

For Immediate Release

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Coalition for an Affordable Bay Solution: Change of Approach for Chesapeake Bay Compliance Costs Must be Adopted to Achieve Economic Sustainability

Competitive bidding procurement program benefits environment and PA taxpayers

MANHEIM, Pa. – (June 3, 2013) – The number one initiative of the Chesapeake Bay Foundation’s (CBF’s) *2013 Smallmouth Bass Report: Angling for Healthier Rivers* is to reduce excess nutrient loading to the Chesapeake Bay (CB), the Susquehanna River and its tributaries. The recent CBF Policy Statement supports a “competitive process” but not the competitively bid verified nutrient procurement legislation that The Coalition for an Affordable Bay Solution (CABS) supports. However, a competitive process does require adoption of a least cost solution based upon verified nutrient reductions.

The existing level of Chesapeake Bay compliance costs is economically unsustainable and a change of approach must be adopted to achieve affordability. Taxpayer funds should be able to procure the least cost verified nutrient reduction solution – regardless of source – through a competitive bidding procurement program. This program needs to provide financial accountability by shifting the performance risk from the taxpayer to the credit generator (or recipient of taxpayer funds). Also, the program must be based upon nutrient reductions verified by the Commonwealth versus certified nutrient reductions, which are based upon variable models.

If the current approach to reducing compliance cost does not change, default is inevitable. The Pennsylvania Legislative & Budget Finance Committee recently published a study projecting that CB nutrient mandate compliance costs could be reduced by up to 80% if competitive bidding is adopted. The estimated savings to Pennsylvania taxpayers was projected to be as much as \$1.5B annually by 2025.

CABS supports legislation that **requires** under a competitive bidding program that the lowest cost verified nutrient reduction solution be adopted. This initiative enables all sectors (public, private, regulated and unregulated) to participate in a competitive bidding verified procurement program. The scoring program to determine winning bids is based upon verified (measured) reductions and not certified reductions. The Pennsylvania trading program now requires credits be verified in order to be eligible for trading.

The existing level of public expenditures on the nation’s number one clean water issue (excess nutrient loading to our fresh water resources) needs to be dramatically reduced while total nutrient reductions need to be dramatically increased. The answer lies in creating a transparent market for goods and services (in this case verified nutrient reductions) through competitive bidding.

The value of technology has always been measured by a simple formula: do more with less. The CABS supported legislation is designed to bring an economically sustainable solution to this issue for the benefit of the environment, its habitat and the taxpayers of the Commonwealth.

For more information on Coalition for an Affordable Bay Solution, as well as a list of founding members and supporters, please visit www.AffordableBaySolutions.org.

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