants committee which is responsible for making recommendations and they do the heavy lifting as far as reviewing every application. Of course, the staff is integral as to also giving us a good idea of the quality of the application and whether it fits the legal criteria, for example, set down in statute. If it meets the legal criteria, the grants committee goes through and has a ranking system that's basically a scoring system that's decided in advance and open to public scrutiny through the hearing and public comment process. Those initial rankings that the grants committee recommends to the full board are then further reviewed. And in fact, we're going to be doing that today, this afternoon, further reviewed by the full committee to see if there's any questions or issues or reevaluations that might be appropriate given the input of the full committee. Typically, what we struggle with are those ones right on the break point. Like anything, there's ones that are easily in and some that are easily out, but there's a group in the middle that are right around the break point that we have probably the most difficulty deciding. [CONFIRMATION]

SENATOR FISCHER: Okay. Thank you. [CONFIRMATION]

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SENATOR LOUDEN: Other questions for John? Seeing none, thank you, John.
[CONFIRMATION]

JOHN CAMPBELL: Thank you, Senators. [CONFIRMATION]

SENATOR LOUDEN: Are there proponents for the appointment of John Campbell? Are there any opponents for the appointment of John Campbell? Anyone wishing to testify in neutral? Seeing none, that closes the hearing part on the appointment of John Campbell. The next appointee would be Vincent Kramper. [CONFIRMATION]

VINCENT KRAMPER: (Exhibit 2) Thank you, Senator, and good morning to the rest of you senators. It's a pleasure being here before the group here for a reappointment. I have been here once or twice before, but I appreciate the chance to be here again. A little bit about myself--I've been a farmer all my life. I'm retired right now, raised corn, soybeans, and alfalfa in Dakota County up by South Sioux City. I went to the University of Nebraska. I'm on the Natural Resources Commission right now. I've been on for a number of years. I've been chairman on the Sioux City Airport Board and I'm also chairman of a cemetery in South Sioux City. I'm trying to look to the future to make sure I have a place to go (laughter). I really enjoy being on this board. I've worked with conservation, with the environment, for all my life you might say, being a farmer especially. And what I like about this board is it gives a chance to individuals, to small groups, to large groups, from a small grant to a large grant, it gives them an opportunity to do something for this great state that they just can't get the money anyplace else. And I just think this is a wonderful thing for the people to do it. We've tried to keep our application as simple as possible. Many groups have--you need a lawyer to do the application. We try to keep ours as simple as we can. So I really enjoy that and to see these things happening and then going across the state and see the sign up that the Environmental Trust Board helped sponsor this project. It's a good feeling. We travel, Dorothy and I. We travel all over the world. We've been in over 50 countries and so forth. We got four daughters and none of them are coming into the farming but they have found other things to do better, but that's fine too. Other than that, if you got any questions, I'll sure try to answer them. [CONFIRMATION]

SENATOR LOUDEN: Questions for Vincent? Senator Hudkins. [CONFIRMATION]

SENATOR HUDKINS: Mr. Kramper, how much money do you have to work with typically? [CONFIRMATION]

VINCENT KRAMPER: About \$10 million a year. We get a request almost every year except like John said, the first year maybe there wasn't, but we get \$30 million to \$33 million requests every year. It's very consistent it seems like. And of course we can only do \$10 million worth each year. Approximately \$10 million, that varies, but. That's about in the ballpark that comes in. [CONFIRMATION]

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SENATOR HUDKINS: Thank you. [CONFIRMATION]

SENATOR LOUDEN: Other questions? Senator Carlson. [CONFIRMATION]

SENATOR CARLSON: Senator Louden. Then with my math figuring here, if about a little over half are awarded, then you cut back on what's requested most of the time? [CONFIRMATION]

