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PA Auditor General Report Urges New Efforts for Chesapeake Bay Nutrient Reduction

A competitively bid procurement program could save state taxpayers \$1.5 billion annually by 2025

MANHEIM, Pa. – (April 16, 2015) – The newly-released “Special Report on the Importance of Meeting Pennsylvania’s Chesapeake Bay Nutrient Reduction Targets” by Pennsylvania Auditor General Eugene DePasquale is supported by the Coalition for an Affordable Bay Solution (CABS). In the report, DePasquale highlights Pennsylvania’s lack of progress towards meeting federal mandates concerning the reduction of nutrients flowing into the Chesapeake Bay.

The Auditor General’s report discloses: “Since 1983, the state’s efforts for improving the water quality of the Chesapeake Bay watershed have earned a D+ from the Chesapeake Bay Foundation.” It also points out the significant economic consequences to state taxpayers if further regulatory changes are imposed by the EPA.

“The primary goal of the State Legislature should be to protect Pennsylvania’s taxpayers from increased costs caused by non-compliance with federal mandates,” notes Ed Schafer, former U.S. Secretary of Agriculture as well as the current executive vice chair with Bion Environmental Technologies.

In 2013, the Pennsylvania Legislative Budget & Finance Committee reported that a competitively bid procurement program, implemented in place of the existing sector-allocated approach, could save taxpayers up to 80 percent of compliance costs or \$1.5 billion annually by 2025. In addition, the study projected such an approach would provide significant benefits to the local environment, quality of life, public health, and economic development – at no additional cost.

Based upon the Auditor General’s commentary, the Pennsylvania Legislature and Governor need to develop new policies encouraging private sector investments that help reduce nutrient flow to meet the federal standards. DePasquale proposes, “We have not made enough progress, so it is time now to develop a nutrient credit-trading program that works for agriculture, the place identified as the leading source of nitrogen to the Bay.”

Additionally, the report states, “To ensure compliance with the required reductions, the Commonwealth must accelerate its work to reduce the amount of nitrogen and sediment released into the Bay.” While much work is being done to reduce the sediment flow, the nitrogen levels are nowhere near being reduced enough to meet the federal mandates.

Recently, Senator Elder Vogel introduced Senate Bill 724, legislation that would enable private sector competition. Vogel’s bill and the Auditor General’s recommendations would result in significantly reduced compliance costs to the public as well as reduced nitrogen and phosphorous runoff flowing into Pennsylvania’s aquifers, wetlands, and waterways.

Presently, stormwater reductions are the major public compliance cost as outlined in Pennsylvania's Watershed Improvement Plan, which requires that seven percent of the overall nitrogen mandate reduction come from stormwater projects. Currently, stormwater represents 67 percent of the total projected compliance cost. Proposed legislation would allow the use of low-cost, regulatory equivalent, alternative reductions to significantly reduce compliance costs.

"Senator Vogel's legislation is a win/win proposal for the citizens of the Commonwealth," says Schafer. "It will keep taxes and rates affordable while accelerating improvements in water quality for Pennsylvania's local fresh water resources and the wonderful Chesapeake Bay estuary."

For more information on CABS, please visit www.AffordableBaySolutions.org.

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