VINCENT KRAMPER: That is correct. If somebody's asking for say, \$300,000 on a project and we see how many we've gotten so forth, we might say, let's put \$100,000 into this one. Unless if they don't get the full amount, the whole project won't work, then sometimes we have to look at that too. But if they can get by with a third of it or a half of it, or something like that to start off with, then that gives somebody else a chance to get started too. Of course we have the second and third year options for them to go in also. It helps on some of the larger projects. [CONFIRMATION]

SENATOR CARLSON: Thank you. [CONFIRMATION]

SENATOR LOUDEN: Other questions? Seeing none, thank you for your testimony, Vincent. [CONFIRMATION]

VINCENT KRAMPER: Okay. [CONFIRMATION]

SENATOR LOUDEN: Is anyone wishing to testify as a proponent for the appointment of Vincent Kramper? Anyone wishing to testify as an opponent? Anyone wishing to testify in the neutral? Seeing none, then that closes the hearing part on Vincent Kramper. Next will be Sherry Vinton. [CONFIRMATION]

SHERRY VINTON: (Exhibit 3) Be gentle, I'm the neophyte (laughter), and usually the token woman. My name is Sherry Vinton. For the last 24 years I've been blessed to live south of Whitman in the Sandhills of Nebraska. My husband Chris and I, in addition to raising three children, ranch. We have over 17,000 acres in three counties: Grant, Hooker, and Lincoln Counties. Our operation is comprised of range land, productive wet hay meadows, lakes, and center pivot irrigated forage cropland. Daily, on a firsthand basis, I experience the benefits of healthy range land and thriving wildlife. This week we have the prairie chickens booming outside my kitchen window and over the hill we've got the sharp tailed grouse performing their mating rituals. On the way to our Class I, or formerly Class I country school, I literally run into herds of white tail and mule deer and pronghorn antelope, so I guess because I have a vested interest in agriculture, I'm very interested in taking care of our environment. Like John, I grew up in North Platte also, and attended the University of Nebraska-Lincoln. My background was in business--accounting. I serve on the advisory committee for Gudmunsen Sandhills

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research lab. I'm also a market advisor for Farm Credit Services of America. Chris and I are mentors for the Nebraska Grazing Lands Coalition. We have hosted student seminar groups from the University of Nebraska-Lincoln. We've had interns from two state colleges and we've welcomed nationally known and internationally known wildlife photographers to our ranch. So, I guess with that if you have any questions?
[CONFIRMATION]

SENATOR LOUDEN: Questions for Sherry? I have...oh, go ahead, Senator Fischer.
[CONFIRMATION]

SENATOR FISCHER: Thank you, Chairman Louden. Thank you, Mrs. Vinton, for being here. Some people might say that you live in the middle of nowhere. How would you respond to that? [CONFIRMATION]

SHERRY VINTON: I do? (Laughter). But, but, but, it is also the center of the universe. I mean, you would think being 30 miles from a town with a bank and a bar you wouldn't have much company. And honestly, I have more company out on the ranch than I did when I grew up in North Platte. I know my neighbors within a 60-mile radius. It is the middle of nowhere, yes. [CONFIRMATION]

SENATOR FISCHER: And we're happy to be there, aren't we? (Laugh)
[CONFIRMATION]

SHERRY VINTON: Yes, we are. We love it. [CONFIRMATION]

SENATOR FISCHER: Thank you. [CONFIRMATION]

SENATOR LOUDEN: Any other questions for Sherry? I have questions. Oh, I have to note at this time that Senator Dubas from Fullerton has joined us as a member of the Natural Resources Committee. How far are you from the headwaters of the Dismal River? [CONFIRMATION]

SHERRY VINTON: Technically I live in the headwaters of the Dismal...the region. I'm probably, oh, seven miles as a crow flies. [CONFIRMATION]

SENATOR LOUDEN: Okay. What did they call that thing, Nature Legacy or something like that, that got everybody uptight out there? [CONFIRMATION]

SHERRY VINTON: The Nebraska Natural Legacy Project, correct. [CONFIRMATION]

SENATOR LOUDEN: There you go. What's your opinion of that organization and how it was formed and what it's doing? [CONFIRMATION]

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SHERRY VINTON: Well, it's not an organization. It's a comprehensive wildlife strategy for the state of Nebraska. And I think the intent is very good. It's to use resource dollars where they can do the most good in a strategic fashion. However, there is a little bit of language in the plan if you want to look, concerning the Sandhills area, concerning permanent fencing and water sources that perhaps conflicts with NRCS and policy that we have been implementing concerning cross-fencing and conservation practices that, as John spoke of, we're performing on the ground. You know, rotational grazing requires permanent fencing and the development of water sources rather than reducing them. So, there is some language that maybe needs to be considered.
[CONFIRMATION]

SENATOR LOUDEN: Now following up on this line of thinking then, as a member of the Environmental Trust Board, there are times the Environmental Trust has been purchasing land and more or less give it to the Game and Parks and they play around with it. How do you feel that this could work with and what would be your opinion if land was available and the Environmental Trust...do you think that they should purchase that land to put it in conservation? Or do you think that should be more of a local property rights and private ownership on some of that? Like that headwaters of the Dismal River there where you live? [CONFIRMATION]

SHERRY VINTON: Well, it's been my experience that the land in our area is in conservation. As John mentioned, "the tragedy of the commons," it's because of private property ownership and the incentive provided by that, that good stewardship has flourished in our area. So if there were any other alternative, I tend to be a very strong private property ownership type of person. Land acquisition by any sort of government entity concerns me. Number one, our property taxes are very high as they are now. And I wonder how that will affect our tax base. We all know how in lieu of property taxes works on school sections. So it concerns me for our counties, and the tax base for the remaining landowners. Is there a genuine need? Where is the need? You know, right now that land--in my specific area, the headwaters of the Dismal, is in good shape. I'm not seeing a need for land acquisition there. [CONFIRMATION]

SENATOR LOUDEN: The reason I ask you this question, because this is where the heat kind of focused on that whole Nebraska Legacy plan was in that area. I talked to some of your neighbors and that sort of thing and I knew you were in that same vicinity. So that was my...concern is I have a problem with the Environmental Trust purchasing land and giving it to the Game and Parks for various reasons. There's times I don't have a problem with them purchasing land that isn't agriculturally valuable I guess, if it happens to be butte straight up and down, I don't have a problem with that. But, I hate to see them purchase productive land and use it for whatever else they want to where they grow musk thistle or something else on it, that's up to them. But this is my concern with people on the Environmental Trust Board and I would hope that they would take that into consideration. [CONFIRMATION]

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SHERRY VINTON: I think we want to be careful not to disrupt the free market. If you look now, the land market in the state of Nebraska is very thin. There's only about 3 percent of the agricultural property that's trading hands at any given time, so do you want to distort that very, very thin market as it is with dollars that don't have to compete on a level playing field? [CONFIRMATION]

SENATOR LOUDEN: Okay, thank you. Any other questions for Sherry? Seeing none, I guess, thank you for testifying. Anyone wishing to testify...that one does over there? (Laughter) As a proponent for Sherry? You'll have to give him your chair. [CONFIRMATION]

SHERRY VINTON: Oh, I'm sorry. As I said, I'm a neophyte (laughter). [CONFIRMATION]

SENATOR LOUDEN: That's quite all right. Did you sign a green sign-in sheet? [CONFIRMATION]

PETE MCCLYMONT: I will, I will, forgive me. It's my first time, I will do. [CONFIRMATION]

SENATOR LOUDEN: Yeah, we know you've never been here before, Pete (laughter), so we'll let it go. [CONFIRMATION]

PETE MCCLYMONT: Pete McClymont, P-e-t-e M-c-C-l-y-m-o-n-t. I'm vice president of legislative affairs for Nebraska Cattlemen. You've seen three excellent candidates. I'm here in support of Sherry Vinton. Obviously, you, Senator Louden, and you, Senator Fischer, know in the Sandhills, one of the cornerstone families that has been integral in the success of the conservation of the Sandhills is the Vinton family, and so to make that happen, obviously, as Sherry detailed in her testimony is conservation. And so I would strongly urge you to support her and the things that she's done. She made some great comments of how knowledgeable she is about the whole situation. And with that I will fill out a testifier's sheet and hope that you support Sherry in this process. [CONFIRMATION]

SENATOR LOUDEN: Questions for Pete? I have one. Are you testifying for the Cattlemen or for yourself? [CONFIRMATION]

PETE MCCLYMONT: For Nebraska Cattlemen, I'm sorry. [CONFIRMATION]

SENATOR LOUDEN: Okay. I didn't...you may have said it but if you did, I didn't catch it. Any other questions for Pete? Seeing none, thank you, Pete. [CONFIRMATION]

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PETE McCLYMONT: Thank you. [CONFIRMATION]

SENATOR LOUDEN: Anyone else wishing to testify as a proponent for Sherry Vinton? Anyone wishing to testify as an opponent? Anyone wishing to testify in the neutral capacity? [CONFIRMATION]

VINCENT KRAMPER: Excuse me, just for neutral, I'm all for her and everything...just to maybe clarify one thing. I wouldn't want to get a misconception... [CONFIRMATION]

SENATOR LOUDEN: Okay, you'll have to identify yourself, Mr. Kramper. [CONFIRMATION]

VINCENT KRAMPER: I'm...oh, Vince Kramper, K-r-a-m-p-e-r. [CONFIRMATION]

SENATOR LOUDEN: Thank you. [CONFIRMATION]

VINCENT KRAMPER: When the Environmental Trust buys land now, we guarantee that the taxes are paid on it. When we first started, we did not. We found out, like Sherry says, these taxes have to be paid. So whenever we do it now, they do, we guarantee that the taxes are paid. [CONFIRMATION]

SENATOR LOUDEN: Thank you. Any questions for Vincent while he's here? When you do that again, it opens you up wide open (laughter) again. [CONFIRMATION]

VINCENT KRAMPER: My cemetery plot is ready. [CONFIRMATION]

SENATOR LOUDEN: Well, we'll okay, we'll get into that. I'm working on a veterans cemetery out there in western Nebraska. Now, do you suppose the Environmental Trust will be able to do us any good out there for our veterans' cemetery in Nebraska? (Laughter) [CONFIRMATION]

VINCENT KRAMPER: Well, what did you have in mind? [CONFIRMATION]

SENATOR LOUDEN: Money. (Laughter) [CONFIRMATION]

VINCENT KRAMPER: For what? I guess I've got to say... [CONFIRMATION]

SENATOR LOUDEN: For maintenance and to fix up the place and the whole bit. We're building one is what we're doing. It's about a \$4 million project by now. [CONFIRMATION]

VINCENT KRAMPER: Oh, okay. Well, Mark could probably answer that better. However, we used to provide trees for instance, for cemeteries, parks, and so forth. And

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it got to be so many small little applications and everything. So what we've done is to the arboretum, we've donated like \$1 million to give them a grant and then we send those people, like your cemetery we'll ask you, go to the arboretum and you can get trees there, either for nothing or for a slight fee. And that saves us a lot of smaller little projects like that but gives you still that opportunity to help your... [CONFIRMATION]

SENATOR LOUDEN: Oh, I'll keep that in mind because we got to buy a lot of trees. Well, thank you, Vince. Any other questions for Vince? Seeing none, then anyone else wish to testify in neutral for Sherry Vinton? If not then I guess this closes the hearing on the appointments for the Environmental Trust Board. Thank you for being here today and thank you for driving as far as you have, so many. [CONFIRMATION]

Chairperson

Committee Clerk